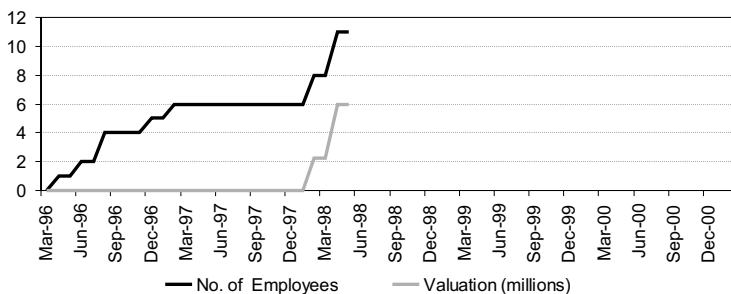


May 1998



Board Meeting Minutes

Fundraising: The Board reviewed the terms sheet for the Venrock-led investment totaling \$3.65 million at a pre-investment fully diluted valuation of \$11 million. The Board approved of the terms sheet and the investment, subject to passing a formal resolution when the papers are drawn up . . .

*Neoforma Board Meeting
May 5, 1998*

Public Relations



A million bucks was just an entry fee.

Now it was time to play the real game—time to get some real money from a top-tier venture firm and the prestige that goes along with it.

You see, the value of a dollar is, pretty much, a dollar. Except when the dollar is really just the ante to a larger bet. Then it's somewhat more than a dollar. The greater the bet, the greater the prize.

We knew that we were holding good cards, but outsiders didn't know who we were yet. So we had to look sharp and confident to potential investors. We had to look comfortable in an unfamiliar world.

Everyone wants to bet on a proven winner. Since neither Jeff nor I were proven winners, Alexander and JP had selected the investors in the previous round carefully. They picked people who had made successful bets before.

Then they began to groom us for our new roles. They introduced Jeff and me to other entrepreneurs, teasing us with offhand stories about how these guys had just sold their companies for a fortune, or were about to. We were being trained to project the image that we knew without question we were Players.

Frankly, I was more interested in figuring out how best to spend the million bucks we had. I just wanted to run the business, to help and excite more people by making innovative and valuable software. The rest was just a distraction to me. That's why Jeff made a better front man. He enjoyed the challenge of playing his part convincingly. Little did we know that we would need him to leverage this talent almost continuously for years to come.

Jeff has an amazing ability to instantaneously integrate new information into his vocabulary. He was able to take the most technical or esoteric jargon from one meeting and correctly use it at the next. I knew him well enough to know that he was sometimes winging it,