### **The Social Dilemma**

Your driver gets 20,000 rs. a month. He heard from somewhere that he can make more money if he joins Uber. Elaborate on what you think would be the right decision for him.

CASE TYPE
Unconventional

COMPANY NAME

Boston Consulting Group





## The Social Dilemma



#### Is money really that important?

**Case Type** 

Unconventional

**Company Name** 

BCG

Round

**Partner** 

Difficulty Level

### Problem Statement

Your driver gets 20,000 rs. a month. He heard from somewhere that he can make more money if he joins Uber. Elaborate on what you think would be the right decision for him.

May I ask some clarifying questions?

Sure, go ahead.

Since how long has he been employed with us? Do we have any emotional angle to this? Does he have some attachment to our family?

No, there's no emotional angle to this. You need to think about this from a very financial perspective.

Alright, I'll try to understand what he can earn as a driver, what he can earn as an Uber driver, and what kind of costs he'll be incurring as an Uber driver. How many working hours does he have in a day? How many days does he work for?

He works for five days a week, Monday to Friday. Whenever we want to call him for any extra work, he's paid extra on top of it. We don't give him any meals of any sort. He has a family of four.

Okay. I'm going to analyse both the revenues and the costs. So, for revenues, first I did the cost. So, if you're an Uber driver, do I need to make some kind of investment in a car?

#### Yes, you need to buy your own car.

He won't be able to buy the car in one go. He's probably going to take a loan and he has to pay some interest on that loan every single month. Additional expenses include fuel, maintenance etc.

You want to give me these figures that I mentioned, which are the car's price, loan's price, interest's price, maintenance's price and the fuel's price, or do you want me to assume those figures?

#### Assume and clarify.

Sure. If he's working as an Uber driver, he'll probably work 12 hours a day and every trip can be estimated to be about 30 minutes. So, he takes 24 trips in a day, on average. I think 15 kilometres is usually a 30 mins ride.

So, one litre of petrol helps us cross 10 kilometres. And then 1.5 litres will be used in one trip. According to my calculations, the profit is coming out to be higher than 20,000 a month. I think working with Uber is more beneficial for our driver.

#### Okay, can you list down all the factors?

Sure. The revenue is one major factor but there's also other aspects such as flexibility. You mentioned that he has two daughters. He might want to spend more time with them on a daily basis. With Uber, he can work on different hours according to the schedule. He can work in the day, in the night, whenever he wants to. Plus, when he's getting a car, it's a long-term investment. If he gets into an emergency later, he can actually sell this car later on and actually get the money back. Plus, he is only working five days a week according to the needs of our family. He can work more with Uber.

#### Alright, that's all I needed to know. Let's end this here

Alright, thank you!



One of the Major Factors that makes the solution to this case stand out is the last factor which was provided by the Interviewee. They also included the emotional factors and emphasised the mental relief which he derives from joining Uber and not just focused on the Money Part of it.



# The Social Dilemma



Is money really that important?

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#### **CASE FACTS**

- The Driver is paid Rs. 20,000 per month.
- The Driver works from Monday to Friday, He gets paid overtime. He has a family of four.
- There is no emotional angle to the case.

