Driving for Better Financial Planning

CLIENT : Uber

INDUSTRY : Transportation and Logistics

Background

Ride-hailing pioneer Uber has expanded rapidly since its birth in 2009, when founders developed an app to request premium black cars in a few metropolitan cities. Today, the company is dedicated to offering its workforce of drivers around the world a flexible way to earn money and to helping strengthen local economies, improve access to transportation and make streets safer.

Challenge

As a private company, the company isn't required to report its finances publicly, but it announced in 2017 that it had more than doubled gross bookings in 2016 to $20 billion, with a net revenue of $6.5 billion and adjusted net losses of $2.8 billion.[1] By 2017, the company's business lines had expanded to include food delivery and a self-driving car division testing fully autonomous cars. With drivers in more than 630 cities across 90 countries and more than 5 billion trips under its belt,[2] budgeting and planning was becoming increasingly complicated.

The role of financial planning and analysis is a key one, with professionals charged with tracking, assessing and reporting financial performance of the organization to help support executive decision-making. Financial planners typically evaluate the cost-efficiency of each department and map out the company's financial future. They rely on the ability to access information from internal systems, departments and functions as they analyze data, consolidate budgets, and map out plans for growth.

Solution

PK built an enterprise global financial planning model used by its corporate financial planning and analysis team and more than 150 city managers. PK created a web portal that city managers around the world could use to forecast and review profit and loss statements (P&Ls) for their cities, regions or specific products. The PK team also enabled budgeted vs. actuals reporting and geography-based P&Ls for all cities and automated the allocation of global costs to each city.

The end result was a model and capabilities that enabled the company to better understand the budgets and actuals at both the micro and macro levels, unlocking the ability to create more accurate, reliable forecasts and plan for the future.

[1]
https://www.bloomberg.com/news/articles/2017-04-14/embattled-uber-reports-strong-sales-growth-as-losses-continue

[2] https://www.uber.com/newsroom/company-info/