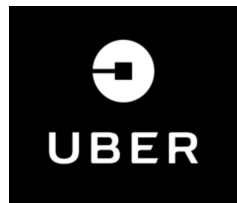University of California, Santa Cruz

# Project Proposal

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TIM 50
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# Uber Project Proposal

**Company: Uber**

- **Vision**:
  - Our vision statement is to "make transportation as reliable as running water, everywhere, for everyone." Uber capitalizes on the convenience of utilizing the app for both riders and drivers. Smartphone users who drive with Uber allows for individuals to earn money within a flexible schedule. Even the economies of local cities are strengthen through improved access to transportation and improved safety for the city overall. With transportation as reliable and universal like running water, everyone benefits.

- **Mission:**
  - Our mission statement is "Creating possibilities for riders, drivers, and cities." This statement not only encompasses the company's main purpose in providing a service that allows smartphone users to obtain rides, but also a means of creating opportunities for individuals to work as Uber drivers as well as create commerce for cities through means of transportation.

- **Products and Services**:
  - We are a well developed version of modern taxis. For the Uber drivers, it is a referral service. The Uber application provides their customers a easier way of traveling, going places from one to another. For the passengers, Uber charges way less than traditional taxis. For the drivers, Uber company takes around 5%-20% and then out the rest the earning into drivers account directly. In many countries' major cities, Uber has become one of the most recently used transportation for the citizens. Uber is sharing the whole market in just an application. With technology, anyone and experience more of a "delivery service", making people more accessible. Uber brings up a revolution in the taxi industry all around the world. People can simply use their smartphones and order a cab arrive at their location at anytime. Also, it provides food delivery now. Basically, people now can order food which can be delivered by Uber drivers.

List of products and services we provides

- **Customers**:
  - The target audience is mainly smartphone users. Individuals who use the Uber app are predominantly individuals who can download the app and request a ride

via a smartphone. With this specific audience in mind, the interface of Uber is geared towards users with iOS and Android devices.

- **Financial Performance**:
  - Uber's gross booking amount just hit around $20 billion during 2016, which is increasing compare with the year 2015. The net revenue that Uber has earned through the whole year, after driver taking away their payments, was totaled up to $6.5 billion at 2016. However, such rapid growth (diagrams below) in this case doesn't necessarily represent something that's positive. Uber also had lost $2.8 billion last year. Uber themselves have claimed  they had lost around $1 billion in China. Later Uber had sell the business to Didi Chuxing in August. Although Uber has lost tons of money each year, the company's value is still growing in a very fast rate. It is not a surprise that Uber is still earning profit. The company is large and wealthy enough to hold this losts. Uber has come to a very stable stage where the new or potential investor might not be that much concern about the future financial performance of Uber.
  - Timeline:
    - Mar 2009: Uber founded.
    - Feb 2011: Uber raises $37 million and expand their services into Paris, France.
    - Aug 2013: Uber raises $258 million and expands their services into India and South Africa.
    - Jun 2014: Uber raises $1.2 billion.
    - Dec 2014: Uber raises $600 million.
    - Jan 2015: Uber raises $1.6 billion.
    - Feb 2015: Uber raises $1 billion.
    - Aug 2015: Uber raises $100 million private equity funding.
    - Jul 2015: Another $1.2 billion raised in private equity funding.
    - Jan 2016: Uber received $2 billion in private equity.
  - We add up to about $102 million for the first half of that year, meaning Uber's revenues were more than $40 million short of doubling at that time.

(need more words)

- ○ Our business is massive and getting bigger. In the last three months of 2016, gross bookings increased 28 percent from the previous quarter to $6.9 billion. The company generated $2.9 billion in revenue, a 74 percent increase from the third quarter. Losses rose 6.1 percent over the same period to $991 million.

Cite:https://techcrunch.com/2017/04/14/uber-shares-growing-financials-to-distract-from-negative-publicity/

http://nextjuggernaut.com/blog/how-uber-works-business-model-revenue-uber-insights/

Image1:https://www.google.com/search?q=uber+financial+growth&source=lnms&tbm=isch&sa=X&ved=0ahUKEwi7jMiVte7UAhVlrFQKHSV6Au8Q_AUICigB&biw=1015&bih=635&safe=active&ssui=on#imgrc=VJHEUDcTXHb6pM:

Image2:https://www.bloomberg.com/news/articles/2017-04-14/embattled-uber-reports-strong-sales-growth-as-losses-continue

**Information Technology(IT) / Information Technology Architecture Design:**
- ● What is IT's role within the company?
- - Software that runs & spans the entire enterprise.
- - We use Oracle Enterprise Resource Planning (ERP) to run our business.
- - We mainly use Salesforce CRM(Customer Relationship Management) software for our business model, along with other tools such Sendgrid and Experian Cheetahmail for their email marketing campaigns.We know how important it is to serve our customers, keep track of every transaction and interaction, and use every piece of information to create new possible business opportunities.
- - We are the sharing economy, aka Uberization. We directly interact with our happy customers through our software platform.
- ● How does the company use IT to support or enable its business processes and competitive strategies?
    - ○ Business processes:
        - ■ We use IT to support its business processes by using a lot of softwares. Nowadays, the smartphone users are simply divided into two groups----iOS and Android. We understands that it needs to have two different sets of features in order to fit every customer's device.

- ○ Competitive strategies:
    - ■ Uber launched in San Francisco for the reason that we managed to spread by word of mouth among the tech community. We advised their company by hosting and sponsoring tech events and giving participants free rides to these events. Soon, early Uber adopters, who didn't like the quality of traditional taxi services, took to blogs and social media to tell their friends about this cool new app. Today, to encourage new riders to try out the service, Uber hands out 50 percent discounts for the first ride. With an initial discount, new riders are more likely to become long-term customers.

- What technologies does it use?
  1) The Uber app for iOS uses the CoreLocation framework to locate a user's device.
  2) To display point-to-point directions on a map within the app, developers of the Uber app for iOS used MapKit.
  3) Integrating with mapping software:Google Maps offers integration with Uber.
  4) Uber text messages are powered by the Twilio telecommunications provider. To implement push notifications in the iOS app, Uber must have used Apple Push Notifications Service, and for the Android app they must have used Google Cloud Messaging (GCM).

5) Payment integration: Uber uses a cashless system. You can pay via debit or credit card, or use a promo code. Uber chose to partner with Braintree, one of the leaders in the mobile payment market, to accept card payments. Uber also uses PayPal's Card.io service for credit card scanning on iOS.

Link for the information above:
https://yalantis.com/blog/uber-underlying-technologies-and-how-it-actually-works/

**Business Needs (or problems)**:
1. Increasing Accountability
   a. Accountability is not a one time thing. We're creating an Ethics and Culture committee to oversee the actions of our company, and our leaders. We have also instituted a 24/7 support line so that any employee can feel safe reporting unprofessional behavior.
2. Changing leadership
   a. An independent board chairperson will be appointed along with additional independent board seats. The first of which will be filled by Nestle's former CFO Wan Ling Martello. Liane Hornsey who came onboard in January as our Chief Human Resources Officer has taken on the task of improving our workplace culture while Frances Frei, Harvard Business School Senior Associate Dean, joined Uber as SVP of Leadership and Strategy in June.
3. Privacy concerns
   a. Customer safety and satisfaction sit at the top of our list of priorities. We strive to assure that our customers will feel comfortable and at ease during the drive. To further improve satisfaction rates, we came up with the idea for a driver filter system. Similar to filtering one's search results, customers would be able to choose their preference of driver (including things like gender, age, and ethnicity) and would be able to view a driver's "profile" before selecting a driver they feel comfortable with. This feature would increase satisfaction with our service as customers have more ability with choosing their preferences.
4. Limited services and expensive charges in certain areas.
   a. Although our services are worldwide, there are still places or certain areas where our services are prohibited. While our application is mainly designed for larger cities, many smaller towns have more difficulty ordering an Uber. This has raised an issue where our services have been expanding more internationally but are still not highly accessible domestically. In order to tackle other business problems effectively and further grow as a company, we must first expand driver availability domestically to a point where we can begin implementing new features to our service (including things like driver profile and customer preferences)

Cite:http://www.huffingtonpost.com/entry/image-issues-at-uber-again_us_58af6bd9e4b0658fc20f9358

**Business Processes:**

- Briefly speaking, the business processes how uber works is: First, passengers let Uber know that they need a ride. Then, Uber asks the passengers where they are. Next, Uber finds a nearby driver and tells the passengers when this driver will arrive to pick them up. After their ride is over, Uber asks them how it went. The passengers rate the ride and the cost is automatically charged to their credit cards.
- Here is the specific process:

1. Download Uber on Smartphone. (passengers)
2. Open Uber App. (passengers)
3. Tap "Where to?" (passengers)
4. Enter the location and destination. (passengers)
5. Choose the vehicle type. (passengers)
6. Confirm the number of seats you need (uberPOOL). (passengers)
7. Check the upfront pricing. (passengers)
8. Tap "Request Uber" to order the ride. (passengers)
9. Confirm your pickup location. (passengers)
10. Provide the available drivers options (Uber app)
11. Look at each driver's profile to see his security, and choose one for the ride (passengers)
12. Wait in front of your exact street address for the ride. (passengers)
13. Receive / take the order. (drivers)
14. Pay through the Uber app. (passengers)
15. Verify payment. (drivers)
16. Rate the ride. (passengers)

Information above comes from: http://www.wikihow.com/Use-Uber

Business Process Diagram:

**Requirement/Expectations Analysis:**
- Increased expectations for lower wait times (due to increased availability of the service)
- Customer safety & satisfaction throughout the drive
- Simple pay method for the customer (app links to bank account)
- User-friendly transaction process and mobile app navigation
- Feedback system (users should have the option to rate their experience)

**Preliminary IT Architecture:**

**Project plan:**

| | Date | People in responsibility | Details |
|---|---|---|---|
| Primary step | 6/29/16 | all members; <br> Qian Cao and Dailon Dolojan; <br><br> Tiantong Zhang and Jordan Hernandez | Select company; <br> Business function; <br> Business processes; <br> Identify potential business problem to be solved using information systems/technology |
| Project Proposal | 7/6/16 | Tiantong Zhang and Jordan Hernandez; <br><br> Qian Cao and Dailon Dolojan; <br> Jordan Hernandez and Dailon Dolojan; <br> Qian Cao and Dailon Dolojan | Preliminary Business Needs; <br> Business Process; <br> Requirements Analysis; <br> Preliminary It Architecture |
| Phase 1 | 7/11/16 | Tiantong Zhang and Jordan Hernandez; <br><br> Qian Cao and Dailon Dolojan; <br> Dailon Dolojan and Zifan Zhao | Business Needs; <br><br> Business Process; <br> Business Application Design |
| Phase 2 | 7/18/16 | Zifan Zhao and Qian Cao | Information Technology Architecture Design |
| Phase 3 | 7/25/16 | all members | Integration; <br> Project Presentation; <br> Final Report |