

Commitment – whatever the cause

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By [Errol Kiong](#)

Most mornings, Ian McCrae can be found kayaking in the waters around East Tamaki. Or running around the hills of Mt Eden. Or cycling on the wind trainer in his garage.

McCrae is in training for the annual Coast to Coast race. On the Longest Day section, competitors do a 67km kayak, 36km run and 140km cycle.

Wife Rosemary, quips McCrae, only agreed because it was one of the less expensive mid-life crises to have.

"I'll be 50 when I do it, and then the idea is to talk about it for the next 20 years. However, there are a few small problems – one of them is actually finishing."

The physical preparation for the February event is immense. Two hour weekday training sessions are commonplace. On Saturdays, it's four hours. And on a recent Sunday, McCrae did a continuous 10 1/2 hour stint of running, cycling and kayaking.

All this takes place in between managing a thriving software company with offices on four continents, and being a husband and father of five.

But McCrae is no stranger to being committed to a cause. As majority interest owner and chief executive of Orion Health, McCrae has had plenty of opportunities in the past to sell up and live off the rewards.

"We frequently get offers from all sorts of people overseas. It's probably an offer every quarter, sometimes one every month, and it's flattering.

"But it'd be a shame at this particular stage to have got to this point here and not carried on."

Carrying on for McCrae means getting the company to a turnover of \$1 billion – which he's adamant is achievable within the next eight years.

This year, Orion's turnover is projected to sit between \$60 and \$70 million. And next year, it's poised to breach the \$100 million mark.

Along the way, the company's gained a string of awards, most recently exporter of the year at the Air NZ Cargo Auckland Export Awards. It also has the distinction of being among the top 100 healthcare IT companies in the US based on 2007 revenue.



Ian McCrae has no intention to relocate headquarters overseas.
Photo / Kenny Rodger

The company McCrae founded in 1993 with just a staff of five is now a team of 320, with offices in places such as Santa Monica, Edmonton, London and Palma de Mallorca in the Balearic Islands of Spain. Its products are used by more than 1000 customers in 20 countries.

But Auckland remains Orion's engine room. McCrae's office in a converted former sawmill in a less salubrious part of Mt Eden is a light, airy space.

But what dominates is an enormous whiteboard spanning the width of the room covered in a rainbow spectrum of post-it notes. It is an intricate system of coloured dots and columns designed to keep track of all the different departments and projects – a product perhaps of McCrae's engineering background.

The seams of logic run clear in McCrae's speech. He links ideas and concepts in an orderly step-by-step fashion, his speech peppered with that delightful Kiwi-ism, "yeah, nah".

The global health software market, said McCrae, is huge. Worth an estimated US\$70 billion, it enjoys a compounding growth rate of 18 per cent per annum. And what's great for Orion is that there are no dominant vendors.

He said New Zealand also has the added advantage of having a good profile internationally for its leadership in health IT.

McCrae's entry into the health software industry began in 1992. He had left his role as a telecommunications consultant with Ernst & Young to form Clearfield Consulting with two others. At the time, the Ministry of Health was in the midst of introducing a National Health Index, which would give each public hospital patient a unique identifier. This would allow different healthcare providers to have shared access to a patient's records while maintaining confidentiality.

Clearfield was contracted to help develop the software.

"It sounds like a really trivial thing, but if you don't have it, then you can't send data electronically between organisations, from one lab to a GP."

The following year, the partners created a new subsidiary, Clearfield Systems, to develop software packages and solutions. McCrae eventually took a majority interest in the spinoff company, which was subsequently renamed Orion Systems, and then Orion Health when it exited all its non-health businesses.

But it was that very first project that marked the beginnings of something big. Orion had begun selling the software all over the world.

"That was pretty much our model for a number of years after that – to innovate locally here, develop products, and then subsequently sell them to the rest of the world."

But it hasn't always been smooth sailing. Over the years there have been growing pains.

"The way you do things has to change, and often your customers ... well, it causes them some issues. They've been on occasions very supportive, on occasions even patient with us as we've got to a bigger and bigger organisation," he said.

"The trick once you get to this size is not to lose your agility. And some companies have proven that it's definitely possible."

He cites Apple as one example.

"What I particularly like is the product side of things, the engineering side of things. I think companies that succeed ultimately are design-based. They build the products that customers will use.

"Ultimately if you do that, then you have a far better chance of success than if you don't do it."

As Orion grows, a listing on the NZX will be "pretty inevitable", said McCrae.

But there was no intention to relocate its headquarters overseas.

"It's quite viable for us as a company to develop here in New Zealand. Some of the engineers and developers we get out of Auckland University, Otago and other universities, are really good developers, really good engineers. And we probably can get better engineers locally here than we could say up in San Francisco where we're competing with Google, Microsoft."

But a concern remains having a big enough pool of talent to draw from as the company expands. Already it is hard to find engineers.

"So you've got to do some unique things to make Orion a good place to work," said McCrae.

One move is to provide staff with free breakfasts. The company only recently bought the cafe downstairs to cater exclusively to its people.

For McCrae, his project is what engages him. He speaks with a relish about organising people, of his teams spread across the world, and the challenges of the different time zones and cultures.

"How do you build products here and sell them to the world? I guess in the software industry, while the country's had lots of really good ideas, and lots of initial things that have got off the ground, we've never really pushed on and built a really big software company out of this country. But I think Orion can do it."

RESUMÉ

* **Age:** 49.

* **Education:** Masters degree in engineering science, University of Auckland.

* **Family:** Married to Rosemary, five children.

* **Interests:** Fishing, reading, skiing, kayaking and running.

* **Career:**

1993-present – Orion Health (previously Clearfield Systems).

1991-1993 – Telecommunications consultant, Clearfield Consulting.

1990-1991 – Telecommunications consultant, Ernst & Young.

1989-1990 – Product manager, Imagineering.

1987-1988 – Senior business analyst, London Stock Exchange.

1985-1987 – Works computer advisory officer, Auckland Regional Authority.