



Cost effectiveness

Quality of service

IT best practices



"At Sonic, we continuously look for ways to increase operational efficiency. CACHÉ provides us with a platform that allows consolidation of our radiology and pathology systems on a single server with one administration team."

IT TRAIL BLAZER REVEALS KEYS TO SUCCESS

Sonic Healthcare has been in healthcare for fifteen years and is today a A\$1billion company. Annual revenue growth is impressive and there are 10,000 employees in the company's operations in Australia, New Zealand, Hong Kong and the United Kingdom.

Sonic is essentially a federation of a large number of health service companies across Australia -operating through well known local brands offering a quality service. Low volume and esoteric tests are centralised to major laboratories situated in the capital cities.

Despite the strong demands of the business, Sonic's IT spend as a percentage of revenue is at least 30% lower than the industry standard for the health care industry. Chief Systems Officer, Dr. Alan Lloyd, has attracted worldwide attention due to the success of Sonic's workflow systems and non-traditional approach to IT. So, how has he done it?

With a high level of process control right through their business and testing processes, the company is highly dependent on technology and their policy therefore is to own and develop their own IT systems.

The workflow process in pathology and radiology is highly complex and IT is key to controlling it. Sonic has a system for continuously evaluating process feedback and looking at ways of improving each element of each process. The fact that systems are being enhanced allows Sonic to continuously improve productivity.

Choose the best technology

Having acquired a number of companies, Sonic carried out an analysis of each operation and benchmarked their cost of IT. They found as much as 300% difference in cost and system performance across the board. The top four companies analysed all used InterSystems' CACHÉ, a post-relational database with a built-in rapid application development environment. Sonic's analysis revealed that CACHÉ required ten times less storage and five times less processing power than other databases. The best systems identified through the benchmarking were then adopted for deployment across the entire organisation.

Ensure that IT is tightly coupled to business strategies

At Sonic, all major decisions are made by a small committee, the Sonic IT Executive Committee (SITEC).

Somewhat unusually, the company has a Chief Systems Officer (CSO), rather than a CIO and the difference is this: a Chief Systems Officer is familiar with all processes, systems, workflow and business imperatives in their particular business environment. At Sonic, both the CEO and the CSO are pathologists - of the five people on the committee, three have a medical background.

Business development units are responsible for the initiation of IT projects and include both business staff and IT people - Sonic has no systems analysts. The people in each business unit participate in and control the specifications for IT projects. The executive committee is then responsible for prioritising these projects. This is an important point as the cost of the last 20% of project delivery can sometimes be as high as 80% of the total - IT projects are definitely governed by the law of diminishing returns.

Choose the right people

According to Sonic, the first step to success is to choose the right people. They will in turn choose the right technology and ways of implementing it for best results. In Sonic's experience, identifying and nurturing the best talent within the organisation yields far better results than recruiting from the open market.

Create new applications faster

Sonic's new Radiology Information System (RIS) is a web-based application that controls the front desk, patient workflow, report transcription, electronic report communications, billing and back office functions of radiology practices. By using CACHE Server Pages (CSP), the web-development environment that provides Sonic's developers with the tools to rapidly develop complex GUI applications, the project went from initial concept to pilot in just one year. The browser based thin client technology minimises implementation and maintenance costs associated with widely distributed networks.

Implementation of this new system will take place over the next two years and will deliver improved functionality and significant cost reductions per patient.

Summary

Sonic Healthcare gets more done with less because:

- Technology is part of their business culture and the business culture is part of IT
- Business productivity improvement is founded on their IT core competence
- They choose the best technology instead of the most common solutions
- Ownership ensures retention of IP
- High level executive control drives decision-making

In short, Sonic's business imperatives are to improve productivity for cost advantage and to look for market differentiation through superior systems that can deliver something their competitors can't.



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