Uber

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2010 Mission Statement

"Make transportation as reliable as running water, everywhere, for everyone."

01

Descriptive
Profile

Timeline at Formation

2009

Travis Kalanick and Garrett Camp discover an inconvenience in the industry.

2010

"UberCab" was created and the first test run was successfully completed in San Francisco. Oscar Salazar and Ryan Graves become part of the core team.

2011

Commenced plans to expand to New York, Chicago, and Washington, D.C. Changed the company name to "Uber".

2012

Continued expanding to smaller cities in the U.S. and internationally to Paris, London, Toronto, and later Sydney.

02

Key Challenges & Opportunities

Key Challenges

International Markets

- Foreign government pushback
- Regulations and competition

Reputation & Publicity

- Social media boycotts
- Endless bad headlines
- Sexual assault lawsuits

Covid-19 Pandemic

- Drastic drop in demand for rideshare

Profitability

- Yet to turn a profit
- Operating losses increasing
- **How to make rideshare profitable?**

Key Opportunities

Pandemic

- Demand for food delivery sored
- Recover losses felt across businesses

Innovation

- "Movement at the tap of a button"
- Autonomous vehicles

New Businesses & Markets

- Supersede or replace rideshare
- Uber Eats

03

Strategic Goals &
Actions

Strategic Goals and Actions

ICT-driven Disruptive Business Model

- Information and communication technology

Grow Portfolio

- Greenfield entry
- Acquisitions

Strategic Alliances

- International partners
- New Services

Horizontal Diversification

- Scooters, boats
- Food delivery

04

Internal Analysis

Strengths & Weaknesses

Strengths

- Fast replies
- Multiple sizes of cars
- Membership available
- Drivers own their cars

Weaknesses

- Potential crashes
- Weather and rush hour raises the prices of rides
- A lot of paperwork to become a driver
- Lack of profitability

7s's

Strategy

- Lower prices
- Easy to use app
- Private transportation

Structure

- the drivers use their own cars
- App shows ratings of passengers and drivers
- The drivers report to the app

Systems

- Rides are booked through the app
- Payment is done on the app

Staffing

- Run through the app
- Able to pick convenient hours
- Background checks, valid driver's licenses, and other proof is needed to become a driver

05

External Analysis

PESTEL ANALYSIS

POLITICAL

- Government laws
- Lack of legal permits

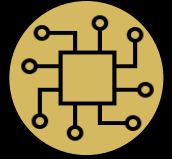## SOCIOCULTURAL

- Social media campaigns
- Easy availability
- Promotions and discounts

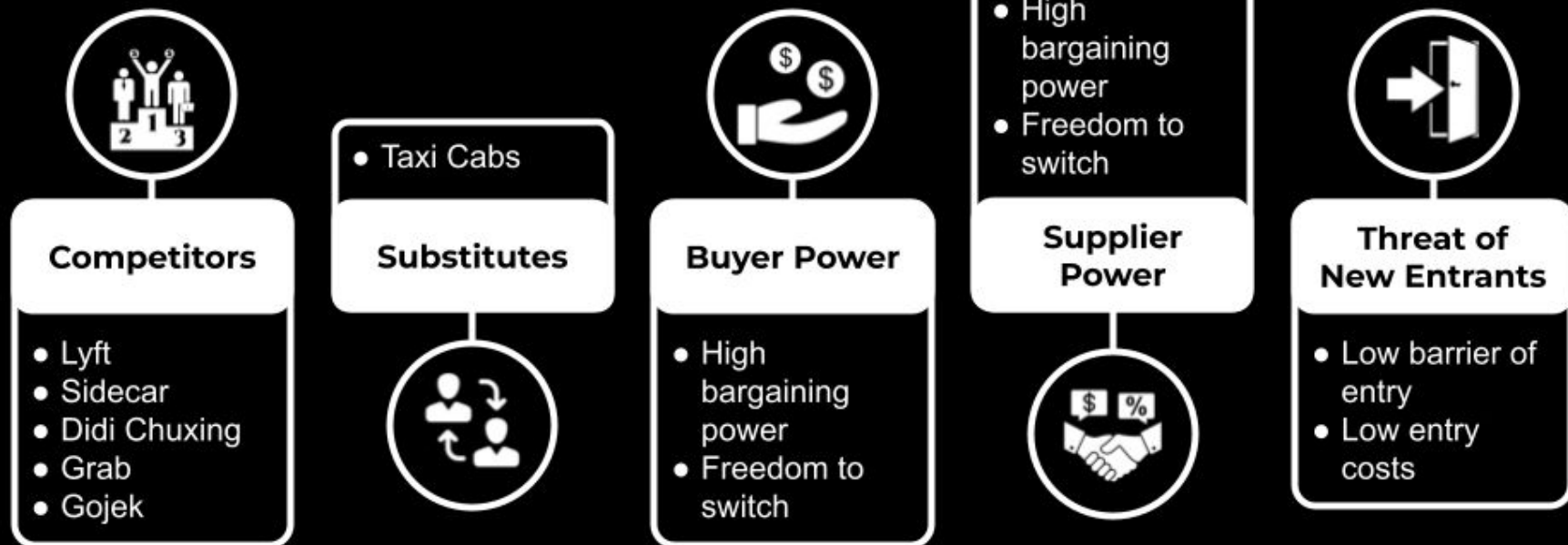## TECHNOLOGICAL

- Autonomous vehicles
- Advanced app features

ECONOMICAL

- Cost of living
- Surge prices
- Job opportunities

LEGAL

- Lawsuits

ENVIRONMENTAL

- UberGreen
- Electric vehicles

Uber

Porter's 5 Forces Analysis

Competitors
- Lyft
- Sidecar
- Didi Chuxing
- Grab
- Gojek

Substitutes
- Taxi Cabs

Buyer Power
- High bargaining power
- Freedom to switch

Supplier Power
- High bargaining power
- Freedom to switch

Threat of New Entrants
- Low barrier of entry
- Low entry costs

06

Disruptive Innovation

A Successful Disruptive Innovation has:

ENABLING TECHNOLOGY

Makes a product or
service more affordable
and accessible to a wider

INNOVATIVE BUSINESS MODEL

Targets non consumers or
low-end consumers

COHERENT VALUE NETWORK

Suppliers, partners,
distributors, and
customers are better off

Uber Practices Disruptive Innovation

"a process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves up the market, eventually displacing established competitors" - Clayton Christensen

- Uber's entrance broke the monopoly that taxis had in the industry
- Overall simplified the rideshare industry (accessibility and affordability)
- Uber has a flat rate at the beginning of the service (unlike a taxi)
- Attracted new consumers to the industry
- Now taxi companies are also using mobile apps to connect with passengers

07

Balanced
Scorecard

Uber

Balanced Scorecard Metrics

Process

- Massive differences in coordination costs between previous methods and the fully mobile way Uber provides this aspect of their business
- The use of personal vehicles and phones has aided Uber in keeping the processes in place easy and accessible for anyone who is interested in working for Uber (Dyer et al., 2022)

Innovation

- Uber has done well keeping up to date with the newest and best modes of transportation, while also investing in the future of transit services
- Addition of new options like helicopters and high-class vehicles, Uber is constantly striving to create a "wow factor" on its platform to secure new and returning riders (Dyer et al., 2022)
- Collaboration with Carnegie Mellon University to establish a new business unit "Uber Advanced Technologies Center"
- Constantly aiming to have a first mover advantage when adapting to new technologies
- 22 new services launched between 2012 and 2022 (Dyer et al., 2022)

Financial

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Customer

- Low prices and ease of accessibility mean happy customers
- Customers can save between 41 and 50 percent riding with Uber compared to a taxi in Toronto, Ottawa, and Montreal (Pope, 2022)
- Estimated 6,000 sexual assault claims between 2016 and 2019 against Uber (Dyer et al., 2022)

- How much Uber meets its shareholders' demands
- Largely seen through UberEats' success
  - Pandemic fast-tracked its accomplishments

Financial Metrics

Customer Metrics

- Uber's ability to maintain customer satisfaction
- Uber is cheaper and more accessible than Taxi Cabs
- Lack of safety towards customers
  - 6,000 sexual assault claims 2016-1029

- How well Uber is doing when performing key business practices
- Differences in coordination costs between Uber and other transport methods
  - Fully mobile & independent drivers
- Massive drop in coordinations costs
  - Creating new realities when sharing personal assets

Process Metrics

Innovation Metrics

- 22 new services launched between 2012 and 2022
- Collaboration between Uber and Carnegie Mellon University
  - Leading robotics and autho tech university
- Established Uber Advanced Technologies Center
  - Research facility
- Auto vehicles are predicted to take up to 43% of car sales in 2040

What Might Uber Do With This Information?

Create reports on new innovative transportation modes and how they plan on integrating them into their business

finding new ways to ensure customer safety while riding with drivers, and finding innovative ways to expand their business

Report on new tech to ensure constant investment in the company and its newest aspects that may be coming

08

Emerging
Threats &
Opportunities

Uber

- The ridesharing industry is dynamic with both threats and opportunities for Uber

- Opportunities include diversification, adoption of autonomous vehicles, customer-centricity, partnerships, and international expansion

- Threats include competition from other ridesharing platforms, regulatory hurdles and R&D costs for autonomous vehicles, changing consumer preferences, environmental sustainability, and disruptive technologies and business models

Uber Self-Driving Car Prototype | Business Insider
https://www.businessinsider.com/uber-self-driving-cars-will-be-free-at-first-2016-8
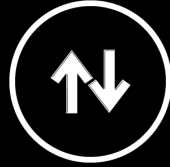
- Diversify offerings by expanding into adjacent markets like food delivery and freight services

- Prioritize development and implementation of autonomous vehicles to reduce operational costs and increase efficiency

- Maintain a customer-centric approach, ensuring consumer needs are met and that Uber stays ahead of competition

- Develop strategic partnerships with automakers, technology companies, and local governments to facilitate growth and innovation

- Focus on international market expansion, targeting untapped or underdeveloped markets with tailored solution.

Uber

Benefits of Adopting Recommendations

- Mitigate risks and exploit emerging opportunities

- Position Uber for long-term success in an increasingly competitive and evolving industry

- Reduce dependency on ride-hailing revenue through diversification

- Increase efficiency and reduce operational costs through the adoption of autonomous vehicles

- Foster growth and innovation through strategic partnerships

- Target untapped or underdeveloped markets with tailored solutions to increase revenue and market share

Uber's presence around the world | Researchgate
https://www.researchgate.net/figure/Ubers-presence-around-the-world_fig1_329898519

THANKS!

Do you have any questions?
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