

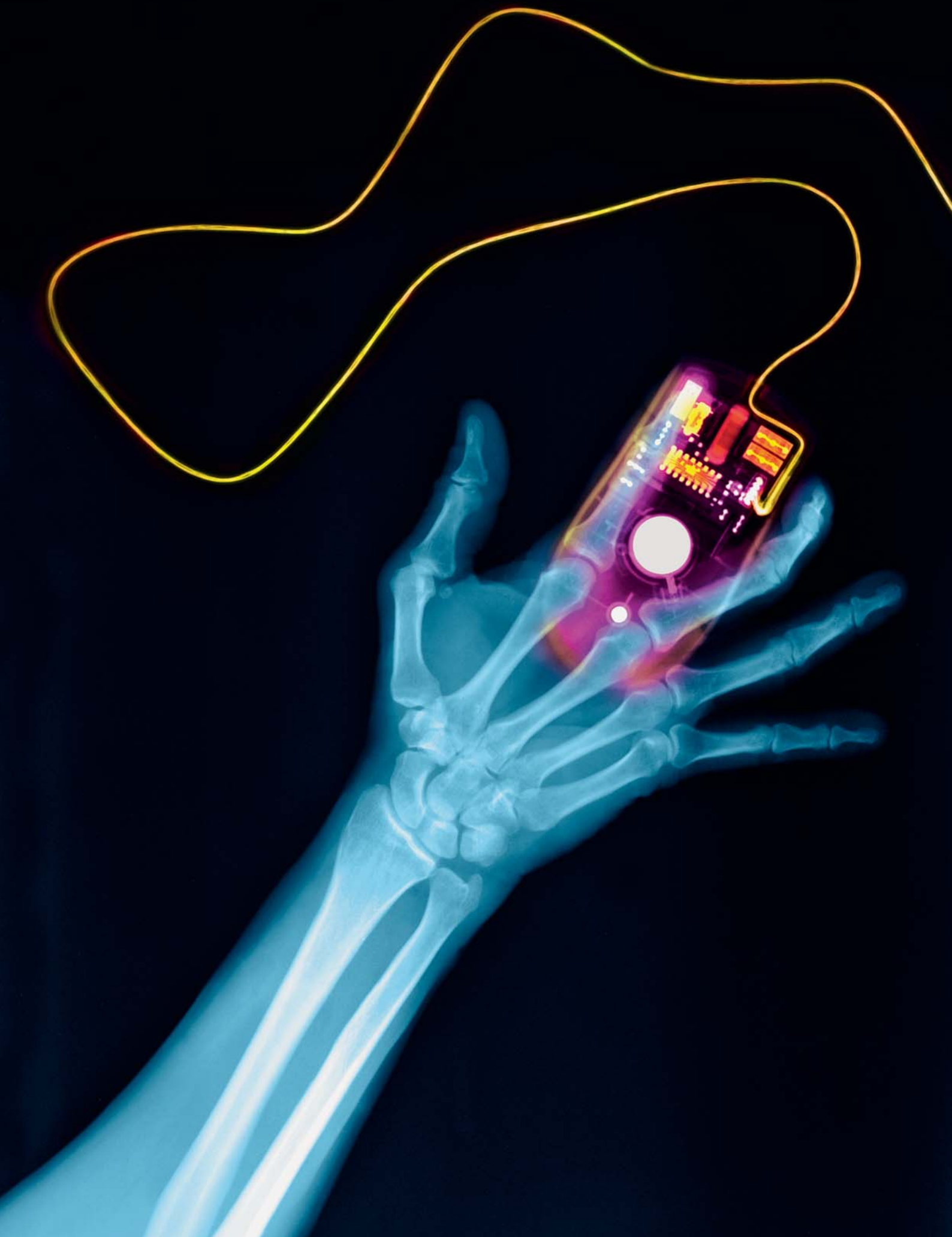
It's not just about a product

Doris Pischitz

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SIEMENS



“It’s not just about a product.”

Healthcare extends beyond one person, one department, one building. It is an active process that requires communication, collaboration, and decision-making across care providers and care settings. Siemens hospital information systems support patient information flows – enabling better collaboration and more informed and efficient decision-making.

How are things moving along with Soarian®?

DILLIONE: We remeasure Soarian’s progression year after year, and it’s progressing very, very well. Over 34,000 users work with Soarian every day worldwide. We have about 200 global customers, and 160 of them are actively implementing the system.

The automation of healthcare workflow is a key differentiator in innovation for Soarian. Last year set a benchmark, which we have now exceeded. We now have 237 live workflows across 41 customers, which was a 240-percent growth from the previous year.

We receive positive comments from our customers and have made great strides in reducing implementation time. Anyone in my role would want to see ‘speed, speed, speed.’ Customers need things to be faster and easier, so we’ll always be pushing the envelope on that.

Where do you stand in the product development life cycle?

DILLIONE: We are maturing. With Soarian Clinicals, we are into release 6, with Soarian Financials well into release 3. The product is maturing, so the processes are maturing greatly. We have 152 patents pending on Soarian. As the customer base really started expanding, we put great focus on the implementation side to make sure our customers have excellent, measurable results.

You released some product developers during a recent restructuring. Is this a signal that you are stopping the investment in Soarian?

DILLIONE: Not at all. Soarian remains the single most important investment that we continue to make. The reduction in

workforce reflects the growing maturity of Soarian. It was in our multiyear plan that more staff was needed during the early development phase. In 2007/2008, Soarian, as planned, came out of an incubation phase, meaning that in the future, development could be done more efficiently, requiring less staff. While the head count on the product development side was reduced, about 50 people migrated from R&D [research and development] into the implementation side of the business. The developers bring a lot of in-depth product knowledge to the implementation team, which is great for our team and for our customers.

Can you talk a little bit about the intricacies of developing software for the global market?

DILLIONE: The one big challenge of healthcare IT, as opposed to some other types of IT, is that healthcare is local. Locally delivered and locally regulated. Each time we go into a country, we must be engaged on local requirements, customer demands, medication regulations, billing rules, and so forth. Essentially, each market entry is a process unto itself that we have to intimately understand – it’s really think globally, act locally.

Of course, Siemens global healthcare IT portfolio includes other solutions beyond Soarian. What is your strategy with regard to local legacy systems?

DILLIONE: The answer is simple – but the execution to achieve it is one of the toughest IT challenges ever. We want Siemens customers to remain Siemens customers so that we can attract new customers. That means supporting customers in their use of the Siemens products they have already purchased. It

means providing them with options and roadmaps to guide them so their healthcare IT continues to grow to support their operational needs. It also means that we must anticipate the future challenges our customers will likely face and deliver the innovative healthcare IT they will need early enough for it to be deployed in time to meet those challenges. But it is absolutely critical we perform our efforts on our customers’ behalf with minimum disruption to their primary mission, the care and treatment of their patients. This is no small order, but as evidence of our success over time and across geography, Siemens can simply point to our comprehensive portfolio of products in daily use in so many markets by so many customers for so many years. The key to success at this level is to never lose sight of the importance of our customers’ success. When you have been in the business as long as Siemens has, you realize that new products roll-out, get enhanced, mature, and then get replaced by newer products. But this IT lifecycle must be driven by the need to help our customers continue to improve the quality and the efficacy of the care they deliver and not by technology for its own sake. Our portfolio strategy must also keep Siemens successful; we will be no help to our customers if we don’t stay in business or can’t fund the R&D necessary to deliver the innovative solutions our customers will need.

What does this strategy mean for customers using the healthcare IT in Siemens portfolio, particularly those on older or less advanced legacy systems? And what about new customers?

DILLIONE: Our portfolio of products is not only broad in terms of global reach. We



Janet Dillione, CEO,
Health Services,
Siemens Healthcare

“The one big challenge of healthcare IT is that healthcare is local.”

Janet Dillione, CEO, Health Services, Siemens Healthcare, Malvern, Pennsylvania, USA

have products, such as Aurora in Italy and Spain or KAI in Japan, that represent the previous generation of healthcare IT products. While the bulk of our portfolio is of the current generation of healthcare IT, which, by the way, is also what our competition without exception is selling, Siemens has already begun the move to the next generation with the launch of our Soarian family of products. For each of our legacy products, Siemens has or is updating plans and roadmaps that demonstrate to our customers our long-term

commitment to them. We involve our customers in the creation of these plans to not only better determine the future state we should be aiming for but also so that customers are well informed as to where we are heading and can plan accordingly. So, for example, we continue to work with our i.s.h.med® customers and our partners SAP® and T-Systems to plan the development necessary to move i.s.h.med and the companion SAP for Healthcare solution portfolio, both based on the SAP NetWeaver™ platform, to the

next generation of hospital information systems. Similar planning efforts are ongoing for our current generation products in the other markets we serve. And, we have plans to address products at the end of their life cycle. For example, in Spain, we are working with our Aurora customers to develop migration plans to the go-forward replacement product Selene.

As for new customers, the above efforts keep our go-forward products competitive and able to generate new sales. We

are aggressively rolling out the latest member to the Soarian family – Soarian MedSuite – in key growth markets in Africa, the Middle East, Asia/Pacific, and Latin America. This workflow-driven, innovative, role-based HIS can lower the total cost of ownership for value markets.

Who are the ideal customers?

DILLIONE: In any scenario, the ideal relationship is: number one, built on trust. Number two, clients who see IT as part of their strategy. They're investing in IT because they see it as a way to get better outcomes for their patients, better outcomes for their enterprise. Many people view IT as costs, as a line item. When you go someplace and hear 'my current percentage spending on IT is X. How can you reduce my spending?' – that's not a strategy. It's not just about a product. Customers have to be efficient and cost-competitive, but the ideal customers are those for whom IT is a part of their strategy because their strategy is to deliver higher quality, more efficient healthcare. That's the ideal in any language, in any country, and in any product line. The greatest customers are those who understand that it's not just the vendor's system – that we absolutely are partners. We will kill ourselves to help you, to support you, and to be with you. We don't want customers for two years; we want customers for 20 years, 30 years. They need to feel that it's collectively our system. I love it when customers brand their own IT system with names unique to their facility, which has gotten more and more common. It's part of them, it's their identity, their brand.

There is a certain amount of complexity surrounding a healthcare IT installation or the migration to a new

platform. Can you describe your implementation approach and how Siemens handles these large-scale projects?

DILLIONE: We actually have a whole program that takes the client from the clinical sales process into the implementation process. Typically, you have just a small group of people on the client side who are involved in the sale. Now, they'll need to tell all the physicians, nurses, and administrators, 'by the way, here's what you're going to do now.' So, we introduced a new step, right after the sale is complete, which takes two to three days with our product and sales staff literally walking all customer stakeholders through the system. Here are the processes, and here's how we'll go through the implementation. These are the expectations. It's a very mutual process and an opportunity to get everyone aligned before the implementation starts. We introduced this early in 2008, and it's getting tremendously positive feedback. Healthcare facilities are complex enterprises. We like to say that a healthcare CEO is more like a mayor than a CEO. There are a lot of stakeholders to manage and a lot of complexity, so governance is key. We will work with our clients to get the right project governance in place. We need to be experts and bring that expertise to the clients. This is what we do for a living – our customers do patient care – so, of course, our customers look to us for advice.

What trends do you see taking shape within the healthcare IT industry in the coming years?

DILLIONE: There are certain undeniable global trends that have to do with demographics, the aging population – it's a global dynamic in most of the markets

that we serve. It adds pressure on the healthcare delivery system, which puts pressure on IT, which is supposed to be an enabler of that delivery system. So, we see it as a trend we have to be able to support.

We expect an ongoing focus on costs and reimbursements, with a growing emphasis on appropriateness of treatment. And on quality. Pay not for use, but for demonstrated quality. Again, we must support our customers with that. Just as with any highly skilled area, we see, and the market shows, that there continues to be staffing shortages. There aren't enough nurses, doctors...so you want to demonstrate that your IT system can bring efficiencies, which can help alleviate some of the pains of these shortages.

Finally, absolutely, personalized medicine. Not everyone is going to get an Aspirin® because not everyone is going to have the appropriate response to Aspirin. But here's what that individual should get. Obviously, there's tremendous cost saving, tremendous quality in that. This is a multiyear journey we are on.

How is Siemens going to lead the way in bringing personalized medicine?

DILLIONE: We're the only company that has brought together integrated care, with diagnostics through the acquisitions of DPC, Bayer Diagnostics, and Dade Behring, with the imaging modalities, and with the delivery and knowledge platform provided by IT. So, Soarian was invested in and always built with the idea that it would be the IT platform that will be delivering to the clinical end-user the information he or she needs to make decisions at the point of care. Soarian is not a one- or two-year journey. It's not for the faint at heart.

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