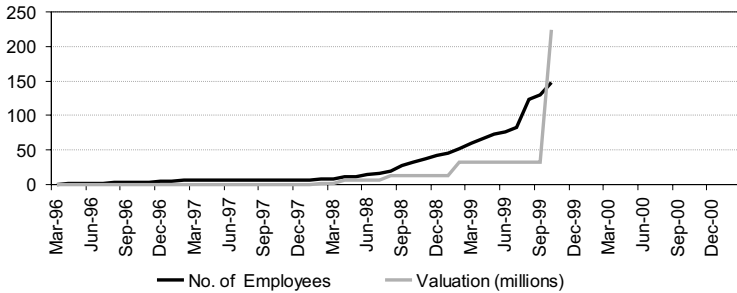


October 1998



Neoforma Designs Website to Offer Medical Search Engine.

Online matchmaker. A website takes a page from amazon.com by linking healthcare professionals to medical products, hardware and services . . .

American Medical News
October 19, 1998

Healthcare Goes Online

Neoforma brings medical community closer via the Web. Until now, the healthcare industry has been slow to move its business processes to the Internet—but that's changing. Neoforma Inc. is joining VHA Inc. and other companies building online trading communities for the healthcare industry . . .

Information Week
October 19, 1998

Neoforma Makes Itself Indispensable to Buyers and Sellers

The reactions of some of the first buyers and sellers to Neoforma, a new market targeted at hospitals, are the kind that any intermediary could envy. These guys are doing several things right . . .

Net Market Makers
October 26, 1998

Focus



So much that hadn't been possible before suddenly seemed inevitable. We passionately came to believe that it was our responsibility to pursue every opportunity.

The Chief Medical Officer of one of the world's largest aid organizations was going to be quoted in an upcoming article saying that Neoforma was *the—sort of—“medical Yahoo” of search engines*.

We were being repeatedly compared to Yahoo and Amazon in the press, two of the most successful online businesses with a market value of more than \$20 billion. And the new theory was that businesses that served businesses would be much larger than businesses that served consumers.

So there was great pressure on us to stake out as large a territory as possible. We had no credible competitors at the time, but everyone knew that some well-funded start-up would come after us soon. Rumors regarding the B2B land-rush were flying around the venture community. We were instructed to move very quickly. The process of raising our next funding round was already beginning. Alexander and JP made it clear that the more ambitious our reach, the higher our valuation would be, and the more money we could raise.

Following the *first mover* directive—the idea that the bulk of the spoils would go to the first player in a market—we were lulled into thinking of our markets *subtractively*. That is, we saw the world's healthcare markets as consisting of customers to *lose* rather than customers to *gain*. We were the clear market leader, but that did not mean that we had actually captured these scattered and complex markets at all.

At the time, projection of potential seemed more important than projection of success. *Certainly our investors didn't want us to lose any potential growth opportunity, right?*