

Sodexo China

IFM

Quarterly

**PARTNERING:
AN OPPORTUNITY FOR
ENHANCEMENT OF
THE SENIOR LIVING EXPERIENCE**

**TEAM EFFORT WINS
HOSPITAL WORLD-CLASS
ACCREDITATION**

**BRIDGING THE LONELINESS GAP:
MAKING A HAPPIER AND
HEALTHIER FUTURE
FOR THE ELDERLY**



Autumn 2015

sodexo
QUALITY OF LIFE SERVICES

PARTNERING:
AN OPPORTUNITY
FOR
ENHANCEMENT
OF THE SENIOR LIVING EXPERIENCE

Abbreviated from
“Partnering an Opportunity for Enhancement of the Senior Living Experience”
a Sodexo whitepaper



With the recent recession in the United States, aging services providers face a very unique challenge. They must be able to offer the senior population cost effective housing solutions while still ensuring that the evolving expectations of their residents continue to be met. As a result, a growing number of providers have identified partnering as a strategic solution for the challenge since it allows them to deliver specialized and budget friendly services.

By definition, the word partnering refers to an association between parties in a common activity or interest. In a successful partnership, the partnering company works synergistically with the client organization to address the many needs of the community, from cost savings to the provision of exceptional service.

However, partnering is not always viewed as a valuable solution. Some concerns are commonly voiced by administrators in the senior living market. For example, control over the community may be reduced, staff may be negatively affected, sometimes quality of services may suffer, or it may be difficult uphold the community's mission.

Easing those concerns and subsequent widespread adoption of partnering in the senior living industry is undoubtedly the result of the overall quality and expertise of the various partners available today. Highly qualified partners understand the importance of frequent communication and upholding the goals of the organization, and the ever-changing expectations of seniors.

It is estimated that 30 to 40 percent of senior care facilities in the States outsource at least some part of their business.⁽¹⁾ In the senior living industry, typical functions that may be assigned to partnering companies include foodservices, laundry service, housekeeping, human resources, clinical support, office operations and information technology services.

SOURCES (1): Loria, K. "The Outsourcing Debate."
<http://long-term-care.advanceweb.com/Features/Articles/The-Outsourcing-Debate.aspx>



KEY BENEFITS OF PARTNERING

The recession and Medicare policy changes have created a tumultuous environment for senior living communities. Collaboration with a partner can help navigate this challenging environment by providing several key benefits for the communities and their residents.

■ **COST SAVINGS** - In many situations, partnering will provide significant cost savings; however, administrators must implement an in-depth, cost-benefit analysis to determine if partnering is a smart financial decision.

■ **OPERATIONAL EFFICIENCY** - Partnering can provide senior living communities with more time to continuously improve the in-house services and focus on the core business. Meantime, assigned services can be managed by service specific experts.

■ **INDUSTRY EXPERTISE** - Partnering companies are specialists in their respective areas. Senior living communities can leave the expertise development and maintenance to the experts and focus on perfecting operations that remain in-house.

■ **REINVENTION** - A good partner will always endeavor to find new ways to add value to enrich the partnering relationship. As a result, the client organization will be able to provide superior initiative and services, leading to a clear advantage in the marketplace.

■ **ACCESS TO RESOURCES** - Partnering enables senior living communities to utilize the resources, skills, past experience and novel techniques that have been developed by partnering companies with significant expertise in their various support areas.

■ **PARTNERSHIP OPTIONS** - More companies than ever before are providing solutions for senior living partners, allowing a senior living community the opportunity to find the perfect partner to suit its specific needs.

■ **HUMAN RESOURCE ADMINISTRATION** - Partnering can allow a community to take advantage of the skilled workforce provided by the partner company while also minimizing the costs and time associated with recruiting, training and employee development.

■ **EMPLOYEE FULFILLMENT** - Partnering organizations provide employees with opportunities that may be infrequent in a self-operated environment. The community also benefit from this effort that contributes greatly to employee engagement of non-core services.

■ **RESIDENT SATISFACTION** - Partnering can provide an organization with the time and resources necessary to develop innovative ways to care for residents, ensure continuous superior services, and as a result, contribute to its overall attractiveness.



PLANNING FOR THE FUTURE

As senior living communities plan for the future, they must be familiar with the ever-changing needs and concerns of the senior population in order to appropriately adapt business plans to suit their residents. The service partners are also responsible for this. For example, how does technology or environment place an impact on the Older Americans, their needs and expectations? A strategic partner thinks and plans for the future.

It is clear that under the right circumstances, partnering can provide countless benefits for senior living communities. However, establishing a solid partnership has never been easy. The following tips may help senior living organizations to forge a strategic partnership that addresses the evolving needs of the marketplace.



- When assessing potential partners, evaluate references and review case studies that demonstrate what the partner has achieved with other senior living communities.
- Select a partner who offers services that best address the current and future needs.
- Consider only those partners who completely understand your business needs, your community's culture and philosophy, as well as the importance of you maintaining control to ensure compliance with your organization's overall mission.
- Negotiate the contract terms to establish an agreement that will allow your business objectives to be achieved.
- Choose a partner who understands and values the importance of a transparent transition to maximize resident and employee engagement.
- Evaluate operations carefully, before and after partnering, to obtain a clear picture of improvements and uncover areas.
- Put effort into cultivating the partnering relationship. Regularly evaluate your objectives and communicate with your partnering company.

ENABLE THE COMMUNITY TO CONCENTRATE **ASBURY COMMUNITIES**



ON ITS CORE MISSION



“ Our alliance with Sodexo has certainly paid off. It has given us access to remarkable resources and helped us meet our strategic goals by providing exceptional service to residents and associates alike. ”

— Doug Leidig, COO, Asbury Communities.

CLIENT'S PERSPECTIVE

The mission of Asbury Communities is focused on providing the highest level of care for seniors and becoming a national leader in defining the future of senior living. Asbury turned to Sodexo for comprehensive solutions for their facilities to enable Asbury to concentrate fully on their core mission.

CHALLENGE

Asbury Communities, a national leader in providing exceptional senior living services, sought to align themselves with a turnkey energy and construction services provider that closely shared their vision of Quality of Daily Life Solutions for patients and employees. Collaboration between the Sodexo Energy and Construction Services team and the Asbury team resulted in a comprehensive, technically strong solution from initial planning stages through ongoing operations.

Most recently, Asbury, at the Solomons Island community in southern Maryland, was challenged with aging absorption chillers that were beginning to show signs of increased temperatures and pressures above acceptable operating parameters. Eventually, the chiller failed to maintain a cooling load. Asbury called on Sodexo to assist in the assessment of and make a recommendation for these overall systems.



SOLUTION

Sodexo Energy and Construction Services team presented a comprehensive roll-out plan to address all technical aspects of the facility. Notable accomplishments of the Sodexo engagement included:

- At the Asbury-Solomons Island community, Sodexo developed a design/build scope of work that included removal of the absorption chillers and replacement with new high-efficiency chillers that use magnetic bearing technology. New steam boilers with steam to hot water heat exchangers also were installed, as was a new building automation system to control the new equipment.
- At Asbury Bethany Village, a green initiative was implemented with recycling and energy conservation at the forefront. Sodexo continues to collaborate with Asbury in examining each facility to best customize processes and programs to meet the needs of each of the facilities across the system.

OUTCOME

- Identification and evaluation of facility vulnerabilities, and plan and recommendation for solution.
- Implementation of energy conservation plans.
- Benchmarking successes used across the entire Asbury community system.



TEAM EFFORT **WINS** HOSPITAL WORLD-CLASS ACCREDITATION

HUANGSHI CENTRAL HOSPITAL, HUANGSHI, HUBEI PROVINCE, CENTRAL CHINA

Huangshi Central Hospital (HCH) is a 3A government-run non-profit medical institution. As well as caring for its patients, it offers teaching, research, training and disease prevention services.

When HCH wanted to upgrade its catering services for 1,300 in-patients and 2,000 staff, it chose Sodexo Group, a world leader in Quality of Life services. The partnership began in January, 2015, with Tony LAN leading Sodexo's team of 40 staff on site. The team began work while the hospital management was preparing for accreditation from a world-renowned body.





PUTTING CARE AT THE HEART OF THE HOSPITAL

The hospital had already chosen Joint Commission International for its quality accreditation. JCI, focuses on the mission of “ patient - centered, patient - safety, continuous improvement of medical quality ”, is a World Health Organization collaborating center and came to the notice of HCH President Zhang Jie after he and several professors made a trip to Taiwan.

Zhang was impressed by what he saw in Taiwan, including the warmth of the environment in the hospitals he visited, the friendly medical staff, patient-centered care, and the design of the hospitals’ kitchens. These hospitals were all accredited by JCI.

He returned to HCH with a mission. He said:

“ I realized that hospital is not only a place for healing, but also to provide a comforting experience for our patients. ”

HCH officially launched its JCI project on July 8, 2013, striving for world-class healthcare services within two years.

FOOD FOR THOUGHT, FOOD FOR HEALTH

Sodexo brought its innovative IT-led in-patient food service to HCH, ensuring the hospital's 1,300 in-patients are served high-quality meals three times a day. As patients often have special dietary needs, Sodexo's team ensures labeling and refrigerated storage are monitored carefully.

Each meal box is identified with the patient's name, admission number and date of birth, all of which are double-checked by a nurse on delivery. In addition, many patients have the option of choosing their meals from a virtual PAD system, which gives healthcare staff the opportunity to collect data about the patient's diet.

Sodexo re-designed and upgraded the staff kitchen and canteen, while ensuring the hospital's daily routine still ran smoothly. HCH's 2,000 healthcare professionals can now order their meals more efficiently and spend less time waiting in line, which gives them more time to relax and enjoy their food.

In preparation for the JCI assessment, the Sodexo team also took pre-post training, CPR first aid training, and fire safety drill so they could support patients or staff in an emergency, and ensured their administration was archived and ready for the inspectors to consult.



▲ HCH President Zhang Jie receives the assessment report and accreditation decision from the JCI expert panel.



TESTING TIME THAT SCORED TOP MARKS WITH INSPECTORS

JCI's inspectors assessed HCH over five days in April this year, just three months after Sodexo had taken over the hospital's catering. On one of the five days, JCI audit inspectors saw Sodexo distribution staff on their way to deliver in-patient meals. One asked if he could open up the dining cart to check the food inside. The distribution staff refused, explaining it was against hygiene protocols. Actually, the professors were testing the staff, who was praised by JCI for adhering to the rules. Sodexo's HCH site manager Tony LAN and staff member Yongfeng LAI were both later honored as JCI Outstanding Staff.

WORKING TOGETHER TOWARD LASTING QUALITY

The hospital was delighted to win accreditation on April 30. In the citation, JCI's vice-president, Paul Chang, wrote:

“The citizens of China should be proud that Huangshi Central Hospital is focusing on this most challenging goal - to continuously raise quality to higher levels. ”

The hospital scored 9.93 out of a possible 10 on its overall accreditation, becoming the first in Hubei Province to win such an accolade and only the 43th hospital across China to do so. Patient feeding management responded by Sodexo was given a truly remarkable 100% rating, and a delighted HCH President Zhang Jie said:

“Thanks for Sodexo's great effort these months! The recognition of JCI is not a destination; it's a new start of service era! We are pleased to be the first public hospital in a 3rd-tier city in China to introduce the logistics service of Sodexo. Our partnership with Sodexo in the provision of foodservices marks an important step for the hospital to deliver convenience and benefits to the public. ”

“Congratulate HCH on this achievement! My team and I feel very proud at what was achieved in such a short time. We look forward to going forward with HCH to deliver world-class healthcare services. ”

Sodexo site manager Tony LAN said.

PROVIDING SERVICE THAT TOUCHES THE HEART

The following stories are by no means exceptional. Many of Sodexo frontline employees come from humble backgrounds and earn modest wages. But the pride they take in their seemingly “ordinary” jobs is what creates value for the business and, for those they serve. Small service can make a big difference if it touches the heart.





13-YEAR PARTNERSHIP

Since 2002, Sodexo has partnered Schneider Shanghai Industrial Control Co., Ltd. (SSIC), providing on-site services in security and cleaning for more than 13 years. Its security team, just 15-member strong, and its cleaning crew, comprising a mere 37 people, has been providing service to cover a mammoth space over 17,000 m² including factory, warehouse, office and outside area, and the kind of diligence that alone can make this possible is truly staggering.

The fact that even after 13 years in operations, the factory floors look as good as new and that there has never been a breach of security at any of SSIC's operational units, speaks volumes to the efficiency of these crews.

In an expression of the value SSIC places on this partnership, its EHS & Facilities manager and labor union chairman Zhang Lianhua has lauded Sodexo's work attitude and culture of "service with a heart".

DUTY FIRST, RAIN OR SHINE

After a night of unrelenting rain on June 17, 2015, all Sodexo employees arrived at SSIC earlier than usual so they could help SSIC staff to get to plant safely.

Side Road that runs in front of the SSIC entrance was flooded with knee-deep water. At 5:15 am, security chief Xie Yuancheng activated the emergency response plan after early-morning discussions with SSIC. After assigning tasks at 6:30 am, he set up a team to greet SSIC staff and guide them to park bicycle or mopeds near the crossroads. The team also supported SSIC's EHS Department to transport more than 100 members of their staff to plant where there was no flooding. Two security personnel kept watch over these bicycles and mopeds even as it continued to rain the whole day, to ensure there was no theft of these vehicles.

Despite the flooded streets, the cleaning crew was on the premises on time, as usual. Although they arrived soaking wet, having had to wade through knee-deep dirty water, they thought nothing of it, getting down to their tasks after a quick change of clothes.

The Sodexo employees' diligence left a deep impression on Schneider and moved its plant General Manager Zhou Bai to honor Sodexo with a silk banner that read: Thoughtful service, noble intent, putting customer first.

SHINING BRIGHT, FOR NOW AND EVER

The annual SPS (Schneider Production System) audit of Schneider Electric China's Beijing headquarters once again earned SSIC a high score of 816 points. The environment and 5S of workplace efficiency were all deemed to be excellent.

Although the SSIC office building, headed by cleaning service supervisor Zhu Liying, has been in operation for more than 11 years, its floor still shines as bright as new and all cabinet surfaces are spotless, thanks to the cleaning crew's hard work.

The crew never turns down any emergency cleaning task, even when the job falls outside the contract's work scope. "Once, a foreign guest from other part of Schneider Electric sprung a surprise by arriving at SSIC early one morning at 7:00. The cleaning team stepped in to keep him in air-conditioned room comfort and served him coffee. The guest later made mention of how well he had been treated." SSIC EHS and Facilities manager Zhang Lianhua recalled.



LEADING FROM THE FRONT, AS ALWAYS

The annual meeting, attended by 900 employees, was held in early January 2015. SSIC's EHS department and the Sodexo security team spent many days before the meeting checking out the venue, analyzing the layout, and assigning tasks for the day.

Given the crush of people at the New Year's Eve celebrations in Chenyi Square, there was much public concern about security issues with respect to the planned meeting. After four rounds of internal discussions, SSIC decided to go ahead with it. In light of the traffic congestion in front of Shanghai Yihai Theatre, which was the meeting's venue, Kangding Road, which is across the street from the theatre, was chosen for parking. Seventeen shuttle buses, leaving SSIC at five-minute intervals, were organized to take staff to the theater. The whole operation was run with military-style precision to ensure not just orderly entry of people into the theater but also smooth parking at the bus terminals. Security team made sure everything went as planned. Despite Xie having to deal with a special situation at home, he was back in time to take charge of all the security details for the meeting.

Security team's efforts caught the attention of SSIC EHS and Facilities manager Zhang Lianhua who said: "We all should learn from the Sodexo team, hardworking, with a strong sense of responsibility and service spirit."

BRIDGING **THE LONELINESS GAP:** MAKING **A HAPPIER AND HEALTHIER FUTURE FOR THE ELDERLY**

Bruno Vanhaelst,
CEO of Sodexo's Personal and Home Services Division



The holidays have quickly come and gone, and as is customary during this time of gratitude, many of us have made an effort to offer a kind gesture to the less fortunate and more lonely individuals among us - especially older people - for whom this can be a difficult time of the year.

Roughly one in five people are believed to suffer enduring loneliness and the incidence of loneliness tends to grow - and is increasing - among older populations. The English Longitudinal Study on Aging, for example, suggests that, by 2030, 1.5 million older men will be living on their own in England, nearly double the current number.

The psychological and physical effects of persistent loneliness are varied, and include sleep disruption, depression, high blood pressure and constant stress. One 2012 study in the Netherlands found participants who felt lonely (including some who were not alone in life) were at 64 percent greater risk of developing dementia than other people. Other experts have found that feelings of rejection and isolation can create brain response similar to physical pain. And according to University of Chicago psychologist and researcher John Cacioppo, loneliness increases the risk of premature death by 14 percent.





The problem of loneliness is inevitably set to grow. There are currently 868 million people on Earth aged 60 years or more, and that number is rising at nearly double the rate of any other age category. According to the OECD, there will be 2.4 billion people aged 80 and over by 2050, and they will represent 10 percent of the world's population at that time, compared to just 4 percent in 2010. There's a clear urgency to anticipate those shifting figures by adapting policies and services to prevent the seclusion - and safeguard quality of life - of that enormous, aging group of people.

Yet like the famous miser Scrooge in Dickens' A Christmas Carol - another seasonal tale about the risks of loneliness! - the growing population of the elderly are not doomed to a fate of spreading solitude. There are solutions that are in the best interest of individuals, businesses and society overall.

More must be done to address the problems of aging, including loneliness. Even in times of tightening national budgets, funding must be found to reinforce pensions, affordable healthcare, and various aid like subsidized public transportation that enhance quality of life for the aged. These kinds of investments are in everyone's interests.

Indeed, facing the demographic and human challenge of aging will offer challenges and opportunities for businesses. This huge demographic represents an expanding market requiring goods, services and help that companies and institutions aren't sufficiently providing today but that we need to develop rapidly.

A far larger number of healthcare workers must be recruited and trained to meet the looming challenge. Workers providing other services for the elderly - drivers, cleaners, foodservice assistants and other service-providers - can be trained to engage in a more empathetic and compassionate manner help abate the feeling of isolation of the older people they care for.

Similarly, technology should be further adapted to battle loneliness and offer care, including applications to allow families, friends and care-providers real-time remote contact with older people. Social media must be created to establish communication with (and between) otherwise isolated seniors, and phone apps and other technologies developed to respond to their particular needs.

But IT innovation will never replace physical connectedness and human warmth.

Restoring quality of life that loneliness undermines starts by bridging the gap between people who've become isolated from the rest of us. Focusing the conversation around quality of life, not simply longevity, is critical to creating programs to truly combat loneliness and improve care. As a society, we need to prioritize this expanded conversation and as businesses, we need to lead the efforts. Finally, individually, this means applying some of our holiday spirit today, to our interactions with older and isolated people, every day.



Bruno Vanhaelst

CEO of Sodexo's Personal and Home Services Division, which covers in-home elder care, crèche and concierge services, including Comfort Keepers®, a Sodexo service that provides quality, in-home care for seniors and other adults in the U. S.

Sodexo News

Sodexo was awarded as China's Top 10 Brands of Group Meal at the 9th China Catering Industry Development Conference and was the seventh time included as one of the Top 100 Catering Enterprises in China.



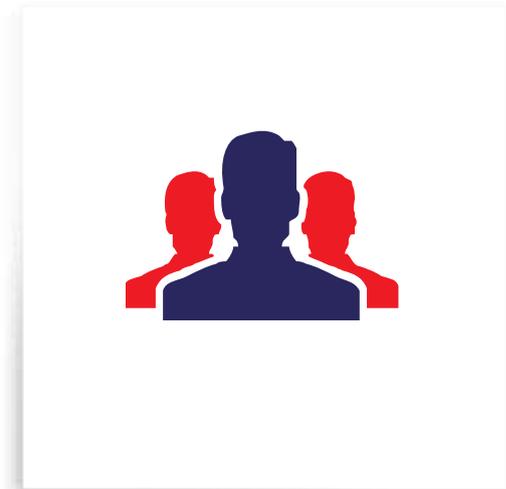
On World Environment Day Sodexo announced plans to amplify its efforts to reduce carbon emissions one third by 2020, and the action was to reduce its operations' environmental impact, as well as that of its supply chain.

In July 2015, Sodexo Lilly Suzhou East Lake Plant Insulin Filling Project on-site team was presented certifications for their outstanding HSE contribution to 2,000,000 safe work hours without a recordable case.



In September 2015, Guangzhou, Sodexo was awarded China Group Meal Pioneer Enterprise in 10th Annual Conference of China Group Meal Industry, and Christophe SOLAS, former CEO of Sodexo Greater China, granted Contribution Award of Promoting Development of China Group Meal Industry.

Key Indicators



Human Resources

- Recently Shanghai human social Bureau announced the notice of wage increase guideline. In 2015, the average increase guideline is intended to be 10%, the upper line is 16%, and the downline is 4%. And the frontline employee's wage increase couldn't be slower than average line.
- Recently Jiangsu Province human social Bureau informed the state of Q2 provincial human resource and social security. The first half year of employment situation was stable, and in the next half year Jiangsu Province will adjust the monthly minimum wage at the proper time and to an appropriate degree.
- In early August, Shanghai Pudong district published "Promote Talent Innovation & Entrepreneurship 14" to explore the international system of introducing talents, build high-growth innovative entrepreneurial talent development platform and create an international talent service environment. The 14 article includes: implementation of Zhangjiang high-tech talent promotion plan and to establish technical talent introduction union.

Consumer Price Index

- +2% year-on-year growth of CPI in August, 2015, and it is the first time to exceed 2% within a year.

Food Costs

- +3.7% year-on-year growth in August, 2015 (grain +1.7%, egg -11.2%, fruit -8.1%, vegetable +6.8%)



We improve Quality of Life at work around the world



Quality of Life means an environment of respect for people, for wellness and for greater productivity. Quality of Life means a workplace that creates greater efficiency, satisfaction and productivity. It means a business that understands that the well-being of people has a direct connection to the success of the organization.

Sodexo provides Quality of Life Services to reinforce the well-being of individuals, improve their effectiveness and help corporates to improve performance.

By partnering with Sodexo, our clients experience an organization with corporate strength and the flexibility to anticipate needs and creatively provide the best solutions for the challenges we face together.

Find out how our Quality of Life services can improve daily life in the workplace and to help employees to be more efficient, and contact www.sodexo.cn



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