



Management of services

Part II The phenomenon of tendering

Intro, Valencia, 6 juni 2017

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Childcare, Family Support, Special Youth Care

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STERK IN WELZIJN

Vlaams Welzijnsverbond - positioning

Unites app.750 private services

Activities of members

**childcare, family support, youth care
disabled people, voluntary work**

Umbrella

**Non governmental
Non profit
Not subsidized
Recognized employer's organization**

Assists its members

**legislation, regulation, lobbying, information,
promoting new developments, operational
problems, policy making, networking...**



Shift to a business model ?

- **Rising costs**
 - Reduction of costs
 - Questioning effectivity and efficiency
 - Competitive positions and relations
 - Commercial activities in care
- **Growing needs**
 - waiting lists
 - urgency codes, prioritization
 - Selection of clients
- **Individualization** -> consuming care?
- **Government**
 - demising involvement
 - “degreasing”
 - decentralization
- **European level**
 - free market of services : tendering



Management of services in a changing socio-economic context

Priority topic Workplan (2014-2017)
Youth Care Platform
<http://www.youthcare.eu/>

Part I 20th of March 2017 in Brussels



Key notes presentations (20 March, Brussels)

Jos Sterckx, Knowledge Center Social Europe

Observations on **the European Commission's view and policies** on social services, social economy, social enterprises and their relations with state and open market

Brian Hogan, Don Bosco care, IE

An exploration of the **challenges facing managers** in not for profit residential care, aftercare and outreach aftercare

Prof.dr.Bram Verschuere, Faculty of Economics and Business Administration at University of Ghent, BE

Trends and Threats with an impact on management

Jan Bosmans, Vlaams Welzijnsverbond, umbrella

Social entrepreneurship : threats and opportunities, BE



Knowledge Center Social Europe

Tendency to open the market by public procurement

Authorities are interested to an open social market

New investment models : are 'traditional service providers interested (budget?)

Facility management companies have an active strategy, once in, no return

-> **European social model will survive, but fundamental changes can be expected !**

-> **Traditional social services should make strategic choices (niche players, joint ventures with facility management companies, increase scale, active research and development)**



CEO Don Bosco Ireland

Need to raise **substantial Funding**

Money needed to **continue** services

Youthcare its not enough to 'just do it' !

it must be done properly



Prof.dr.B. Verschuere, Ghent University

On '**marketization**' of social profit organizations
in a changing environment

- global position of social profit
- looking for a new balance between 4 areas

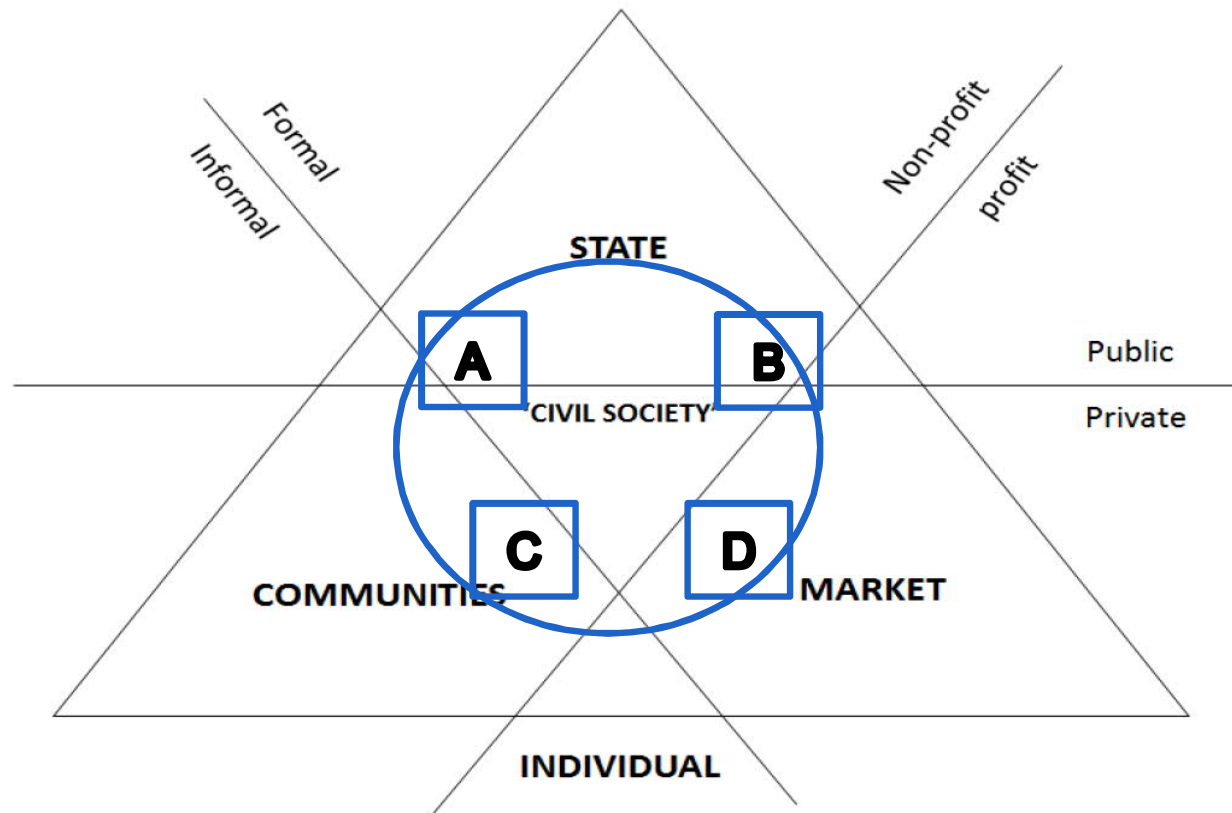


	SMALL SECTOR	LARGE SECTOR
GOVT (PUBLIC) FUNDING SOCIAL POLICY LOW	<p>“Statist” model</p> <ul style="list-style-type: none"> - (Japan, developing world) - Dominant state, but elitist - Social services in companies / families 	<p>“Liberal” model</p> <ul style="list-style-type: none"> - (UK, USA) - Ideological and political scepticism for big government - Tradition of private initiative
GOVT (PUBLIC) FUNDING SOCIAL POLICY HIGH	<p>“Social-democratic” model</p> <ul style="list-style-type: none"> - (Scandinavia) - Dominant state, not elitist - Tradition of (local) govt initiative 	<p>“Corporatistic” model</p> <ul style="list-style-type: none"> - (Belgium, France, Germany, ...) - History of cooperation state – civil society - Tradition of government supported private initiative



Global position of social profit

4 points of attention



Bron: van de Donk 2008

Balance between 4 areas of attention

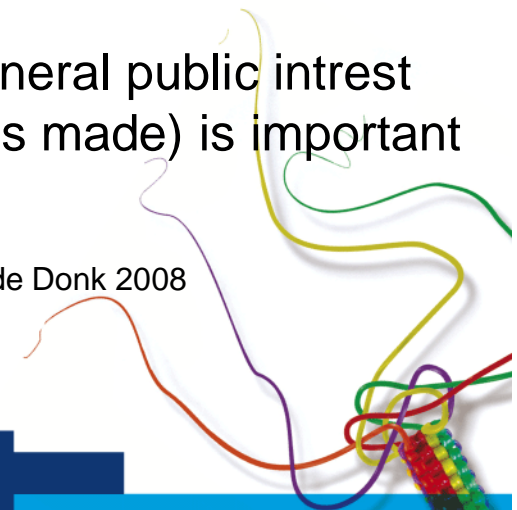
(a) Normative orientation – ‘relational goods’

- Education, health, welfare are services where people have opinions and sentiments about
- Service delivery is in a sense always a bit normative
- So ‘value’ some normativity, and reflect that in the service delivery relations between organisation and client

(b) Always a certain level of public interest

- Subsidizing governments also have values: general public interest
- Public accountability (for resources and choices made) is important
- Matter of legitimacy

Source: van de Donk 2008



(c) 'Community' – The target group(s)

- The stakeholder nr. 1 of the organisation: the client
- For whom do you want to be special?
- Institutional legitimacy: not only looking at subsidizing

(d) Professional policy, governance and management

- High level of professionalism
- To survive in a 'market' environment
- Taken-for-granted-legitimacy, based on the nonprofit status, is past!

Source: van de Donk 2008



Vlaams Welzijnsverbond umbrella

? **Best relation, a balance between**

(market, government, client, providers of (youth)care)

-> **“market and commercialization can not overrule, colonize care”**

! a real shift of paradigm

-> a shift to a demand – side management

-> client are citizens individual rights, not charitable,
solidarity, equity

-> youngsters and/in their families want real good support

-> not theoretical but concrete issues



Social entrepreneurship

Primary interest in the creation of social values

Social responsible (P,P,P) companies

at the end the primary goal is profit

Whereas **social entrepreneurs**

economic value creation is a necessary condition
to ensure (financial) viability
profit is not the aim



Companies with a Social purpose (by Belgian law 07.05.1999 artt. 661-669)

Companies with a legal personality : **cumulation of criteria**

- associates do not claim personal enrichment
 - determine their social purpose
 - how they will use their profit
 - associates have never more than 10 % of the shares
 - only a common interest rate
- > to share a mission for realizing **social value**, rather than personal and shareholder wealth, which is the **key** driver for commercial entrepreneurial activity
- > **social mission** : to benefit society or to contribute to the welfare and well-being in a given community



Overview essentials soc. entrepreneur

1. priority for added values for humans and society
2. priority for a client centered quality
3. to belief in the power of employees and associates
4. social responsibility: people – planet – profit
5. financial funding and how to use money
6. innovation, riskacceptance, entrepreneurship, proactive
7. stakeholdersmanagement to achieve the purpose



The market will not create automatically a balance between needs of care and provisions

We need a social policy that creates an optimal quality with respect for free initiative and competition on a base of social solidarity

This supposes a clear regulation of the market in European legislation and in the legislation of member states



Conclusions Part I

- ✓ The care sector is a social economical sector and a part of the **market**
 - > thus general european legislation (state aid, procurement, (transnational) trade)
 - > there is a substantial amount of public social spending
 - > attractive market!
 - > authorities are willing te establish new relations with social services
- ✓ **We must be aware that tendering contracts** might become a common technique for social authorities to get services in the market.
- ✓ **(Multi)national facility management companies will make big efforts** to enter this services market(though via different business models.



Part II The phenomenon of tendering

After Part I : a not finished debate !

Part II **Tendering social services**

a common technique for social authorities

(Multi) national facility management companies
will make big efforts

? impact of

- contracts
- profit making
- multinational companies
- standardisation
- big data



Impact of tendering

Issues

Quality of care
Social cohesion
In/exclusion
Employment
Financing
Cherry picking/cream skimming
Accessability
Organization
Sustainability
Working conditions
Innovation
Stakeholders

...

on management

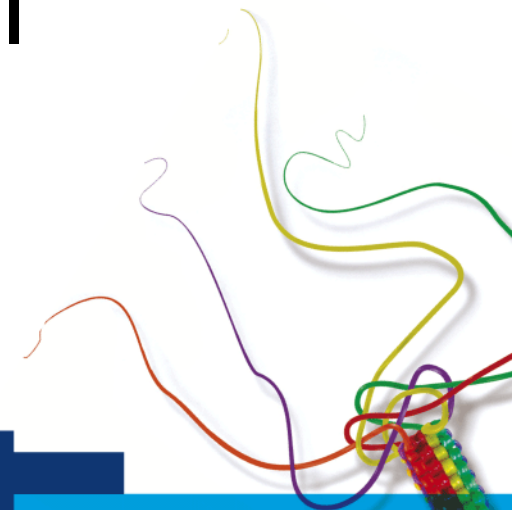


Vlaams Welzijnsverbond the phenomenon of tendering

Experiences

Critics

European regulation on SSGI



Experiences

Not immediately in youthcare

Flemish Agency : general calls
to get licenced and to be recognized, subsidized
goals and criteria transparent
no financial concurrency

- But**
- general social services (homeless) Antwerp
 - psychiatry Ghent
 - NA Youngsters
 - Implementation of personal budgets
(cash or vouchers) for disabled
 - elderly people



Critics

Impact on workers and associates (+ 80% general costs !)

- working conditions
- employment agreement
- tendering without result ...no money

Sustainability of service, employment, professionalization

Administrative **procedures**

Criteria of **judging** ?

Way of **financing** : reserve funds, profits

Culture – local – networks – clients (relations)

Distincion : facilities – social care itself



Social Services of General Interest (SSGI)

- **Social / non / economical /general interest : dynamic distinction**
- **Directive of services is not applicable on social services***
- **therefore : authority of the member states**
- **SSGI have no own statute !**
- **Member states must create a consistent conceptual framework and legislation (especially on licencing & recognition)**
- **Elements for purpose and definition of Social Services of General exist already**

*M. Janssens, J.Put, Steunpunt WVG, 2009

