



-Steven A. Huesing - Editor

Troubled Times

The cover of the November/December edition of “Masthead” – The Magazine about Magazines (yes, folks, magazine publishers have a magazine too) was reminiscent of the original version of “Jaws” complete with the opened mouth of a shark. The text read:

“Troubled Waters for trade publishers. Recession, Web woes, postal hikes and hungry consolidators: Are you the shark or the bait?”

The chief culprit was deemed to be Canada Post, which is contemplating a rather obscene double-digit hike in the publication mail rate. Things are tough everywhere.

As an aside, the editor closed his column with a restatement of the old “mag” maxim: *“In good times it pays to advertise. In bad times, you have to advertise.”* Now, there’s a plug that I (and my colleagues who publish the “other” magazines) would be loath to resist.

But, enough about magazines. The concern is for the industry that supports us and provides you with the tools to build the informatics infrastructure that support your organization, your practice and the effective delivery of health care generally.

In the past months, we’ve witnessed more than a few distressing events.

Total Care Technologies, named as one of T-Net’s top 100 technology companies in 2000 in B.C. went into receivership; its assets were subsequently purchased by AD OPT Technologies Inc., a leading developer and vendor of multi-industry advanced workforce management applications.

MediSolutions announced “the implementation of a restructuring plan that provides for a significant reduction in operating costs” after posting significant losses for the first half of its current fiscal year. As well the company has retained financial advisors “to assist it in the sale of all or part of the business and to advise it on other strategic initiatives”.

MedcomSoft recently announced that a substantial portion of its staff in its Canadian development facility was given a temporary layoff. “This step was necessitated by a combination of factors that have resulted in lower than expected revenues in the first fiscal quarter combined with a payment default by its large Australian customer.”

The sad part is that they are not alone. A number of companies are exercising masterful “cash-flow “ brinkmanship, a fact to which my (and other’s) aged accounts receivables will attest.

The reasons are many and varied – quality of product isn’t one of them - but the bottom line is the lack of investment capital. The .com disasters hit the investment community at a time when many companies in our industry were in the emerging steps of integrating their product lines into the new technologies – an expensive undertaking. The plans and the financial schematics were likely sound at the time, but the rules have changed. Significantly so, painfully so, lamentably so.

What’s the answer? I don’t know - if I did, I’d be paying someone to write editorials for me.

What I do know is that vendors are a vital part of our collective community, not only in terms of the selection and variants of the products they provide for the system, but in other more subtle ways as well. At risk of plagiarizing Browning, “let me count the ways”- a few at least:

- Their sponsorship, patronage and presence on the “exhibit floor” make conferences like e-Health2002 financially possible. Their participation in the educational program contributes significantly to the strength and “new knowledge” of educational content.
- They fund and participate in studies, reports, “think tanks” and the like to further the development and exploitation of new (and old) technologies, their application, implementation and management.
- They actively participate financially and intellectually in the setting of standards, the Canadian Institute for Health Information (CIHI) Partnership, is likely the best example.
- They contribute their time and talent to voluntary organizations and committees; look at the constituents of the COACH Board, or the Organizing Committee of the annual E.H.R. Symposium as salient examples.
- They provide employment (and training) to thousands, enriching our skills base, exporting Canadian products abroad and contributing to our economy.
- And, on a self-serving note, without their support few, if any, industry magazines would survive.

The cynics among you will say that their contributions are profit based and self-serving. And you’re absolutely right – but then, you work for a paycheck too, don’t you?

Troubled times, indeed, let’s give them our support. Shark infested waters are not safe for anyone.