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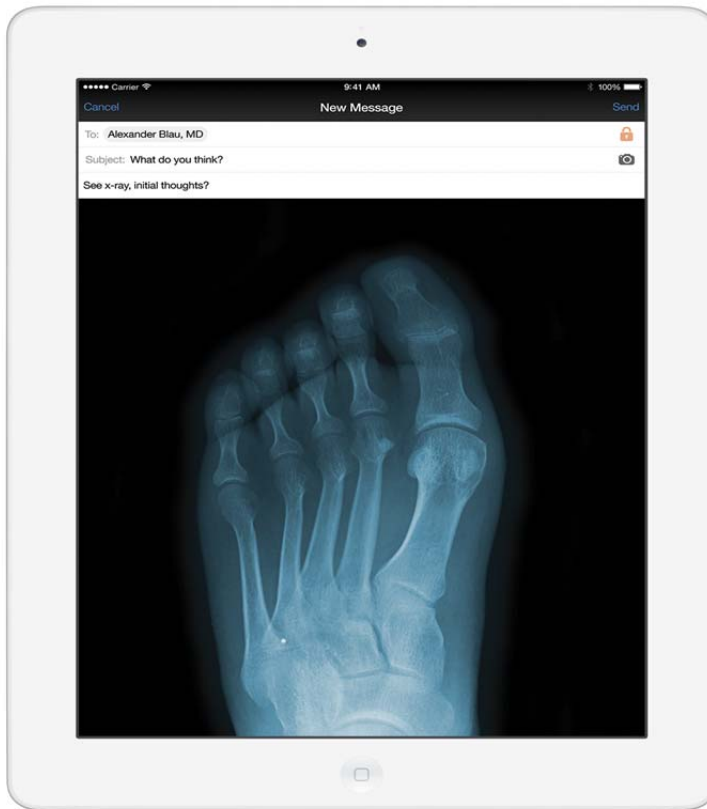
## **Is The LinkedIn For Doctors A \$1 Billion Business? Doximity's Raised \$54 Million To Find Out**

If you're not a doctor, you probably haven't heard of any company that bills itself as the [LinkedIn LNKD +3.15%](#) for doctors, and you don't even really need to.

But there's a good chance your doctor is sharing casework and referrals about you over such a network, and they don't really want you there getting in the way, either. The network's called Doximity, and it claims that 4 out of 10 doctors in the U.S. now uses it to meet other doctors, share coursework, and brush up on tough cases or recent news from trade journals. And doctors are chatty, the 300,000 who have signed up to date sharing about 20,000 messages each day.

That early market share and engagement makes Doximity a bit of an anomaly, the "x of y" derivative startup that could actually become a major business in its own right. It's why growth-stage investors have jumped on the company, with it announcing Tuesday it raised \$54 million in a Series C round from T. Rowe Price and Draper Fisher Jurvetson. And it's also got the support of one of the cofounders of the company it's nominally competing against: LinkedIn cofounder Konstantin Guericke.

“The strategy we took at LinkedIn was to focus on first growing the network, you have to establish you are the gravitational center,” Guericke says. “In the case of LinkedIn, it wasn’t possible for anyone to catch up. It’s the same strategy with Doximity.”



One major difference, however: LinkedIn raised a lot less in its Series C back in 2007, and unlike Doximity, it didn’t boast a 40% market share, though it reached profitability faster. (Doximity just recorded its first profitable month before the raise.) At the time, reaching for a much bigger market, LinkedIn had 2% share, Guericke says.

The other potential difference is what the ceiling of a vertical-based professional network like Doximity could be. LinkedIn’s an \$18 billion

company today. Doximity's valuation has jumped a lot since its 2012 funding, when it was worth about \$80 million. Other reports estimate Doximity's valuation at \$500 million, but Forbes hears it could be somewhat higher, in the \$650 million ballpark (the company didn't disclose valuation).

Either way, Guericke does say the company will be a \$1 billion company soon. Founder and CEO Jeff Tangney agrees.

"There's a trend in the market toward specialization, having networks that are more focused within internet social, you see it getting a lot of traction," says Tangney.

Doximity's also part of a trend of companies raising larger sums of money, now with now \$81 million total funding in just three years also from return investors Emergence Capital Partners, Morgenthaler Ventures and InterWest Partners.

And like others, it's taking money from a blend of investors. Morgen Stanley MS +1.63% Investment Management's also in the new round, which represents a mix of venture investors and later-stage specialists known for getting into companies before they IPO.

Doximity plans to IPO eventually, but Tangney says that's a ways down the road—more several years than a couple months. "Some of these late-stage guys get a bad rap, that they are urging companies to go public too soon. And we did a lot of reference checking and asking about this very question. But as long as this business is growing in value, why cash out? Their investment time horizon is a lot longer than a year."

The business will stick to the United States for now and making its revenue from charging recruiters to access its specialists, like a headhunter looking to find a cardiologist willing to relocate. Down the road, however, Doximity will branch out its offerings much like LinkedIn did. Possibilities include access for device makers or other healthcare players to physicians who don't opt out, or

paid sponsorship of posts or activity much like LinkedIn has piloted with its news and shared content.

Right now Doximity already sends out a free email with top stories from industry journals, so the move would be pretty straightforward.

Guericke says that Doximity's specialization actually means it gets higher relative engagement for news and posts than LinkedIn overall. But both need to keep trying things to see what works. "That's the fun thing about working with networks, it's not like Excel. To me networks are like gardening."

Doximity's market is many times smaller than LinkedIn's but its users are more affluent and control more spend. \$1 billion seems like a straightforward goal to achieve, but whether the company can become even half as big as LinkedIn will be a much tougher task.

Still, Tangney says his team is in no rush.

"Part of the mission here is also to save lives," he says, pointing to the thousands of deaths from medical errors that occur in the U.S. Doximity's ability to compare notes and share tricky cases in a "walled garden," he says, will improve quality in the industry. "We have a case every other week where if doctors were doing it the old-fashioned way, the patient would've died. So we feel good about that as we get up in the morning."