



## CURA: BRINGING DIGITAL HEALTH TO THE ARAB WORLD

As Cura’s CEO, Wael Kabli, sat in his office looking at his fundraising slides, he thought back over the previous five years of Cura’s existence. He and his cofounder, Mohammad Zekrallah, had known each other for over a decade, and together they had built Cura into Saudi Arabia’s largest telehealth network. The COVID-19 pandemic of 2020 had accelerated their business growth, and as he prepared to begin his quest to raise \$4 million in a Series A financing, he thought back about how Cura had begun and he contemplated his next steps.

### FORMATION OF A FAMILY – AND A COMPANY

In 2014 Kabli and his wife gave birth to their second-born child, a baby girl named Lean.<sup>1</sup> In the baby’s first year, the child had to go to the hospital several times for a variety of illnesses. As Kabli and his family sat in the waiting room for several hours for one particular visit, it dawned on him that there were huge inefficiencies in the country’s health care system. Kabli had no way to communicate digitally with his child’s health care team, and the monotony of waiting was wasteful and uncomfortable for the entire family. Finding appointments for his daughter took many hours, and with the rise of the sharing economy via companies like Uber and Careem in the consumer sector, Kabli believed the same digital tools could be applied to improve the health care experience for patients—at least for cases that did not require a hospital visit.

After returning home after one particularly long doctor’s session, Kabli reached out to his long-time friend, Zekrallah. The two friends had a strong mutual trust and respect, and had previously talked about building a tech start-up together. Although nothing had come of their initial conversations, Kabli and Zekrallah once again discussed working together. This time they

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<sup>1</sup> Data on this case were provided in an interview with Wael Kabli on January 13, 2021. All quotations and company facts are from the author’s interviews unless otherwise noted.

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The author thanks Jada Fund of Funds Company in Saudi Arabia for their assistance in preparing the case SM-344: Cura: Bringing Digital Health to the Arab World.

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Lecturer Robert Siegel prepared this case solely as the basis for class discussion. Stanford GSB cases are not intended to serve as endorsements, sources of primary data, or illustrations of either effective or ineffective handling of an administrative situation. Funding for this case was provided by the Stanford Graduate School of Business. This case was reviewed and approved before publication by a company designate.

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envisioned what a new digital health platform might look like that could serve the Saudi people and that would enable a patient—with the touch of a button—to consult a doctor from one’s mobile phone. After several conversations in a local coffee-shop, Zekrallah took the leap of faith and quit his job in 2015 to begin working full-time on the new opportunity. While based out of his small one-bedroom apartment, Zekrallah developed the initial platform on his own; a period that he anecdotally described as the toughest but best “alone time” that shaped his personality, creativity, and outlook on life.

A year later, Kabli departed his role at Microsoft to join Zekrallah, and with the two of them engaged full-time, Cura was born. Although they had many doubts and worries of the many risks in building a company, Kabli and Zekrallah believed they would make a good combination of founders as they would complement each other in areas where the other was lacking. Kabli described himself as “the creative dreamer who always thinks big,” and “Zekrallah is the skeptic who always questions ideas and constantly worries about how to execute correctly and efficiently.”

### **THE EARLY DAYS**

With a population of over 33 million people, the Kingdom of Saudi Arabia was the most populous country within the Gulf Cooperation Council (GCC). As the Kingdom had begun to embrace new technologies and businesses in 2016, Kabli and Zekrallah believed that data analytics and public opinion could help improve the doctor-patient relationship in a positive way. While there were a few existing technologies in digital health in Saudi Arabia, most focused on the doctor-to-doctor relationship, doctor-to-nurse communication, or doctor-to-hospital communication. Patients had been left out of the digital revolution in health care. Kabli and Zekrallah believed that this was a large opportunity worth exploring. The two entrepreneurs surmised that telehealth was an idea whose time had come for their home country.

### **THE FIRST OUTSIDE FUNDS**

The company initially raised a seed round of funding when it was founded in 2016. As the venture community in the Kingdom was nascent in those days, most of the capital came from angel investors, with one particular individual supplying most of the capital. The first round totaled 3.5 million Saudi Riyals, and the introduction to the largest investor came via an angel group, which made the connection. The initial capital was granted in common stock.

In 2018 the company received an additional \$800,000 (approximately 3 million Saudi Riyals) in the form of a convertible note. The note had no cap and no interest, and the parties agreed that the discount rate would be agreed upon before the close of the company’s Series A round of funding.

### **WORKING WITH THE MINISTRY OF HEALTH**

By 2018, the company had over 500 doctors on its platform and customer usage began to take off. Kabli and Zekrallah believed that their product was the first at that time to empower patients to have hospital-like consultation workflow with premium communication tools that included real-time chat messaging, voice calls, and video calls. The two founders also believed that the product had strong technical strength, so they approached the Ministry of Health and offered to license their technology to power a new national telemedicine service app initiative that the Ministry was

developing. Although excited with the Ministry opportunity, Kabli and Zekrallah were concerned that this engagement might be a possible distraction, not to mention a competition to their paid consumer offering. However, the two decided to proceed as they saw two key strategic benefits to the relationship: First, the deal provided revenues to allow the company to sustain itself, and second, it helped boost telemedicine adoption among Saudis. This latter issue might have been the more important of the two for Cura; adoption of telemedicine was critical for the company's long-term growth. Thus, the entrepreneurs helped give birth to the Ministry of Health's first mobile app called "Sehha."

The work with the Ministry of Health also enabled Kabli to ensure that the company's commercial product would be compliant with the country's privacy laws, and the company was granted a license as a telemedicine services provider—a very rare and challenging accomplishment for a start-up to achieve. Cura also worked closely with the Saudi Health Council, which led to the establishment of the country's first National Telemedicine Policy. As this program came into existence, the team at Cura was instrumental in bringing together worldwide experts to design a system for the Kingdom that was advanced, modern, and would effectively serve the Saudi citizenry. (See **Exhibit 1** for examples of Cura's digital health care services).

## **TELEMEDICINE BUSINESS MODELS**

Shortly after their first founding round, the company explored several business models for their consumer offering: free consultations to begin a relationship with a doctor; fee for services provided where Cura would take a percentage of revenue; and several others were also examined. The company also added a variety of telehealth services to the platform such as enabling the fulfillment of e-prescriptions, psychology, psychiatry, dermatology, and gynecology consultations.

Around this time the founders discovered their first big challenge, known as the "Leaky Bucket" situation. Zekrallah noticed that the company's marketing campaigns weren't supplying long-term customer retention. He soon discovered that Cura's Customer Acquisition Cost (CAC) did not appear to make sense given their customer retention numbers, and that churn off the application was a fundamental problem. As Zekrallah realized, since people did not get sick every day, customers were not using the application with high frequency. Zekrallah and Kabli were fundamentally concerned about solving this problem—if their CAC numbers were too high and the engagement numbers too low, the business would not be viable. After several sleepless nights where the two founders brainstormed several quick and value-driven options, the company gave birth to a new service and business model called "Wellness Programs," a pre-packaged product with 5 to 6 weekly scheduled consultation sessions with a physician or therapist to address a specific health goal such as dealing with anger management, coping with depression, or losing weight. This new service greatly improved engagement and Cura's retention numbers rose as people stayed on the platform to use their pre-packaged meetings with health care providers.

## **THE IMPACT OF COVID-19**

In March of 2020, as the world began its lockdown due to the coronavirus pandemic, Cura's business began to grow rapidly. As patients were not able to visit doctors, telehealth solutions became critical for a variety of patient needs. By the end of 2020, Cura's platform had over 2,500

doctors and 260,000 customers on board. The company made strong inroads, in particular, with the country's youngest doctors as they were more progressive and open to new technologies for treating patients.

Another unexpected benefit of COVID-19 was that the pandemic encouraged the Saudi Health Council to pass a regulation instructing medical insurance companies to support telehealth consultations for their insured customers. In 2020, Cura became the first Saudi company that integrated with leading insurance providers to support insurance subsidized tele-consultations, a year head of the company's original plan.

### **RAISING THE SERIES A ROUND**

As Kabli thought about the \$4 million round he wanted to raise, he pondered what he and his team would do with the capital. First, he wanted to add more health care services such as e-prescriptions medication delivery, home care service dispatching, and integration with telemedicine offerings to add to the user's activities in the physical world. In addition, he wanted the company to provide more robust Wellness Programs offerings in the platform. He further wanted to expand beyond Saudi Arabia to the broader GCC, other parts of the Middle East, and even to Latin America (see **Exhibit 2** for global digital health care outlook). While the company had revenues of 4.6 million Riyals in 2020, Kabli believed that the Series A round would allow the company to achieve 30 million Riyals per year in revenues, and the money provided would last the company at least two years. Most of the capital expenditures would be used for marketing, customer acquisition expenditures, and product engineering, as Kabli believed that the company knew their unit economics quite well. He and the team felt that Cura had found product/market fit, and the next set of key initiatives would surround growing the business. In addition to aforementioned forecasts, Kabli saw additional growth opportunities by cooperating with corporate organizations to support employee benefits.

As he looked back on the founding of the company, Kabli thought to himself that he was proud of all of the Cura team and what they had accomplished: To have been the first start-up to kick off telemedicine and to make the service mainstream in Saudi Arabia.

As he looked at his fundraising deck one more time, Kabli wondered what the best way would be to raise the capital and to move forward with growing his business.

### Exhibit 1 Selected Company Information

## Cura Tele-Health Platform

Cura is a Saudi telehealth platform that enables people to get **consultations, diagnosis and prescriptions** and **well-being** therapy sessions through **instant messaging** and **live video calls** from the comfort of your mobile phone

## Urgent care services available 24/7 across the kingdom

تحدث مع **أطباء مناوبين** على مدار الساعة لمساعدتك أنت وعائلتك

اختر طبيبك بناءً على تخصصه و **مؤهلاته و خبراته و تجارب العملاء**

ادخل في **استشارة آمنة** مع طبيبك بالصوت والصورة ومقاطع الفيديو

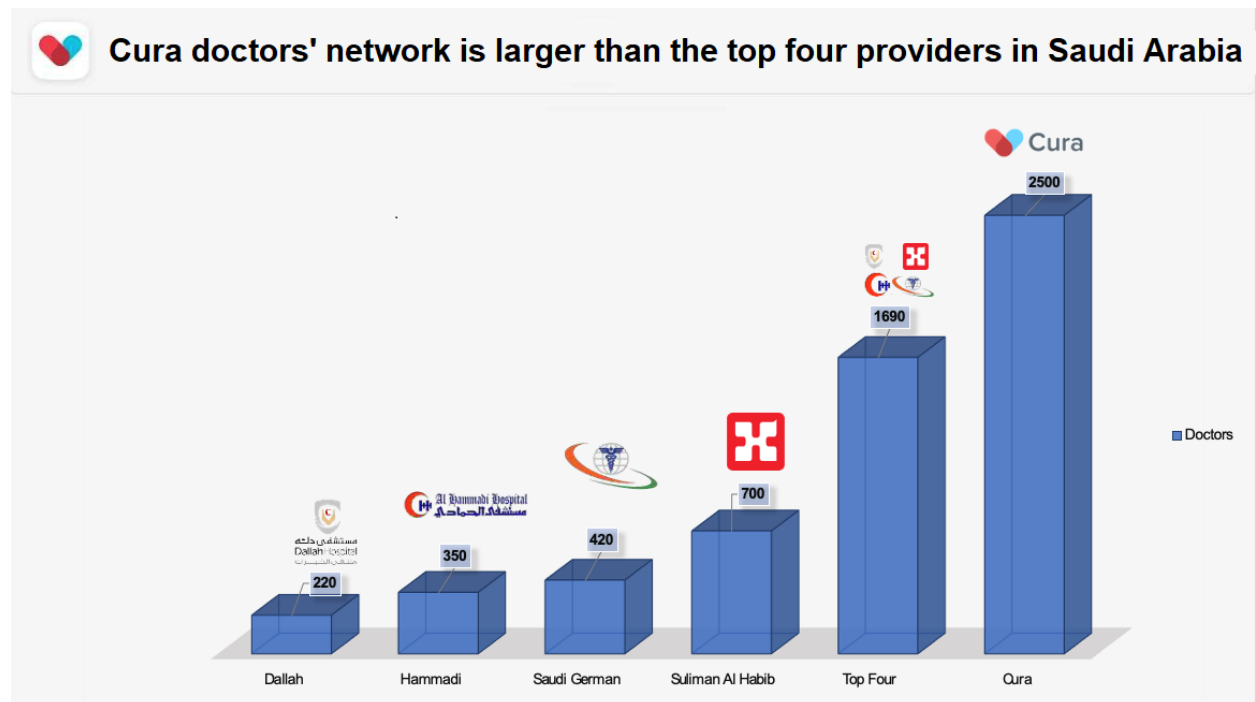
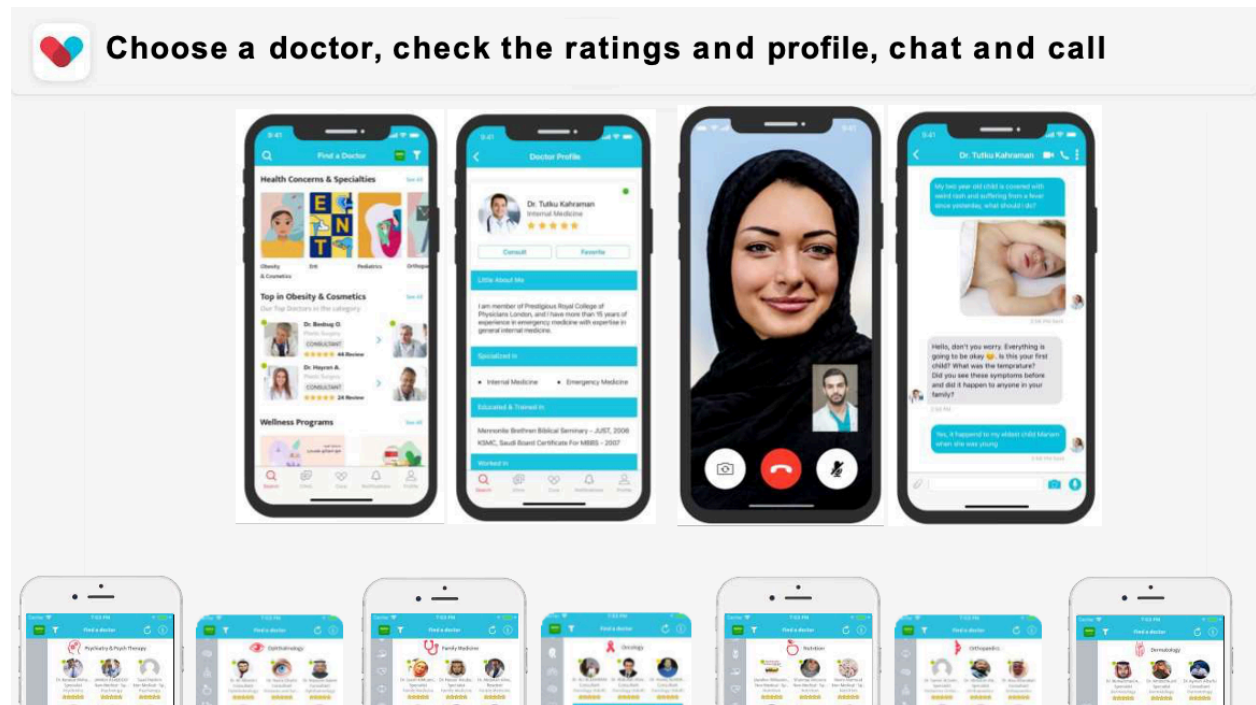
City	Percentage
Jeddah	40%
Riyadh	37%
Dammam	9%
Medina	3%
Kuwait City	2%
Cairo	2%
Khobar	2%
Buraidah	1%
Makkah	1%

*Other cities: Dhahran, Baghdad, Tabuk, Dubai, Ha'il, Muscat, Al Qatif, Ta'if, Istanbul, Alexandria, Beirut, Jubail, Al Huluf, Doha, Abu Dhabi, Casablanca, Abha, Yanbu, London, Manama, Sanaa, Tripoli, Giza, Amsterdam, Al Mansurah, Sharjah, Al Ain, Najaf, Basrah*

\* Urgent care centers primarily treat injuries or illnesses requiring immediate care, but not serious enough to require an emergency department (ED) visit

Source: Cura.

### Exhibit 1 (continued) Selected Company Information



Source: Cura.

### Exhibit 1 (continued) Selected Company Information

**Cura engines empowered 2M Medical consultations and trained 5,000 doctors since 2017**

**Cura**  
Specialized Healthcare  
And wellness plans

Live video visits with **on-demand** doctors and specialists

**Sehha**  
Primary Health Care  
To citizens and Residents

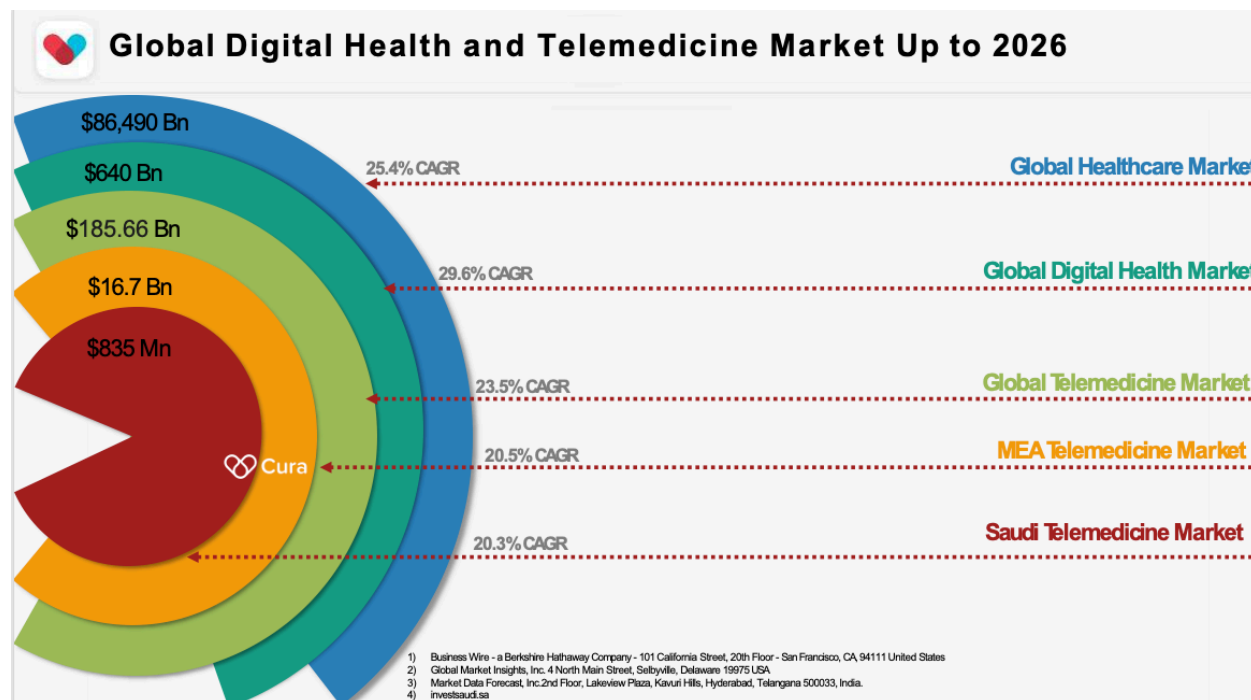
رسالة نصية  
Text message

**MedConsult**  
Doctor to Doctor  
Low income countries

Meet live with other professional from all over the world

Source: Cura.

### Exhibit 2 Global Outlook for Digital Health Services



Source: Cura.