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## Excuse Me, Are you a Health Informatics Solution Provider?

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It was back in 22nd Nov 2007 when I posted a blog entry titled *IT giants jumping onto the bandwagon*<sup>1</sup>. I commented about the big players in the ICT industry venturing into the healthcare segment, creating a sudden shortage of qualified health IT professionals and I posed an all important question – **Was this another ‘Dot-com bubble waiting to burst’?**

Having survived the Dot-com bubble burst back in the year 2000, I could almost see the trend – everyone was rushing into the ‘new found land’ of health informatics, without understanding what it is all about.

### Everyone Wants a Share

Lured by the huge potential ‘gold mine’, many established IT industry giants scrambled to spin a marketing storyboard on how their solutions can add value to the healthcare segment. It doesn’t matter if there is no real product intended for this unique segment, all they needed was a big marketing budget to spin up the hype – or so they think.

Those companies with deep pockets proceed on to acquire smaller but promising health IT solutions providers, hoping to accelerate their market entry process, even traditional health IT companies who are already successful in their selected clinical disciplines played the same game, after all, it was a bloom market and they have all the right ingredients - proven success stories and establish key install sites, surely they can venture into the next most lucrative clinical discipline and dominate the market . Right?

### Things Changed

Fast forward the time almost 3 years later to today and we see a lot of changes in the health IT industry. To name a few, the adoption and evolution of health IT has increased several-

folds and that some of the previous heavy weights in this industry now struggles to compete with these new entrants.

The changes in landscape are not only evidential on the solution provider end; healthcare providers also witnessed an increased in awareness and knowledge about health IT, becoming wiser and savvier in the domain knowledge. No longer are they 'meek lambs' lapping in every 'word of wisdom' or instructions from solution providers, instead, the tables have turned and it is the solution providers who are at mercy at the laborious grilling to prove return of investments, technical capabilities, change management capabilities of their offerings during tender selections. In most cases, these costly and technically challenging proof-of-concepts are carried out before the precious purchase order is issued, costing many solution providers valuable resources and zero return of investments.

### **Harsh Realities**

So did the 'gold mine' really exist to begin with or was it but a mirage? The growth in health IT remains evident but did the solution providers (both traditional players in the market and new entrants) made any decent profit at all? This is indeed a difficult question to answer.

As I pen this article, two other interesting pieces presented themselves to me;

- **Exodus**, by a good friend –Jianggan Li of FutureGov <sup>2</sup>
- **Microsoft Pulls Plug on Amalga HIS**, by Jon Hoeksma of EHealth Europe <sup>3</sup>

In 'Exodus' two very important points were highlighted;

- Health IT solution providers who made it big in 'western countries' venturing into the promising Asia market fails to understand the business culture of this region.
- Whatever revenue earned from this market pale in comparison to that earned back home, after taking into account of the precious resources required (usually still based in the 'western' countries') because of currency conversion, hence the lack of wiliness to invest further.

The end results were;

- Losing valuable talent pool (qualified health informatics professionals) to competitors.
- Healthcare provider's unwillingness to partner with health solution providers who might pull out of the market after their solution has been chosen.

These fears are not unfounded or merely urban legends. I personally witnessed several similar incidents and in the article 'Microsoft Pulls Plug on Amalga', it becomes much more evident, more so to me because I once work with the company GlobalCare Solution, whose product went on to become Microsoft Amalga and I can vouch for the solution itself – it was among the best in its category (at its time).

### **What Happened?**

So what went wrong where? For starters, not many people understand health informatics, its complexity and intricacies and its application in the Asia markets. The initial wave brought many salesmen in expensive business suits over to Asia, hoping to reap in the easy revenue. The over-promising, under delivering 'strategy' left not only a sour taste for pioneer health IT adopters in Asia but also raised the level of knowledge, experience and skepticism, making it much tougher for solution providers coming in later waves, even those with genuine intent in helping hospitals adopt effective health IT solutions.

Coupled with the increased in competition, the market share suddenly becomes much smaller and increasingly more difficult to get. After all, very few (in any) hospital would to write off a failed but costly health IT implementation immediately and for healthcare providers adopting a wait-and-see approach, it suddenly became apparent that it is actually wiser to just keep waiting until someone else managed to get it right.

## Is the Growth still in Asia?

Is the Asia opportunity gone for health IT solution providers? Well I'm going to quote what I said back in 2006 (when the term 'health IT' was predominantly still unheard of);

**“Healthcare Informatics has not only become an integrated part of modern healthcare but has also propagated the entire industry into a new era of efficiency and it will continue to play a vital role in the quest of providing quality health services. The potential for Healthcare Informatics is colossal and the growth is right here in Asia Pacific.”<sup>4</sup>**

I stand by the above and in my humble opinion, the new era where we see real health IT professionals taking charge has begun. The need for effective health IT solutions is still very much in demand in Asia, all we need, is the real McCoy.

## References

1. <http://binaryhealthcare.wordpress.com/2007/11/22/it-giants-jumping-onto-the-bandwagon/>
2. <http://www.futuregov.asia/blog/2010/jul/27/exodus/>
3. [http://www.ehealthurope.net/news/6098/microsoft\\_to\\_quit\\_his\\_market](http://www.ehealthurope.net/news/6098/microsoft_to_quit_his_market)
4. <http://binaryhealthcare.wordpress.com/adam/>

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