An aerial, black and white photograph of a city street covered in snow. Several cars are parked or driving on the road. In the bottom foreground, a person in a dark suit is seen from behind, looking out over the scene. The overall mood is one of a winter crisis or a challenging situation.

CRISIS. WHAT CRISIS?

BORKOWSKI.DO

UBER'S STORY SERVES AS A CAUTIONARY TALE ABOUT THE POWER OF DISRUPTION AND THE DANGERS OF HUBRIS.



Don't kick the PR, occasionally bad corporate culture eats itself. For weeks now, we have been watching as tensions around US-based on-demand taxi company, Uber, have mounted. Through sheer brute force alone, Uber has successfully managed to attack and alienate almost every echelon of the society upon which it depends. It appears that the hubris of its leadership is fast exhausting the good will of the public, and the company will soon find itself in very deep water, regardless of the political all-star protection it has managed to secure.

Uber's story serves as a cautionary tale about the power of disruption and the dangers of hubris. Whilst the former is a tactic that is necessary in a business landscape of behemoths and information saturation, it is also one that should not be wielded without due caution.

We spend a lot of time teaching brands how to effectively use disruption, and how to harness that power to better engage with their public. I call it the "20% Maverick" factor.

However, as one journalist at the WSJ put it, http://www.washingtonpost.com/blogs/the-switch/wp/2014/11/18/uber-can-no-longer-distinguish-between-being-disruptive-and-being-a-jerk/?Post+generic=?tid=sm_twitter_washingtonpost "a good disrupter knows which norms are worth violating".

Right now, Uber's PR team should be celebrating having secured feature pieces in both the FT and Vanity Fair, the latter of which could have successfully repositioned <http://www.vanityfair.com/business/2014/12/uber-travis-kalanick-controversy> the brand from its helter-skelter course. Rather than enjoying a few strong pats on the back, however, that team is probably going to have to put its firefighting gear on, wondering where the next blaze is going to start.

As such, Uber works as the perfect case study for anyone evaluating how not to operate during a global crisis. The aforementioned coverage could have been a good opportunity to reposition the brand, but instead has revealed hubristic leadership that appears to lack the maturity and the composure to properly deal with the level of attack being levied at their brand.

However, as one Bloomberg writer points out, <http://www.bloombergview.com/articles/2014-11-18/ubers-dirty-tricks-wont-hurt-it?curator=MediaREDEF> it is ultimately the investors who are accountable, and will decide the company's fate.





**BUT NOW
ON TO THE
HISTORY...**

COMPETITION

The first of the high-profile Uber exposés started to rumble in August, when it emerged that Uber was allegedly using underhanded tactics to sabotage its US rival Lyft <http://www.theverge.com/2014/8/26/6067663/this-is-ubers-playbook-for-sabotaging-lyft> , making false calls to its drivers which it would then cancel (a tack they termed 'slogging'), and to whom it would then offer expensive Uber technology in the form of an aggressive sign-up exercise known as 'slanging'.

CABBIES

In October, it emerged that Uber drivers were apparently being charged extortionate fees, http://www.slate.com/articles/business/moneybox/2014/10/uber_driver_salary_the_ride_sharing_company_says_its_drivers_make_great.html were unable to accept tips, and that many were just about breaking even. In the meantime, Uber had managed to make enemies of taxi unions worldwide for subverting the stringent training, licensing and vetting protocols to which national taxi services are often required <http://www.businessweek.com/articles/2014-07-03/uber-the-company-city-regulators-unions-love-to-hate> to adhere.

CONSUMERS

The consequences of such disruption ricocheted as the number of people reporting alleged sexual and violent assault at the hands of Uber drivers started to mount, and when it was shown that some

of these drivers carried criminal records that would have been flagged-up had adequate background checks been carried out, as Uber purport that they <http://pando.com/2014/01/06/exclusive-uber-driver-accused-of-assault-passed-zero-tolerance-background-check-despite-criminal-history/> do. Further to this, it became clear that these drivers were not immediately expelled from the service, but were 'suspended', and that instances of victim-blaming <http://www.buzzfeed.com/jacobfischler/uber-driver-pleads-not-guilty#3ewugba> had occurred following these attacks.

CULTURE

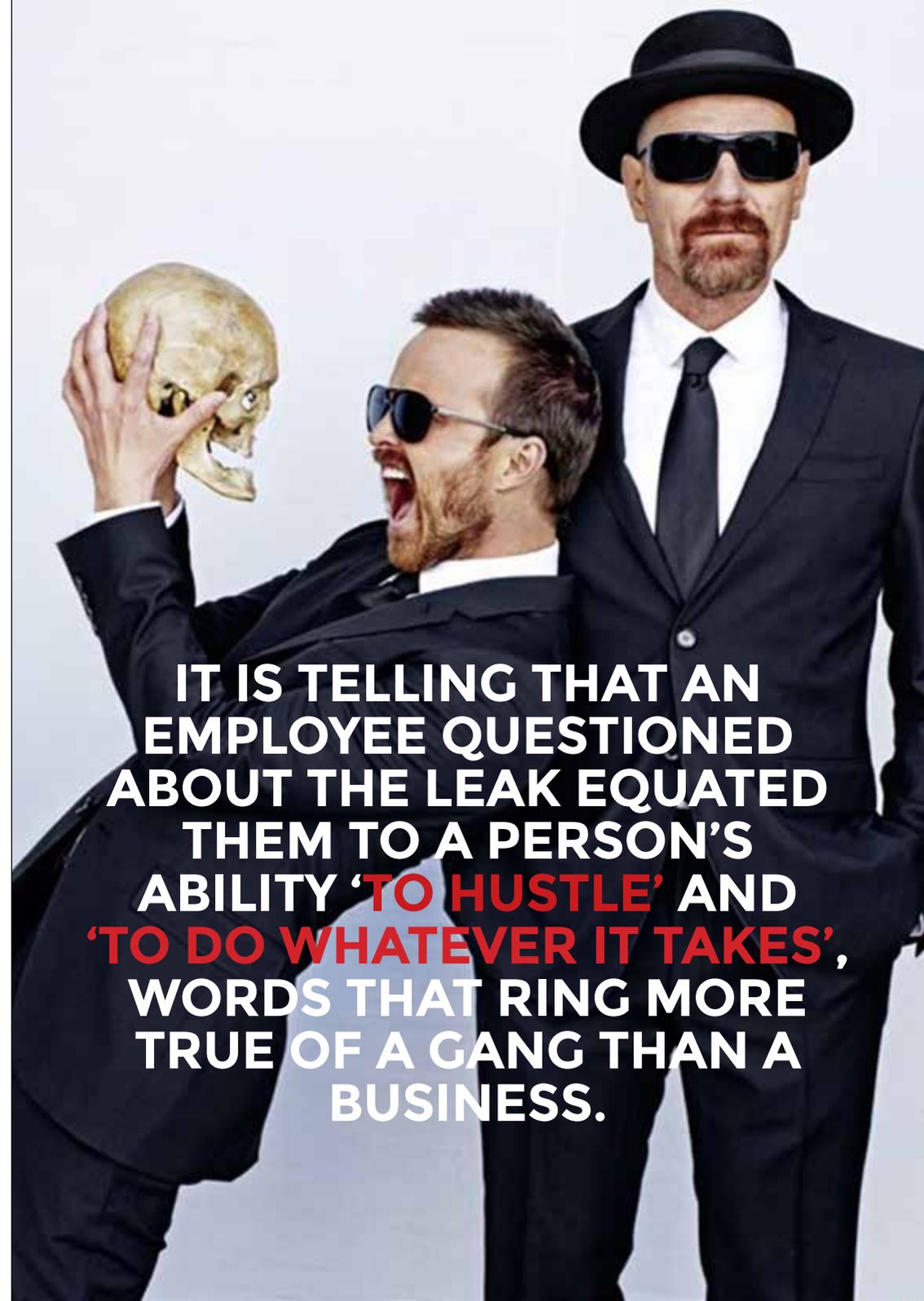
By the end of October, the whiff of misogyny that had started with CEO Travis Kalanick's GQ profile comments <http://www.gq.com/news-politics/newsmakers/201403/uber-cab-confessions?currentPage=1> had turned into an all-mighty stench when tech journalist and PandoDaily founder, Sarah Lacy, reported on a PR gaffe <http://pando.com/2014/10/22/the-horrific-trickle-down-of-asshole-culture-at-a-company-like-uber/> in the form of a partnership between Uber's arm in Lyon and French escort service Avions de Chasse <http://www.buzzfeed.com/charliewarzel/french-uber-bird-hunting-promotion-pairs-lyon-riders-with-a> . Whilst the partnership could have been written off a distasteful PR stunt if it were an isolated incident, the CEO's comments, coupled with the apparent disregard for passenger safety and alleged victim-blaming started to point problem more deeply-rooted in the company culture.

To help Uber through its mounting list of PR woes, the company enlisted the assistance of David Plouffe, previously employed in supporting the Obama re-election campaign <<http://blog.uber.com/davidplouffe>>, in an effort to help tame the tiger CEO and restore some faith in the hearts of Uber's consumer base. However, Plouffe's 'charm offensive', reported on November 15th <<http://www.buzzfeed.com/johanabhuiyan/ubers-travis-kalanick-takes-charm-offensive-to-new-york-city>>, proved to be short-lived when only two days later, the same outlet reported that the company's Senior VP, Emil Michael <<http://www.buzzfeed.com/bensmith/uber-executive-suggests-digging-up-dirt-on-journalists>>, had announced that the company 'theoretically' would be justified in spending a million dollars hiring a team of opposition researchers to take revenge upon journalists who had targeted them, specifically honing in on their personal lives and families. They had one journalist in mind: Sarah Lacy.

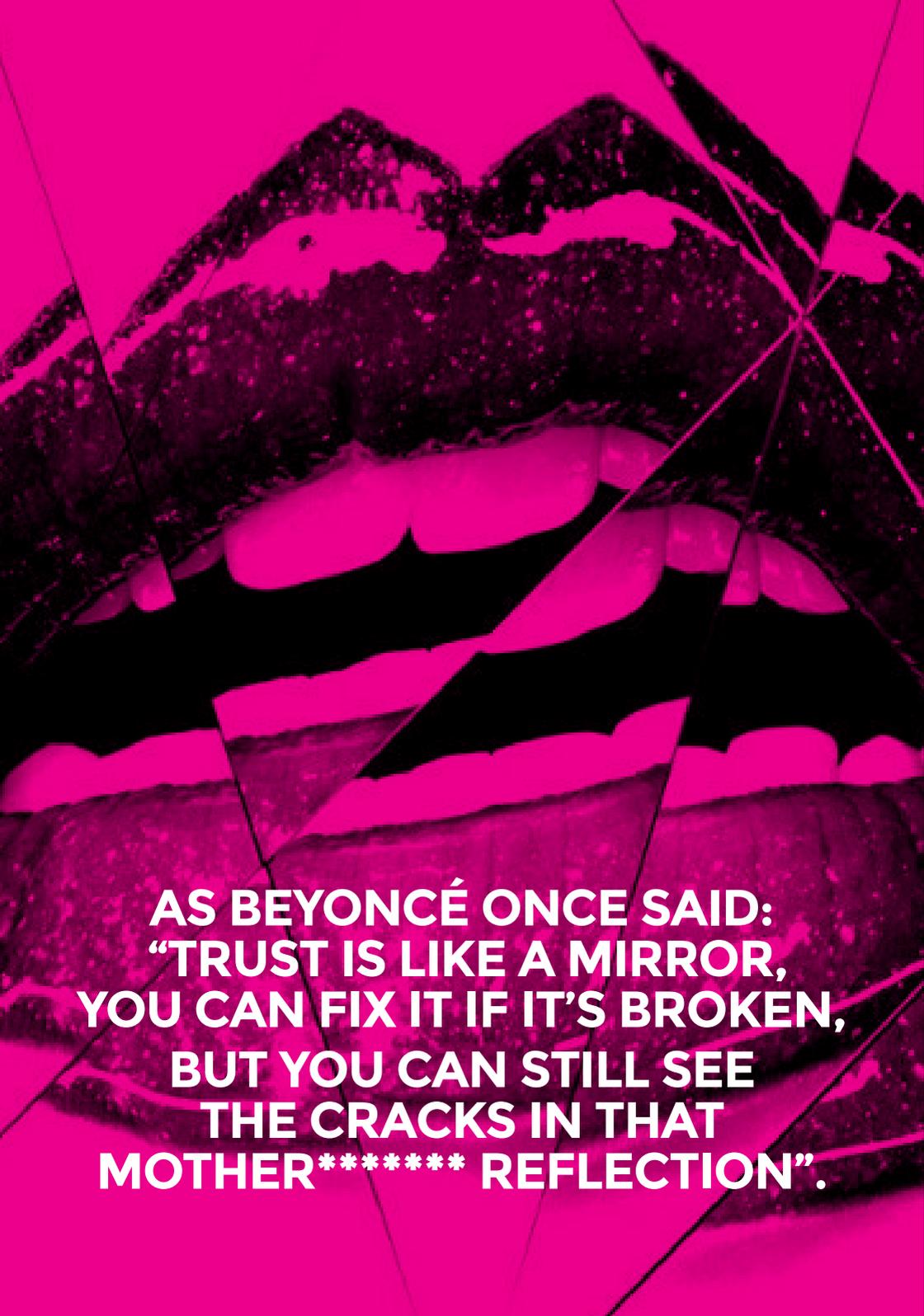
The sad thing is that such a campaign would be tantamount to a scaled-up version of doxxing, a tactic employed by technically-skilled trolls to defame and silence those who call them out – particularly women -- with a range of

bully-boy tactics. Wired reported on one such campaign in early October. <<http://www.wired.com/2014/10/trolls-will-always-win/>> Even with the power of a team comprised of political heavyweights from the Obama and Cameron cabinets, and the faint, rallying cries of celebrities such as Ashton Kutcher (an investor in the company) <<http://uk.businessinsider.com/ashton-kutcher-supports-uber-2014-11?r=US>> coming to their defense <<http://uk.businessinsider.com/ashton-kutcher-supports-uber-2014-11?r=US>>, it is foolhardy to assume that the public can't see through such an apparently corrosive business culture. As one journalist said: <<https://medium.com/@petersimsie/the-immaturity-and-arrogance-of-uber-eea64bcfa5bf?curator=MediaREDEF>> "Uber leadership not only consistently acts as if it is not only above the law, they act as if they are above every ethical norm".

It doesn't help that leaked strategy documents were published <<http://uk.businessinsider.com/uber-employee-competencies-fierceness-and-super-pumpedness-2014-11?r=US#ixzz3JWhASjZl>> yesterday that further emphasized the lad-culture values the company prizes most: 'fierceness' and 'super-pumpedness'.



IT IS TELLING THAT AN EMPLOYEE QUESTIONED ABOUT THE LEAK EQUATED THEM TO A PERSON'S ABILITY 'TO HUSTLE' AND 'TO DO WHATEVER IT TAKES', WORDS THAT RING MORE TRUE OF A GANG THAN A BUSINESS.



**AS BEYONCÉ ONCE SAID:
“TRUST IS LIKE A MIRROR,
YOU CAN FIX IT IF IT’S BROKEN,
BUT YOU CAN STILL SEE
THE CRACKS IN THAT
MOTHER***** REFLECTION”.**

SO, WHAT LESSONS CAN WE TAKE AWAY FROM THIS TALE?

Whilst the scandals surrounding Uber have generated miles of column inches, they have undermined some basic tenets that are key to a brand’s success, creating a lot of brand toxicity in the process. Let’s examine these in detail.

1

CREDIBILITY

Crucial to any enduring relationship is trust. Mistakes are natural, but it’s important to take ownership of – and responsibility for – them if you want to keep your clients, sponsors and public on side.

By suspending rather than immediately firing drivers convicted of violence, and by not being seen to take action in response to SVP Emil Michael’s recent comments about opposition research, Uber has severely undermined its credibility. Its failure to address complaints of misogyny throughout its ranks has contributed significantly to this process. It is important to say sorry, but it is a word that quickly loses currency when the company in question appears to be a repeat offender.

2

COMMUNICATION

The old adage ‘do not bite the hand that feeds’ rings true here. The only way out of bad press is through the press, so it bodes well to try and make a few friends. Many brands come under fire from the media – sometimes unjustly so – but more often than not, the issue at the heart of the matter is that the brand has failed to communicate properly with the media, if at all. Many larger companies are guilty of this when they are siloed or feel burned by past critique. Siege mentality, however, is not the solution. We are in an age of transparency, and journalists and the public alike are more likely to respect a brand that can address misinformation or criticism with composure and confidence.

Uber made a significant mistake when they sought to intimidate rather than communicate with journalists like Lacy. Not only had the move to wine-and-dine journalists come as too little, too late – but it was foolish to think that attacking Lacy and her contemporaries (or even putting



oneself in a position where you could be seen to be) in a room full of journalists was going to help resolve the issue. To expect that such a perceived attack would remain off the record seems wishful at best.

3

CONTROL

It is impossible to control everything, but to be seen to be in control in the midst of a crisis is of vital importance. Brands need clear vision and philosophy, and to ensure that its members are singing from the same hymn sheet. Many brands have suffered from the bad press surrounding rogue employees, but if a brand's ethos is clear, then such issues are often more-easily resolved.

This is why Borkowski.do focusses on the 20% maverick. Whilst disruptiveness is good and healthy in the right doses and places, left unleashed, it can wreak absolute havoc. Whilst the amount of drive and disruption throughout Uber's ranks is something to behold, the energy it contains has simply imploded on itself.

4

CLIMATE

In order for any organism to thrive, it has to be well-adapted to its environment. This also goes for brands. Being well-adapted in this instance means being aware of the culture in which you operate, its rules and

its sensitivities. Being successful is not just about finding gaps in a market, but about understanding the market itself and how that gap appeared in the first place. Damage the environment, and you damage yourself too.

Uber's greatest mistake was to fail to demonstrate that it can respect and celebrate women in light of accusations of pervasive misogyny in the company culture. To begin with, alienating and offending half of the world's population does not bode well for business. Having had its apparent treatment of, and attitude towards, women flagged up on numerous occasions within the press, Uber should have done everything in its power to address the issue. To think that such behaviour would go unnoticed or unchallenged is to fail to acknowledge that we now thankfully live in a world where such behaviour will not be quietly tolerated.

5

COHERANCE

As with credibility, it is important to be seen to be committed to the issues that one claims to be important. If a brand claims to be committed to environmental issues but is a persistent emissions offender, it goes to follow that the brand will lose credibility.

Similarly, it is one thing for Uber to make statements about the importance of its passengers' safety in the media, or apologies about remarks about women, and another to be seen to be making further mistakes later down the line.

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