The Dark Report’s Robert Michel extrapolates industry trends

By Carren Bersch, Editor

When Robert Michel is not working his way around an industry trade show, he is likely on the road with his wife, Debbie, working his way around the globe. Why? Because Michel actively provides strategic advice to several laboratories and companies that are developing diagnostic technology. Because he hosts or collaborates on several interesting global gatherings of industry leaders. Because his Dark Report must bring his readers intelligence about the increasingly global marketplace and the players involved. His varied career includes management, banking, marketing, and sales, with stops along the way at Procter & Gamble, Financial Corporation of America, and Centex Corp.

When he and his wife are not attending conferences, meetings, trade shows, and globe trotting, they spend most of their time at home on Lake Travis in Austin, TX. Michel is a “retired” rugby player who attends rugby matches when the opportunity presents, and sometimes brushes off what he calls his “modest” fiddle skills and puts those to use at bluegrass and swing music jams.

Unique “fish;” big lab-industry “pond”

Armed with a BA in economics from the University of California-Los Angeles, Michel was hired in 1991 by the Nichols Institute business unit to help with its strategic marketing; he worked there for four years. His background was not health science, but he observed that pathologists, PhDs, and MTs were first-rate with lab science but not equally sophisticated about how to operate their fairly complex lab organizations at the time of the managed-care revolution. It seemed to Michel they had relatively little training in strategic management and, at most, a spotty understanding of the market evolution.

When Nichols Institute was acquired by MetPath (now Quest Diagnostics), Michel was inspired with a concept: “There might be an opportunity to help pathologists and other lab leaders in lab management gain more sophisticated knowledge to help them run their labs more efficiently and understand the marketplace in such a way that it would allow them to guide their labs to financial stability.” That essential vision created The Dark Report (TDR) in the fall of 1995 and the first Executive War College (EWC) in Pittsburgh in May 1996. In the last 13 years, Michel has come a long way in formulating this and other venues where industry networking and learning are premier.

Growth of global conferences

Michel expanded his scope in February 2003 with the first “Frontiers in Laboratory Medicine” held at the Royal College of Physicians in London, England. An EWC 2002 guest speaker from the United Kingdom was impressed enough with the range of lab-management knowledge and information offered that he approached the U.K.’s Association of Clinical Biochemists to collaborate with Michel for a meeting designed around lab-management issues. Now, an annual event, “Frontiers” continues to grow in attendance and participation.

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The U.K. meeting and the War College inspired a few individuals in Canada to launch a similar lab-management conference in 2005: the Executive Edge. And this year, for the first time, in conjunction with the Australasian Association of Clinical Biochemists, Michel holds his first Asian Pacific Rim conference this month in Sydney, Australia. Michel quips: “Now, one could say, the sun never sets on lab-management meetings.”

These meetings have sprouted up in other countries, according to Michel, because management issues in labs are common, including declining reimbursement or funding, a technical labor force that is inadequate to perform all the work, and an ever-expanding menu of new tests and increased utilization. “Around the globe in developed countries exist common problems with universal solutions,” he says. “Labs do not want to reinvent the wheel if answers to their problems have been resolved somewhere else.”

New Lab Quality Confab

Another of Michel’s brainchildren is the new Lab Quality Confab,
just held in Atlanta in September. “Over the past 12 to 15 years, I have supported and encouraged clinical labs and pathology groups to understand and incorporate quality-management methods like Lean, Six Sigma, and similar approaches into their organizations,” explains Michel. With the progress that a number of pioneering hospitals, labs, and pathology groups have made over the last five years in introducing these concepts, the timing was right, he claims, to convene the Lab Quality Confab, bringing first-mover and early-adopter labs together to share their experience. Seven countries — among them, Australia, Argentina, Brazil, Canada, the United Kingdom, and Sweden — were represented at this year’s Confab. Almost 280 participants traveled from around the world to hear 50 presentations. “Their enthusiasm is spectacular,” Michel says. “All people who are using these quality-management methods to improve their work environments find it energizing to hear about best practices and successes that labs and pathology groups are having.”

At EWC, the Lab Quality Confab, and the other conferences, presenters are lab professionals who have used these principles and almost uniformly have found some level of success, if not impressive success, says Michel. “There is a lesson in the collective wisdom of 50 presentations when an improvement project is implemented and informed by these methods and techniques. The consistency of the outcomes will be almost universally positive, from a modest to a spectacular improvement. These techniques work very effectively in any lab of any size.”

Advancing lab globalization
When the word “globalization” comes up, Michel has definite beliefs. “I have visited labs in many different countries around the globe and have witnessed the emergence of a network of lab-management meetings that collaborate with The Dark Group in Europe, North America, and, now, Australia. This has given me the rare opportunity to note the differences and similarities in how labs organize different information systems and types of tests they provide to their referring clinicians. It is easy to see a convergence of lab operations in developing countries.”

The next big thing is clearly the widespread acceptance and use of quality-management methods: Lean, Six Sigma, ISO 15189, and so forth.

One powerful force for this convergence is that labs are buying basically the same analyzers, instrument systems, and assays from the first-line in vitro diagnostic (IVD) manufacturers; they are using common product and technology platforms. “My belief,” states Michel, “is that lab operations will encourage adoption of universal best practices to maximize quality of service, accuracy of test results generated, and changes in testing services offered.”

From Michel’s perspective of how labs are organized and how they operate from day to day, the “next big thing,” in his opinion, is clearly the widespread acceptance and use of quality-management methods: Lean, Six Sigma, ISO 15189, and so forth. His prediction is that this acceptance and adoption will continue to broaden over the next five years and can be expected every hospital, health system, lab, and pathology prac-
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tice will find itself using these methods in order to consistently deliver a higher quality of service and improve clinical outcomes while reducing or eliminating errors that affect patients.

As to acquisitions and consolidations, outside the United States there are only a handful of global lab corporations; one of those is Sonic Healthcare Ltd. of Australia, which now owns and operates labs in Australia, Europe, and the United States. There is some lab-consolidation activity in Europe, says Michel, but it is yet uncertain as to whether global lab companies will join forces in the same way global IVD companies are combining.

Predicting trends

One function of The Dark Report and the EWC, says Michel, has been to make informed predictions about how different aspects of the lab marketplace will unfold: “We are proud of our published track record of accurate predictions since 1995.

“In business,” Michel muses, “each of us has a particular skill. I have always had a knack for analysis and for dissecting events to understand their cause and development. I get a general, accurate picture of how a trend may unfold, as a consequence.” He acquires information by visiting labs and perhaps lab-industry vendors in as many different cities and environments as possible. Another source of information he uses is the EWC and similar gatherings to access many lab leaders in one location and hear them discuss the issues, concerns, and successes that they have had.

“Have I ever been wrong? One cannot make predictions without the future making one look foolish,” he says. In December 1998, TDR predicted that within 24 months most physician offices would be using Web-browser-based test ordering and reporting. “That actually took five to six years to occur — three times longer than what I predicted,” he confesses.

The holistic proposition

Michel has a genuine curiosity as to how different laboratories have come up with ideas and solutions that, in one dimension, solve problems and, in another, actually make the lab more valuable to the clinicians and healthcare community it serves. “I track down folks I am interested in speaking to,” he says, “in order to understand why the successes discussed in the lab profession have happened within different innovative labs and pathology groups.”

In assembling his various meetings, there is a deliberate process to provide a range of topics and speakers who meet the needs of the various audiences. “This combination,” he explains, “gives ideas, evidence, and pure experience to listeners who then go back with confidence that they can achieve similar success.”

Because of Michel’s knack for networking, attendees of his conferences continue to be informed by a network of resources that they can contact to help them achieve success. For him, it is a holistic value proposition for the moment. “What is in the marketplace now? What are their world-class and innovative peers are doing to address and meet those kinds of development? We have experts, vendors, and a network that can help them duplicate success within their own organization.”

Opportunities in laboratory medicine are abundant, says Michel, and will only increase going forward in time. “One area that we would next like to explore, develop, and learn more about,” he says, “is using the Internet to advance management education. That is a total new paradigm for accessing information, for gaining education, and for staying informed about news and breaking developments for all laboratorians and students in all dimensions of lab medicine.”
EWC’s 2007 scholars summarize experience

To kick off the EWC’s scholarship program this year, four laboratory professionals were selected by a panel of EWC and MLO judges to attend this year’s War College. In 2008, the competition becomes a bit more difficult with only one competitor being awarded the opportunity to attend EWC in Miami next May, with registration, hotel, and transportation paid. What follows are comments from the first four scholars about their experiences at this year’s EWC.

“While reading MLO, I noticed the opportunity to apply for an EWC scholarship. I immediately decided to submit an application, and was surprised and delighted when I was chosen. The conference is unlike others that I typically attend in two ways: 1) the sharp focus on cutting-edge topics — both business and technical trends; and 2) the diverse group of regular attendees.

Although most presenters concentrated on outreach growth, they also brought exciting new developments to the forefront that left me inspired and armed with ideas to use in my own laboratory. The networking opportunities at EWC were outstanding. My priority was to gather as much information as possible on Lean/Six Sigma and lab design. During the working luncheons, I was able to talk directly with EWC presenters, exceptional professionals in their field, who have implemented Lean strategies and who have recent lab-construction experience. The most memorable of these was Leo Serrano. I came away with several new business contacts and verbal agreements that will probably lead to future site visits. I would definitely attend EWC again and plan to do so on a rotating basis. I attend CLMA and AACC regularly, but the EWC gave me a perspective that other conferences simply cannot match.”

Cynthia Kelley

“I was motivated to enter the EWC scholarship competition when I read about it in MLO. I had always wanted to attend. I thought I might have a chance, but was stunned when Robert Michel called to tell me I was a winner. An amazing group of people attended from all over the world! In this context, the experience was at a level we do not usually get to see. I learned about the lab business in South Africa, India, and other parts of the United States. I enjoyed hearing a gentleman from India talk about outsourcing of lab testing to his country. For me, the best presentations were Rob Atlas (Atlas Development) and Rob Bush (Orchard Software) who talked about lab software. They revealed new ideas that have been immediately useful to me, such as using the report format to highlight our brand and to elicit missing information for patient demographics. Other aspects of the software presentations will be useful later, especially as we integrate the EMR throughout hospitals. I will definitely try to attend the next EWC, which focuses on the present and the future in terms of what new developments are imminent — helpful in planning. EWC connected me to people who are part of these new developments. Attending EWC was a stellar experience.”

Gary Maul

“I entered the EWC scholarship competition with the hope of becoming a more proficient manager and of increasing successful fulfillment of financial goals. The good news that I had won meant my second visit to the EWC! The presentations were informative, professional, and just what I have come to expect from the EWC. The extra knowledge gained while networking with members who shared their personal experience is an immeasurable benefit. The one presentation that stood out in my mind — and still does — is the Pro-Path presentation. I have been trying with some success to implement the bar coding and specimen tracking into our pathology/histology lab. There are still little bumps in the road that I have not conquered yet! I got something from each presentation that will be beneficial in the daily operations of the laboratory. Before attending the War College, I had started planning a consolidation of two of our sister hospital pathology labs to our flagship pathology laboratory. After attending EWC this year, some of my anxiety was lifted. After listening to those who have gone through consolidation, I was able to use that information to proceed with confidence on my own. There is much to learn just by listening to others and what their experience has been. I definitely encourage EWC attendance.”

Susan J. Clark

“I was reading MLO when I saw the first EWC scholarship competition announcement, and was extremely excited to be a first-time attendee. EWC’s most striking feature was this enormous gathering of representatives of a multitude of disciplines in lab and pathology management; CEOs of large reference laboratories, international representation, and industry representatives providing their perspective on future direction. During lunch breaks, I was able to exchange ideas and meet with the people from overseas and the leaders of their organizations. The presentation by Keith and Marilyn Nelson grabbed my attention — the integration of informatics and automation in collection, pre-analytical and analytical, to eliminate errors, raise productivity, and improve quality. This topic was very applicable to my institution; I would like to implement it in our clinical labs. I am also applying the Lean architectural design to achieve the most utilization of lab space, which is limited and very small. The presentation by Mary Steele was very informative and helpful, and will help me tremendously in setting up the molecular pathology laboratory. I learned a lot and will keep applying the knowledge obtained from various speakers (especially from Brian Jackson from ARUP), panel discussions, and different case studies. I would definitely attend next year.”

Pervez Mirza