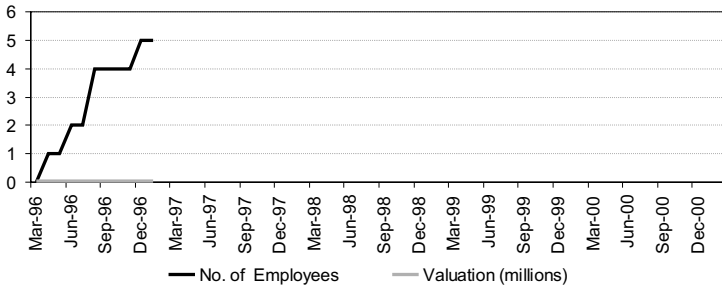


# January 1997



## Zona Research Indicates Microsoft Internet Explorer Share Now 28 Percent

. . . A Zona Research study released today reports that use of Microsoft Internet Explorer in corporations has more than tripled to 28 percent of total use in the past three months . . . Independent studies confirm corporations moving to Microsoft Internet Explorer from Netscape Navigator . . .

*Microsoft Press Release  
Jan. 28, 1997*

# The Majors — Part One



We meant well. We were focused on making things better in our little corner of the world. How could we have imagined that we were causing such a fuss?

When we started Neoforma, Jeff and I considered ourselves, in part, to be champions of the small company. Varian, the big behemoth, had dominated its market with an iron hand for decades. Good companies were being squeezed out in such a monolithic environment.

Most of the companies we worked with were small. They had the most to gain by our alternative to a direct sales force. But as we grew, we did work with some big companies too. At first this was with small divisions of large companies. Eventually, our connections with one division in a company would lead us into other divisions.

We discovered quickly that, in the eyes of these companies, Varian was just a stubborn little company that had captured a lucrative market by luck. These other companies were willing to lose a significant amount of money fighting for a foothold in Varian's market. It was a matter of pride.

It took us awhile to adjust to the idea that there were bigger fish out there than Varian—in the form of some huge, multinational equipment manufacturers. Then we had to adjust to even bigger fish. Some of the healthcare distributors were absolutely monstrous in size, with tens of thousands of employees.

We were only familiar with the equipment market, but began to bump into the supplies companies quite early. They often had a small selection of items that we considered to be equipment. We assumed that the distributors would not be threatened by us. Equipment was a very small part of their business. We would just be providing one more channel for them to sell within. And it was about that same time that we became familiar with the group purchasing organizations, or GPOs.