

# Electronic stimulus

Founders unknowingly stayed one step ahead of federal legislation



CRAIG HARTLEY/HBJ

Dana Sellers of Encore Health Resources: 'We're right at the crux of where health care reform is driving change within health care.'

BY MARY ANN AZEVEDO  
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**H**ealth IT consulting veterans Dana Sellers and Ivo Nelson didn't know that soon after they launched Encore Health Resources LLC in January 2009 the stimulus bill would pass, automatically and indirectly creating a huge demand for their services.

Within the stimulus bill was the Health Information Technology for Economic and Clinical Health Act, creating 62

federally funded regional extension centers nationwide to help health care providers make the switch from paper-based patient records to electronic systems.

While the centers are no doubt helpful, some of the larger providers have to rely on private-sector health IT consultants for help in figuring out the more complicated fine print involved with the Act's meaningful use rule.

#### ENCORE HEALTH RESOURCES LLC

**2010 REVENUE:** \$19.8 million  
**2009 REVENUE:** Nearly \$4 million  
**TOP EXEC:** Dana Sellers, president and CEO  
**NO. OF EMPLOYEES:** 159, including 19 contractors  
**WEBSITE:** [encorehealthresources.com](http://encorehealthresources.com)

Sellers and Nelson were no strangers to the industry, or each other. In 1992 the pair worked together at Houston-based health IT services firm HealthLink Inc., which was bought out by Armonk, NY-based IBM Corp. in 2005. At that time, HealthLink had grown into the United States' largest privately held, provider-focused health care information systems consulting firm with

Sellers as its president and COO and Nelson serving as CEO.

Prior to that, Sellers had started Trinity Computing Systems Inc. in the 1980s, where she pioneered the first ICU and perfusion information system in the nation. By 1990, Trinity had been scooped up by Wilmington, Del.-based E.I. du Pont de Nemours & Co.

With that kind of track record, Nelson said, it was a no-brainer when Sellers came to him in 2008 with the idea for

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Encore. At the time, Sellers was industry leader for the health care providers' segment of IBM's multibillion-dollar health care and life sciences industry.

So impressed was Nelson with Sellers' ability to run a business that when she discussed starting a new company in the industry, he had no hesitation backing her.

"She's just extremely competent in all aspects of this business," said Nelson, who claims Compaq and HealthLink founder Rod Canion as his mentor. "And she has as much character and integrity as anybody I've ever met."

Another of Sellers' qualities that impresses Nelson is her ability to attract and retain people.

Encore's turnover is four or five times lower than anybody else in the market, Nelson said.

In just two short years — and in the middle of a global recession — Encore has signed 37 clients, mostly large academic medical centers and integrated health delivery networks, including Dallas-based Tenet Healthcare Corp., Oschsner Hospital System in New Orleans, Edinburg-based Doctors Hospital at Renaissance and Los Angeles' Cedars-Sinai Medical Center.

In 2010 alone, Encore's employee base grew 170 percent, and revenue surged by a whopping 408 percent. In 2011, revenue is projected to increase by more than 250 percent to around \$54 million. The company turned the corner to profitability before reaching its second birthday.

Encore ranked 36th in *Modern Healthcare* magazine's 2010 Best Places to Work in Healthcare and, among small companies, came in at No. 7.

**FILLING THE VOID**

Encore not only helps its clients with meaningful-use compliance, it helps organizations select, design, implement and optimize their information technology, with the ultimate goal of improving the care patients receive. Its lead solution is EHRright, which is designed to help clients leverage their data to improve clinical outcomes and operational performance across the board.

Nelson and Sellers' background and reputation made it easy to get clients' attention.

But still, Sellers said the pair did not anticipate a couple of factors that further contributed to their success.

"When HealthLink was acquired, it was one of three fairly large companies that were focused on health care IT consulting," she said. "All three were acquired by larger companies, and that left a void in that part of the industry. So people really gravitated to the fact that there was a company re-entering the market in that trusted adviser space and focusing exclusively on that."

Another factor contributing to the company's success, noted Sellers, is its commitment to being 100 percent "refer-enceable."

"We knew we wouldn't always be 100 percent perfect, but that we would do whatever it took to make it right at the end of the day," she said. "If a project went

into a ditch, we would do whatever (it took) to make a client happy.

"Of course, it's a lot easier to try to keep the project from going bad in the first place," she quipped. "But we'll do what's right for a client even if it's not the most profitable move."

**THE RIGHT PEOPLE**

Despite doing a lot of things right, Sellers acknowledged that even industry veterans learn lessons.

In trying to respond to clients' requests for project managers, senior level project managers and strong subject matter experts, Sellers said Encore initially tried to produce one person who could provide a complete solution.

"Late last year, we recrafted that strategy and came back with a revamped solution that involved looking at different staffing models," she said.

That included hiring contractors and hourly employees to work on certain projects and fill in gaps.

"It's worked out very well so far," Sellers noted.

Encore takes its hiring seriously. The startup has 11 people in its recruiting department.

"It's a very competitive market right now," Sellers said. "We have to be creative about how we look for people, how we create ways to bring them on board and the benefits we offer."

Over 60 percent of the employees Encore hires have clinical backgrounds, she added, including nurses and doctors "who understand information systems can improve health care."

Besides word of mouth, Encore is taking advantage of social media with a presence on LinkedIn and Facebook to let people know what it's up to. The company also sends out a newsletter to a large distribution list.

Something's definitely working. Research firm KLAS, which describes itself as the "*Consumer Reports*" of health care information technology, has described Encore as an "Up-and-coming player" that is attracting as much industry attention as significantly larger competitors.

Orem, Utah-based KLAS gathers feedback from providers on consulting firms and software vendors and gives that feedback to other providers who are considering their options.

"They're doing extremely well," said Mike Smith, KLAS general manager, "especially for a newer player. They have done a very nice job of hiring good people while working well with customers and providing good quality for the price."

KLAS is tracking Encore in two categories: clinical implementation work, and planning and assessment. In the former category, Encore was, as of late March, ranked fourth out of about 15 companies. In the latter, it was ranked first out of about 20 vendors.

Smith warns that, considering its performance so far, the company might soon have to turn down business.

For Sellers, it is partly a matter of timing.

"We're right at the crux of where health care reform is driving change within health care," she said. ■

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