A Tale of Two Radiologist-Health IT Entrepreneurs

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From the trenches of radiologists-turned-entrepreneurs, as told at RSNA 2016.

The integration of health information technology (IT) into the everyday practices of radiologists has paved a new pathway of entrepreneurship for a unique niche of physicians who have used their professional clinical expertise coupled with informatics savvy to produce solutions to key efficiency problems. Two successful radiologist entrepreneurs shared their journeys of success at RSNA 2016.

Montage Healthcare Solutions, acquired in August 2016 by Nuance Communications, is one example of a smaller start-up that began with an idea in 2009 when William Boonn, MD, CMIO at Nuance, used the real-world challenges of running a radiology department coupled with his own informatics background to develop a radiology data mining and analytics tool that could increase efficiency.

“I am motivated to solve problems and enable others to do the same,” Boonn said, sharing that Montage had its first customer in 2010, went through several rounds of funding and was eventually acquired this year after maturing to the size of seven employees, 148 customers, and over 300 million indexed reports across customers.

Boonn equated the successful growth and acquisition of his company to timing, the number one differentiating factor for success of start-ups according to a study serial entrepreneur Bill Gross conducted. Combined with a trusted team of colleagues from the University of Pennsylvania and his professional network, Boonn said they had time to grow the product the way they wanted to initially.

By getting a customer first and doing his own sales and presentations, he shared that this boot-strap method gave the team latitude and mobility to be flexible with no undue pressure from board members in the beginning.

Ultimately, entrepreneurship is a gamble, shared Boonn, who confessed that an idea is not enough and offered these helpful tips to his fellow radiologist-entrepreneurs:

**Follow the rules.** “Especially if you are currently working within an institution, everyone will take notice if you begin to succeed,” Boonn said. Read and understand the employee handbook and understand what you can and cannot do within the confines of your role.

**Document and save.** Create a paper trail of emails and communications that demonstrate your actions related to your start-up are in line with the employee handbook.

**Find an advocate.** Whether it is an internal champion such as the chairman of your department or early customers and industry experts, Boonn said that support is invaluable.

**Demonstrate success.** “Customers are willing to pay for a product that works,” he said. Montage had customer users, a prototype, and could demonstrate measurable success which made it attractive to investors.
Know your goal. With most start-ups ending in failure, Boon said that differentiating what your goal is from the beginning will help define the trajectory of the product. Some prefer “intrapreneurship” where one prefers to work within an organization without having to quit their day job, while others may be seeking the opportunity to change the world or receive a big payout.

On a much larger scale, Paul Chang, MD, vice chairman, radiology informatics, University of Chicago Medicine, is a self-professed, “accidental entrepreneur,” that had no intent to sell or create a company. Working at the University of Pittsburgh Medical Center in the 1990s, Chang was put to the task to help his organization go digital. What would result from those efforts was Stentor, a multi-million dollar company acquired by Philips Electronics in 2005 as one of the leading PACS systems on the market.

“Deep down, this was an impossible task but I was too young and arrogant to know that I couldn’t do it,” Chang said, who shared he had $15 million to play, over 2 million annual studies that needed digitizing, and a short-sighted plan. Chang said he achieved digitalization but failed to understand enterprise imaging. As a result, the department lost money through continual film costs because of the inability to distribute images to clinicians throughout the rest of the hospital.

Adopting an R&D approach, Chang went back to the clinical areas, researched clinician needs, and came up with a distribution solution that was ultimately a huge success. It saved U of P millions annually, and was adopted by many organizations within a short time frame.

“Back then it was a lot harder to build useful things,” said Chang, who shared from his own early mistakes that successful start-ups require a market-driven product versus a technology-driven one. Agreeing with Boon that “you must be able to reproduce success,” he shared, Stentor ran successfully for three years prior to acquisition. Rigorous validation is a must.

“The product must also be transformative,” said Chang, noting it should be a “must have” not a “nice to have.” Great ideas can fail due to many reasons including dependencies on local systems.

“There is no one right way to succeed,” he said, noting the overestimation of value, lack of intellectual property protection, or the use of shortcuts during build are pitfalls to avoid.

“The real success of a company is not your idea, it is those you trust to run it,” Chang concluded.

“Maintain as much influence as you can but know when to let go of your baby.”

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