

# Orion expects export dividend from Obama era

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**Barack Obama's election victory is likely to increase opportunities for New Zealand's largest software firm, Orion Health, to sell into the United States, but chief executive Ian McCrae says he does not expect a "tsunami of activity".**

The US is Orion's fastest-growing market and Mr Obama has pledged to invest US\$50 billion over five years "to move the US healthcare system to broad adoption of standards-based electronic health information systems, including electronic health records", in which Orion specialises.

Mr Obama has estimated inefficiencies in the healthcare industry cost the country US\$50 billion to US\$100 billion a year and has put "adopting state-of-the-art health information technology systems" at the top of his list to address that.

Mr McCrae says "there will be some new opportunities for sure. In the electronic health record space we are a world leader, if not the world leader. The way I can evidence that – the deals that have gone down in recent times, we have won the majority of them."

But investments in such technology initiatives were usually "fairly drawn out and protracted".

Orion and sister company HealthLink employ 350 staff, including 70 in the US and Canada.

Mr McCrae expects this year's revenues will be up 20 per cent to 30 per cent on the \$53 million it reported in the year to March, helping propel it toward its goal of an eventual stockmarket listing.

He says his advice is Orion needs to be turning over more than \$100 million before it floats.

Orion recently embarked on a \$9.6 million project to develop Java software that will help hospitals establish a common framework for the hundreds of specialist software applications and databases they typically run and which usually need to interface with clinical and patient management systems.

Mr McCrae says the investment – half paid for by a Foundation for Research, Science and Technology grant – should start to bear fruit in the first quarter of next year.

The global healthcare IT market is worth US\$10 billion to US\$15 billion, but many vendors have products that are "a couple of decades old" and are ripe for substitution.

Mr McCrae says innovation in the New Zealand healthcare sector "ebbs and flows", but is on the cusp of another big jump forward.

"We need it and there is a mood for it."



Reuters

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