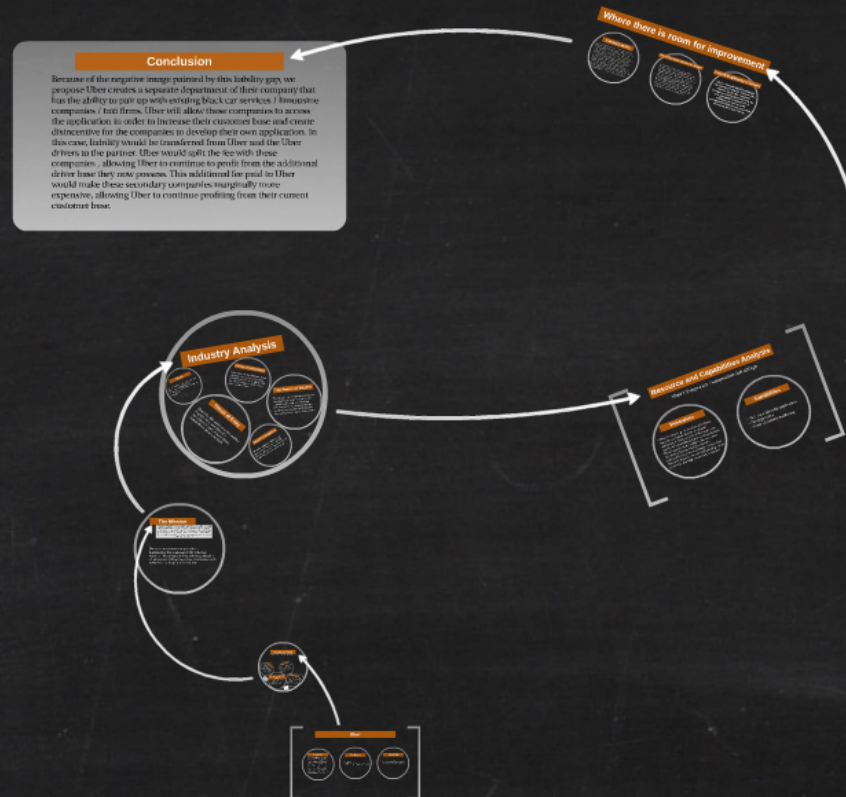
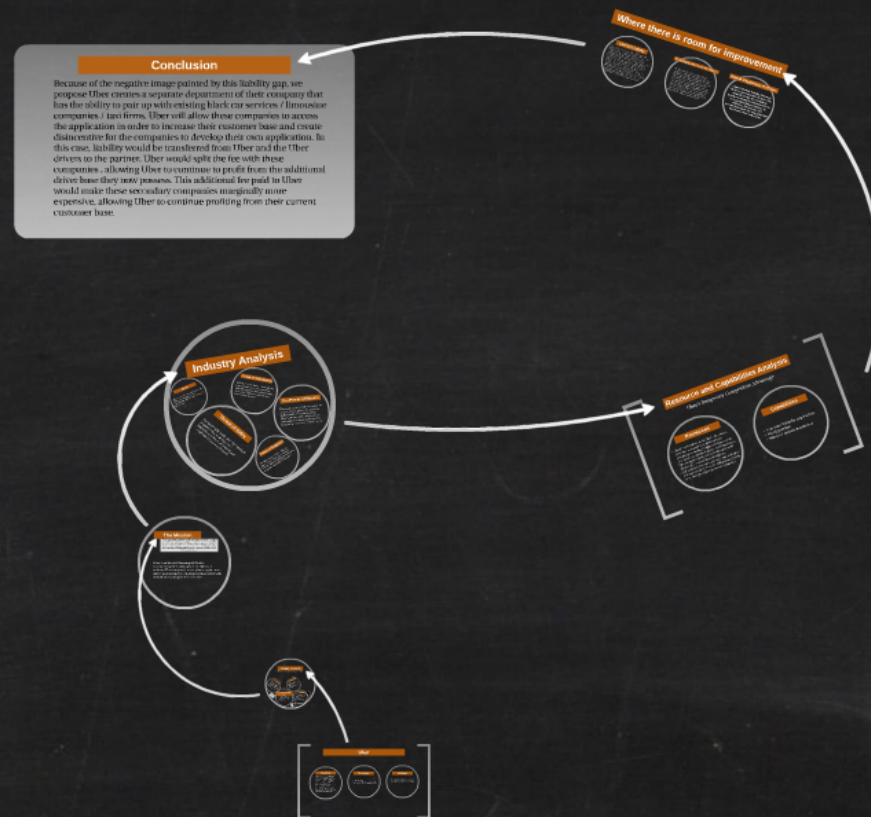


# cost control strategy of Uber Harvard Case Solution & Analysis



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# Uber

## About Us

Uber is evolving the way the world moves. By seamlessly connecting riders to drivers through our apps, we make cities more accessible, opening up more possibilities for riders and more business for drivers. From our founding in 2009 to our launches in over 200 cities today, Uber's rapidly expanding global presence continues to bring people and their cities closer.

## The Basics

- Founded in 2009
- Available in 45 countries and over 200 cities
- Last round of funding valued it at over \$35 B

## Summary

A tech company that connects customers to drivers efficiently



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# Issues at Hand

Is Uber a tech company or a taxi service?

## Labor Practices

- By classifying itself as a technology company, Uber is able to classify its drivers as "contractors" to avoid wage and hour laws
- Uber claims that New York drivers can expect to make up to \$90,000 in salary when, in actuality, no one has been found to make nearly that much in yearly earnings
- Uber drivers are forced to pay for on-the-job expenses, such as gas and maintenance

## Liability Insurance

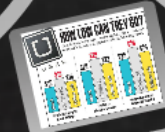
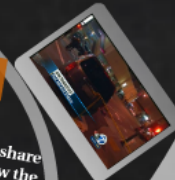
- Uber claims to offer up to \$1 million in liability insurance to its drivers, although the true amount remains ambiguous
- However, Uber's policy is not enough to cover the damages incurred in extreme cases, such as fatal accidents
- Furthermore, this insurance does not cover passengers and most third parties

## Local Regulation

- Traditional taxi services argue that rideshare drivers get away without having to follow the same regulations as taxi drivers, such as:
  - Licensing fees
  - Commercial insurance laws
  - Uniform rates
- As a result, several countries and states have attempted to block Uber from entering their markets and filed lawsuits against the company

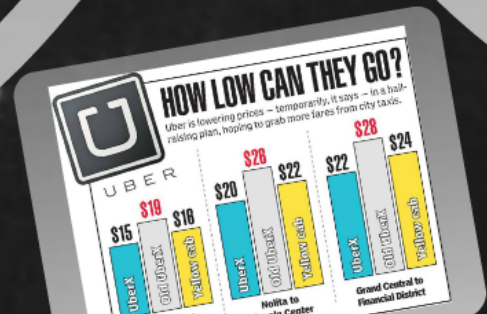
## 3 L's threatening Uber

- Local Regulation
- Liability Insurance
- Labor Practices



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- Local Regulation
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CAN THEY GO?  
- In a hail-