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Memory Lane: 25 years of HIT revenue

The "Top 10" HIT vendors in 1985

By Vince Ciotti



In June of 1985, the HIT landscape looked a bit different from today. Here's a recap of who led the pack back then, and how they've fared since:

- 1. IBM: \$825 million** — Big Blue easily topped the charts back in 1985, approaching the magical \$1 billion mark. Hard for today's server-savvy CIOs to realize, IBM mainframes (370 and 4300 series), totally dominated the IT industry, along with their minicomputers (System 36/38 and AS/400), and PCs (PS/2 line). Ironically, today IBM has shifted more to "services," Wall-Street speak for getting out of low-margin hardware and into high-margin "consulting."
- 2. SMS: \$312 million** — Shared Medical Systems was the leading "pure" HIS vendor, concentrating solely on healthcare. SMS dominated long time rival McAuto through superior sales and marketing, a facet of their IBM roots. Most SMS executives were former IBM-ers, led by superstars Jim Macaleer and Harvey Wilson. Neither wore anything but white shirts and wingtip shoes during my 10 years there...
- 3. McAuto: \$200 million** — Just as McDonnell Douglas was slipping further behind Boeing in aircraft sales, McAuto had slipped behind their key HIS rival SMS. Not due to lack of quality products either, for McAuto had an early lead in EMRs with their 1970s Hospital Patient Care (HPC) system running remotely, just like Cerner today. They simply placed less emphasis on marketing than R&D, and in our capitalist system, guess who won?
- 4. DEC: \$140 million** — *The* original manufacturer of minicomputers starting with their PDP line in the 1960s, Digital Equipment Corp. led the mini field in 1985 with its VAX series. DEC thrived through the 90s with their Alpha series, but succumbed to the PC revolution, being acquired in 1998 by Compaq.
- 5. HBO: \$180 million** — Founders Huff, Barrington, and Owens had retired by 1985, but their acronym namesake was a rising star in the HIS industry. HBO was about to embark on a series of acquisitions that would take them to the top of the HIS list within 10 years, as their turnkey mini sales totally outsold shared systems.
- 6. Data General: \$100 million** — Founded by 3 former DEC employees in the late 60s, DG's MV series of minis sold strong, but they totally missed the PC revolution, losing market share until being acquired by EMC in 1999.
- 7. Unisys: \$122 million** — Formed through the merger of Sperry and Burroughs, Unisys was a giant in general industry with over \$10B in sales, but struggled in the HIS niche. Like IBM, Unisys made the strategic decision to shift into IT services, but hardly as successfully, slipping to less than \$300M today.
- 8. Baxter: \$90 million** — Baxter-Travenol was as a giant hospital supply giant that acquired the amazingly successful Dynamic Control Corp., whose IBM System 38 based mini system was sweeping the community hospital market.
- 9. NCR: \$75 million** — National Cash Register, as its name implies, was as old as IBM, being founded in 1884. Hardly a success in IT, NCR was acquired by AT&T in 1991 and survives today as part of Lucent Technologies.
- 10. Hewlett-Packard: \$50 million** — Ironic how the last placed HP has risen to the top of the hardware world today, today, gross revenue in 2009 of \$115 billion. In 2006 HP finally top IBM in gross revenue: \$91.7B to \$91.4B. Take that, Armonk!

What of the rest? A few unknowns on the bottom of the list in 1985 included:

15. Meditech — \$20 million.

19. Cerner — \$10 million.

24 GE — \$12 million.

They'll never make it: haven't got a chance against the giants!