

Ivano Barberini

Article published on Specchio Economico – March 2008

A group of reserachers in Economic and Political History carried out a research on the events which lead the Consorzio Nazionale Servizi (CNS) and its co-operative member organizations to reach a prominent position in the *facility management* in the Italian market of services provided to enterprises (cleaning, surveillance, catering, hospital services, etc.) during the final development phase of the European Market, characterized by a growing demand for outsourcing, from production organizations and public administrations.

As was the case for other economic sectors, the great transformation towards postindustrial society started in the US at the end of the '50. This process took place in Northern European Countries with ten years delay, and in Italy with 20 years.

In several countries, a re-thinking about the role of the entrepreneurial government gave impulse to the outsourcing of services from public administrations.

With regards to industrial enterprises, it is believed that the quantity of the services included in industrial products can be externalized, with the objective to improve flexibility, cost reduction and the quality of service. Between 1970 and 2000 this organizational modality has reached 24% in the US and 27% in Japan. Europe has been moving towards the same direction but at lower levels, also for the strong opposition of trade unions to the Bolkenstein directive, which supported that process.

The European market of outsourcing, calculated for 20 countries, equals 350 billion euros; the *actual* Italian market is 30 billion, while the *potential* one is extimated to be around 130 billion euros.

The market of services in Eastern Europe and in the Mediterranean Gulf countries is starting to develop, creating good opportunities for Italian services enterprises.

Operators must get organised to include good managerial practices within a national observatory able to elaborate good legislative proposals.

In this context, multinational service companies were created in several European countries, through mergers and acquisitions, achieving leading positions in the European market as well as in Italy, particularly French multinationals, which hold, in our country, the 40% of the market.

The delay in Italy affected the evolution of Italian enterprises. In spite of this, the co-operative members of Legacoop and Confcooperative achieved a strong competitive ability, acquiring 40% of market share.

The research, co-ordinated by Patrizia Battilani, professor of Economic History at the University of Bologna, describes the evolutive phases of CNS, member of Legacoop, toward its consolidation in the national market: the first phase (1977/1982), the beginning; the second phase (1983/1990), the “strengthening”; the third phase (1991/1998), the “restructuring” and the fourth (1999/2006), the “re-launching”, characterized by a surprisingly high expansion rate.

In 2006, CNS turnover was over 450 million euros, with a increase of 217% in comparison with 1999. The 231 co-operative members operate in 12 economic sectors, employing over 150.000 people, with a total volume of activities of 3,500 million euros.

The strengthening of weak areas, particularly in Southern Italy, is a strategic priority. In these last few years, the most significant interventions were in support of the reorganization of small local co-operatives, and of the opening of a managerial school.

The research, which began in the occasion of the 30th anniversary of the organisation, is sponsored by a CNS group of leaders, who felt necessary to

start a reflection on the positioning and the evolution of service co-operation during the period 1977/2006.

It is essential to build a common awareness of the difficult challenges to be faced. Long term success can be deceiving, especially if we underestimate the risks caused by the internationalisation of market and the deep and fast socio-economic changes, which put under discussion everything and everybody.

For co-operative enterprises, aiming at achieving both, entrepreneurial excellence and a high social visibility, the challenge is particularly complex. In some situations, co-operatives may decide to turn into ordinary companies, in order to gain better access to the market of capitals and to facilitate the realization of partnerships with other enterprises.

In most cases, there is a shared belief that the co-operative form can ensure a sound competitive advantage if the strategies and the organization are consistent with the nature of co-operation.

It is the road followed by CNS. The development process and structural transformations did not affect the system of basic values and the co-operative identity.

In coherence with its democratic nature, CNS developed a polycentric organizational model, inspired by the “network system of organic model, which goes beyond the traditional dicotomy of centralizing/decentralizing and it is based on the integration of few, effective strategic decisions and the common necessary tools to strengthen the economic performances of its associate members in the respect of their autonomy.

A perfect balance between integration and autonomy, and sociality and market belongs to theoretical depiction. In reality, a satisfactory balance can only be achieved through the continuous, hard working process of building consensus, reaching reasonable compromises and ongoing adjustments. Competence,

innovative spirit and a sense of belonging are essential requisites to manage the complexity of the organization.

The future of co-operation depends, for most part, on the ability to awaken the interest and the commitment of members, to attract young talents, to value the role of women, to build productive enterprises without “loosing its soul”, to involve stakeholders in its world vision and its projects.

These choices are only possible with the good functioning of control mechanisms: the consistency in the entrepreneurial acting towards values is never reached once for all.

We must also provide our members with the necessary tools – first of all correct information – to enable them to exercise an effective control which enable them to arrive at a good degree of coherence between the programmes approved and the activities carried out.

These choices strengthen the democratic life of the co-operative system, empowering its role, its credibility and the ability to develop. At the same time, they give an important contribution to the democratic development of our country, which needs the attention and the commitment of everybody: public institutions, social organizations and citizens, in order to recover social cohesion and to create a more favourable environment for the economic development and the improvement of standards of life.