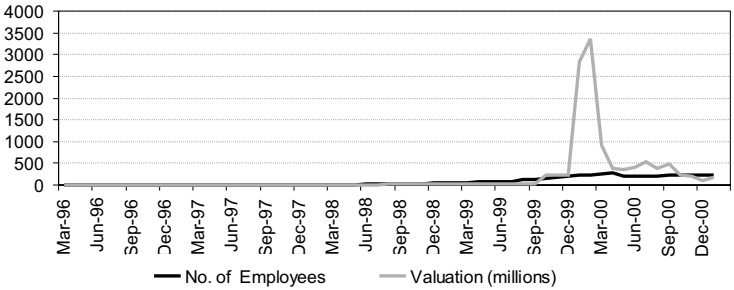


# January 2001



## Neoforma Sharpens Focus on Core Strategy, Will Divest Two Business Units

Neoforma.com, Inc. announced plans to divest certain business units that are not aligned with its core strategy of building and operating Internet marketplaces that empower healthcare trading partners to optimize supply chain performance . . .

*January 25, 2001  
Neoforma Press Release*

# The Sequel



The seed of Neoforma was contained in the remnants of the capital equipment planning division, a group of mostly early employees—who either did not fit or did not want to fit into the new core of the company.

In a last ditch effort to survive in an increasingly foreign body, I had demoted myself again to—well, to a regular member of the group. Nobody reported to me. I was four layers from the top. In effect, I had worked my way to the bottom.

In spite of the group's ability to present great content on our website and to bring in significant revenue, the schism grew between Neoforma's single-minded focus on profitability in the supplies market and my group's focus on the capital equipment market.

There was no doubt in anyone's mind that what we were building in my group would eventually be relevant to what Neoforma was building, but the market dictated that Neoforma would not have the resources to build along more than one road at a time. And our group wasn't on the most expedient road. It was evident that, by every business criterion, Neoforma would have to temporarily shelf the company's capital equipment initiatives. We were necessary to the future, but distracting to the present.

We had been making money, but were at a point that we would require some investment to grow. Neoforma was now ready make the tough decision to postpone my group's development.

I was too. I was tired. Tired of the stress between dependence and independence, between obedience and exploration. I was tired of being depressed. And, most of all, I was tired of holding onto the idea that Neoforma somehow needed me, or perhaps the *hope* that Neoforma somehow needed me.

But we were *not* willing to let go of some of the ideas that had