

Is ZocDoc THE RX FOR HEALTHCARE? *By Michael Nunez*

INTERNATIONAL BUSINESS TIMES

January 13, 2012

What would you do if you ruptured your eardrum while on an airplane? What if, instead, you tore your meniscus while collecting your luggage at baggage claim? Assuming you're like most Americans, you'd wait 20 days before receiving any medical attention. Not fun, especially during the time you're waiting with a ruptured eardrum, throbbing in pain, or, as you wait with a swollen, locked-up knee, hoping that you don't need surgery to repair a torn meniscus.

Cyrus Massoumi, one of the founders of ZocDoc, has experienced both airport injuries. Whether they were complete misfortunes or veiled gifts is an entirely different story. The injury-prone traveler is one of the masterminds behind ZocDoc, a free service that allows patients to book doctor appointments online.

The first time Massoumi was seriously injured on a plane--rupturing his eardrum as the plane landed--he experienced a light-bulb moment that would forever change his, and eventually, thousands of other people's lives. The growing pressure--POP!--and excruciating pain isn't the typical struggle a brilliant mind endures in order to achieve greatness, but then again, ZocDoc isn't your typical startup.

"It was like an icpick was being jammed into my ear... the entire landing," says Massoumi as he mimes the action, shoving an imaginary icpick into an imaginary block of ice. He had a sinus infection, and it apparently didn't agree with the change in pressure from the landing. "It really was a lot of pressure," he says, contracting his hands, fingers interspersed, until no space is left between them.

After leaving the airport, Massoumi quickly logged online to make an appointment with a doctor as soon as possible. "I went to my insurance company website, which most people would do, and I started calling the list of doctors," he says. "Some of the phone numbers didn't work, one of the doctors was actually deceased, and a lot of the doctors didn't accept my insurance."

Four days passed before Massoumi was finally able to get treatment. Soon after his recovery, he realized that the problem he'd faced was a much bigger issue than he'd originally thought. It had taken far too long for him to get treatment, and he knew that there were doctors with openings in their schedules somewhere. The problem was he couldn't find doctors with openings.

Massoumi had a rough idea of what he wanted to create: He knew patients needed easier access to doctors, and he knew that the internet could provide easier access to doctors with availabilities in their schedule. He immediately pitched the idea--booking doctor appointments online--to his good friend of seven years Oliver Kharraz, M.D., who told him the idea was brilliant. Kharraz convinced Massoumi to focus on the idea full-time. They ditched their jobs and decided they'd pour their life savings into the new company. But they needed a website. That's when Massoumi reached out to his friend of 14 years, Nick Ganju, who would help the team build a functioning website.

The healthcare heroes of the digital age were assembled. They were the perfect balance of talents. Massoumi, the injury-prone traveler, served as an idea guy and remains the man with the energy and passion for pitching the company's strengths. He's a storyteller, a salesperson at heart, and keeps the team motivated. Kharraz is the technician. He's the most practical of the three, and has a deep understanding of the healthcare industry. He helps the team navigate the tangled web of healthcare institutions and protocols. Ganju is the architect. He's a talented programmer that's worked for several startups in Silicon Valley and helps the site's calendar functions work with all types of software.

While each founder's responsibilities certainly overlap, they constantly play to each other's strengths. Even in an interview, they loft each other questions that hang in the air like an alley-oop waiting to be slammed through a basketball hoop. Together, they're not LeBron,

Wade and Bosh. They're better. And they've built the largest online healthcare scheduling system in the world to prove it.

"We originally launched just with dentists, and from there, every few months, we'd add a new specialty," says Massoumi. "Now there are more than 40 specialties in ZocDoc." Their reason for starting in New York was simple. "The New York Healthcare market is the largest," says Massoumi. Kharraz later adds, "One-sixth of all doctors get trained in New York."

Since its launch in 2007, ZocDoc has practically become a Silicon Alley institution. It's hard to imagine that at one point and time, the company was struggling to get people to join. Massoumi recalls waiting six hours on one occasion in order to coerce a group of dentists to use the service. Though the pitch was tough in the early days, the core values of the company have remained the same through ZocDoc's history.

"Fundamentally, we don't want to change the way the office staff works," says Kharraz. "We want to maintain their work flow, and roughly 70 percent of the time they're already using some sort of scheduling software, at which point, Nick's team actually wrote integrations into these schedules. They can just continue to use their computer program as they always have and the only difference is that now people see the gaps that are in the calendar."

Kharraz points out that the calendar integrations weren't all that easy to create. In many ways, it was one of the biggest hurdles they faced: "You need to get the doctors, you need patients, and you actually need to make the transactions work," he says. "Because we've been successful in presenting it in a simple way, a lot of think that it's actually simple to do that. And it's not. That's what took us a long time to scale out."

The company now serves one-third of the United States and 13 major metropolitan areas. In March of 2011, the company hired its

100th employee and is still hiring aggressively. Even at this stage in the company's life, the founders remain in awe of the growth they've seen over the last four years. "When we started, we didn't have an office. It was our life savings," says Massoumi. "We went a year without raising formal institutional capital. We started in Nick's apartment."



Though ZocDoc no longer functions in Ganju's apartment, the group still remains thrifty. The founders still share hotel rooms and use all second-hand furniture in the office. The thriftiness doesn't appear to diminish morale at all, either. On the day I visited the group's office, one of the coldest days of the new year, early on a Monday, there were plenty of laughs and high spirits bustling through the hallways, past a large check for \$100,000 for winning the 2008 Forbes Boost Your Business Challenge, past the 2010 #1 Best Place to Work in New York by Crain's New York Business and past the many articles written about the company.

As the company continues to expand the number of available appointments--currently more than 5.5 million--and the number of cities it reaches, the story of ZocDoc can always be filed down to Massoumi's airport injuries: "Two situations, both upon landing in New York City, having an issue," he says. "One took four days to find a doctor, and one took basically five hours." ZocDoc, for the win.