Companion Animal Veterinary Software Part II: Feedback from Part I: *Validation, Extension, Nuance*

Navigating Practice Challenges with Support of Technology and AI

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TL;DR — Part II: What the Industry Told Us

- The PIMS openness thesis was overwhelmingly validated. Following VMX 2026, industry veterans, investors, and technology leaders confirmed: PIMS providers who restrict third-party integrations are being "outed" and many appeared to be already changing course.
- The rise of "agentic engineering" means individual veterinarians will soon build their own practice tools and demand API access, not on behalf of vendors, but for their own creations. Very small teams can now out-ship large organizations in weeks—making platform openness existential for PIMS providers.
- AI eliminates the need for 2026 enterprise PIMS standardization. Corporate groups no longer must disruptively rip out legacy systems for data consistency. AI can now query, normalize and write back to records across multiple PIMS formats. This changes the group technology stack calculus fundamentally.
- Pet owners are using AI. ChatGPT Health is reshaping how consumers approach veterinary care. Practices that ignore this shift risk losing client loyalty to digital alternatives that feel "good enough" for non-emergencies.
- The strategic model is clear: PIMS's strategic imperative is to power innovation, not own it. Platforms focused on enabling thousands of integrations, including scribes, AI receptionists, care plans, diagnostics, and veterinarian-created apps will thrive. Those pursuing lock-in will fade. Looking forward, the winners will not be those with the best UI—they will be platforms where AI agents can operate as first-class citizens.

This Part II consolidates insights from industry conversations following Part I's January 16, 2025 publication at VetPartners and VMX 2026. The feedback came from technology leaders, veterinary corporate strategists, investors, and practice owners who have lived through integration challenges firsthand. Their perspectives validate, extend,

and add nuance to the openness thesis—and reveal emerging dynamics that will shape the industry's trajectory.

Coming shortly is Part III: the practical guide for practice owners and groups. We will review the new veterinary software and AI offerings that open integration enables—scribes, digital receptionists, prognostics, care plans, and more—to help you navigate the rapidly expanding ecosystem.

VMX 2026 Conference: A Pivotal Moment

Adam Wysocki (VetSoftwareHub) captured the prevailing sentiment by identifying three critical shifts:

AI is getting real. The conversations at VMX moved beyond hype to substantive discussions about where AI genuinely reduces workload for veterinary teams and where it creates new risks or friction. This maturation of the dialogue suggests the industry is ready for practical implementation rather than aspirational promises.

Open access to practice data is moving to center stage. The fundamental principle is that clinics own their PIMS records, not for the PIMS to do with as they please. Secure, practice-controlled API access should be the foundation for automation, reporting, and efficiency.

A strong pipeline of new apps has emerged. The list and their capability is growing daily. Increased competition, greater specialization, and mounting pressure on legacy veterinary software providers to earn renewals through outcomes rather than lock-in, are reshaping vendor strategies. This environment favors practices willing to evaluate new solutions, many with immediate and high ROI.

The Topic of PIMS, Including their Openness

To Review: What We Heard Regarding the State of Play Before VMX

Many PIMS providers selectively granted or denied API access to third-party apps seeking integration. The PIMS companies are either:

1. Using their control as a competitive moat (a particular area they may guard jealously is the rich profit stream that comes from providing payment solutions); or
2. Charge for integrations as a way to maximize revenue from their customer base, stifling innovation; or
3. Are simply overwhelmed by the number of API requests and do not have the software architecture, the people resources, or both to handle the volume of requests; or
4. Some combination of the above.

Did We Move the Conversation? Unequivocally Yes

One of the most gratifying outcomes of publishing Part I was the industry's response to the openness thesis. Multiple industry participants, including practice owners and

corporate groups, approached the authors specifically to discuss its implications. As one co-author reported: “I had a lot of people calling about that... it’s been interesting to see the conversations that come out of it.”

The innovators we spoke with since publication were “absolutely thrilled.” The paper gave permission to discuss what many had been thinking but hesitant to articulate publicly: that many PIMS players are not behaving well on integration, and that their gatekeeping is now being “outed” in industry conversations. And as a result of the paper and the discussion at VMX, several of these PIMS companies are reportedly already changing to a more open stance.

From Vibe Coding to *Agentic Engineering*: When Veterinarians Become Software Builders

(Don’t be put off by the technical language in the title! Read on)

Among the many insights shared by technology founders during our VMX conversations, one observation stands out for what it portends for the fundamental power dynamics between PIMS vendors and their customers. Founders of several leading AI-native veterinary app companies offered essentially the same prediction:

> *“The most potent force driving PIMS API openness will not be third-party software vendors demanding integration. It will be individual veterinarians, led by the groups building their own applications.”*

The Rise of Agentic Engineering. The rapid advancement of AI coding assistants—tools like Claude Code and Cowork, platforms like Lovable and Replit, have created a new category of software development. Non-technical users can now describe what they want in plain language and receive functional applications in return. The barrier to software creation has collapsed from years of computer science education to minutes of natural language conversation.

The term “vibe coding,” coined one year ago, increasingly does this movement a disservice—it suggests a casual, experimental playground rather than what is actually emerging: a new professional discipline that Robert Sanchez calls “agentic engineering.” This requires abandoning old assumptions about what’s possible. Very small teams can now out-ship large organizations with legacy software approaches in weeks, not years. This shift is already transforming other industries: Lovable’s enterprise customers include Klarna, Uber, and Deutsche Telekom, while “most users are founders and entrepreneurs who launch businesses or build product lines in hours instead of paying software engineers for weeks of work.”[1]

The Veterinarian as Software Builder. Consider the implications for veterinary practice. Within 12-24 months, a practice owner frustrated with their workflow could simply say to an AI assistant: “I want a dashboard that shows me all patients overdue for heartworm

[1]Jonathan Small, “How AI Startup Lovable Hit a $6.6B Valuation,” *Entrepreneur*, December 19, 2025. https://www.entrepreneur.com/business-news/how-ai-startup-lovable-hit-a-66b-valuation/501077

testing, sorted by how long it's been since their last visit, with one-click texting to the client." The AI would generate a functional application. The veterinarian would then turn to their PIMS vendor and ask: "How do I connect this to my patient records?"

This scenario inverts the traditional software vendor dynamic. When the person requesting API access is not a third-party vendor but the clinic owner themselves, or even more consequentially, the corporate group customer paying the monthly PIMS subscription, the conversation changes entirely. Individual veterinarians will soon have, as one innovator suggested, "so much power to build software" that they will demand API access not on behalf of some external vendor, but for their own creations. The traditional argument, "we don't integrate with unvetted third parties," collapses when the "third party" is the practice owner's own custom-built tool.

Strategic Implications for PIMS. This prediction may not dominate headlines in 2026. The current conversation centers on AI scribes, AI receptionists, care plans, and prognostics—tools that provide high ROI to the practice. But astute PIMS strategists should recognize that agentic engineering represents a structural shift in market power. The question is not whether veterinarians will start building their own software (they already are in other professions) but when the volume of such requests becomes impossible to ignore.

PIMS providers who embrace openness now, explicitly creating or enhancing API architecture for numerous integrations and dozens of agents, position themselves for this future. Those who maintain restrictive integration policies may find that their most sophisticated customers, the ones most likely to adopt AI tools, most capable of evaluating alternatives, and most vocal in industry forums, become the most motivated to switch. The ease-of-coding inflection point will reward platforms that treat practice data as belonging to practices, and punish those who treat integration access as a lever of control.

Forget every other software provider who wants integration, an industry veteran suggested. The individual veterinarian armed with AI tools that transform ideas into applications will be the force that ultimately seals the case for PIMS openness. PIMS need to redesign their applications today for this new world coming shortly.

Agent-Native Architectures: Beyond "Open Your APIs." "Open up your APIs" is the right advice today. But software applications will at some point receive more agent visitors than practice staff. For PIMS, lab systems, PACS, this means the winners will not be those with the best user interface, but instead the platforms where AI agents can operate as first-class citizens. The strategic imperative extends beyond mere API availability to fundamental architectural choices that anticipate an agent-dominated future.

Real-World Validation: Practices Voting with Their Feet

The CEO of one of the newer PIMS offerings provided striking real-world evidence that the openness thesis is influencing purchasing decisions. He noted that one of their early

US clients had re-shared our LinkedIn post on PIMS, explicitly stating that openness concerns were “precisely the reason he switched from xxx to our PIMS.”

This represents exactly the market dynamic we anticipated: as practices become more knowledgeable about the importance of integration, they are beginning to evaluate PIMS not just on features, workflow, price and the like, but on ecosystem philosophy. The practices that understand this will increasingly gravitate toward platforms that enable rather than restrict innovation.

Strategic Reframing: The Industry Uplift Model

Conversations at VMX revealed an important strategic insight for established PIMS providers whose parent companies also operate other veterinary businesses dependent on the health of and growth of veterinary care (three firms come to mind). For these players, software strategy must be considered in the context of the market growth for their larger product and service lines. The logical conclusion: these companies should focus on powering all the innovative offerings that lift the industry, including scribes, AI receptionists, care plans, prognostics, and decision support tools—rather than trying to own them within their software line.

Industry strategists articulated a clarifying framework for what PIMS platforms should focus on: One argued that “you actually want to support thousands of different interfaces to care, because it builds resiliency. You don’t have to pick and choose what scribe to own or build, because you’re just powering all of them.”

Rather than PIMS as the all-in-one software universe, PIMS becomes the enabling infrastructure that allows specialization to flourish. The value accrues not from lock-in but from the quality of integration and the volume of activity flowing through the system.

A Paradigm Shift: AI Eliminates the Need for Group PIMS Standardization

One of the most significant strategic insights to emerge from VMX conversations challenges a long-standing assumption in veterinary consolidation: that enterprise groups (with dozens or hundreds of locations that came from acquisitions) must standardize on a single PIMS to achieve consistency and control, including medical data and outcomes analysis.

Multiple sources confirmed what we suspected: AI can now query and normalize medical records across multiple PIMS formats, creating consistent data abstractions without requiring underlying system changes. As one consolidator put it: “I really wanted to standardize the PIMS in my group because I wanted consistent medical data. Well, guess what? I don’t need to do that now with AI.”

On the other hand, several emerging PIMS vendors are focused exclusively on the needs of corporate groups and are reportedly having some successes in signing deals that contemplate a standardization path. Yet, such a path of ripping out historical PIMS has not solved the profound workflow and EHR disruption associated with switching a PIMS in a practice.

This has profound implications for both PIMS vendors and consolidators. For vendors pursuing enterprise standardization strategies, it removes a key buying rationale. For legacy systems like Avimark (still serving an estimated 7,000+ practices), Cornerstone (5000+) and Impromed (2,000+),[2] it suggests that easier third-party access may actually slow churn by making these systems viable platforms for innovation, at least for now.

PIMS Integration: The Human Cost of Gatekeeping

Perhaps the most compelling validation of our PIMS openness thesis came from practitioners who have lived through integration failures. An experienced VC recounted from 2019 when his telemedicine company spent seven months negotiating with one of Canada's largest clinic chains for a simple capability: routing consultation notes directly to their PIMS. The chain declined, reverting to manual note entry after every virtual visit—hours sacrificed across hundreds of clinics, contributing directly to burnout.

He raised an important question: when PIMS systems open up, how do they filter genuinely valuable innovations from noise? He proposed a middle ground—perhaps sandboxed environments, standardized security protocols, or third-party validation frameworks. The current model of selective gatekeeping clearly isn't working, but complete openness without guardrails could create other problems.

PIMS Market Intelligence: Insights from the Inside

A former executive of Covetrus (now having moved on from the PIMS space to a different animal health venture) provided exceptional depth on PIMS market dynamics, including:

- **Over 90 PIMS providers** exist in the US market—not including different versions of on-premise solutions—creating fragmentation that exceeds what most industry observers assume.
- **The 500-practice threshold matters:** companies that cannot reach this scale within five years face existential challenges. This applies to PIMS and most other software categories.
- **Legacy systems remain profitable:** Avimark operates as "a cash flow machine" with payment integrations and minimal development costs.
- **Covetrus Connect powers 11,000+ clinics**, though multiple partners are not real-time for most data exchanges—a limitation that matters for AI applications.
- **Resource constraints drive integration limits:** Covetrus's 300 technology partners were once resourced with a team of five; but that function may now be only staffed with a single person.

Reactions to Other Parts of the Paper

Price Transparency as a Primary Barrier to Visit Growth

An animal health venture capitalist provided valuable nuance to our analysis of declining veterinary visits, emphasizing that pet owners are not merely price-sensitive—they are

[2] These practice location numbers estimates are derived from a collection of knowledgeable, third-party sources known to the authors.

price-scared: owners avoid care not because they don't love their pets, but because they fear unknown costs. When coupled with readily available AI information that feels "good enough" for non-emergency cases, the in-clinic visit becomes a last resort rather than the first line of defense.

ChatGPT Health and the Rapidly Shifting Pet Owner Landscape

An animal health venture capitalist called our ChatGPT Health analysis "prescient," noting OpenAI's acquisition of Torch, announced January 12. Torch is a healthcare startup that created a "unified medical memory" for AI—aggregating a human patient's scattered health data from hospitals, lab results, medications, wearable devices, and doctor visit recordings into a single, AI-accessible context engine. Essentially, it transforms siloed medical information into a consolidated personal health file that AI can analyze to provide more actionable health insights. (OpenAI paid $100 million for this startup with four employees). Torch's functionality will be just as relevant to pets as it is humans, and likely easily ported over.

Another VC reinforced this concern, noting that "pet owners are already using AI, and clinics that ignore AI will lose loyalty." A third (startup founder) shared that she personally uses ChatGPT for veterinary advice—describing it as half-decent, useful, available 24/7, and basically free.

Summary and Part III

Your existing PIMS is not only your workflow manager and systems of record, it provides the foundation for AI innovation, but only if it supports integration of third-party applications through secure, functioning application program interfaces (APIs). As we look toward a future where software, especially PIMS receives more agent visitors than human visitors, the platforms that embrace agent-native architectures—treating AI agents as first-class citizens—will define the next era of veterinary innovation.

Part III, coming soon, will catalogue a large number of innovative applications, including those AI native and AI driven, that are now on the market to support practice challenges, and pave the way for the bright future of Veterinary Medicine and the care of pets through their caregivers.

We will discuss how some PIMS aspire to develop their own AI native applications to compete with third parties best and breed applications and promote themselves as "all in one" PIMS. We are skeptical, and take particular objection to PIMS closing off third-party options in order to promote their own. The most visible case is the scribe application. Simply stated, practices should have the option of adopting one of the highly capable and specialized independent scribe applications *with full integration to their PIMS data* instead of being forced into using the PIMS version because access to the third-party option is denied. More on this in Part III.

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Correction from Part I: Bitwerx Ownership Evolution. Part I mentioned Bitwerx as independent, but JAB Holding Company (also owner of NVA and several pet insurance companies) holds a significant minority position, and this is rumored to be transitioning to majority ownership in early 2026. This ownership evolution may have implications for Bitwerx's strategic direction and relationships with competing PIMS providers.