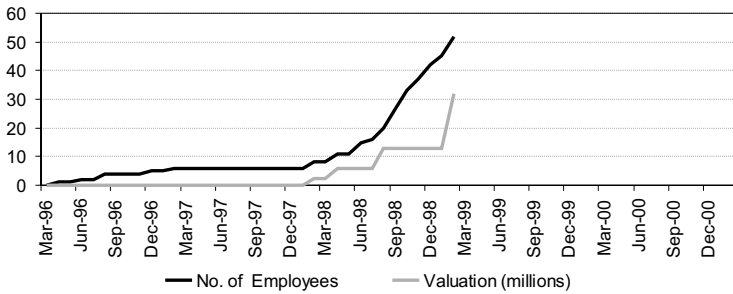


# February 1999



## Sizzling Start-ups — 10 E-Commerce Companies to Watch — Health Site's Business Thrives

Sometimes success is based on the quantity of business as well as the quality. This may prove true in the case of Neoforma, Inc. . . .

*Internet Week  
February 8, 1999*

# Shadows



We were surprised by how long it took for the imitators to arrive. We were even more surprised by how large their flock was.

Nearly three years after starting Neoforma we caught our first glimpse of real, potential competition — mere shadows of shapes, moving along the periphery.

Almost from the beginning, there had been one company with a website trying to do something like ours, but, of course it was nothing like ours. We were ambitious, smart and experienced. They were — well, we didn't know anything about them, but we figured they were probably a couple of medical equipment service guys trying out a few ideas in their spare time. We didn't feel threatened by them, but we did pay attention to them. You never know when someone else might stumble onto a good idea.

They paid attention to us too. When we changed the design of the pages we created to direct traffic to us from the search engines, a week or so later, they duplicated our techniques. When we switched our site background from white to black, sure enough, theirs became black within a couple of weeks. It was irritating, but quite flattering.

That anonymous group of fellow pioneers eventually wandered off the trail, never to be seen again. I sometimes wonder if they continued to watch Neoforma. I imagine them sitting together, and occasionally setting down their beers, to say, "That could have been us. Those guys didn't have shit on us . . . and just look at what happened to them. Bastards!"

But the whiff of competition was different this time. We weren't the only Internet healthcare company getting attention.

At the beginning of February, we hired our first celebrity. Well, he wasn't really a celebrity. We just thought of him that way because we