ZocDoc, an online service for scheduling medical appointments, is one of the fastest-growing start ups of the 21st century. Co-founder Cyrus Massoumi shares the thrills—as well as chills—of building a company that’s truly disruptive.
SAY YOU NEED A DOCTOR APPOINTMENT.
And the type of doctor you need—one who
takes the kind of insurance you have—has a
cancellation that very day, or the next. Wouldn’t
it be great if there were an online service that
could put the two of you together?

There is, and it’s called ZocDoc—the
brainchild of CEO Cyrus Massoumi,
37, a former consultant at McKinsey
& Company. Along with co-founders
Oliver Kharraz, MD, a health care IT
consultant, and Nick Ganju, a CTO in
a financial consulting firm, Massoumi
launched the service in 2007 with just
10 New York–based dentists in its roster.
Today, ZocDoc covers 40 percent of
the US population in more than 1,600
cities and towns.

ZocDoc is one of those brilliantly simple ideas that, in retrospect,
seems obvious. A consumer goes to ZocDoc.com, inputs his zip code, insurance information, and physician need, and a screen full of possible appointment times appears. Clearly, ZocDoc serves the needs of ailing or impatient patients. It also dovetails with major market trends that will only intensify: a looming doctor shortage, greater demand because of an aging population, and the increased emphasis on preventive care mandated by the Affordable Care Act.

And, just as important, ZocDoc serves the needs of medical practices, which pay $300 monthly to be included in the service. Operating on ever-thinner profit margins, they can’t afford empty spaces in their schedules caused by last-minute cancellations.

In its six years of existence, ZocDoc has gained an impressive roster of investors (including Khosla Ventures, Bezos Expeditions, and Marc Benioff) as well as acclaim on national lists of best websites, best places to work, most valuable private tech companies, and so on. Nonetheless, the start up was fraught with all the obstacles an entrepreneur can face: technical issues, hard-won sales, funding problems, a skeptical market, and lots of long, late nights.

In an interview with NYER senior editor Lee Lusardi Connor, Massoumi reflected on his company’s journey—and its almost limitless future.

Lee Lusardi Connor: What gave you the idea for ZocDoc?
Cyrus Massoumi: I was flying cross-country with a bad sinus infection, and my eardrum ruptured. When I landed in New York I started looking for an ear, nose, and throat doctor from the list on my insurance company’s website. It ultimately took me four days to get an appointment, and I thought that was ridiculous.
My whole family is in health care, so I knew that doctors have a lot of last-minute cancellations. So I talked to my colleague at McKinsey, Oliver Kharraz, who is a doctor and an expert on electronic health records and practice management systems. I said, “Oliver, why can’t I book a doctor online the same way I can book a flight or a restaurant or buy groceries or buy clothes? Why does it have to be so difficult?” And he said, “You’re right. We should quit our jobs and start this company.”

LLC: But what got you thinking that way—that this personal problem could be a business? After all, a lot of people have trouble getting doctor appointments.

CM: It’s just the way that I’m wired. I’m a problem-solver. I’m constantly trying to optimize my life.

My personal experience was also the basis for the first company I started, called One Size Too Small, which made software to help e-commerce companies manage their online returns. This was in the late ’90s, when there were no e-commerce packages—you would literally have to hire 30 developers to build your shopping cart, the security layer, the infrastructure, and so on. There were no pre-printed return labels, nothing like that, so returning something was a huge hassle. And I knew this because I have huge feet so I have to buy shoes online, and I was having a problem returning stuff.

So we worked with the U.S. Postal Service and with UPS, and worked with e-commerce companies to create returns modules for their sites, which we would sell as a service to them. I ran that company for three years, but it did not have as great an ending as I had hoped.

LLC: What did you learn from that experience that influenced the building of ZocDoc?

CM: I learned that I always wanted to solve the number one need of a client. These days, customer service, as with Zappos, is in the spotlight. But back then increasing revenue was the priority. In fact, some executives of high-profile sites actually asked me, “Why would I ever want to make returns easier?”

Another thing I learned was that I wanted to sell something that didn’t have a limited window. Back then, you could only sell technology to retailers a few months out of the year, between February and June. Come July, they wouldn’t deploy new technology because God forbid December has a glitch, you’re done.

The third thing I learned was that I wanted to be in a business that wasn’t hit-driven, wasn’t a function of being trendy.

I think being an entrepreneur is like giving birth to a child: you have to put literally everything you have into it, and there is so much sacrifice. Not having that company succeed was horrible. But as they say, sometimes you learn more through failure than you do from success.

LLC: So with ZocDoc, you were aiming to address a need that was widespread and perennial. How did investors and potential clients respond to your pitch?

CM: We basically spent the first two and a half years proving all the naysayers wrong. First, I had every doctor in my family saying, “I don’t really know if this is a great idea.” Part of the resistance was general risk aversion. And changing the way health care works is a daunting task. But we saw that if you can figure out how to be disruptive, the opportunity is just so massive.

When we launched in 2007, there were a lot of articles written about us. At the TechCrunch conference, one of the panelists was Guy Kawasaki, who evangelized the original Mac and is one of my idols. And this guy was on stage and he’s like, “There’s no way I would ever book a cardiologist on a website.” And I said, “Maybe not, but if you had a weird, awkward rash on your butt, you might feel uncomfortable asking around for recommendations from friends.”

There was a great deal of skepticism at the beginning. Doctors thought perhaps only weird patients would find their doctors online, that most people would prefer talking to someone on the telephone. And people thought that doctors would never pay for this service.

But going back to my e-commerce experience, filling doctors’ open appointment slots with patients was their number one need. Doctors want to do right by their patients, but because of the environment they’re in, they still have to

HOW’D ZOCDOC GET ITS CATCHY NAME?

Primarily because Doctors.com was too expensive. “They wanted something like $4 million and ZocDoc was available for about six bucks,” says Massoumi. “It was interesting, and it rhymed. After we raised some money, we tried to hire a creative naming company, but they turned us down. They said, ‘We like the name. You’ve got to stick with it.’”
think of the world in terms of business. We discovered there is a huge amount of what we call a “hidden supply of health care,” due to cancellations and other scheduling issues.

LLC: What makes the traditional system so inefficient?
CM: I love using the analogy of travel. Let’s say I want you to book a flight, not by going to Expedia.com or to Orbitz.com, not by going to the airline website, not by calling anyone up who can run off hundreds of different flights that Delta might have. You need to call up the pilot of every plane, and the flight attendant is the one that answers the phone, and these are small planes.

Now imagine you’re calling up every plane: “Hey, do you happen to have an open seat for me to fly from here to Boston?” And the flight attendant puts you on hold because she’s worried about serving the people who are already on the plane. In that scenario, you would think there are going to be seats on planes that go unfilled. And that’s health care.

Studies suggest that people in the US wait an average of 20 days to see a doctor. Now, ZocDoc covers 40 percent of the US, and most appointments occur within 72 hours. So if the rest of the country is waiting 20 days, why is it that on our website, which had over two and a half million visitors last month, people can usually get an appointment within 72 hours? That’s the hidden supply.

LLC: Before you could even start selling this, you had to have quite a significant technological underpinning. How’d that work?
CM: People look at ZocDoc from the outside, and it looks so simple—you connect with doctors, you have appointments, and so on. But we are dealing with a number of very different practices, many of which have systems that were never designed to work on the internet. We don’t replace doctors’ systems, we integrate with them, so we had to constantly iterate on the technology and make that better and better and better. We had to worry about patient privacy, and how do you make sure people aren’t making fake appointments—very complex things.

I was very, very fortunate in the co-founders I picked. We needed to do so many things well. Nick, our CTO, was a CTO at a financial services firm when he joined us. He is one of the smartest developers I’ve ever met; we started our first job after school together. Also, my co-founder Oliver is the smartest and most business-oriented doctor I know. He taught himself how to code and built the doctor-facing side of the site; Nick built the patient-facing side. My job was to do quality assurance at night. So Oliver had one part covered, and Nick had another part covered, and I guess I like to evangelize these visions that we came up with.

LLC: So you became the sales team.
CM: I was the first salesperson at ZocDoc and I went around and recruited all the first doctors myself, getting kicked out of a number of offices in the process. Three of them called secu-
ZOCDOC TIMELINE
RIDING A ROCKET

2007 /
ZocDoc launches on Sept. 18 with 10 New York dentists.

2008 /
Primary care doctors and dermatologists come on board. $5 million Series A investment round.

2009 /

2010 /
Hello, San Francisco, Chicago, Dallas, and more. $15M Series B investment. Free iPhone app debuts.

2011 /
Boston, Los Angeles, Houston, Atlanta, Miami, and more get covered. Free Android app. $75M Series C investment.

2012 /
More than 2 million users each month. Service expands to Seattle, Detroit, Las Vegas, St. Louis, and beyond. 300th employee hired. ZocDoc en Español launches.
rity to get rid of me. All three now use ZocDoc, by the way.

We had entered a start-up competition through TechCrunch, which had a deadline of launching by September 2007. We had planned to launch in November, and that was tight enough, so we were really cutting it close. And a day or two before we launched, we only had four dentists on the site. The goal was to have at least enough people to have a scroll-bar on the right-hand side of the screen. It was embarrassing. We couldn’t launch in public with only four dentists.

And so there was one office in downtown Manhattan, and I’d been exchanging emails with the guy who ran the practice. I literally camped out in his waiting room for six hours and managed to sign up all six of the dentists at the practice. So we ended up with 10 dentists on the site at launch.

LLC: How did you get the word out about the site?
CM: In the first month we got maybe 20 appointments, and half of them were fake. And I’d been convinced all our appointments would sell out; in fact, we’d built all this logic into the website for that situation.

But we began to grow by 20 percent to 40 percent each month. Since the beginning, growth has been viral. We talked to journalists, journalists would write about it, and people would tell their friends about it. We made sure we had great customer service so that people would spread the word.

We’ve been building not just a business, but a marketplace. Like giving birth, you’ve created something that has a life of its own and is growing at its own rate. Even if we did nothing at this point, ZocDoc would grow. But we’re all collectively like the parents of this child, doing our best to make sure it grows in the right way.

LLC: How did you grow from 10 dentists in New York to the reach you have now, with 1,600 cities and 35 types of medical specialties?
CM: In the beginning, we were entirely self-funded. We did this with our life savings, and we learned how to launch markets better. And the company was still, like, 20 people, but it started to do quite well.

LLC: You now have 350-plus people on staff. How have you handled hiring with such a fast-expanding workforce?
CM: It was very important to us that ZocDoc feel like a family. And we learned from prior experiences. There are some aspects of ZocDoc’s culture that are like Trilogy, where Nick and I first worked, in terms of how enthusiastic our employees are, that we have flexible time, that we have food catered.

In my own start-up, I learned about how to correctly set expectations with employees—that just because you’re the only person in marketing, you are not the VP of marketing. You have to keep repeating over and over again, “Look, you’re doing a great job, it’s just that we need X, Y, or Z sort of people to run the business.” That said, a lot of our earliest employees are still here and making meaningful impacts to the business. Some have been promoted quicker than others, but most of them are still here and that’s super important to me.

We are a company that really values talent. I probably interview four to six people on a daily basis. I don’t care so much about whether the person has the perfect experience; we hire more for intrinsics. What is the logic behind what this person has done, and have they always succeeded in what they’ve done?

You know, one of our best guys had a 4.0 in acting. He came in as a temp, then became our office manager, then went into marketing, and now runs recruiting, and he’s awesome. I would rather hire diamonds in the rough, and teach them about ZocDoc. And my job as CEO is to make sure as many of those awesome people want to stay here, and have opportunities to grow here, as possible.

LLC: Can you point to a turning point in the company’s growth?
CM: Well, in 2010, Khosla Ventures was telling us we should be a little bit
more aggressive in terms of our expansion. And I ultimately was at a friend’s for brunch and talked to a venture capitalist I knew, Ken Howery, the original CFO of PayPal and one of the founding partners of the Founders Fund, which is Peter Thiel’s venture capital fund. We ended up meeting with them, and they gave us a deal we’re really happy with.

And we used that money to basically show that ZocDoc could work in the top 10 cities in America, and then a year ago, we raised the larger amount, $75 million, to basically do ZocDoc across the United States.

So the mid-term at ZocDoc is, we want to get in as many places as possible—to cover the nation, make sure that everyone’s able to book appointments online.

The future is very much about, how do we solve more problems in the white space of health care that people haven’t been able to solve? I want to go in the direction of things that relate to the doctor and patient interaction. We’re very much patient-led and we want to solve patient pain points.

**LLC: What does that mean, specifically?**

**CM:** Well, you’ve seen our first new product, Check-In, which we launched in October. That addresses a definite patient pain point, where you have to keep filling out the same medical history forms over and over again, and 80 percent of the information is the same each time. Now, with Check-In, you can fill in the forms online, at your convenience. ZocDoc will store it and pre-fill out forms when a patient books with another ZocDoc participating doctor.

Those are the kinds of things we’re looking at, possibilities about how you interact in the doctor-patient relationship, about information you’re getting. We have whiteboards filled with all kinds of ideas. I’m not going to enumerate the specifics, but that’s the area that excites me. And you know, with health care being the largest sector of the global economy, there’s no end to how we can innovate. It’s just a question of making sure that we stay focused as a business.

**LLC:** Knowing what you know now, what advice would you give to entrepreneurs?

**CM:** It’s all predicated on making sure you hire the right people. It’s so easy when you’re in a start-up situation to say, “Oh, I’ll just hire this person now and then hire someone better later.” But it’s very difficult to correct for that. You just have to have the discipline to sort of sit back and wait for the right people.

This is our recipe for success: Great people, hard work. You stay focused, you go after big opportunity, and you have enough time. You do these five things, and you will inevitably succeed.