

UBER

Crisis inside the 'cult of Travis'



By Leslie Hook

For Travis Kalanick, Uber's chief executive, "stepping on toes" is a good thing. In fact, at a lavish company retreat in Las Vegas two years ago he listed this as one of Uber's core values - along with slogans such as "always be hustlin'" and "let builders build".

His hard-nosed attitude has helped propel the ride-hailing business to a global company over the past seven years. With a valuation of USD70 billion, Uber is bigger and wealthier than any other start-up in Silicon Valley history. Mr Kalanick's swagger has come to define the company, for better and for worse.

"Uber is what it is because of him," says Bradley Tusk, an early investor and adviser. "It wouldn't be as valuable without him."

However, a series of crises in recent weeks has challenged that calculation, raising the question of whether Mr Kalanick has stepped on too many toes and hustled too hard - and whether he has the maturity to guide the company towards a public listing.

Amid a mounting consumer back-

It is not only Kalanick's leadership that is under fire, but also his values, which are hard to separate from Uber's

lash and criticism from investors about Uber's "toxic" culture, Mr Kalanick said this week he was looking to hire a chief operating officer, someone who could be a "partner" and a "peer". The implication was clear: the 40-year-old chief executive needed someone like Sheryl Sandberg, Facebook's chief operating officer, whose experience helped balance out the shortcomings of a young Mark Zuckerberg in the years before the social network went public.

The crises began last month, when a former Uber engineer went public with her account of sexual harassment and rampant sexism inside the company. Susan Fowler described how the human resources department ignored her complaints, which included being propositioned by her boss. Mr Kalanick said the events

described by Ms Fowler were "abhorrent and against everything Uber stands for" and set up a task force to investigate.

Since then it has been one unpleasant surprise after another. Alphabet, Google's parent company, sued Uber over allegations of stealing trade secrets and intellectual property related to self-driving cars. An embarrassing dashcam video of Mr Kalanick berating an Uber driver went viral, prompting him to apologise. Two executives have left the company in the past few weeks, and its top artificial intelligence researcher departed on Wednesday. Meanwhile the revelation of Uber's secret Greyball programme, which it used to mislead law enforcers about the location of its cars, sparked an outcry from public officials.

As Uber has lurched from crisis

to crisis, Mr Kalanick has tried - not for the first time - to show that he is turning over a new leaf. "I must fundamentally change as a leader and grow up," he wrote in an email to staff last week, following the publication of the driver video. "I need leadership help and I intend to get it."

Hiring a respected chief operating officer would help mollify investors, most of whom have rallied around Mr Kalanick despite the recent missteps. "I'm encouraged that Travis is owning the issue and quickly taking action," says Jason Calacanis, an early investor in Uber. "A world-class COO would be able to shoulder a lot of the work on Travis's shoulders, giving him some room to breathe and grow."

However other people who have worked with Mr Kalanick say it would be difficult for him to share power. As chief executive since 2009, Mr Kalanick is used to having total control, and is known for jumping from team to team to help deal with the problem of the moment. At least one shareholder is concerned that Mr Kalanick may not be the right person to lead the company to-

wards an initial public offering.

"It is time for him to step back and continue to be innovator-in-chief and problem-solver-in-chief," the shareholder says, "but let a grown-up be CEO."

Shareholders also expressed worries about Mr Kalanick's aggressive leadership style, saying his deputies are too deferential.

"He clearly has developed a cult of Travis and that ultimately becomes very destructive," says one of the shareholders. "He has got to change the culture, and the way to do that is putting people in place who are not afraid to speak up and have the authority to make changes."

It is not only Mr Kalanick's leadership that is under fire, but also his values, which are hard to separate from those on which Uber is built. The company has 14 principles, which include being "super-pumped", having a "champion's mindset" and not shying away from "principled confrontation".

Mr Kalanick has long nursed a flirtation with objectivism, the philosophy of self-reliance developed by Ayn Rand. He once used the cover of her book *The Fountainhead* as his Twitter profile picture, and said it was one of his favourite works of literature.

Ms Rand's glorified portraits of the entrepreneur undoubtedly appeal to Mr Kalanick, who got his start founding two smaller companies that struggled for years (one went bankrupt). Those experiences left him battle-hardened and hungry, with a start-up mindset that often serves him well. When he is speaking in public, or pepping up employees at an all-hands meeting, Mr Kalanick, who is known as "TK" inside the company, pounds home Uber's ambitious mission statement: to provide transportation as reliable as running water, everywhere for everyone.

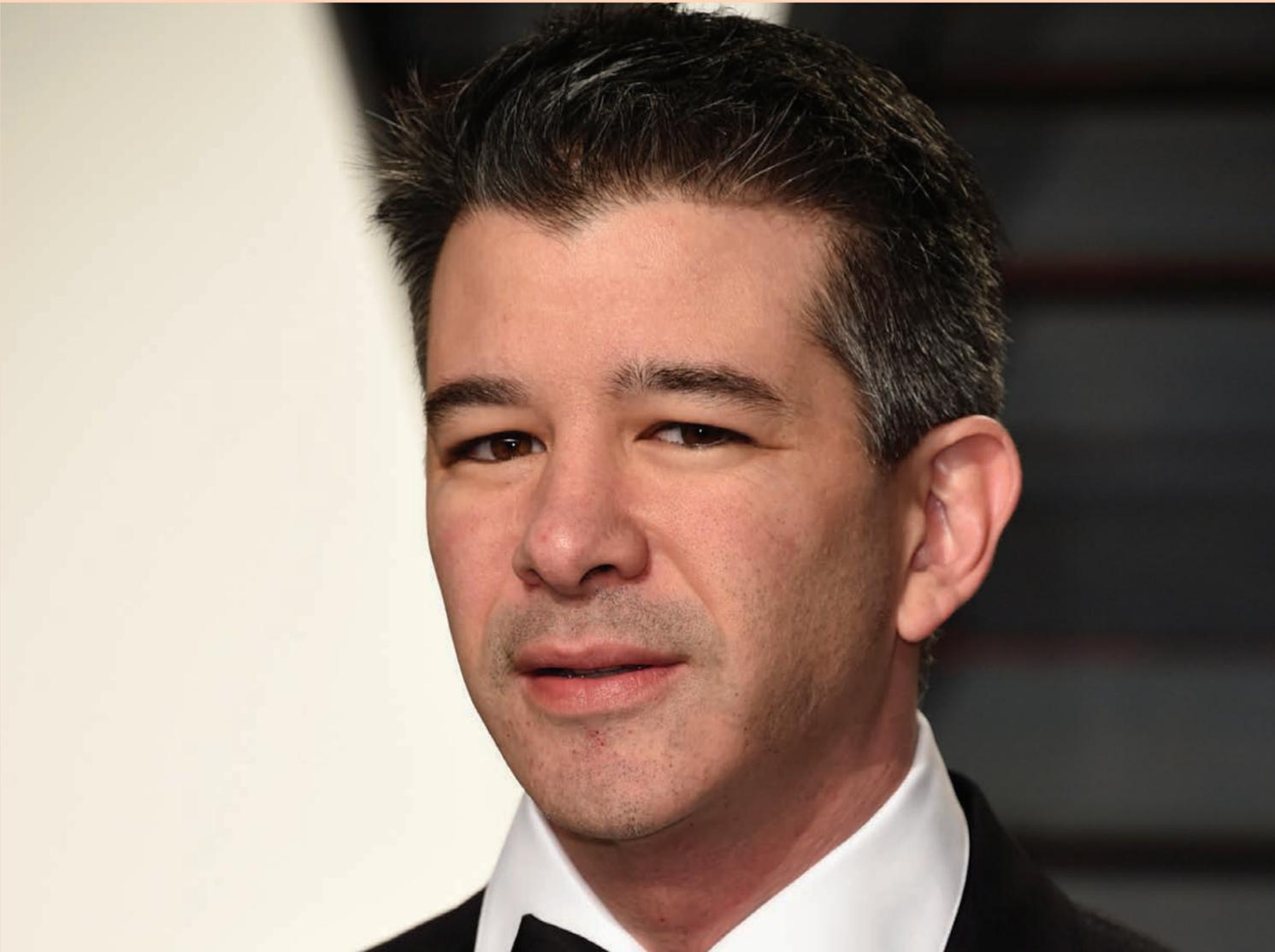
But he has also created a workplace at Uber that is extreme, even by the standards of US tech start-ups. Former employees interviewed by the Financial Times talk about gruelling work hours and a dog-eat-dog ethic reminiscent of the worst excesses of Wall Street.

"When I joined it was like walking into a buzzsaw. It was a hostile culture," says a former employee who spent seven months at Uber. The company's rapid growth created leadership vacuums, he says, and workers often withheld information from each other in their efforts to get promoted. Ms Fowler, the engineer who went public with her account of harassment, described Game of Thrones-style political intrigues. "It was an organisation in complete, unrelenting chaos," she wrote on her blog.



Uber: Crisis inside the 'cult of Travis' (continued)

AP PHOTO



Uber CEO Travis Kalanick

Recruiters say Uber's workplace is not for everyone, although some people thrive in its highly charged environment. Guillaume Champagne, president at SCGC executive search, says Uber and Airbnb represent the extremes of Silicon Valley's cultural spectrum.

"Uber is high-octane, male, performance-driven. Airbnb is predominantly female, very mission driven and less focused on short-term

performance," he says. "Most tech companies fall somewhere in between."

People who have worked at Uber describe an extremely competitive workplace that would not be out of place in a Rand novel.

"There is very much that culture of, if you fail it is your fault," recalls a former employee. "You alone are responsible for your success or failure."

This view extends to Uber's drivers, who are not employees but independent contractors - a fact some blame for difficulties making ends meet once they have paid their vehicle expenses. The dashcam video shed an unflattering light on this. "Some people don't like to take responsibility for their own shit. They blame everything in their life on somebody else," Mr Kalanick yelled at the driver, who had just told him

he is bankrupt because of Uber. The Uber chief executive later apologised and said he was ashamed of the outburst.

Uber's win-at-all-costs mentality has damaged ties with regulators around the world, most recently after the Greyball revelations. Under the programme, Uber would identify users who might be rivals or enforcement officials, and show them a fake version of its app whenever they tried to order a car. In new cities where Uber was not yet legal, Greyball could help thwart any potential sting operation.

Uber announced last week that it was reviewing the programme and that employees are now banned from using Greyball to target regulators, but the revelations gave fresh ammunition to critics who say Uber is unscrupulous.

Most of Uber's recent controversies have been a direct result of the culture Mr Kalanick has built, leaving many to ask whether he can really dig it out of its difficulties. The task of restoring morale and rebuilding his own reputation will be nothing short of heroic.

The clock is also ticking for an eventual IPO. Mr Kalanick has never expressed any particular desire to go public - in fact he has said that he wants to delay an offering as long as possible - but investors had hoped it might come in the next year. Now, some say privately that they hope it does not happen until 2019, because it will take the company that long to recover.

One shareholder says some investors recently had conversations

about the company directly with Uber's founder Garrett Camp, who is a significant shareholder. Those conversations did not include Mr Kalanick. Mr Camp did not respond to a request for comment.

Even if investors decided they wanted to oust Mr Kalanick, that could be a challenge. Mr Kalanick and two of his allies, Mr Camp and Ryan Graves, senior vice-president, control a majority of shareholder votes. The shares issued during Uber's earliest rounds of fundraising have super-voting rights of 10 votes per share.

Kalanick has created a workplace that is extreme [...] Former employees talk about gruelling work hours and a dog-eat-dog ethic

Moreover, the recent crises have had only a limited impact on the company's business. Uber's rapid growth, with revenues tripling to \$1.7 billion for the third quarter of last year from a year earlier, has a way of making its public relations crises seem secondary.

After the sexual harassment allegations last month, Uber's market share in the US fell only slightly, according to research from TXN, a consumer analytics group. (The #deleteUber campaign in January, launched in response to Mr Kalanick's shortlived role on President Donald Trump's business advisory council, had a bigger impact.) Last week Uber drivers completed a record number of trips in the US, according to a person close to the company.

Mr Kalanick may be a ruthless man who has built a ruthless company, but until recently it was hard to argue with his success. "If I didn't do the things I did, we would have been beaten, I promise," he says to the driver in the dashcam video, before their argument begins.

But pushing the boundaries this way would not be tolerated as well by investors in a publicly traded company. A chief operating officer might put Mr Kalanick on a shorter leash but employees do not see him changing.

"Everyone knows what TK is really like," says a former employee, using Mr Kalanick's nickname. "Even if he comes back with crocodile tears, it has happened so many times everyone knows how he really feels."

Alphabet suit takes aim at Uber's long-term strategy



In this Dec. 13, 2016 file photo, an Uber car in driverless mode waits in traffic during a test drive

Of all the recent controversies at Uber, investors are most concerned about the impact of the Alphabet lawsuit. Uber's long-term strategy revolves around a future in which self-driving cars provide a ubiquitous transportation service, and the company has invested heavily in autonomous driving research. But the lawsuit, if successful, would threaten that programme.

In the lawsuit Waymo, Alphabet's self-driving car unit, accuses Uber of trade secret theft, patent infringement and unfair competition. Uber says the case is "baseless" and

that it will fight the case in court. A decision on Alphabet's request for a preliminary injunction could come within weeks.

At the heart of the lawsuit is Otto, an autonomous trucking start-up that was founded by four former Alphabet engineers and bought by Uber for more than \$600 million last year. Alphabet alleges that Anthony Levandowski, one of Otto's co-founders, along with two other unnamed employees, downloaded thousands of documents that included trade secrets and blueprints for radar designs while he was an employee.

"What strikes me about this lawsuit is that the allegations are incredibly specific," says Tyler Ochoa, a law professor at Santa Clara University. "It is difficult for me to imagine that they would commit to such specific allegations in writing if they didn't have good evidence," he adds.

The lawsuit complicates an already complicated relationship between Uber and Alphabet, which became one of Uber's biggest outside shareholders when it invested \$250 million in the company in 2013.

In the years since, the two companies have become competitors, as Alphabet started offering transportation services such as carpooling, and Uber moved into self-driving cars. Last year David Drummond, Alphabet's chief legal officer, resigned from Uber's board, citing the growing conflict of interest.



People queue to get new passports and other documents



Venezuelan passport

Escape from Venezuela: Passports vanish when they're needed most

By Andrew Rosati

JOEL Bustamante was fed up with the soaring cost of living and the shootouts and petty crime in his working-class Caracas neighborhood. He was ready, he decided, to do as so many of his fellow Venezuelans have done and flee the crisis-torn country. He lined up a factory job in Chile, bought a one-way plane ticket and packed his bags.

All he needed was a new passport. He ordered it six months before his scheduled flight. Plenty of time, he was told. But days of waiting turned into weeks, then months. To this day, eleven months after that flight left for Chile without him, Bustamante, a 24-year-old cab driver, continues to wait.

"I'm in complete disbelief," he said. "If not for this mess, I'd be gone."

Of all the shortages that plague Venezuela today - of food and medicine, even money - the lack of passports is in some ways the cruelest. For sheer hardship, it can't match the kind of suffering inflicted by a scarcity of, say, drinking water or high-blood pressure pills, but it has the surreal ef-

fect of making people feel like they're trapped, like they're prisoners in their own dysfunctional land.

Hundreds of thousands are marking time, as the passport emergency slows down an unprecedented exodus. Ever since the late socialist leader Hugo Chavez's interventionist policies sank the economy into full-blown crisis, Venezuelans have been leaving in droves. They land in neighboring Panama or head north to the U.S. or try their luck in Spain.

The government doesn't publish such statistics, but Tomas Paez, author of "The Voice of the Venezuelan Diaspora," estimates close to 2 million have left in the past 18 years.

That may not seem to be much when compared to nations like Colombia or Mexico, but Venezuelans, it should be noted, were never migrants on any kind of meaningful scale prior to Chavez's ascension in 1999. Blessed with the world's largest oil reserves, the country was for decades one of the region's richest. There wasn't really any need to leave. If anything, the country was a recipient of immigrants, from Colombia and elsewhere in Latin America but also from Spain and Italy and Portugal.

President Nicolas Maduro's government has acknowledged the passport problem, and last week launched a new "express" online option that offers to deliver one within 72 hours for more than double the standard price. It's unclear how many have managed to try the expedited process; the website's been crashing.

The reason the passport agency, known as Saime, has given for the shortfall is that it doesn't have enough "materials." It might be the government just can't afford to buy all the paper it needs. Phone calls and emails to the agency and the Interior Ministry weren't returned.

On some days, hundreds queue up outside Saime's headquarters in Caracas, arriving as early as 5 a.m. Even for those with more mundane reasons for wanting a passport - to visit family or take a vacation - the process can be excruciating.

Sofia, a 58-year-old retired school teacher, has taken four 100-mile bus trips from the city of Valencia to Caracas in her quest to be in Spain for the birth of a grandchild this month. The last time she asked if the elusive materials

had arrived, she said, "they practically laughed in my face, saying, 'Don't you realize this is Venezuela?'"

Scores are stuck abroad too. "Basically, I'm imprisoned in Canada," said Elena, 43, who is a legal resident there and has been trying for two years to renew her passport so she can travel with her two children; like many interviewed she asked that her last name not be used.

Of 1.8 million passports requested last year, as few as 300,000 were supplied

The wealthy can often grease some palms to finagle a way around the famine of goods. That appears to be the case with passports, with fixers who have connections or officials themselves willing to expedite the process for the equivalent of several hundred dollars, or more. Most of Venezuela's 30 million residents can't come up with that kind

of money: The monthly minimum wage, plus the food vouchers the government gives to all, equals less than USD30 on the black market.

The head of Saime, Juan Carlos Dugarte, appeared on TV last month to announce the government had cleaned up illegal activities at the agency and to promise Venezuelans that demand for passports would be met. Eventually, that is. "If you do not need to travel soon, wait for your turn and your travel date," Dugarte said. "In the meantime, don't do it."

Of 1.8 million passports requested last year, as few as 300,000 were supplied, according to Anthony Daquin, a former adviser to the Interior Ministry. Luis Florido, an opposition congressman, puts the current deficit at 3 million.

Waiting outside Saime headquarters before dawn, Jose Azuaje, a 36-year-old office manager, said he applied nearly four months ago for papers for his asthmatic son. Desperate to have him treated in Colombia, he returns again and again for fresh word on his request.

"You can't do anything," a bleary-eyed Azuaje said. "You're trapped." **Bloomberg**

Despite poaching, South Africa plans for rhino horn trade



By Christopher Torchia

SOUTH Africa's government is moving ahead with plans to allow a domestic trade and limited export of rhino horns, alarming many international conservationists who believe rhinos will be more vulnerable to poachers who have killed record numbers in the past decade.

Draft regulations would allow a foreigner with permits to export "for personal purposes" a maximum of two rhino horns. Critics argue that any

exported horns would be hard to monitor and likely would end up on the commercial market, defying global agreements to protect threatened rhino populations.

Most of the world's rhinos live in South Africa. An international ban on trade in rhino horns has been in place since 1977, and South Africa imposed a moratorium on the domestic trade in 2009, when rhino poaching was accelerating to meet growing demand for horns in parts of Asia, especially Vietnam.

South Africa's government has lost court battles to preserve the 2009 ban, which was challenged by rhino breeders, and has leaned toward trade, backing a failed proposal by neighboring Swaziland at a U.N. wildlife conference in Johannesburg last year to legalize the international sale of rhino horn.

A 30-day period during which the public was invited to express opinions about the draft legislation on rhino horn trade ended Friday, the Department of Environmen-

tal Affairs said.

"The comments will be evaluated, the draft regulatory provisions will be revised based on the comments received, and the process for approval of the final legislation will be set in motion," the department said in an email to The Associated Press.

A foreigner who takes rhino horns out of the country must do so through O.R. Tambo International Airport in Johannesburg and cannot carry them in hand luggage, according to the draft provisions. They say authorized freight agents must provide authorities with DNA data and other information related to exported horns. Skeptics believe the system would be open to corruption.

Some consumers in Asia believe rhino horn in powder form can cure illnesses, although there is no evidence that the horn, made of the same substance as human fingernails, has any medicinal value.

Critics say legalization will spur poaching as illegally obtained horns are laundered into the legal market, similar to the exploitation of elephant ivory. Rhino breeders, however, believe poaching would be undercut by a regulated trade, which likely would allow the sale of horn stockpiles and the harvesting of horns from living rhinos.

The poaching is not confined to South Africa. This month, a 5-year-old white rhinoceros was shot three ti-

mes in the head by poachers who broke into the Thoiry Zoo near Paris and used a chain saw to remove the rhino's horn.

"Banning the trade in horn has made the horn more and more and more valuable. Had we never banned it, the price of horn would never have got to where it is now," said John Hume, a rhino breeder in South Africa. "And that Parisian rhino would have been safe in its zoo because its horn would have been worth a fraction of what it is."

Hume described South Africa's draft legislation on the domestic rhino horn trade as "a step in the right direction."

But Allison Thomson, a South African campaigner against legalization, said putting rhino horns on the market would increase demand and that South Africa is sending "conflicting messages" about how to deal with poaching, jeopardizing its lucrative wildlife tourism.

"The risk we run at the moment is that if we open up trade and poaching escalates we will have no rhinos in the wild. We will only have rhinos on farms, being farmed like cows," Thomson said.

Poachers killed 1,054 rhinos in South Africa last year, a 10 percent drop from 2015, according to the government. While authorities attributed the decrease to increased security and other anti-poaching measures, some conservationists speculate that there are fewer rhinos to kill. Drought also killed some rhinos in the past year.

By some estimates, South Africa has nearly 20,000 rhinos, or 80 percent of Africa's population. Asia has several rhino species, including two that are critically endangered. **AP**

ASK THE VET

by Dr Ruan Du Toit Bester



6 TYPES OF CANINE DERMATITIS

Canine dermatitis is a general term for common canine skin infections. This condition is quite common and plagues dogs of all breeds and ages. Here are six common types of dog dermatitis:

Canine Atopy

Canine atopic dermatitis is also known as allergic dermatitis or canine atopy. This condition develops from allergens in the environment such as grass, pollen, fleas and dust mites. Dogs with atopy will often scratch, rub, lick, chew and bite different areas of their skin causing redness and sometimes hair loss.

Acral Lick Dermatitis

Canine acral lick dermatitis, sometimes called lick granuloma, occurs due to the conti-

nuous licking of a specific area. This area will become infected eventually.

Contact Dermatitis

Canine contact dermatitis occurs when the skin comes into contact with an irritant. Common causes are household chemicals such as bleach and carpet cleaners, fertilizer and even flea collars. The exposed skin will become red and itchy.

Sarcoptic Mange

Canine Sarcoptic Mange is caused by the *Sarcoptes* mite. This condition is extremely irritating and usually affects the ears, abdomen, legs and chest of the dog.

Pyotraumatic Dermatitis or Hot Spots

Hot spots are caused by bacteria normally



found on the skin and occur when your dog incessantly scratches and chews the area. The area will look painful, red, moist and hairless. This condition is more common in hot, humid weather and can be triggered by any allergen.

Flea Allergy Dermatitis

Canine flea allergy dermatitis is exactly what it sounds like, an allergic reaction to a flea bite. More specifically, the saliva of the flea causes this condition. Dogs with this aller-

gy will constantly itch and may develop hot spots.

Hope this info helps
Till next week
Dr Ruan

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