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Case Study

Uber: A Case Study of Managing Corporate Resources

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ABSTRACT

Purpose: The purpose of this study is to analyze Uber Technologies, Inc. and discover a variety of paths that the company could take to utilize its resources and capabilities to establish methods to improve the company's challenging financial status and build stakeholder relationships.

Design/Methodology/Approach: To assess the internal environment, financial ratios were compared to Lyft and the industry. The strengths and weaknesses were examined. The competitive environment was critiqued vis-à-vis the opportunities that Uber can take advantage of to grow as a company. Additionally, recent data on Uber was collected to analyze the current status of the company.

Findings: As a result of the in-depth analysis of Uber, recommendations are made to gradually stabilize financial health and build relationships with customers and employees. The recommendation is made that Uber should provide a desired job and repair the relationship with drivers.

Research Limitations: Additional research and methodology could be performed to discover further results and gaps in this study.

Managerial Implications: This study highlights the strategies, endeavors, and past performance to conclude results in the best interest of stakeholders.

Originality/Value: Future researchers may further explore issues,about financial prudence and organizational excellence, beyond the current parameters of this study.

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Case Perspective

This case has been developed as abasis for academic discussion and analysis of pertinent issues from divergent angles, objectively, rather than to illustrate the handling of any business or management situation. The case is based on the information publicly available through company annual reports, brochures, leaflets, newspapers, magazines, government and institutional reports, websites, and other such material. All the sources are gratefully acknowledged. As the case has been prepared for an academic purpose, the stakeholders and other interest groups should not use any information for decision-making purposes.

Overview

Uber is a self-classified tech company that is most known for their rideshare service, but has also created a food delivery service, Uber Eats, and acquired many companies. The major problems that the company is facing arestakeholder tension, especially amongst drivers and customers, as well as major financial problems, as the company has been operating at a loss for many years. The main threat to the company is that itfaces large amounts of competition, and there are low barriers for new entrants into the industry. Eventhough they are the most used service, they have many opportunities to expand and grow as a business. Uber's biggest weaknesses would correlate with its major problems, and its strengths lie inits strong brand recognition, user-friendly app, and a large array of ride options. Data analysis shows that Uber needs to give customers a purpose to ride with them, be able to hire new drivers, be smart and caring with their corporate social responsibility,and work on changing their financial situation.

Three alternatives that the company could take to become a stronger company are to elevate its customer experience, provide a job that people want to work at and continue to change their culture, especially in public relations. The recommended alternative would be to provide a desired job for drivers to want to work by providing more employment options where they could continue as independent contractors and receive per-milemileage stipends, or they would have the option to be full-time employees with benefits. They would be able to better afford this alternative by changing some of their financial habits, and by picking this option, they would start to heal the relationship with some of their stakeholders, the drivers, and gain employees. In turn, they will be able to gather more rides and gain more revenue as a company.

Situational Analysis

External Analysis

While Uber is a force to be reckoned with in the ridesharing industry, it faces strong competition, both domestically in the United States, as well as internationally. Domestically,Uber's largest competition is Lyft, and while there are countless other rideshare services that customers can choose from, Uber and Lyft are making up just about 100% of sales in the industry. Bloomberg Second Measure shows that in July 2023, Uber made up 74% of the sales, while Lyft made up the rest of the 26% (Kaczmarski 2023). These sales percentages have stayed relatively similar over the past six years. Although Uber is much stronger in the sales department, the two companies compete very well with each other in price, staying at relatively similar prices throughout the country, with Uber taking a bit of an advantage with better prices in larger states (Alex 2023). In large cities, such as New York City, the company also faces the threat of local taxi services that can be utilized at a potentially cheaper price, especially with Uber's surge pricing. Uber has experienced plenty of hardships internationally, facing legal and driver safety issues. The massive rideshare Chinese company, DiDiChuxing, was a main competitor with Uber, but the company "had to pay large driver and rider subsidies, amounting to an estimated $1 billion annually", and in Latin America, there were issues "with authorities raiding Uber offices, destroying property, and often confiscating Uber cars in Argentina. UberEats was founded in 2014, and they have become a major food delivery company, especially since Uber acquired Postmates, but Door Dash took 45% of sales, Grubhub 23%, and Uber Eats and Postmates taking 30% of sales in May 2020, a time when food delivery was inhigh demand, which can be viewed in Figure 3 Roper (2020). Uber faces competition that offers their customers similar alternatives that do not vary greatly from the services that they offer, but with their rideshare service, their only strong competitor is Lyft, while with UberEats, they have many strong competitors.

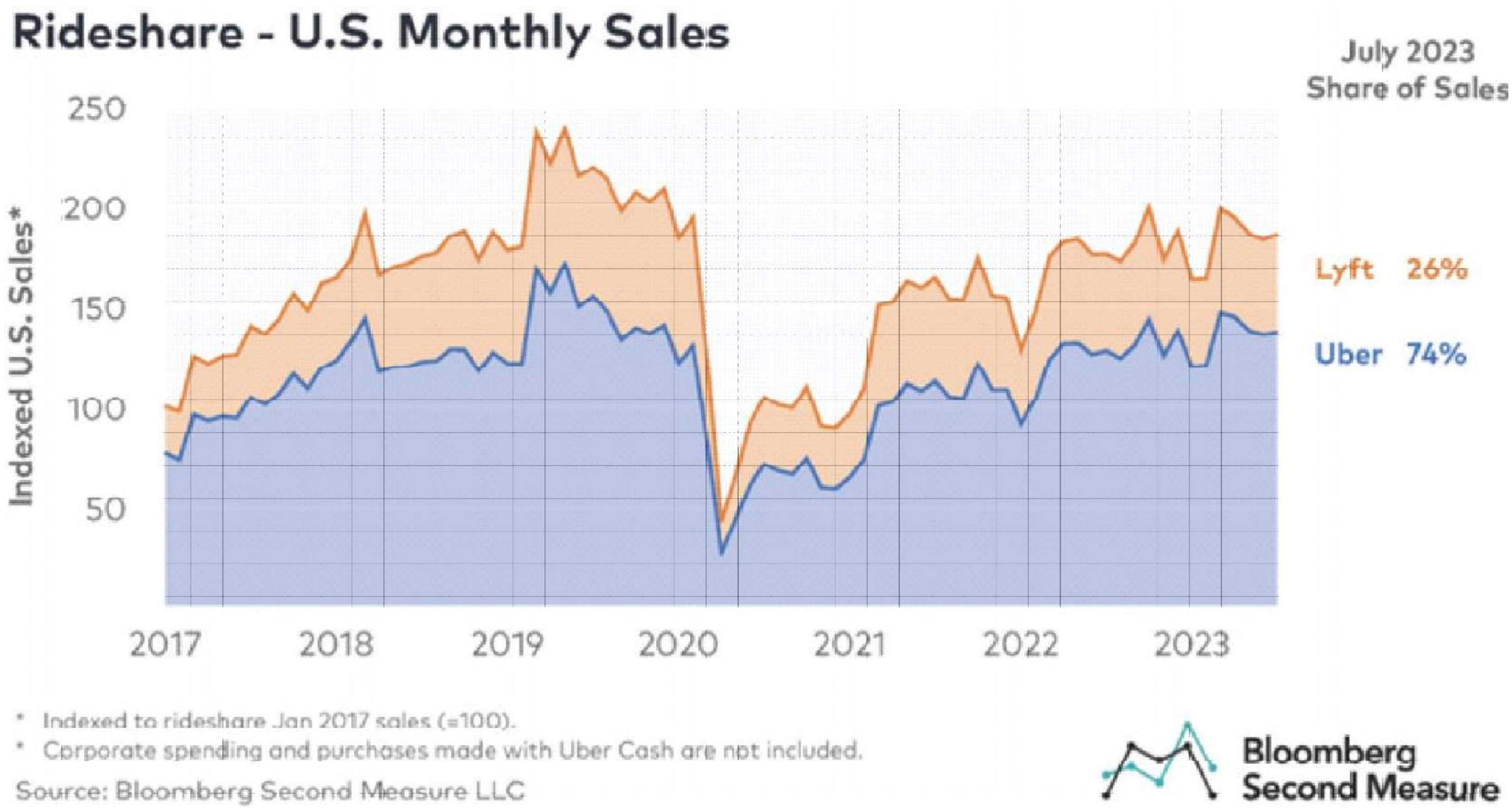

Figure 1

Source: *(Kaczmarski 2023).*

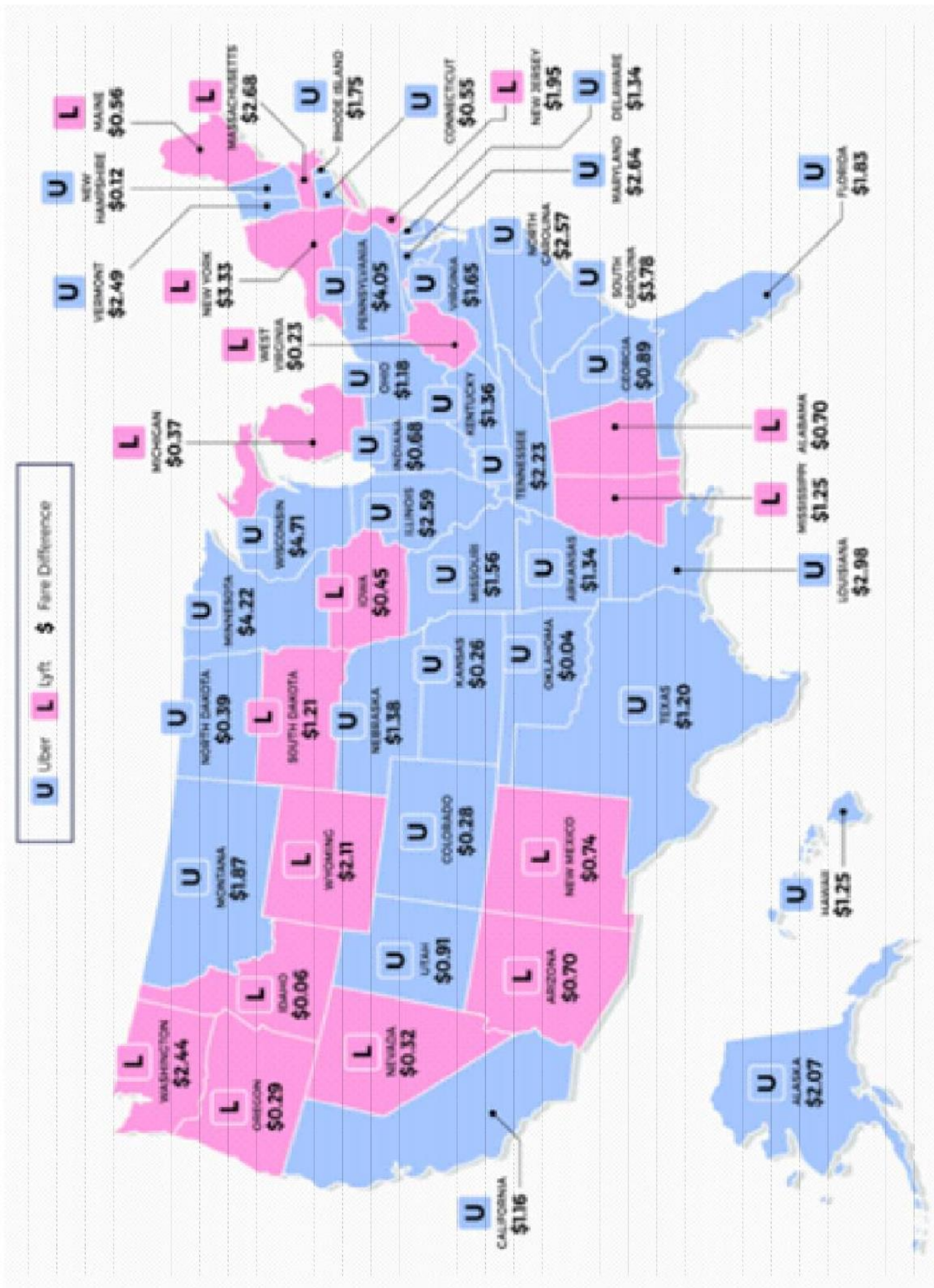

Figure 2

Source: *(Alex 2023).*

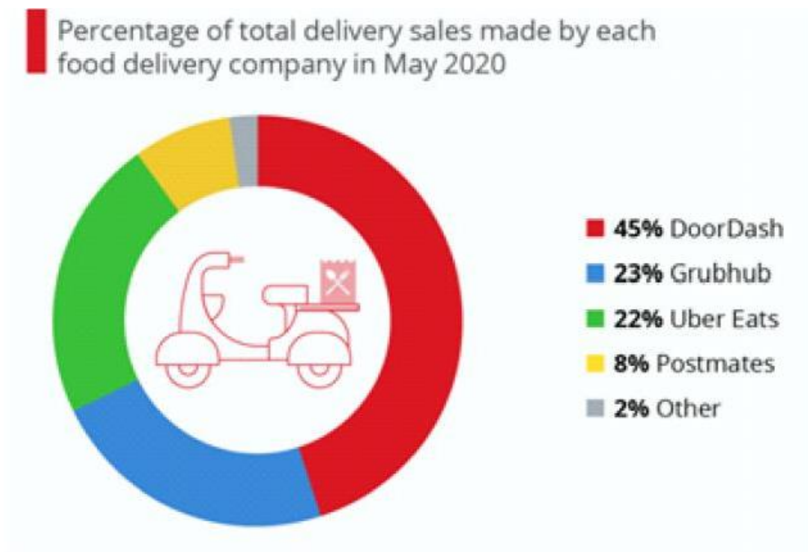

Figure 3

Source: *(Roper 2020).*

It would not be extremely difficult for new entrants to become competitive for Uber. While itis more of a household name, the skills and knowledge that the company containsare not specific and rare. New companies can use the same features and could even innovate with their own set of ideas. Uber also faces the threat of a rise in the cost of living, which results in many customers choosing alternative routes. With that rise in cost, gas is also more expensive, and in August 2023, Egan (2023) of CNN reported it had reached its highest level since October 19 of the previous year. Because Uber drivers pay for their gas, this has caused the cost of work to increase for the employees. Uber has many customers, and while a small number choosing choices would not have severe effects on the company, many leaving due to the cost of living or, previously, Covid, will have massive effects on their losses. With Covid-19, for example, 'Uber's Net Revenue decreased from $3.3 B in Q1 to 1.9 B in Q2" in 2020 Ballard (2021) and many employees have continued to work remotely, even after the pandemic has ended. People also have many substitutes that can replace the convenient services that Uber offers. People can, depending on their location, walk, bike, and drive using resources that they already own. Additionally, larger cities have many public transit options, such as buses and trains, which allow people to commute at a low cost.

There are many opportunities that Uber can take advantage of to grow as a company. It can further expand into suburban areas of smaller size and have a first-mover advantage in those areas, as well as tapping into new international markets while being aware and careful of potential backlash that the company could face. Uber can find solutions to lower their costs and make riding more accessible and more appealing to potential customers to gain ridership. Employees also need to have more incentive to want to work at Uber, so the company needs to work on making a better workplace, in turn, they would be able to gather more employees to pick up more riders, potentially lowering prices. This could help them create more of a shift in how they are perceived in the public eye. With constant backlash due to controversial previous CEO Travis Kalanick, concerns with user privacy, sexual harassment and assault, and surge pricing. Uber has a lot of controversy that has caused them to receive a negative reputation, and they need to work on changing the public's perception of their company. There is also the opportunity to expand their services like they did with Uber Eats.

Internal Analysis

The financial status of a company will answer many questions relating to the internal strengths and weaknesses of the company, especially when com-pared to the status of the industry. To gather some of these answers, the balance sheet and income statement for Uber Yahoo Finance (2023b) from 2022 will be compared toLyft's statements Yahoo Finance (2023a) as well asother companies within the tech industryusing 2022 industry benchmarks from CSI Market (2023) and select companies with-in the business services sector (Ready ratios 2023). The reasoning behind the comparison with the technology sector is due to Uber classifying itself as a tech company, and many online financial sources are labeling them under services, hence that comparison. There will be only a limited num-ber of financial ratios compared to these two indus-tries, and the focus will be a comparison with Lyft. By comparing Uber to these statistics, we can see how successful and healthy the company is using the most recently completed annual reports. Each section of financial ratios starts with a chart that shows the result for Uber, then Lyft, and finally the industry, with tech being before the slash and business services being after the slash. If there is no info in the industry column, then there was no industry data available between the two sources. The internal resources and capabilities of the company are also factors that show additional strengths and weaknesses. The profitability ratios for Uber, as well as Lyft, are not promising, and they show us that both companies are not makingstrong returns and are losing money. Both companies are losing money on their investments, using the ROA, which also was the case for business services last year, but the tech industry had nearly an 11% return, which is much better than the loss that Uber and Lyft had. The extremely negative ROE is a bad look for Uber, even with the immensely worse number for Lyft. While the companies could be using a lot of equity to try to better their companies, at a glance, it appears that the companies are not utilizing stockholder's money effectively. Neither Uber nor Lyft paid dividends, meaning that the return on common equity was not applicable. Uber is losing nearly 28 cents per dollar of sales, while Lyft is losing 38 cents, meaning that both companies are not making an operating profit and are losing money. Both of these results are slightly worse on the after-tax profit of the companies, and while the business services sector is losing

Table 1: Probability Ratios

Profitability Ratios			
	Uber	**Lyft**	**Industry**
ROA	-28.47%	-34.78%	10.88%/-5.9%
ROE	-124.54%	-407.68%	25.78%/-19.6%
Return on Common Equity	N/A	N/A	
Operating Profit Margin	-27.80%	-38.07%	
ROS	-28.68%	-38.69%	/-10.8%

Source: *(CSI Market 2023; Reed 2020; Yahoo Finance 2023a, 2023b)*

Table 2: Liquidity Ratios

Liquidity Ratios			
	Uber	**Lyft**	**Industry**
Current Ratio	1.04	0.82	/1.45
Quick Ratio	1.04	0.82	0.79/1.18
Inventory to Net Working Capital	N/A	N/A	

Source: *(CSI Market 2023; Reed 2020; Yahoo Finance 2023a, 2023b)* around 10 cents, Uber and Lyft are losing nearly 20 to 30 cents more than the average.

With liquidity, showing the short-term risk, only the current ratio can fairly be observed. The current ratio of 1.04 for Uber means that they are barely able to cover their current liabilities with their current assets. At least it is not under one, like Lyft's, meaning that liabilities are not covered. While Uber's current ratio is not ideal and is not as good as the benchmark for the tech sector, they are stronger in liquidity than their top competitor. The quick ratio and inventory to net working capital are not applicable, as neither company lists their inventories on the balance sheet.

Financial leverage ratios are a great resource to use to see how wellUber handles their debt and the risk of the company. Around a third of the company's assets are paid for by debt, which is more than Lyft's by around 11%. The company uses $1.52 of debt per dollar of stockholders' equity, which is much less than Lyft's $2.64. The number is only slightly less with long-term debt and is about 60 cents cheaper with Lyft. The negative 0.16 times-interest-earnedillustrates that Uber is not able to meet their interest expenses, but while that is not a positive sign for them, Lyft's -78.99 TIE appears to make them look like they are struggling. This would be due to their extremely negative EBIT, and low amount of interest expen-ses. Both companies do not list lease obligations. Once again, most of these numbers do not appear to make either company look financially healthy, but Lyft is managing their debt far worse than Uber is.

The activity ratios show the efficiency that Uber has in using their assets to make money. Both Uber and Lyft compare closely with their fixed asset turnover, with both producing a little over $9 per dollar of their fixed assets. The number is slightly less than a dollar for both companies about their total assets, which is not ideal, as they would want to be turning over a result of over 1 to reach at least a dollar per total asset dollar. Both are using their fixed assets much more effectively than they are using all assets combined. Uber takes a little under 32 days to collect receivables, and Lyft did not report receivables on their balance sheet. Both Uber and Lyft compared similarly

Table 3: Leverage Ratios

Leverage Ratios			
	Uber	**Lyft**	**Industry**
Debt-to-Total Assets	34.69%	22.50%	
Debt-to-Equity	151.76%	263.82%	36%/80%
Long-term Debt-to-Equity	149.02%	206.66%	
TIE	-0.16	-78.99	
Fixed Coverage Charge	N/A	N/A	

Source: *(CSI Market 2023; Reed 2020; Yahoo Finance 2023a, 2023b)*

Table 4: Activity Ratios

Activity Ratios			
	Uber	**Lyft**	**Industry**
Inventory Turnover	N/A	N/A	
Fixed Assets Turnover	9.03	9.13	
Total Asset Turnover	0.99	0.90	
Average Collection Period	31.82 days	N/A	

Source: *(CSI Market 2023; Reed 2020; Yahoo Finance 2023a, 2023b)* with activity ratios, and while the total asset turnover is below one, it may not be a large alarm, as they are both providing services.

While, overall, Lyft had worse numbers than Uber, Uber's financial status is not seemingly healthy, and even though financials are a crucial part of looking at the internal health of a company, there are other factors to analyze as well. Uber, of course, has many strengths and strong capabilities within the company. They were the first company of its kind, and because of the first-mover advantage that it has, itis extremely well known, its name is so recognized that it has become "a generic term for ride-hailing to a destination; "I'll Uber there" could mean one would take an Uber, a Lyft, or some other means of catching a ride". That level of brand recognition gives them a competitive advantage alone, as their popularity is rare and hard to replicate, rare, and practically nonsubsti-tutable. The company's effortless-to-use and effi-cient payment system is also a valuable part of their company making it easy to immediately pay for Uber, as well as tip drivers using either a percentage option or custom tip. The wide variety of options in car choice is another valuable part that, while possible, has not exactly been replicated by Lyft or Uber's competitors. Customers have the option to share rides with one random other rider with UberX Share, have sustainable rides using electric vehicles with Uber Green, rent cars, reserve rides, take an hourly car with unlimited stops, and call local taxi cabs. Uber Intercity is another interesting option that will bring people long distances between cities. The company also offers ride options that provide extra room in the vehicle to transport larger groups of people or accommodate taller individuals. Uber Black gives riders the choice to be picked up via a luxury vehicle. The cheapest options areUberX, which is the standard option, and UberX Saver, which takes longer to arrive, but is the cheapest option. They have also expanded with bike and scooter options in select cities (Uber, n.d.). There is no other ridesharing service that provides quite as many options that meet as many needs as Uber does, which is an impressive capability of the company.

One large weakness of the company is its tarnished reputation. They are not known to have a positive and healthy workplace culture, as "in February 2017, several former employees charged Uber with sexual harassment". It resulted in the resignation of Kalanick as CEO, along with many other em-ployees leaving the company. When replacing Kalanick as CEO, "(Dara) Khosrowshani, in November of that year, posted a new list of Uber's cultural norms". It seems that with every step forward that Uber takes to gain a positive public outlook on the company, more scandal comes their way. The after-expenses net earnings for drivers are shockingly low, with a reported hourly pay from Reed (2020) 2020 of anywhere between \$8.55 to \$11.77, and "the company's claim their New York City drivers rake in \$90,000 got the company slapped with a \$20 million fine for fraud". Drivers are making such a low amount of money that it causes them to struggle if they use the job as a main source of income, resulting in plenty of uproar from the public. Their surge pricing caused by high ridership due to events, airports, rush hour, etc. has been heavily criticized by the public. Because of factors such as these, people do not always feel the love for Uber, and because of how important any company's relationship with their customers is, this is a major weakness for Uber.

Problem Statement

The major problem that Uber needs to address is to work towards financial stability while healing the relationship with stakeholders in a time whenremote work is the new norm, and the cost of living is at an all-time high.

Data Collection and Analysis

Uber's financial situation seems to be a struggle for the company, and there are a multitude of reasons for that. First, the company has invested billions upon billions of dollars and has acquired companies such as Careem, Postmates, Trans-place, Drizly, and Otto (Hendelmann 2022). The company has also lost a lot of potential profit due to lowering prices to compete for customers, and in 2021, "more often than not, an Uber passenger is paying only 40 percent or so of the cost of the ride" (Olive 2021). That is a lot of loss for Uber in trying to compete, but in recent years the company has significantly raised their prices, and while not

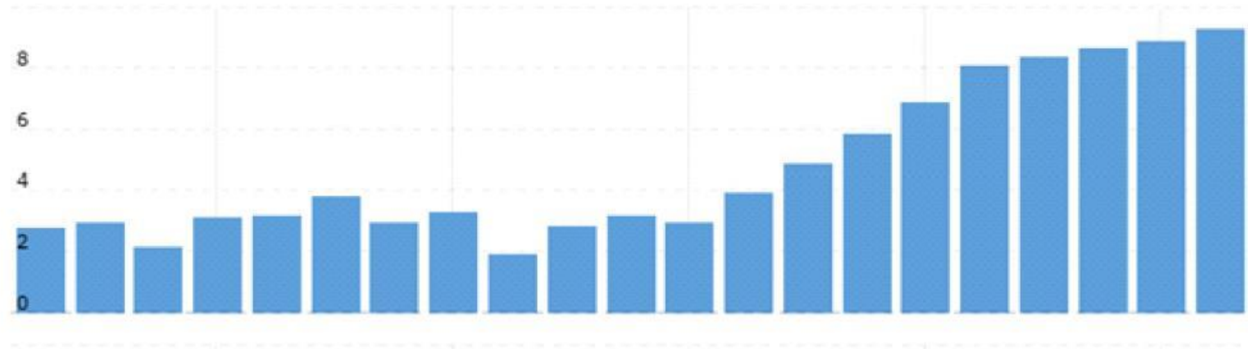

Figure 4

Source: *(Huang 2022; Macrotrends 2023).*

ideal, Uber's revenues have been showing some hopeful trends. In Figure 4 produced by Macrotrends (2023) of the quarterly revenue in billions of dollars from the past years, the company has been consistently growing its quarter revenue.

Reported that in Q3 of 2022, Uber's $8.34 billion in revenue increased 72 percent from the previous year and that it had exceeded Wall Street's revenue prediction of $8.12 billion. While these financial trends seem promising, the financial ratios show that the company is very expensive to run. They are hoping that all the investments they are making in expanding, R&D, fixing legal issues, and marketing will pay off eventually. Near the end of last year, "Uber held $4.9 billion in cash and equivalents" Lahiri (2022) and they have likely used reserves to pay off many of their costly endeavors.

In a very expensive post-Covid world, many customers are going to look for cheaper and alternative solutions to using Uber. In large urban areas, people will have the option to use public transportation to get to work, and people have often decided to just drive their cars.The number of remote jobs has played another major COVID-inflicted role in the loss of potential customers for Uber. "The share of online job searches for remote positions jumped 460% in the two years between June 2019 and June 2021" (Iacurci 2021). And employers are going to offer more remote positions due to the demand. It can also be shown from a table from (Haan 2023) at Forbes that the more educated an individual is, the more likely they will be working remotely.Because individuals with more education are likely going to be making much more money than those in high school or who have graduated from high school, they would be the people who are more likely to take Ubers, as they are better able to afford it. Because of the number of Americans who want to work remotely and many already do, Uber needs to address ways on

Remote Workers by Education Level

Source: Mckinsey & Company

Education level	Full-time remote	Part-time remote
Less than high school	32%	21%
High school/some college	29%	19%
Associate's	31%	19%
Bachelor's	40%	26%
Advanced degree	45%	31%

Source: Forbes Advisor • Embed   Forbes ADVISOR

Figure 5

Source: *(Haan 2023).*

how they can get those people to want to use their service. They are still leaving the house for other outings, so it would be smart on their end to lure people who can easily afford their services back to using Uber, especially in highly populated areas with many options for getting around.

The need for drivers has been another problem for Uber, and there are plenty of reasons why people do not want to work for Uber. Riders have not been tipping amounts that make the job worthwhile, and "36% of drivers claim to receive no tips at all in an average night of driving, 28% claim to receive less than $5, and approximately 10% say they earn tips between $6 and $10" (Helling 2023). When potential employees see these numbers, it allows them to immediately eliminate the option of choosing that job. Byrne (2023) writes that 25% of the service fee goes to Uber, but once all fees and commissions are accounted for, it is 42%, and across the states, currently, Uber drivers typically earn $13 to $22 per hour. While this pay is already lower than what would be ideal in the current economy, it should also be noted "that drivers must pay for gas and vehicle maintenance, and navigate gig worker taxes on their own" Neidel (2023). If an employee has a major car issue that needs to be fixed, it may cost them thousands of dollars that they cannot afford to allocate toward repairs. In addition, "as independent contractors, they receive no benefits such as overtime, unemployment insurance, or health coverage". While attempts have been made to get employees benefits, such as California's State Assembly Bill 5, no effort has been successful. These factors are all discouraging to Uber drivers and those who are in search of a job, and the fact is that Uber needs more drivers. Campbell (2023) shared a chart (Figure 6) showing the growth in the number of trips from year to year. These drivers are necessary for Uber to meet the demand for rides, proving that Uber needs to find a way to lure those in the job market to work for their company.

The drama surrounding Uber has left the public with distrust and left them questioning the ethics and cultural values that Uber has. Customers have had privacy concerns due to factors such as "a tool known as "God View" [which] allows the company's staff to track both Uber vehicles and customers... and is widely available at a corporate level" (Condliffe 2014). After putting up billboards in support of racial equality, which read "If you tolerate racism, delete Uber", the company faced backlash as "critics described such public displays as hypocritical" due to unfair pay of minority groups whose main source of income is from driving for Uber. The workplace culture has not been overly ethical, as is obvious from the sexual harassment accusations that were proven true by Susan Fowler. At this time, it was revealed that the "alleged behavior included grouping women, going after an employee with a baseball bat, unrestrained cocaine use, and use of homophobic slurs", all of which severely tarnished the reputation of Uber. In a Culture 500 report from MIT Sloan (n.d.), Uber was below its industry average in its customer values, integrity, and respect, while it was above the average in diversity and execution. They must focus on improving those attributes where they fall below average, as they are all incredibly important to the continued success of the company.

Through research and collecting data, it is apparent that Uber has a plethora of areas that

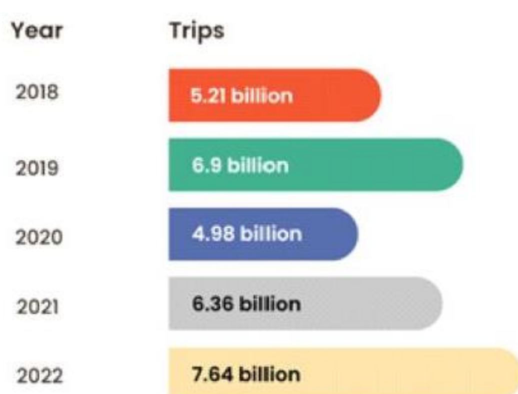

Figure 6

Source: *(Campbel, 2023)*

have the potential to be improved. While it would be impossible to correct all their problems and unfavoredqualities, there are multiple approaches that the company can take to start to mend some of its focus areas that need mending.

List of Alternative Solutions

Innovate the Customer Experience

The first alternative solution that Uber can take is to find different ways to innovate the customer experience. They need to provide an experience for the customer that makes them want to take an Uber and believe it is a worth-while purchase instead of it being a regular service that they need to use. While the service is already easy to use, there are many more opportunities for them to explore. One service that comes to mind would be relatively identical to that of an airplane. Customers can have an entertainment option by attaching screens to the back of the front seats, and that would also allow customers to connect their devices to a larger screen to improve the experience. This could work well in urban areas, as many people spend hours in congested traffic or getting to the opposite ends of a city. If they could watch a movie or show, they may pick Uber instead of using their car, where they could get frustrated while driving. The option for riders to pick music they like or a podcast to listen to is another option as well.Uber can also provide drivers with snacks and beverages to provide to customers. Sure, this could cause the ride to be slightly more expensive, but it might just bring more customers. The com-pany could utilize its well-designed app to allow riders to choose all these choices before or during the ride, or they could utilize the screen on the seats to choose these options. They can also allow a larger market of customers to use their services by expanding options for bus options that go from, for example, busy areas such as Times Square to JFK. This would be different from their Uber Charter option to take a bus with a specific group of people, and it would be for the general public. The app would list departure and arrival times for the custo-mers. Many people are going between these areas, and it would provide a cheaper and faster option than using the slower public transportation options that the city already has in place. While these are only a few options that the company can pursue, there are endless opportunities to gain a competitive advantage amongst its rideshare competitors.

Provide a Desired Job

Uber's relationship with its drivers is an extremely vital part of its business, and that relationship has had many battles that have left drivers feeling as if the company does not care about their employees. The main factor that is in the minds of drivers and those who have considered becoming a driver is pay. The amount that people are making does not make the job worth doing, and Uber needs to analyze how they can improve their monetary treat-ment of drivers. First, it is smart that Uber's employees are independent contractors. This allows them to choose the times that they would like to work, especially if they are working multiple jobs. While Uber's hours are 24/7, "the maximum amount of time allowed for an Uber driver within 24 hours is 12 hours" (Helling 2023). Because of this, Uber drivers can work only a few hours, but some can work well over 80 hours a week if they desire. It would make sense that drivers who made Uber their primary job would no longer be labeled as independent contractors. Instead, they could receive the benefits that typical full-time employees receive. If they do not drive for at least 40 hours a week, they will remain inde-pendent contractors, but even if they work at least 40 hours, they would have the choice to remain independent contractors.The pay also needs to be worthwhile, so Uber needs to start taking the responsibility of setting up an optional system where they are paying for the gas and car maintenance by providing a per-mile rate for passenger miles.This would allow drivers to take the real-time mileage payment from Uber. An adjustment to driver com-pensation is necessary as thenet earnings of $8.55 to $11.77.These numbers are also low in major cities, "with New York City drivers averaging, before expenses, $29.34 per trip; Chicago's average was $10.99; and Phoenix's was $14.36". The cost of living in these major cities is extremely high, so this gross pay is very low for them, and it would seem im-possible for an individual to be able to afford to live in these places with only the money they make from Uber. If Uber were to fix these problems, the driver's morale would be boosted. They would become better employees and more people would want to work for Uber. This would be great for Uber, as the more drivers they have, especially in gigantic metropolitan areas, that they have, the more customers they can serve.

Change Culture to Replenish Public Trust

Uber's past controversy and scandals have left them looking bad for countless years. Ever since Khosrowshahibecame the CEO of Uber, the company has started making cultural changes within the company to help improve the way that employees treat each other and how they conduct their work. This is illustrated by Khosrowshahi's new set of cultural norms-where, "fearing that a culture pushed from the top down wouldn't get buy-in from employees, Khosrowshani invited his people to write Uber's new cultural norms instead" (Bariso 2017). This is smart of him and immediately shows a shift. Although the internal culture seems to have been ironed out, it can take a lot of effort and time to sway the way they are viewed externally. One of the ideas that Uber could implement is getting in touch with communities when they need it. The company already is doing well with being a sustainable and socially responsible company overall, with actions such as the plan to be a "zero-emission and low-packaging-waste platform by 2040" (Uber 2023). Those are the types of plans that many companies have implemented. By getting in touch with smaller communities, such as when a disaster happens in their area, holding charity events, participating in fairs/parades, and sponsoring local schools, companies, and other community causes, they can get those who have thought of them as being unethical to change their perspective. Uber also needs to continue to show their support for causes and groups of people as they need to, but it must learn from the mistakes that it made after the killing of George Floyd and work on being sensitive and meaningful with their support so that it is not perceived as corporate hypocrisy. Uber has the potential to completely change how they are perceived and have been taking some steps towards getting to that place, but they need to show full dedication for it to be a complete success.

Recommendation and Implementation Plan

The recommended alternative for Uber to take would be the second one on providing a desired job and repairing the relationships that the company has with drivers. The pay of drivers has been an issue since the start of the company, and it is time that the company made major changes togive employees more reasonable pay, boost morale, gain more drivers, and as a result, more rides. Providing mileage reimbursement to drivers will be costly to the company, especially when the cost per ride on the company is already high. Adjustments to how Uber moves its money around will need to be made. They should spend less on acquiring companies and focus on the businesses that they already have. Both Uber and Uber Eats are popular services, and while statistics have shown that Door Dash tops Uber Eats, they can focus on strengthening Uber Eats and competing with Door Dash. They also must cut some overhead costs. Uber should critically assess their SG&A and implement aggressive cost-saving measures to make dollars available for change. Overall, financially, they need to be prepared for the costs that these changes will create. Additionally, they will set up a system where, when applying/employed, drivers state whether they will be working full-time or as part-time independent contractorsto identify who will receive benefits. They will be able to choose, as some may want the benefits and the mileage payment, while some may want the tax savings by not requesting reimbursable mileage payments. Finally, Uber can start giving out volume bonuses, where if drivers are doing over a certain number of passengers a day, let's say twenty passengers, the amount of the fare that they receive would increase. This encourages drivers to work more and receive more fares for both them and the customers. By utilizing this plan, Uber is sure to heal their relationships with drivers and create a better workplace for them at the same time.

Conclusion

Uber has had issues with its financial health along with its relationships with stakeholders. The company is a leader in the rideshare industry and has innovated it, but Uber'scontroversial past, including driver treatment, customer surveillance, and unethical practices, along with poor debt management and difficulties in bouncing back from the pandemic are holding the company back. Uber has a variety of options to solve the company's problems, such as innovating the customer experience and changing the culture to replenish public trust, but the company should focus on repairing driver relationshipsby providing jobs that will allow them to feel fulfilled. The company should also pull back on costly acquisitions and focus on lowering operating costs until Uber can stabilize financially. By doing this, Uber would also be more prepared to implement the costly recommended implementation.Upon further analysis, more potential paths for Uber to take can be discovered, and the company could integrate multiple strategies to improve its current problems.

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Teaching Notes

Synopsis of the Case

(1) To analyze Uber Technologies, Inc. and discover a variety of paths that the company could take to utilize its resources and capabilities to establish methods to improve the company's challenging financial status and build stakeholder relationships.

(2) To assess the internal environment.

(3) To examine the strengths and weaknesses.

(4) To critique the competitive environment vis-à-vis the opportunities that Uber can take advantage of to grow as a company.

(5) To come up with recommendations to gradually stabilize financial health and build relationships with customers and employees.

(6) To highlight the strategies, endeavors, and past performance to conclude results in the best interest of stakeholders.

The Target Learning Group

The case is suitable for both undergraduate and graduate classes, focusing on management, strategy, or corporate planning, particularly for providing an understanding and practical insights into decision-making skills.

The Learning/Teaching Objectives and Key Issues

Objectives: (1) To learn and apply decision-making skills, (2) To learn how to integrate the knowledge gained in management, finance, and strategy classes, and (3) To provide an opportunity to strengthen presentation and discussion skills.

Key Issues: (1) External Analysis, (2) Internal Analysis, (3) Ratio Analysis, focusing upon Probability Ratios, Liquidity Ratios, Leverage Ratios, and Activity Ratios.

The Teaching Strategy

The case is suitable for use as a group discussion exercise. As usual, the participants may be guided to read the case thoroughly, mark the important points, scrutinize the problems/ issues at hand, identify the unstated/ hidden problems/ issues, coherently present their points, and discuss the divergent perspectives, about managing, leading and strategizing in Uber. Instructors can either assume the role of moderator or lead discussant. He/ she may offer ideas for group work; and suggest howlearning can beconsolidated at the end of the case session. Depending upon class dynamics and the background of the learners, small groups can be asked to prepare the case and present their analysis and recommendations.

Questions For Discussion of an Ionization

1. What are the defining characteristics that determine the internal competitive advantage of Uber? Identify and discuss.
2. Who are the stakeholders of Uber, and how do they affect its management and strategies?
3. Apply the SWOT analysis, for the well-being of Uber. Discuss and justify the rationale for your selection of strengths, weaknesses, opportunities, and threats.
4. How can you maximize the chances of financial gain and minimize the possibility of financial losses in Uber? What would you recommend to the top leadership of Uber?

Analysis

The class can be divided into groups, and each group may focus on a particular aspect of analysis. For example, if there are three groups, they may be guided to focus on (1) Five Forces Analysis, {2} SWOT Analysis, and (3) Ratio Analysis of Uber. Each group may be asked to make a short presentation, leading to a discussion of pertinent issues and challenges.

Background Reading

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DAS, S. P., & DB, S. R. (2017). Transformation of Urban Transportation-Strategic Perspective A Case of Uber Technologies, Inc. *International, Journal of Research in Business Management*, *5*(3), 69-78.

Uber Technologies Inc - Company Profile and News - Bloomberg Markets

Experience of Using The Case

The case will work well for providing a capstone experience to the students. They can use the knowledge, gained in finance, management, and business policy classes, to discuss divergent aspects of managing corporate resources and capabilities.