**THE STORY OF UBER**

Uber’s disruptive technology, explosive growth, and constant controversy make it one of the most fascinating companies to emerge over the past decade. The eight-year-old company has rocketed to become the highest valued private startup company in the world. With an estimated valuation of $66 billion, it exceeds the market cap of giants such as General Motors and Ford Motor Company.

**Founders Meet in Paris**

Uber’s story began in Paris in 2008. Two friends, Travis Kalanick and Garrett Camp, were attending the LeWeb, an annual tech conference the *Economist* describes as “where revolutionaries gather to plot the future”.

In 2007, both men had sold startups they co-founded for large sums. Kalanick sold Red Swoosh to Akamai Technologies for $19 million while Camp sold StumbleUpon to eBay for $75 million.

Rumor has it that the concept for Uber was born one winter night during the conference when the pair was unable to get a cab. Initially, the idea was for a timeshare limo service that could be ordered via an app. After the conference, the entrepreneurs went their separate ways, but when Camp returned to San Francisco, he continued to be fixated with the idea and bought the domain name UberCab.com

**UberCab Takes Shape**

In 2009, Camp was still CEO of StumbleUpon, but he began working on a prototype for UberCab as a side project. By summer of that year, Camp had persuaded Kalanick to join as UberCab’s ‘Chief Incubator’. The service was tested in New York in early 2010 using only three cars, and the official launch took place in San Francisco in May.

Ryan Graves, who was Uber’s General Manager and an important figure in the early stages of the company, became CEO of Uber in August 2010. In December 2010, Kalanick took over again as CEO, while Graves assumed the role of COO and board member.

The ease and simplicity of ordering a car fueled the app’s rising popularity. With the tap of a button a ride could be ordered; GPS identified the location and the cost was automatically charged to the card on the user account. In October of 2010, the company received its first major funding, a $1.25 million round led by First Round Capital.

**Cease-and-Desist Order**

In October of 2010, the company received a cease-and-desist order from the San Francisco Municipal Transportation Agency. One of the main issues cited was the use of the word “cab” in UberCab’s name. The startup promptly responded by changing the name UberCab to Uber and bought the Uber.com domain name from Universal Music Group.

**Uber Takes Off**

2011 was a crucial year for Uber’s growth. Early in the year, the company raised an $11 million Seried A round of funding led by Benchmark Capital and it went on to expand to New York, Seattle, Boston, Chicago, Washington D.C. as well as abroad in Paris. In December at the 2011 LeWeb Conference, Kalanick announced that Uber raised $37 million in Series B funding from Menlo Ventures, Jeff Bezos, and Goldman Sachs. In 2012, the company broadened their offering by launching UberX, which provided a less expensive hybrid car as an alternative to black car service. The latest round was in June 2016, when Uber raised $3.5 billion from Saudi Arabia’s Wealth Fund.

**Uber Faces Opposition**

During its expansion, Uber has met fierce resistance from the taxi industry and government regulators. As part of their strategy to mitigate the opposition, the company hired David Plouffe, a high-profile political and corporate strategist who worked on the Obama’s 2008 presidential campaign.

In 2014, taxi drivers in London, Berlin, Paris and Madrid staged a large-scale protest Uber. Taxi companies have claimed that since Uber avoids their expensive license fees and bypass local laws it creates unfair competition. The case was heard by Europe’s top court in December 2016.

**Surge Pricing Backlash**

Uber uses an automated algorithm to increase prices based on supply and demand in the market. On New Year’s Eve 2011, prices soared to as much as seven times standard rates, fueling negative feedback from users. Surge pricing triggered outrage again during a snowstorm in New York in December 2013. More recently Uber committed to cap surge pricing during several blizzards in New York City.

**Competition from Lyft**

Competiton has been ferocious between Uber and its closest rival Lyft. In 2014, both Uber and Lyft claimed that drivers and employees engaged in sabotage by regularly hailing and cancelling rides on each other’s services. Kalanick also openly admitted to trying to undermine Lyft’s fundraising efforts in a *Vanity Fair* article.

**Additional Services**

Uber has merchant delivery programs such as its food delivery service, UberEATS and a same-day courier service called UberRUSH. Uber also offers UberPOOL, which allows drivers to pick up multiple riders on one ride, which makes it a cheaper option compared to UberX and UberBlack.

**The Bottom Line**

Like Google, Apple Inc., and Tesla Motors, Uber is also gearing up for a future of driverless cars. The company is currently planning to get a permit for its self-driving cars in California.