



INVEST IN FINLAND

Health, Social and Well-being Services in Finland

EXCEPTIONAL OPPORTUNITIES FOR COMPANIES WHO ARE READY TO GET INVOLVED
EXECUTIVE SUMMARY

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Invest in Finland is a national organisation promoting foreign direct investment in Finland. It is funded by the Ministry of Trade and Industry. Working closely with Finnish business community, it provides a link for foreign investors who are looking to set up ventures in Finland.

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Exceptional opportunities for companies who are ready to get involved

Global trends in healthcare and well-being

In many countries, the Health and Well-being service sector is currently in a phase of liberalization and privatisation. The essential challenge is to expand the range of services in an efficient manner.

- People are demanding more and better healthcare and social services.
- Shortages of public money highlight efficiency, increasing business for private providers.
- The private provision of services will grow – health will become ‘business as usual’, just like any other commercial activity.
- Providers of healthcare and other social services will merge to form bigger units.
- Ageing populations are expanding the markets for healthcare and other social services.
- Technologies such as biotech and IT are introducing new opportunities into service provision.
- The degree of specialisation will increase – larger companies will be operating in narrower market sectors.

In Finland, consolidation in the private market has begun, but the number of companies that are large enough to attract foreign investors is small. High levels of service provision and overall social welfare offer multiple business opportunities. Russia’s proximity to Finland means that access to large groups of consumers is an option. Work being done in the piloting of IT applications in healthcare provision, especially wireless applications, is highly regarded.

The Finnish market for healthcare and social services

The provision of healthcare and social services can be divided into four primary sectors: Healthcare, Social care, Well-being, and Management services, see figure 1 on page 4.

The annual turnover of private companies operating in Finland’s healthcare and social services sector was estimated as EUR 2,555 million in 2005, with healthcare representing some 80% of this figure. In terms of market share, service production by private companies operating in Finland in 2005 was 19.5% in healthcare and 8.2% in social services. Annual growth in private sector activity over the last ten years has ranged from 10-15% in healthcare service provision and from 15-25% in providing social welfare services*.

What could be of interest to you?

General

Almost all of Finland’s regions have declared health and well-being to be a focus area for regional growth. The offering of university and vocational training and R&D facilities is therefore wide, and new companies are being created in response to new possibilities.

* These figures are taken from “The Finnish Market for Healthcare and Social Welfare Services”, an IIF publication dated 15.04.2006 and available at <http://investinfinland.fi>

Funding for innovation

All companies with a presence in Finland are eligible for financial support from the Finnish Funding Agency for Technology and Innovation (Tekes). In addition to funding, participating in technology programmes is an excellent introduction to “Finnish style” networking. The Tekes “Finnwell” technology programme (2004-2009) is placing particular emphasis on the development of health and social care services.

Details of the unique support that Tekes provides for companies of all sizes can be found at: <http://www.tekes.fi/eng/> and further information about Tekes’ technology programmes is available at: http://www.tekes.fi/eng/publications/B_tekes/Technology-programmes.PPT (particularly slides 2, 4, 5 & 7)

“Nordic social welfare”

Solutions incorporating good practices and concepts such as care for the elderly, occupational healthcare, care for mothers and children, seamless and preventive care provision, are eminently suitable for implementation in other countries.

Piloting concepts

Finland offers an excellent environment for the piloting of innovations in the health and social welfare sector - both technological and process-related. International companies looking for opportunities to test new solutions should have no difficulty in identifying suitable partners.

Geographical location

Finland’s proximity to the Russian market is attractive as “health tourism” is growing. Facilities in the eastern part of Finland already provide services to Russian clients. As expansion via Finland is a natural choice, the acquisition of an existing Finnish operation can provide a bridge to opportunities in Russia.

Healthcare	Social care	Well-being **	Management services
<ul style="list-style-type: none"> the provision of medical, nursing and other professional healthcare services in hospitals and outpatient centres; dental care; medical services provided at home; physiotherapy provided in hospitals, care units and at home; medical services for the elderly and institutions for the less able; laboratory services; services supplied by private doctors or other professionals; ambulance services; services related to the abuse of drugs and alcohol 	<ul style="list-style-type: none"> home support services such as cleaning, supplying food and hygiene * housing services; child protection; day care for children, the elderly and the less able <hr/> <p>*also called “assisted living”</p>	<ul style="list-style-type: none"> the provision of spa services; services related to fitness and physical exercise <hr/> <p>**i.e. rehabilitation and preventive care services without medical content</p>	<ul style="list-style-type: none"> call centres; occupational health services; the leasing of medical staff; the provision of consulting services; research and development (R&D)

Figure 1, provision of healthcare services

Trends, opportunities and specific features of the Finnish market

- Consolidation in the service business, which is currently too fragmented. New business units will also emerge as organisations in the third sector (not-for-profit associations etc.) become normal companies.

- Currently, the provision of healthcare services by private companies is better developed than the provision of social and well-being services. Some nation-wide providers of care for the elderly, housing services, rehabilitation for the mentally handicapped and alcohol/drug abusers are likely to emerge. Companies such as Medivire already provide both medical and social services.
- Medical services including the provision of secondary (specialist and hospital) care and occupational health services are currently the largest business sector. A definite trend in the public sector is the outsourcing of medical services such as primary health care centres. Companies now providing these services include Mehiläinen, Terveystalo, Diacor, Medivire and Medone. Private medical care centres now operate locally, but could join forces to create larger chains and new players.
- Consulting expertise in Finnish healthcare provision has attracted international interest from developing countries. Although this expertise is currently heavily concentrated in public bodies, private players such as Lillrank can be identified.
- World-leading ICT companies view healthcare service provision as one of the most attractive vertically-integrated value chains. Finland has a high reputation for wireless solutions, and international players identify Finland as a good location for new applications in the healthcare sector.
- Health and Well-being has become such a large business sector – one that is increasingly consumer driven – that the retail industry is now showing interest. Finland’s S-group, a major national retailing concern, recently acquired the spas operated by Holiday Club Finland.

Invest in Finland

Invest in Finland offers consulting services and relevant information to international companies interested in establishing or expanding a presence in Finland. We provide assistance with questions relating to opening a sales office, mapping potential merger and acquisition targets, establishing research and development facilities and/or a manufacturing unit, or expanding existing operations.

For further information and advice, please contact Atso Vainio, telephone +358 10773 0306, e-mail atso.vainio@investinfinland.fi.



“The Finnish market for healthcare and social services has been growing, is growing and will continue to grow. The contribution that international players can make in this sector is essential.” Atso Vainio, Invest in Finland.



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