

Media Release

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Health IT companies partner with multinational to go global

Two New Zealand health IT providers are poised for significant growth after joining an elite group of companies worldwide that can use the resources of IT giant, Microsoft, to access international markets.

Healthphone, whose technology gives access to up-to-date health information at the point of care using PCs or mobile devices such as laptops, PDAs and cell phones, has signed a partnership deal with Microsoft which will see its technology jointly marketed in the global community and long term care sector.

Simpl has also negotiated a global agreement to use Microsoft's distribution channels to market and support a 'plug and play' linking system it has developed which enables third party applications, such as Healthphone, to connect to other systems, giving healthcare professionals seamless access to patient health data.

The contracts are a direct result of the success of the world-first Health IT Showcase, a year-long New Zealand initiative which demonstrated how innovative technology can improve patient care through online patient records management. The Showcase was based on the journey of a typical diabetic patient through a variety of care settings, with the support of a range of management technologies to allow physicians, clinicians, researchers and administrators to work collaboratively. Microsoft New Zealand and the Foundation for Research, Science and Technology were key investors in the showcase, with further government support coming from New Zealand Trade and Enterprise (NZTE), while the project was implemented by the New Zealand Health IT Cluster, made up of leading health IT vendors.

"This is a massive break for us," says Matt Hector-Taylor, CEO of Healthphone. "There are only four or five other companies in the world that have agreements like this with Microsoft.

"This is exactly what we hoped would come out of the Health IT Showcase. That exercise gave us an opportunity to work with Microsoft at a senior strategic level over 12 months, long enough for us to work out the best way to establish a long term relationship."

Matt Hector-Taylor says the markets to be initially targeted by Healthphone and Microsoft are in Europe, North America, Asia and Australasia. "Partnering with Microsoft means we can short circuit market entry into those places. It would take us up to a couple of years per country, and lots of personal effort, to do it on our own. This way, market entry time will be cut to around six months and we will have help with marketing, selling and finding partners."

Healthphone has recently opened offices in Australia and Canada and says it will be taking on new staff in those markets and in New Zealand to support the growth expected in the next couple of years.

Simpl's plug and play health connection engine was developed in conjunction with Microsoft as the central technology that would link together the various products and systems used in the Health IT Showcase. It proved so successful, Microsoft has now bought the remaining IP rights from the Health IT Cluster and will market it as an international solution.

"We are also one of just a few companies globally to have lead partner status with Microsoft, and one of only two in the Southern Hemisphere," says Simpl's Health Practice Manager, Malcolm Pollock. "While it is not a meal ticket per se – we will have to work very hard to take advantage of the opportunity being offered to us – it's incredibly exciting and a real pat on the back for New Zealand technology and for the government which invested in the original initiative."

The Health IT Showcase was unveiled to hundreds of leading healthcare industry professionals and organisations at a conference in San Diego earlier this year and Malcolm Pollock says the New Zealanders were astonished at the level of excitement.

"Connecting different systems to deliver the right information at the right time really is the Holy Grail of healthcare and billions of dollars are being spent on this round the world. Our system is not unique but we realised in San Diego that we had developed something that really pushes the boundaries. The fact that Microsoft came back with its cheque book is testimony to that."

He attributes that breakthrough to a number of factors. "We started with no preconceptions and no existing product, which freed our thinking. We were also working in a real environment where the technology was needed quickly and we had some of New Zealand's top people on the project. It was a happy juxtaposition of circumstances and people."

Robin Hyde, a Business Manager with the Foundation for Research, Science and Technology, says taxpayers are getting a very good return on the funds invested in the Health IT Showcase by the Foundation and NZTE.

"There is the prospect of more jobs and new revenue from the partnership agreements signed by Simpl and Healthphone with Microsoft. The success coming out of the Showcase project also puts New Zealand's record of health IT innovation on the world stage and illustrates New Zealand's advantages as a test-bed for research and development in this sector."

The money paid by Microsoft to the Health IT Cluster for the remaining IP on the health connection engine, could now help members undertake new collaborative projects, says Cluster CEO, Andrea Pettett.

"Without the existence of the Cluster this project would not have occurred. The Cluster provided the essential governance and contracting framework and enabled the group to come together and undertake collective marketing activities. All of the project participants gained valuable knowledge about their approach to R&D, and will have their products promoted internationally by Microsoft for a 12 month period. This profile, and the ability to leverage the relationships they have formed through the project, have proved extremely valuable to them".

Microsoft New Zealand and the Foundation for Research, Science and Technology each contributed NZ\$416,000 to the Health IT Showcase, with Microsoft contributing

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an additional NZ\$99,000 in technical assistance and consulting support. NZTE and Microsoft New Zealand provided initial seed funding.

Other members of the Health IT Cluster that participated in the Showcase were Enigma Publishing, which provides electronic clinical decision support systems; Houston Medical with its healthcare management system; Precept Systems, which has patient and ICU management systems; Sysmex, specialists in laboratory information systems; and telecommunications company Vodafone.

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Note to Editors

About the Foundation: The Foundation for Research, Science and Technology invests over \$460 million a year on behalf of the New Zealand Government, in innovation and fostering the creation of new knowledge through a range of funds and schemes. These investments are made to enhance the wealth and well being of New Zealanders.

To find out more about Foundation investments visit:

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For further background on this story, please refer to the August issue of Bright, published by New Zealand Trade and Enterprise.