



Omicell's hospital safety solutions help automate daily procedures, making them more efficient and error proof.

HEALTHY START

A trip with his daughter to the hospital drove Randy Lipps to develop systems to automate day-to-day procedures in healthcare facilities. —ERICA GALLAGHER

SOMETIMES THE BEST IDEAS COME FROM LESS-than-ideal circumstances. In February 1991, Randy Lipps' daughter spent time in a level III trauma center to treat her case of Highland's Membrane Disease. While he accompanied her, he observed an overall lack of efficiency and automation in the hospital system. "I come from the airline industry where processes are highly automated, using little paper, and everything was so manual in the hospital," he recalls.

Now chairman, president and CEO of Omnicell – a company that works to automate healthcare industry processes – Lipps took his idea to Stanford University and partnered with students to come up with systems. "We discovered the healthcare industry is unique because patients' conditions are dynamic and they need safe, flexible and easy-to-use solutions," he says. "We began with creating tracking devices for medical supplies because patients move around frequently inside hospitals and the products they need must move around with them."

The system Omnicell created took a lot of paperwork and manual recording out of day-to-day procedures. Today, Omnicell continues to address the medication-use process and the medical-surgical supply chain throughout healthcare facilities. Improving patient care by enhancing operational efficiency, Omnicell's end-to-end solutions include systems for physician order management, automated pharmacy retrieval, bar code medication packaging, medication and supply dispensing, open bar code supply management, nursing workflow automation at the bedside and Web-based procurement. These solutions enable healthcare facilities to reduce medication errors, operate more efficiently, and decrease costs, Lipps explains, ultimately contributing to improved clinical and financial outcomes.

PROFILE

Omicell
www.omnicell.com
Proj. 2003 Sales: \$100 million
Headquarters: Palo Alto, Calif.
Employees: 350
Service: Healthcare safety solutions
Randy Lipps, chairman, president and CEO: "The wonderful thing about working with healthcare providers is that we're all in the people business."



▷ “Drug complexities have increased dramatically and there are a lot of issues that make it more imperative to meet safety demands,” Lipps says.

Industry Leader

FOR ITS INNOVATIVE SOLUTIONS FOR AN INCREASINGLY COMPLEX industry, Omnicell has become No. 2 in a niche industry of about five major players. “Ninety-five percent of our systems are in the domestic market; five percent are in Canada, Europe, Japan, Australia and the Middle East,” Lipps says.

In 1998, Omnicell was recognized by accounting firm Deloitte & Touche as the fastest-growing business in Silicon Valley, and the third-fastest in the country. One of the company’s recent innovations, according to Lipps, is an automation system for drug dispensing.

“This reduces medication errors,” he says. “It’s required for nurses to carefully track dispensing of narcotics. It is usually required that two people witness the dispensing and the nurse had to count the inventory every time he or she dispensed the narcotic. Our system is so safe, that it can be dispensed out of the machine one at a time without the need for extra tracking and paperwork.”

In addition, Omnicell just acquired BCX Technology Inc., whose system allows Omnicell to track everything related to medical supplies in a hospital. “This technology really reaches out to hospitals, conveying that we want to help them track everything,” Lipps says.

Working Together

LIPPS SAYS WORKING TOGETHER with healthcare professionals is the highlight of operating in this industry. “The wonderful thing about working with healthcare providers is that we’re all in the people business,” he says. “They really want to tell you their needs and count on you to bring a solution to them. Our company has spent a lot of time interacting with customers. Our No. 1 principle is that the customer comes first. These are the folks that help us understand what to sell. We depend on their feedback.”

Of course, the industry has its share of challenges; in particular, financial pressures. Lipps explains that challenges in healthcare are focused around funding, and that it’s Omnicell’s responsibility to “help the customers understand our solutions. We can save them a lot of money.

“Our challenge is to make our systems simple to use, acquire and service,” he adds. “We must design products that don’t need manuals, but are intuitive.”

Highly Skilled Work Force

CREATING EASY-TO-USE, FUNCTIONAL SYSTEMS BEGINS IN THE design and production processes at Omnicell’s Palo Alto, Calif.,

headquarters.

“We’re in Palo Alto because we have access to the best human capital in the world; probably the best management team is found in Silicon Valley,” Lipps says. “We have a highly developed program where we recruit out of Stanford before students graduate, bring them in on internships, evaluate and place them. We go through MIT and other schools, as well.

“Attracting wonderful talent is important because our principle is to stay on the leading edge,” he continues. “We attract people because here, they can work on more interesting products. We also look for people who know how to deal with growth.”

Customer Support

OMNICELL IS DEDICATED TO PROVIDING EXCEPTIONAL customer service in support of one of its guiding principles, “the customer comes first,” Omnicell says. “Specifically, we are committed to responding to customer calls as soon as the calls come in and resolving issues as quickly as possible. Our remote access capabilities allow us to proactively monitor our customers’ systems to identify and correct system irregularities before they become problems.”

Remote access also allows Omnicell to quickly correct most reported problems without sending a representative on site. For repairs that do require on-site service, Omnicell works with a third-party service provider that has Omnicell-trained representatives in the field.

“Our customer service plan includes 24/7 support both via phone and on site,” the company says.

“We are staffed to support our more than 1,400 current customers, and we add to our internal and field support staff as customer needs dictate.

“Our technical support desk staff is located in a single location, and we have a state-of-the-art call tracking system that allows us to quickly access information on a customer’s equipment and call history.”

Future Goals

OMNICELL HAS SEVERAL GOALS AS IT LOOKS INTO THE FUTURE, Lipps says. This year, the company expects to achieve \$100 million in revenues. By 2005 or 2006, Lipps says, Omnicell expects to double that goal.

“We’re on the fast track,” he says. “Our goal is to continue to meet demands and continue to acquire more technologies and integrate them into our platforms so customers can easily roll them out.

“We have a high customer rating – our customers want to buy products from us,” he continues. “If we find products that they need, they will buy them from us. We’re in a good position to do that.” ■

