

# **Golden Sun Home-based Care: Services Delivered within 15 Minutes Fuzhou Golden Sun Service Centre for the Elderly**

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## **I. Significance of Golden Sun**

### **A Letter of Thanks**

“On February 20<sup>th</sup> at midday, a parent of mine, who is diagnosed with Alzheimer’s, got lost and could not find his way home. Pan Xiuqin, Yuan Guoying and Chen Jinmei, Directors of Golden Sun, helped us look for him with the help of GPS and comforted him after we finally found him.

The exemplary deeds of Golden Sun are not new to us, and this experience deeply impressed us that you really are a home that cares for the elderly residents.”

### **Senior care in China: a time bomb set to explode a decade later**

Data from the Office of the China National Committee on Aging shows that at the end of 2013, the proportion of residents over 60 years of age in the overall population was already at 15%, while the number reaches 25% in the cities of Beijing, Shanghai and Guangzhou. “Empty-nest” families account for 50% of all families, and exceed 75% in big cities.

China has not yet designed a sustainable senior care system to solve this unprecedented challenge. Within the next decade, the time bomb will explode when the first generation of parents of the one child policy are in need of senior care. Facing a race against time, Golden Sun has dedicated itself to launching an open and sustainable senior care system to deal with the challenge in China before the bomb explodes.

### **Lifetime services providing home care, day care, institutional care and a 24-hour hotline**

Golden Sun has taken the lead in building a 24-hour information platform called “968885” in Fujian Province, which is designed to provide lifetime senior care services ranging from home and day care to institutional care, combining emergency assistance and home-based care.

By the end of 2013, Golden Sun had recruited 632 full-time staff and has a team of 1,739 volunteers, with its low-fee, free and volunteering service reaching more than 120,000 people. As the service covers the area of Fuzhou, it operates 155 home-based service centres, and has a capacity of 607 beds for institutional care. Its call centre receives 8,000 calls per month and has expanded its service to other cities in Fujian such as Nanping and Longyan, and the provinces of Gansu and Zhejiang. In 2014, Golden Sun will endeavour to accelerate the nationwide implementation of the “Golden Sun senior care model” by drawing upon the experience gained in its key projects.

Golden Sun has built a whole industry chain of senior care and is committed to providing one-stop 24-hour services to the elderly, with a range of services acting as the backbone, including emergency call services, community and home-based care, institutional care (Gulou Apartment for the Elderly, Hongru Paradise for the Elderly), medical care (Ciai Outpatient Clinic, Fuzhou No.1 Hospital), housekeeping (Zheng Zhong Xin Housekeeping Service Co., Ltd.), and housekeeping skills training (Zheng Zhong Xin Training) that is supplemented by partnership merchants.

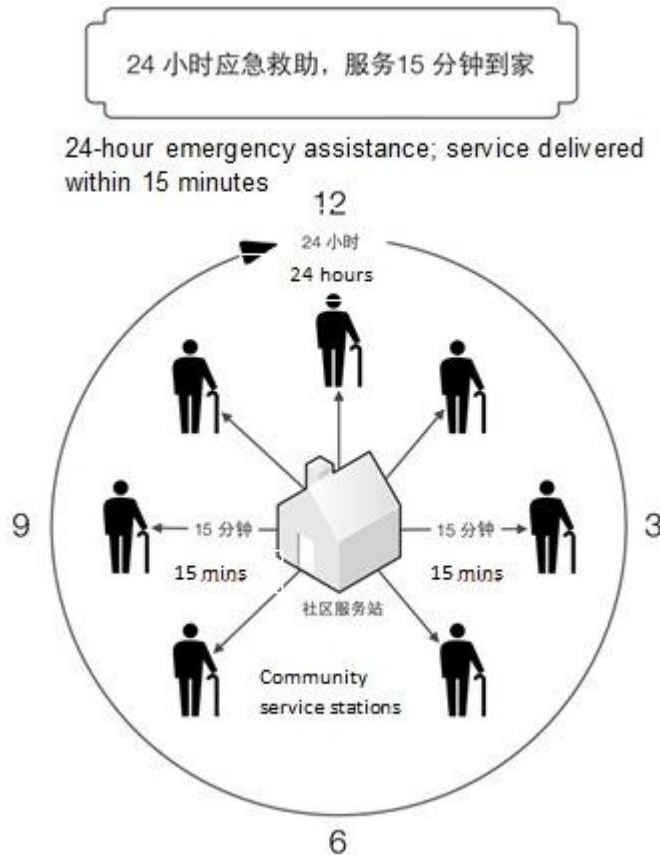
As one of the 110 Social Connectivity Organizations and one of the first volunteer recording mechanisms in Fuzhou, Golden Sun is a social organisation demonstration project supported by the central government in 2013/2014, and has won honours from the Fuzhou Unit for the Advancement of Work with the Elderly, the Fuzhou Group for the Advancement of Volunteer Work, and awards from the 1<sup>st</sup> National and Fujian Province “Establishment for the Respect of Elderly Culture”.

### **10 yuan, 15 minutes, 24 hours, the age of 100**

Golden Sun sets out its vision for providing basic life-time service to all the elderly in China:

- A membership fee of 10 yuan per month
- Services delivered within 15 minutes
- Services available 24-hours
- Membership valid until the age of 100

The basic services of emergency assistance and additional services of home-based care, day care and institutional care will make Golden Sun the only social enterprise that provides life-time membership and a one-stop service in China.



## II. The original intention, an innovative perspective

China cannot copy the senior care systems of any other country due to its large elderly population and economic condition. Golden Sun has no choice but to independently develop a senior care system with Chinese characteristics.

### Starting with a membership fee of 10 yuan per month

As far back as 2007, Huang Xiaorong, founder of Golden Sun, was engaged in the housekeeping business and realised there was enormous demand for home-based care for the elderly. Consequently, she established Golden Sun, and provided “Yi Bo Tong”; a 24-hour emergency assistance service for the elderly in Fuzhou.

Similar to the “Ping An Zhong” (an emergency alarm service) in Hong Kong that only provides call forwarding, “Yi Bo Tong” can send staff directly to the door and only charges a fee of 10 yuan per month for emergency services. Huang Xiaorong believed such a model would be appreciated by the market and widely promoted.

### **Frustrating gap between reality and ideals nearly bankrupted the organisation**

However, it was frustrating that most old people were not willing to pay the fee of 10 yuan per month, and communities did not welcome staff from Golden Sun. Struggling for two years, the organisation only had just over 500 registered members. Without an increase in members, it would certainly go bankrupt.

But Huang didn't want to give up, as she believed in the importance of this sort of service. She believed emergency assistance is vital to life; even though it may not be needed at all times, when it is needed it can be a life or death matter, and if Golden Sun doesn't provide it, what other organisation dedicated to such service would? The dilemma was that she could not continue to run a company in deficit because she had spent 2 million yuan in the last two years.

To continue or to give up, it is an inevitable challenge that each entrepreneur will face. The most difficult problem is that services for the elderly are not merely profit-oriented: general business projects can find other new opportunities, but Golden Sun cannot easily give up for it aims to save lives. Who would help those elderly living alone if they should suffer some serious illness at night? This is what Huang was most concerned about.

### **Continue or give up? Seeking a solution from the "Social Enterprise Programme"**

Introduced by her friend, during a training course for the "Social Enterprise Programme" in Beijing, Huang told her trainers and classmates stories about Golden Sun which were well received. She used to think that she was engaged in charity, but as a result of the training, she came to understand that Golden Sun is a social enterprise. Encouraged by the trainers, she believed Golden Sun, as a social enterprise, would survive and go further as long as there was a profit model.

To develop the next strategy, Huang invited me to Fuzhou for an investigation. After the visit, I told her to keep up her good work. She then asked if I would help her to develop her business, and I agreed. From then on, we started the arduous task of developing the senior care industry in China.

### **Providing affordable quality services is much more difficult than expected**

Many people would say the senior care industry means unlimited opportunities, yet the reality is not quite that simple. Good services mean high

costs that most old people cannot afford; while bad services at low costs will not work or be used. In addition, what makes things even more difficult is that reality requires us to provide life-time services to the elderly. There are two trends in China's senior care industry: high-end real estate projects that charge fees of over one million yuan, which only 1% of the elderly can afford, and low-end senior care institutions that charge one to two thousand yuan per month but fail to guarantee their services. However, no good agency is available in the mid-range market. To make a breakthrough, it requires an innovative social model that effectively connects price, service, the elderly, governments and service providers together, and an open, sustainable and replicable senior care model nationwide.

### **Golden Sun sticks to the values of social enterprise**

Social enterprise is different from general business activity. The former focuses on social problems and regards profits as merely a means to an end, while the latter is for-profit and shows no interests in social value.

Starting from social value, Golden Sun does not provide high-end services for the time being because many business organisations are now serving the high-end group. The mission of Golden Sun is to provide basic services to all elderly people. We will offer quality and reasonably-priced value-added services for people who can afford them.

Basic services include:

- 24-hour emergency call
- Mobile phones connected to GPS
- Maintenance calls
- Provide reminders as required
- Recreational activities

Value-added services include:

- Home cleaning services
- Food delivery
- Shopping
- Family doctor services
- Companionship for hospital visits

Golden Sun expects the elderly to enjoy life, by securing basic living standards and a happy life with its basic and value-added services.



### III. Previous challenges turn to present opportunities

Such a service system seems simple, but large-scale quality operation requires getting rid of models of charity and government subsidies. The organisation can only grow stronger and larger if it follows the path of market-oriented management.

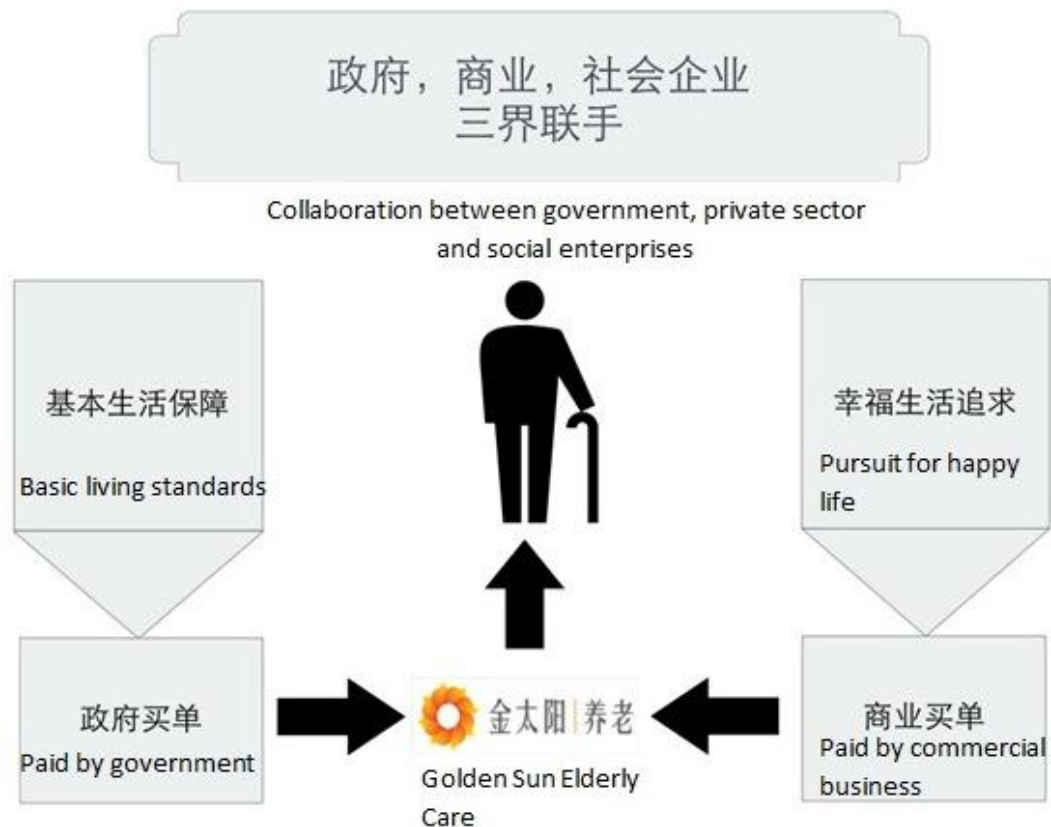
#### **Identify the path of market-oriented management after years of exploration**

We knew from previous experience that market-oriented management is a challenge. Faced with this predicament, Golden Sun seemed to have only two choices: working as a charity to collect donations and applying for government subsidies, or engaging in the high-end market to serve the rich.

However, Golden Sun had to find a middle ground between these two choices, because traditional charity could only help a few people and would hardly improve its quality, and the high-end market would serve fewer people still. The two models combined could only serve 1% of the elderly, but how about the remaining 99%?

Through trial and error over the last three years, Golden Sun finally identified an innovative model that combines both charity and business: an open and profitable service system that requires the cooperation of three sectors; integrating government and social resources, and consumers and enterprise resources; the government paying for basic services and the market paying

for value-added services.



### **The challenge of “24-hour services and service delivery within 15 minutes”**

Many nursing homes provide emergency call services that would only forward the call to their partners, which cannot guarantee timely arrival and quality without their staff sent to the right place.

To provide truly valuable emergency call services, Golden Sun has to establish its own full-time staff in the community. The question of how to integrate into communities at reasonable costs and provide a “15-minute home service” is the key to success. Golden Sun cannot afford to rent offices, but without stations in communities, it cannot provide services that the elderly really need. It is a contradiction vital to its future development.

### **Using existent community centres is a turning point**

Some years ago, the government required each community to set up a service centre in order to offer basic services. However, many centres failed to make full use of its advantages. Seizing the opportunity, Golden Sun made a proposal to the government to transform community centres into home-based care service centres to solve the difficulties of home-based care. It

would serve two ends: saving government expenditure and providing the elderly home-based care services.

With these centres, Golden Sun can provide “15-minute home services” at reasonable costs, and pioneers can create a seamless connection between online and offline service platforms.

### **Service covers the whole city of Fuzhou**

By June 2014, Golden Sun operated nearly 200 service centres in Fuzhou, and recruited over 600 full-time staff, with its service covering the whole city. It promises to provide a 15-minute home service to its members. Now there are nearly 100,000 registered members, and the number continues to grow. Our goal is to serve nearly one million old people in the city. We are confident of achieving this goal for we are unique in terms of our vision, values and model. We also welcome competitors as long as the elderly are provided with a quality service.

### **Life-time home-based “one-stop” services**

After seven years of learning and reform, we know that we have to provide the elderly with life-time “one-stop” services ranging from home-based care, day care, and self-care to nursing and hospice care, according to their age, physical needs and family background.

Nursing institutions for the elderly generally design their services by categories: home-based care agencies that only centre on home-based services, and institutional care agencies, divided into self-care, semi self-care, and nursing. This makes things convenient only for its own operation and management and does not truly take the real needs of the elderly into account.

The simple need of the elderly is just a reliable and nearby institution that provides comprehensive services ranging from emergency assistance and home-based services, to day care and institutional nursing, then to hospice care as they grow older. With such a model in place, the elderly will enjoy their life, and their children will rest assured. This is Golden Sun’s ultimate goal.





#### IV. Efforts to provide senior care will never end

The day I joined the Golden Sun project, I set a goal with Huang to expand our model to the whole country, for senior care is a nationwide problem. Designing a model that can be replicated nationwide is a very tough task due to regional differences.

##### **Promoting the model nationwide**

Charities in China mainly focus on local services, and their services rarely cover the whole country, but there are tens of thousands of chain stores. Now that grocery stores and salons can operate chain stores nationwide, why not senior care service centres?

Carrying forward social entrepreneurship, we have the moral responsibility to make the organisation grow stronger and to serve more people if it will create social value. From the very beginning, Golden Sun has focused on the whole country, and endeavours to provide the elderly with their necessary services as fast as possible.

##### **Secrets of replication: what are the core points and what are the variables**

Today, the model of Golden Sun has been replicated in the cities of Lintao in

Lanzhou, and Longyan in Fujian, and has served more than 200,000 old people. Successful replication requires us to consider the possibilities of replication in the early phase of strategy development and model design. When a model works well in one region, it may be too local to be replicated in other regions.

Before reaching out to other cities, we designed a complete and replicable model. There are no geographic restrictions in terms of government resources and policies, the range of services, working methods or staff and business models, and a central information platform would collect data on the elderly in different regions. Changes can be made according to the realities of each new region while the core system and operation model of Golden Sun remain unchanged. What is difficult is to identify what core aspects cannot be changed and what needs regional adaption, and this is the secret of Golden Sun.

### **Golden Sun's value in the eyes of investors**

Golden Sun enjoys great social and business value.

From the perspective of investors, Golden Sun is quite appealing for the following reasons:

1. The senior care industry is a sustainable market.
2. A lifetime membership for customers.
3. The number of members is likely to exceed one million.
4. 100% coverage: the capacity to serve all old people in the area that the model reaches.
5. A time-honoured enterprise: lifetime of one-stop services lays the foundation for long-term development.

From the perspective of government, the service value of Golden Sun is unquestionable for the following reasons:

1. Makes good use of existent resources without any need for additional construction.
2. Helps the government fulfil its role of comprehensively serving the elderly.
3. Effectively makes use of government welfare for the elderly, and guarantees that resources are transformed into quality services.
4. Manages the health and life of the elderly, and eases the burden of the medical system.
5. Creates a senior care service model that covers the whole country.

From a business model perspective, Golden Sun is valuable for the following

reasons:

1. Lifetime membership platform.
2. Increasing revenues of membership fees.
3. Increasing consumption of its members as they grow older.
4. Multiple value-added services.
5. Integration of services provided by entities including community service centres, day care institutions and nursing homes, and a high demand for admittance

It is really difficult to find another organisation that does better than Golden Sun in connecting online and offline services.

### **Remove restrictions on the senior care industry's single business type model**

Almost all senior care institutions adopt the single business type model and only focus on their own speciality, which would impose restrictions on them: no complementation of services, no resource interaction and thus no scale effect. Each business type could only win limited resources and cannot meet the varying demands of the elderly as they grow older. The creative model of integrating multiple business types will provide lifetime one-stop senior care services. For the elderly, it will comprehensively meet their demands; from a business perspective, the scale effect of integrated resources will create the opportunity for great profit and potential for further growth.

The model of a single business type could also hamper the development of the present senior care industry, and there would be no healthy market with a reasonable profit margin due to the limited spending capacity of most old people and the high costs of quality services. The market now is in great demand but has no profits. Inexperienced people believe it is a large market, only to find there are no profits to make at all after they truly enter the industry. The model developed by Golden Sun makes it possible to remove industry limitations, maintain the development of senior care institutions and provide a range of services in a systematic way, in order to meet the great demand.

### **A green channel for saving the lives of the elderly**

To conclude, I'd like to share with you a recent case: At 8:20 a.m. on 3 August 2014, Mr. Zhao, who lives in Hongshanqiao, came to the Golden Sun 24-hour emergency assistance centre in his community and asked for help, for his wife (81 years old and a member of Golden Sun) had fallen down at home and could not stand up. The staff on duty immediately contacted the Emergency Medical Centre, and notified the Golden Sun central platform and service

centre's HelpAge Staff.

Our HelpAge Staff accompanied Mr. Zhao to the Hongshanqiao Air Force Hospital where his wife was taken by ambulance, and temporarily paid the 1,200 yuan for admission. The staff then accompanied him home to pack some essentials that he would need during his wife's hospitalisation and went back to the hospital with him.

Mr. Zhou, a volunteer, was the person who provided the emergency assistance in this instance. After his wife became part of Golden Sun's HelpAge Staff, the work won the support of the family and Mr. Zhou also joined the volunteer team to serve the elderly.

Every service of Golden Sun exists to create a green channel for saving the lives of the elderly.