

## A brand with miles, smiles & a huge valuation!

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### WHAT MAKES UBER RUN

Jordan Kretchmer remembers what Travis Kalanick was like before Uber was Uber.

Kretchmer was a 25-year-old college dropout with a lot of ideas, and Kalanick had even more. He was in his early thirties, an engineer who talked like a sales guy, smart as hell and high on life. He wore a cowboy hat and referred to himself as the Wolf, after the cold-blooded, coolly rational fixer played by Harvey Keitel in *Pulp Fiction*. He was tireless—always on the move, always thirsty.

They met in 2009 at South by Southwest and bonded at an all-night "jam session" about the future of the **Internet**. That night in Austin was a sort of satellite version of the 'round-the-clock ideas salon Kalanick routinely held at his three-bedroom house in San Francisco. These gatherings were full of young people like Kretchmer who had come up through the wreckage of the first dotcom bust, before jobs in tech were thrown around like free T-shirts at a launch party, before venture capitalists regularly talked about startups as if they were mythical creatures. They were **entrepreneurs** who knew about hustle, who saw opportunity even in the muck of a desperate economy and were going to take advantage. This is what drew them to Kalanick, and vice versa.

Although Kalanick had been a startup guy since high school, he was a grinder, not a mogul. He had made enough on his last one, RedSwoosh, to buy a house and do a bit of angel investing. Uber, the on-demand transportation app that he cofounded with Garrett Camp in 2009, was still more or less a toy, a personal limo service for the founders and their friends in San Francisco.

When Camp, who'd bought back his old company StumbleUpon at about the same time, asked Kalanick to run Uber full-time, Kalanick said no. Uber was "supercrazy freakin' small," Kalanick tells me when we meet in July, the first time he had given an in-depth interview this year. "I was not ready to get in the game and give 100% or 150%," he says.

Back in those days, if Kalanick liked you, he'd invest in your company, and if he thought your idea was big enough, he'd show up at your office one or two days a week and work for free. Kretchmer hadn't screwed up the courage to pitch Kalanick that night in Austin, but he met Kalanick later that year to pitch him ideas. The one he was most excited about was called Tweetbios, and it basically gave **Twitter** users an expanded home page.

"That's a small-time idea," Kalanick told Kretchmer. "Small-time, man."

Kretchmer pushed back. "It pissed me off," he recalls. "I had users. It was growing. And I'd built the damn thing."

Kretchmer stuck around the Jam Pad, as Kalanick and his crew referred to his home, where sometimes as many as 15 entrepreneurs at a time would debate business ideas as well as drink his beer, eat his food, play his Nintendo Wii, and stay the night if they wanted. Kretchmer spent the next three hours arguing with Kalanick until he'd settled on a Travis-approved big idea. Kretchmer went to work on the product, social media software for publishers and brands, and when Kalanick thought it had progressed enough, he made 45 introductions to other angel investors in less than a week and agreed to invest in the company himself. The startup, now called Livefyre, has customers such as News Corp and Coca-Cola and has raised \$72 million in funding. "I got every ounce of value out of that relationship," Kretchmer says.

"IF YOU LOOKED AT EVERYTHING HE'S DONE," SAYS A FRIEND, "I DON'T THINK THERE WAS ANOTHER HUMAN WHO WAS MORE DESTINED TO BUILD UBER."

I heard something similar from Ade Olonoh, the founder of another Kalanick portfolio company. "I'd send Travis an email asking, 'What do you think about this job posting?' and he'd send a page or two back, completely rewritten," Olonoh says. "I know him as somebody really smart and driven and hungry and also very generous."

When I first started hearing these stories, I was surprised, mostly because they seemed at odds with the portrait of Travis Kalanick that has emerged since Uber launched in 2010. Peter Thiel, the Silicon Valley investor, has called Uber "the most ethically challenged company in Silicon Valley," and the journalist and entrepreneur John Battelle has suggested that everyone in the tech industry is "worried about the sheer expression of capitalistic force that the company represents." Those, it turns out, are some of the more circumspect critiques. The **CEO** of Uber has been routinely described as a callous and ruthless capitalist, the kind of guy who jacks up prices during natural disasters, who is so fond of brotastic aphorisms that *Late Night's* Seth Meyers once joked, "Are you a man, or did they just spray Axe body spray into a suit until it became sentient?"



## UBER'S BIG BET #1: UBERPOOL

**This service lets riders heading the same way share an Uber and save. CEO Travis Kalanick believes that UberPool "has the potential to be as affordable as taking a subway, or a bus, or other means of transportation."**

### **4.7 MILLION**

Estimate of miles saved in June 2015 from all UberPool rides in New York, San Francisco, Los Angeles, Austin, and Paris

### **820**

Metric tons of carbon dioxide saved from those shared rides

### **1.95 MILLION**

Number of cars in New York

### **50**

Percentage of New York taxi trips that would be saved if users were willing to wait up to five minutes to be paired with another passenger

### **365,000**

Number of UberPool cars that could serve the same number of people and trips that those 1.95 million private cars do

Sources: Uber; "Quantifying the benefits of vehicle pooling shareability networks," Senseable City Laboratory, Massachusetts Institute of Technology, September 2014; U.S. Energy Information Administration

*Photo: courtesy of Uber*

"The caricature you see of Travis does not come from a place that's false," Kretchmer says of his longtime friend. "He is an incredibly aggressive person." But, he adds, as if to reconcile the caricature with the man, "he's building one of the most important companies of all time."

About that last point there is little room for debate. In five years, Uber, which dispatches low-cost taxis and limousines operated by independent drivers, is likely the fastest-growing startup in history. It has more than 1 million active drivers—meaning they did at least one trip in the past week—operating in 330 cities (as of mid-August) and a valuation of \$51 billion, which is roughly equivalent to the market capitalization of General Motors. It is a global phenomenon that is redesigning urbanites' relationship with the world around them, transforming their smartphones into control pads for their harried lives. Uber—the first company since Google with a service so popular that its name is in regular use as both a noun and a verb—has spawned an entire category of business known as the one-tap economy: Millions of people now routinely open an app to enlist a distributed workforce to deliver groceries, hot meals, and their clean laundry on demand.

But no other one-tap-economy company has changed society like Uber has. The availability of cheap and reliable transportation has helped spur a real estate surge in San Francisco and a nightlife boom in downtown Los Angeles while also (at least according to some studies) reducing drunk driving. Uber's classification of its drivers as independent contractors has sparked a national conversation about the changing nature of employment and has made Uber a litmus test on jobs for the 2016 presidential candidates. Elsewhere, Uber has been seen as a stand-in for the excesses of global capitalism, prompting violent protests in Paris and Mexico City.

All of this influence has come at the price of Kalanick's reputation. The 39-year-old has been presented in an almost cartoonish light, coming off as either a Randian Superman, a Snidely Whiplash-style mustache-twirling villain, or both. And yet Kalanick has wooed some of the most august financiers in the world to give him, essentially, a blank check. Key staff members from some of the world's best-run organizations, including Facebook's head of security, President Barack Obama's campaign manager, and a good-size chunk of Carnegie Mellon's driverless-car research division, have gone to work for him.

I spent five months interviewing dozens of Kalanick's current and former associates—investors, employees, coworkers, friends—and, of course, the man himself, trying to square the Kalanick

they know with the avatar for Silicon Valley disruption. Uber and Kalanick's next-step plans are shocking to contemplate: conquering the world's biggest and toughest-to-crack markets in India and China; transforming Uber from "everyone's private driver" into a carpooling service; and then further reinventing itself—and how the world's cities operate—by introducing a fleet of autonomous vehicles. If you want to get your head around Uber's wild growth, and its even wilder potential, you have to get to know its wildly ambitious, ever-restless **CEO**.

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**Travis Kalanick**, CEO of Uber; 30,000: New Yorkers who sign up for Uber each week. "If you can predict where demand is going to be and you can get the supply to match to that," Kalanick says, "that's a big freakin' deal."

**If Uber is the apotheosis** of the current technology boom, its roots date to the first dotcom frenzy, when Kalanick was an ambitious 21-year-old computer engineering student at the University of California, Los Angeles. In 1998, with a few months to go before graduation, he dropped out to join the founding team of Scour, a proto-Napster. Kalanick ran product, and because he was also the least geeky member of the group, his friends also put him in charge of **business** development and **marketing**.

Kalanick, a natural salesman who sold knives door-to-door as a high school student one summer, helped bring in investment from Michael Ovitz, cofounder of the talent agency CAA, and Ron Burkle, the supermarket magnate. Ovitz, among the most feared Hollywood players at the time, gave Kalanick a crash course in hardball **business** tactics. Not only did he insist on an onerous 51% share of the startup for \$4 million from him and Burkle, he sued Scour as a negotiating tactic when the company looked for other investors. "In some way, L.A. respects the young guy that's out there just trying to make it happen, but in some ways, they disrespect that too," says Kalanick, who'd grown up middle class in Los Angeles's San Fernando Valley, close enough to people like Ovitz to want what they had and also to hate them for it.

EACH UBER MARKET OPERATES AS ITS OWN STARTUP. "TRAVIS WANTED PEOPLE WHO EMBEDDED IN THE FABRIC OF THE CITY," SAYS ITS EAST COAST CHIEF.

"[Kalanick] was seen as a prodigy," says Angelo Sotira, another young entrepreneur who'd sold a company, DMusic, to Ovitz, and who became close with Kalanick. But being under Ovitz's wing exposed Kalanick to the worst of late-1990s management wisdom. Executives at Ovitz's companies would routinely hand out copies of Sun Tzu's *The Art of War*, using the book and others like it to teach lessons. If people struggled, personally or professionally, Sotira recalls, they were told that it was because "you're a Peter and not a **Howard**"—that is to say, a weak-willed conformist, like Peter Keating in Ayn Rand's *The Fountainhead*, rather than its individualistic hero, Howard Roark. "You can imagine how fucked up that is," says Sotira. "When you're really young, you think that's gospel."

Scour grew to have millions of users largely because it offered movies as well as music, including bootleg copies of then-current theatrical releases *Gladiator* and *The Perfect Storm*. Inevitably, the company was served with a lawsuit from nearly every major record company and movie studio. The damages, \$100,000 per file, added up to as much as \$250 billion. It was, as Kalanick has noted, roughly equivalent to the GDP of Sweden.

The lawsuit put Ovitz in an awkward position as the backer of the very thing that many in his professional circle were trying to sue out of existence. He declined to fund the company further, and the studios suing Scour informed any potential investors that they'd risk lawsuits if they helped Kalanick and his friends. Scour was forced to file for Chapter 11 bankruptcy protection. When Kalanick declined to go away quietly, as he recalled in a 2011 interview, Ovitz responded by sending an associate to approach Kalanick at a public event where he intimated that if Scour did anything to hurt Ovitz's reputation, the consequences would be dire. "Like, 'There's an alley in the back,?'" Kalanick said, paraphrasing what he saw as a threat. "'If you fuck this up, you're going to get very familiar with it.?''" Ovitz has denied that a threat was made, and today both men refuse to go into detail about the incident.

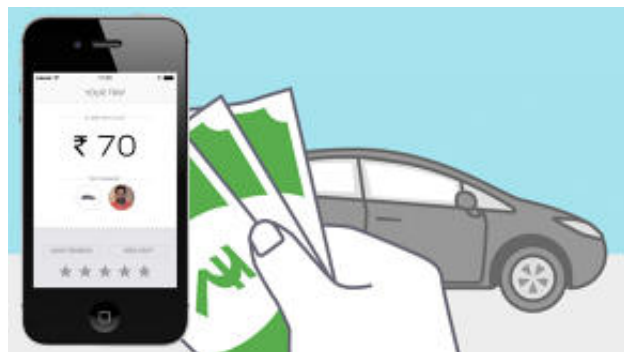


These scars still sting. Kalanick tells me that for years he had trouble watching movies without becoming physically ill when the studio logos would appear in the opening credits. "You learn quick in that business how deals are done and not done, and how you can get run over," he says. "You learn a lot about that."

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**Paige Lewis**, Driver; **1 million**: Number of active Uber drivers worldwide. "I'll drive in the morning, go to a lunch meeting, and then go drive some more," says Lewis, a singer-songwriter who also happens to drive for Uber in Los Angeles.



## UBER'S BIG BET #2: CHINA AND INDIA

**"To put it frankly, China represents one of the largest untapped opportunities for Uber, potentially larger than the U.S.," Kalanick wrote investors in a letter this spring. The same goes for India, where, befitting Uber's hyper-localized strategy, it has launched auto rickshaws, cash payments, and an SOS safety button for riders.**

**80**

Number of Chinese metropolitan areas with more than 5 million residents (there are nine in the United States)

**50**

Number of Chinese cities Uber will operate in by mid-2016

**5**

Number of the top 10 Uber cities in the world that are located in China as of August 2015, up from four in June

**2 BILLION**

U.S. dollars Uber will spend in the year ahead to fuel its expansion into China and India—\$1 billion for each market

**479X**

Number of trips Chengdu residents took in the first nine months of Uber's availability compared to New York's first nine months



**63,000**

Number of drivers in India who have given their first Uber trip, January to August 2015

**1 MILLION**

Trips-per-day goal for India by early 2016

Sources: Financial Times; Uber

*Photo: courtesy of Uber*

**Kalanick rebounded by starting "a revenge business,"** as he put it to an audience atFailCon, the startup conference where founders tell stories of their past failures. "The idea was to take those 33 litigants that sued me and turn them into customers. So now those dudes who are suing me are paying me." Kalanick intended to transform Scour's consumer-file-sharing technology into an enterprise software product, RedSwoosh, that would make it cheaper for **media** companies to deliver big video files on the web.

Like many revenge plans, it sounded better than it worked. Bandwidth prices fell rapidly beginning in the early 2000s, and the dotcom bust meant there was suddenly less enthusiasm for big investments in streaming video. RedSwoosh shriveled to just Kalanick and one other engineer. Kalanick moved in with his parents and scrambled to prove he was right despite continually being on the verge of insolvency. At one point in 2005, he seemed close to a major deal, but it fell apart when the website FuckedCompany carried news that his only remaining engineer had defected. "We thought he was crazy to keep going," says former Scour CEO Dan Rodrigues, who now runs Kareo, a medical software startup that recently raised \$55 million. But, he adds, "we all believed that if anybody could do it, Travis could." Through little else but the sheer force of his personality, he landed an investor, Mark Cuban; rebuilt a team; signed up a real client in satellite TV provider EchoStar; and, finally, in 2007 sold the company to his much larger rival, Akamai, for \$23 million.

It had been a hard six years. "When you're in the dark, your prism for everything around you is, 'could this help the company?'" Kalanick explains. "And with your friends, you have to call favors from them, which is fine. But when you don't have many favors to give and there's enough failure stacking on top of failure, you get in this phase of loneliness." ("That meant not getting any girls, that's for sure," is how he once described it to a Chicago entrepreneurial conference.)

"Why didn't you give up?" I ask.

"You can't control who you fall in love with," Kalanick says. "She"—meaning the company—"was an abusive partner."

Kalanick came away from the experience with a profound sense of relief and also a bit of a problem with authority. One evening, he got into a confrontation with a nightclub bouncer who'd asked him to step away from the club. Kalanick complied but later refused, citing that the sidewalk was public space, and was arrested. Another time, when Kalanick had flown the seven-person RedSwoosh staff to Tulum, Mexico, for a work retreat, he got into it with a cab driver whom he believed was attempting to overcharge him. The dispute escalated, the driver reputedly tried to lock the doors, and Kalanick rolled out of the moving cab. (Writing about the incident online in 2010, Kalanick struck a philosophical tone, declaring his actions "wholly justified for anybody who values their physical freedom, and who may be scared of somebody who attempts to appropriate taxi rents through such physical detainment.") "Thinking back, it was amazing that happened," says Tom Jacobs, who was a RedSwoosh engineer. "This guy was going to disrupt the taxi industry."

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**"We're gonna head to Travis's house."**

It was Austin Geidt's first day at a tiny startup called Ubercab. She'd landed the job shortly after graduating from the University of California, Berkeley, in 2010, when the company consisted of four employees in a 10-by-10-foot cubicle. Geidt, an intense young woman with long blond hair and a powerful speaking voice, was supposed to be a marketing intern, but she spent most of her first day handling customer service requests. Ubercab's app had been built quickly by a team of freelance programmers hired by cofounders Kalanick and Camp, and as a consequence it was full of bugs that would sometimes send all the Uber cars in San Francisco to the same place. Around 3 p.m., Ubercab's CEO Ryan Graves, who'd gotten the job when he sent a cold Twitter message to Kalanick, announced that the entire team would be repairing to the Jam Pad.

"Who's Travis?" Geidt asked.

"He's pretty important for us to know," Graves responded.

A few minutes later they were in Kalanick's living room along with a few Jam Pad regulars. The meeting was only to decide the future of the tiny startup.

"What kind of brand do we want to be?" Kalanick asked.

A debate ensued that would last until past midnight. One person argued that Uber should focus

on luxury. "We're gonna do airplanes and helicopters. It's **luxury** all day, all night." Somebody suggested that Uber could advertise the service with images of attractive women in front of nightclubs.



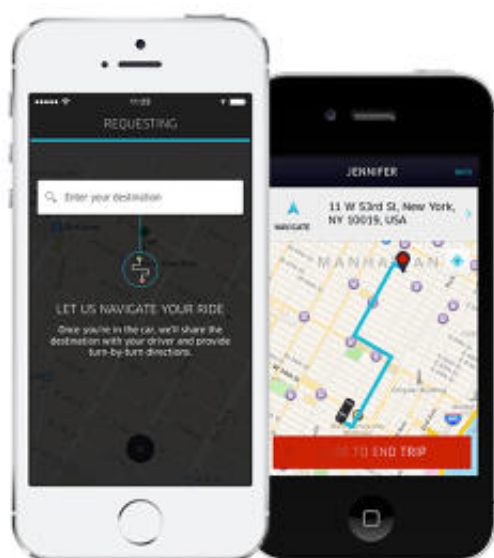
**Austin Geidt**, Head of global expansion and process; **59**: Number of countries where Uber operates. "Oh, it won't work here," Geidt recalls skeptics saying. "We were just like, 'All right, let's hit the gas.'"

Kalanick bristled. He was beginning to see Uber not as a "supercrazy freakin' small" premium product, but as a wild math experiment—the kind that a guy who once told a conference audience "I really love numbers" and who referred to himself as "*Rain Man*—analytical" could get excited about. In the early days, Camp and Kalanick assumed that they could disrupt the high-end limousine **business** by replacing dispatch services with an app. What they did not appreciate initially was the effect that low prices would have on the service. When Uber would have, say, three cars prowling around San Francisco, riders had to wait 20 minutes for a lift; but on weekend evenings, when 15 or 20 cars might be on the streets, wait times plummeted. In other words, as Uber got busier, it got better. Drivers made more money and passengers were happier. "I started to see how math moved the needle," he says. "Things clicked in my mind about how this could scale."

"I DIDN'T EVEN KNOW WHAT A LIBERTARIAN WAS," KALANICK SAYS. "BUT IT JUST SORT OF GETS REPEATED ENOUGH TIMES THAT IT BECOMES REAL."

The thing to do, Kalanick argued, was to make the service a low-cost accessible luxury. "If Uber is lower-priced, then more people will want it," he explains. "And if more people want it and can afford it, then you have more cars on the road. And if you have more cars on the road, then your pickup times are lower, your reliability is better. The lower-cost product ends up being more **luxurious** than the high-end one." Kalanick had been resisting Camp's overtures to become CEO, but it was this insight that got him excited: Uber could be huge.

All that struggle and setback from his first two startups set up Kalanick almost perfectly for what was to come. "If you looked at everything he's done, I don't think there was another human who was more destined to build Uber," says Angelo Sotira. "You had peer-to-peer networks, aggressive dealings, large lawsuits."



## UBER'S BIG BET #3: DRIVERLESS CARS

Although autonomous vehicles represent Uber's longest-term bet, research studies reveal that their potential to transform both Uber and our reliance on personal automobiles is profound. "When there's no other dude in the car, the cost of taking an Uber anywhere becomes cheaper than owning a vehicle," Kalanick said at a conference last year. "And then car ownership goes away."

80

Number of Chinese metropolitan areas with more than 5 million residents (there are nine in the United States)

8.5 TO 10

The number of traditional cars that each shared self-driving car can replace while still getting people where they need to go without long wait times for a ride

\$1.60

Cost per mile to own, operate, and park a personal car

\$0.41

Cost per mile to use a shared self-driving car service

\$0.15

Cost per mile to use a shared self-driving car service using one- to two-occupant vehicles

65

Percent fewer cars that are on the roads at peak hours in a city that has shared self-driving cars plus mass transit

23

Percent fewer cars that are on the roads at peak hours in a city that has shared self-driving cars but no mass transit

Sources:"Urban Mobility System Upgrade," International Transport Forum, 2015; "Travel and Environmental Implications of a Shared Automated Fleet, with Varying Levels of Dynamic

Ridesharing," University of Texas at Austin, July 2015

*Photo: courtesy of Uber*

The first battle came on the very day Uber's board formally named him CEO in late 2010. After the meeting, Graves, who became Uber's head of global operations, showed Kalanick a text he'd just received from Geidt: "FYI: people came looking for you with a clipboard with your face on it."

The visitors were process servers: Ubercab had been issued a cease-and-desist order by the city of San Francisco, which accused the startup of operating as an unlicensed taxi company. Uber's executives faced fines of \$5,000 per ride and 90 days in jail for every day they stayed in business. This wasn't going to add up to the **GDP** of Sweden, but it would kill the company nonetheless.

Kalanick, the Wolf, didn't flinch. He kept the cars rolling, dropped "cab" from the company name, and scheduled a meeting with the city's Municipal Transportation Agency to explain his position that Uber was not a taxi company but rather a **technology** service for independent drivers.

"Did Ubercab just crash and burn?" TechCrunch bleated when news leaked from anonymous taxi-industry officials who were apparently attempting to pressure Kalanick to make further concessions, or perhaps shut down. Instead, the opposite happened, as San Francisco's libertarian techies jumped to the company's defense. "Our sign-ups went through the roof," Graves says. "These debates attract a lot of attention."

Kalanick responded to Uber's new, controversial status by amping things up. He'd attended President Obama's first inauguration—and to this day is an avowed supporter of Obamacare—but to support Uber's growth, he took up the mantle of libertarian firebrand. He changed his Twitter avatar to the cover of Rand's *The Fountainhead*. In a Washington Post article he not only called *The Fountainhead* "one of my favorite books," but he also brought up *Atlas Shrugged*, suggesting that the regulatory hellscape conjured by Rand bore an "uncanny resemblance" to what Uber faced. When critics attacked Uber's so-called surge pricing policy, a system akin to the scheme used by airlines and hotels to raise prices when demand is high, the **CEO** who'd been fanatical about lowering prices began publicly mocking customers who complained. "I like pissing people off," he said in one interview. When asked about competitors, he said, "If you're sleeping, I'm gonna kick your ass."

Kalanick looked like an irrepressible jerk to many outside the company, but he was dynamite with the financial press, who portrayed him as the ultimate insurgent ("Silicon Valley's rebel hero," as *Fortune* put it). Venture capitalists fell hard for Kalanick, too. "Any time you're disrupting an industry, people are going to try to take you down," says Bill Maris, the president of Google Ventures. Maris says he started trying to invest in Uber as early as 2011. When he finally got his shot, in the summer of 2013, he gave Kalanick what amounted to a blank term



sheet and told him to name his price. "What's it going to take to get this deal off the table?" he asked.

Kalanick wanted more than \$250 million at a valuation of a little less than \$4 billion, a huge figure for a three-year-old company. Maris agreed to the deal on the spot.

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**On the fourth floor** of Uber's San Francisco headquarters, there is a two-foot-wide walking track, delineated by a stenciled pattern of the San Francisco city grid, running around the perimeter of the open-plan office. It's a quarter-mile long, and it's where you'll find Kalanick when his mind is in motion, which is to say pretty much all the time. In a typical week, he does 40 miles, or about 160 laps. "That's just how I think," he says, compulsively screwing and unscrewing a bottle of iced tea that he finished half an hour earlier.

Kalanick still seems, to borrow one of his favorite words, "fierce," but there is also something slightly cowed about him these days. Maybe it's his gray beard, or the way his shoulders slump when he sits, or how his hands seem to shake as he talks. He appears to be making an effort to smile as he meets me in Uber's main conference room, which is known as the War Room. He'd been hesitant to speak with me—hurt and angry, his friends tell me, by the barrage of negative press that has presented Uber as a malignant force. "I'm okay being seen for who we are, but it's not clear to me that's always what people have written," he says, almost meekly. "We'd prefer to just be helping people get from point A to point B, but when the company starts to succeed, in a city, or in a country, or around the world, you start to get brought into more and more of these political debates."

Kalanick started the conversation by diving into Uber's five "brand pillars"—grounded, populist, inspiring, highly evolved, and elevated—but he'd only named two before getting sidetracked, and didn't complete the set until I reminded him about it 90 minutes into the interview. Kalanick seemed to light up most when he learned that I was, like him, a former high school track - runner—he asked me my best time for the mile and deemed it "strong." When I brought up the question of Ayn Rand, Kalanick denied adamantly that he had any particular affinity for the books. "I didn't even know what a libertarian was," he says. "But it just sort of gets repeated enough times that it becomes real."

"PART OF BEING AN ENTREPRENEUR," KALANICK SAYS, "IS GOING TO PLACES THAT GO AGAINST THE CONVENTIONAL WISDOM."

This new, subdued Travis Kalanick who claims he'd never heard of a libertarian seemed to me a significant overcorrection from the badass antigovernment crusader he has played for the past few years—and also just one sliver of his actual personality. That in itself is telling. Kalanick is not the kind of person who clings to beliefs, or even a fixed sense of himself. "He has an inner circle who he opens up to, and then an outward personality and image he projects of a hard-charging disrupter who takes no prisoners," says a longtime friend. That duality, the friend says, "is part of why he's been successful."

According to friends and colleagues, the only ideology Kalanick subscribes to is contrarianism. "He really thrives when he can subvert the norm," says someone who has known him for more than a decade. Another coworker tells me that Kalanick likes "poking conventional wisdom in the eye." Kalanick's natural state, it turns out, is debate. When Uber's **CTO** Thuan Pham, then a VP at VMware, was interviewing for the job in late 2012, Kalanick called him every day for two weeks to quiz him on recruiting or how best to manage engineers. In all, they spent 30 hours talking. "We'd just hammer each other," recalls Pham, who came to the United States in 1980 as part of the exodus of Vietnamese "boat people," got into MIT, and eventually found his way to Silicon Valley. Kalanick, Pham says effusively, encourages his employees to disagree. "What Travis infuses in the company is that the best ideas win," he says. "You have to be willing to step on toes to make sure the idea is heard, and you're supposed to only be loyal to the idea, to the truth."



**Thuan Pham**, CTO; 30: New engineers hired each week, in pursuit of his goal of hiring 1,000 in 2015. "If we grew at half the speed we're growing, it'd be like a vacation," says Pham.

I witness this myself when Kalanick and I discuss China, one of his current obsessions and a place where his ideological flexibility has been an asset. "It's just different than everywhere else," he says, referring to Uber's recent expansion into the country. "And, so, you can't take

your pattern or your model for other places and take that to China. You just can't. You have to do it different." Kalanick has made numerous trips to the country to try to understand the quirks of Chinese transportation systems and its brand of government bureaucracy.

Some Silicon Valley founders pride themselves on being visionaries; Kalanick exults in an ability to read the data, revise, and adapt, likening running Uber to driving a car without a clear destination in sight. "You're going down the highway, and it's a bit foggy," he says. "You've got to keep your eyes on the road and your hand on the steering wheel. You can only see so far ahead. But if you keep solving interesting problems, you get somewhere you didn't expect." I found this admission refreshing in light of the absolute certainty that most CEOs project. It also felt like the most honest thing that Kalanick said during our entire interview, and the only time he really broke character.

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**Kalanick has brought** this kind of dynamic thinking to bear in every market Uber has entered, adjusting prices and product offerings, and, at times, molding his personality to fit a given city or business opportunity. When the company launched in New York in early 2011, Kalanick's - announcement struck a no-nonsense tone. "The folks who rock Uber value their time, they appreciate nice things with a taste of luxury, and loathe inefficiency," he wrote. A few months later, in crunchy, geeky Seattle, Kalanick sought to paint the service as utilitarian: "A big question I get here in Seattle is how we're going to get over the whole 'ewwww, you showed up in a Town Car?' Well, this isn't your father's black-car service." And in December 2011, in Washington, D.C., he touted the service's populist bona fides. "These big-time lobbyists, politicians, and government officials can afford their own private driver and maybe don't need Uber, but their staff definitely aren't allowed to expense that," he said.

This malleability, which Ryan Graves explains as a desire "to build a business that serves millions of people, not be slaves to a **brand**," makes sense given how idiosyncratic transportation can be. Each city's taxicabs have their own color scheme—yellow in New York, but beige in Berlin—pricing structure, and set of cultural norms. For years, Muscovites have used a modified hitchhiking system in lieu of cabs and, weirdly enough, so have some residents of the ritzier parts of Oakland and Berkeley.

That's why each Uber market effectively operates as its own startup. "Travis really wanted people who embedded in the fabric of the city," says Rachel Holt, who served as Uber's general manager of Washington, D.C. (and is now responsible for operations for the East Coast). Holt, who had been a product manager at Clorox (she oversaw the company's Hidden Valley vinaigrettes), was given an annual revenue goal—\$7 million—in her offer letter and told to do whatever she saw fit to attract drivers and riders in Washington. She cold-called limo companies, arranged to hand out \$10 Uber credits at corporate holiday parties, and organized a series of marketing stunts, including a Presidents Day "Ubercade" in which a handful of lucky riders were surprised with three-car motorcades, complete with actors in Secret Service garb. She hit her revenue goal within six months. "For the most part, we were left alone," she says.

Kalanick tends to micromanage certain parts of the business—pricing, for instance, as well as

recruiting—but the company's local general managers, who tend to be hustlers hired in his own image, are given wide latitude in figuring out how best to attract drivers and riders to the service. "I don't make decisions unless I'm all the way in the details," says Kalanick.

He expects everyone else to follow that example. Local staff members are allowed access to almost all of the company's data, meaning that a marketing manager in Jakarta can instantaneously call up the overnight revenue for Town Cars in London or look at what happened in Chicago when the company gave out free ice cream. "I always tell new GMs that you're an **entrepreneur**, but you have 300 A/B tests going on in cities around the world," Holt says. "You have the ability to say, 'Hey we figured something out that made this a little bit better, let's spread it.'?"

Of course, there have also been negative repercussions to this hands-off approach. In Lyon, France, a local general manager launched an Ubercade-like promotion in October 2014, but one with a misogynistic bent. "Who said women don't know how to drive?" an Uber Lyon blog post teased (it was promptly canceled). The following month, at an ostensibly off-the-record dinner with media power brokers, an Uber **business**-development lead suggested that Uber should fight back against bad press by investigating the personal lives of those who criticized the company. The news went viral almost immediately.

Kalanick was not the mastermind behind these blunders, but he had set the tone that produced them, including referring to his company as "Boob-er" in GQ magazine for its success in improving his luck with women, and his public declaration that Uber planned to "throw mud" at its critics.

The gaffes have been described by some as evidence of a morally rotten company, but they're more a symptom of Uber's wild growth. The company more than quadrupled the number of cities it served in 2014, and thoroughly eclipsed Lyft. (According to a September 2014 report, Uber was generating 12 times more revenue than its erstwhile peer.) Kalanick may be a data obsessive, but there's no metric to reveal precisely when you've won. His perception of himself and of Uber had not caught up with reality: He was no longer the young gun in a cowboy hat trying to make it happen; he and Uber were big-time. "Travis's views were shaped by getting his ass kicked over and over again," says Lukas Biewald, whose company, Crowd Flower, was born in Kalanick's Jam Pad. "He didn't realize he wasn't an underdog anymore."

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**Joe Sullivan**, Chief security officer; 4.81: Average driver rating (out of 5), up from 4.75 at the beginning of July 2012. *"I don't feel like we're in a competition with taxi," says Sullivan. "We're in a competition with me choosing to drive my own car."*

**To Kalanick's allies**, the dinner, and Kalanick's subsequent apology (via a tweetstorm), represents a turning point. It was the first time Uber had taken a punch without throwing one in return. "Bill Gates and Mark Zuckerberg went through something similar," says Uber board member Bill Gurley. "They were the young entrepreneurs who were allowed to kind of say



anything, and do anything, and then all of a sudden their companies had this kind of influence on the world. That responsibility gets thrown at you quickly." David Plouffe, the former Obama consigliere who now serves Kalanick in a similar role as Uber's chief strategist, compares Kalanick's response to the 2008 Obama campaign's rebound after losing the New Hampshire - primary to Hillary Clinton. "It seemed like the most devastating thing imaginable, but we ended up being stronger for it," Plouffe says. "Everyone understood that we are a really big, interesting company under the spotlight."

The first public unveiling of this Plouffe-ified Travis Kalanick—who now, Boob-er days behind him, lives with his girlfriend, the violinist Gabi Holzwarth, and their goldendoodle, Yobu—was at the company's five-year anniversary celebration this past June. The event was stage-managed like, well, an Obama campaign rally: A series of close supporters warmed up the crowd; a cast of camera-ready Uber drivers had been invited to be on hand, including a military spouse who introduced Kalanick; there were balloons. It was all impeccable, but for Kalanick's inability to replicate the president's soaring rhetoric. He read from a teleprompter, sometimes stumbling over words, and he kept a tight hold on the lectern. "I realize that I can come off as a somewhat fierce advocate for Uber," Kalanick said. "I also realize that some have used a different A-word to describe me." He barely mentioned the taxi industry at all in his speech, choosing instead to frame Uber in a grander narrative. "Uber isn't just the better choice for drivers and riders and commuters, it's the right choice for cities, and all the people who live there." The speech was good; the speaker looked miserable.

"It's not my natural state of affairs to have a scripted thing," Kalanick tells me. "When you're a startup guy, you have to be really lean and scrappy. But as you get perceived to be big, you can't have that same kind of scrappiness."

His word choice—*perceived*—makes me wonder if Kalanick sees Uber, which now books two million rides each day, as a big company or not. "Are you an underdog?" I ask.

Kalanick hesitates, as if he knows that the answer is no, but he wants it to be yes. "I mean, we're an underdog in China, right?" he says. "The thing is, how do you build a company where you'd still feel small, even as you get bigger?"

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**Riadh Cherifi**, Driver; 2 million: Number of Uber trips each day. "Uber changed the whole way of doing business," says Cherifi, a San Francisco livery cab driver who joined Uber in 2010. The app, he says, provides "instant clients."

**Kalanick's answer to these questions** is a series of audacious initiatives, including a major push into China and other new markets and investments in Uber's core offering that could eventually move it even further away from its roots in limousines and **luxury**. Over the past year, he has been throwing money into UberPool, a new service that pairs up riders on the same route and charges them a reduced price. I found the experience of buddying up with a total stranger a little weird the first few times, but in San Francisco the offering now accounts for 50% of trips, thanks to big discounts for riders who pay \$7 or less to go anywhere in the city center regardless of how much the trip actually ends up costing Uber.

Kalanick made UberPool the centerpiece of his five-year anniversary speech, teasing a future of the "perpetual ride," when drivers always have at least one passenger in their car. "Two people taking a similar route are now taking one car instead of two," he said. "Not only is it much less expensive than taking a cab or owning a car, it has the potential to be as affordable as taking a subway, or a bus, or other means of transportation. And that's what we believe is the real game changer." Kalanick tells me that Uber might one day expand UberPool to include buses, which

he calls "the ultimate carpool machine."

What's perhaps most surprising about Uber Pool, which Kalanick began exploring as a possibility in 2013, is how quickly the initiative took shape once he decided to go for it. Pham, Uber's CTO, tells me that the company launched the service in just two weeks. Uber is now expanding carpools to New York, Paris, Los Angeles, and Boston, again offering big subsidies to entice riders to try it out. It's been slow-going and expensive, Kalanick admits, but he's willing to invest money to push his big idea in cities where the communitarian spirit doesn't come as easily as in San Francisco. "You have to induce people to do it at the beginning," he says.

That's just the start of the company's efforts to reinvent public transportation. Earlier this year, Uber reportedly poached dozens of members of the Carnegie Mellon University robotics department for a driverless-car initiative that could one day make its services much cheaper and more efficient. In the near term though, the move represented a significant expense. Uber doubled researchers' salaries and offered six-figure bonuses to the defectors. It also antagonized some drivers, whom Kalanick has gone to great lengths to court with promises of flexible, dependable work. "We need to make sure that we are a part of the future," says Kalanick of autonomous cars. "You can't call yourself a **technology** company if you're resisting technological progress."

A few months later, Kalanick again found an opportunity to play the insurgent when he announced that Uber would be expanding its efforts in China, a market currently dominated by Didi Kuaidi—a merger between the two largest local players and backed by the Asian tech giants Alibaba, Tencent, and Softbank. As of this summer, Uber has cars on the road in 15 Chinese cities with plans to be in 50 next year. The results so far have been astonishing: In just nine months, three Chinese cities (Chengdu, Guangzhou, and Hangzhou) have each already accounted for more rides than New York.

In a letter leaked to the *Financial Times* in June that detailed Uber's growth in China, Kalanick told investors that he was "personally overseeing" Uber's local expansion in the country and identified himself as "**CEO, UberChina.**" And then, just a month after that, Kalanick announced that Uber would invest \$1 billion to grow its business in India.

These moves are risky, and Kalanick's persistent impulse to bet big has been expensive. Uber has raised more than \$8 billion to date. It'll need more, most likely, as recently leaked financing documents show that it is losing more than a dollar for every dollar it takes in. Uber claims to be profitable in dozens of markets, and it could close this shortfall if Kalanick were willing to focus on generating profits in the company's most mature cities, but that's not how **Uber's CEO** rolls. Bill Gurley compares Kalanick to Jeff Bezos, and it seems likely that Uber will follow a path similar to **Amazon**, relentlessly pushing to keep prices low while expanding—at the cost of short-term profits.

All of this probably should scare Kalanick. Instead he seems to welcome it, telling me that he sometimes fantasizes about relocating to China. "That's where the action is," he says. "There are certain things in life where you have to go for it—just for the sheer adventure of it, and also

for the potential," he says, his eyes widening. "Part of being an entrepreneur is going to places that go against what the conventional wisdom might say. And when you win, well, you've won, right?"

At Granada Hills High School, in another Valley and another time, the teenage Kalanick specialized in the long jump and the quarter-mile. He was never the fastest guy on the team, but he was the perfect kid to run the anchor leg on the school's 4-by-400-meter relay, because he ran best when he ran from behind. "I would put it all in," he tells me. "Leave it all on the field." A photo from his senior yearbook, the only one of Kalanick besides his class portrait, shows him lunging forward, his front leg kicked out far ahead of his slender body, his face contorted in a striving grimace.

He has always been this way. Now Kalanick must learn how to run from the front.

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[Photos: [ioulex](#); Grooming: [Amy Lawson](#) at Artist Untied]