

Alibaba mega IPO caps founder Jack Ma success tale

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In this Sept. 15, 2014 file photo, Alibaba Group founder and Executive Chairman Jack Ma waves to reporters before an IPO road show at a hotel in Hong Kong. When Jack Ma founded Alibaba 15 years ago he insisted the e-commerce venture should see itself as competing against Silicon Valley, not other Chinese companies. That bold claim from a time when China was still a corporate backwater has been vindicated by Alibaba completing a mammoth sale of shares to investors in the U.S. and elsewhere. The shares start trading in New York on Friday, Sept. 19, 2014. (AP Photo/Vincent Yu, File)

When Jack Ma founded Alibaba 15 years ago he insisted the e-commerce venture should see itself as competing against Silicon Valley, not other Chinese companies. That bold ambition from a time when China was still a corporate backwater has been vindicated this week by Alibaba completing a mammoth sale of shares to investors in the U.S. and elsewhere.

Charismatic by the gray standards of Chinese CEOs, the elfin Ma is nicknamed "Crazy Jack" and is seen as China's version of Steve Jobs, Jeff Bezos or Bill Gates. Ma used his entrepreneurial wits to build up an e-commerce giant in stark contrast to the state owned companies that became behemoths because of Communist Party policies and ties to the political elite.

The [initial public offering](#), which will raise as much as \$25 billion, cements his position as one of China's richest people. Ma will reap \$867 million by selling 12.75 million shares and will still retain a nearly 8 percent stake worth \$13.1 billion based on the \$68 a share price that Alibaba announced Thursday. The shares start trading in New York on Friday.

A former English teacher who flunked his college entrance exam twice, Ma founded Alibaba in his apartment in 1999 with 17 friends. He wasn't shy about his global ambitions, telling them in an early meeting that year that "our competitors are not in China but in America's Silicon Valley," according to a scene in the recent documentary "Crocodile in the Yangtze." He said that when it comes to software and information, "Chinese brains are just as good as" American brains.

Ma settled on the company's name because it could be easily pronounced in almost any language. The company started as a site to link Chinese manufacturers with buyers overseas and is now an e-commerce behemoth that's expanded into banking, digital maps and online video.

Ma, 50, stepped down as CEO last year to focus on philanthropy but remains chairman and an important figurehead for the company's 21,000 employees.

An enthralling speaker, Ma also enjoys performing at annual company meetings called Alifests. To mark the company's 10th anniversary in 2009, some 16,000 staff gathered in a stadium were treated to a performance by Ma dressed as a punk rocker.

As a boy, he improved his English by volunteering as a tour guide in his hometown of Hangzhou, a picturesque city near Shanghai. He earned an English degree after passing the college exam on the third try. He taught at a local college, then set up his own translation company but moonlighted as a street peddler, hawking flowers, books, flashlights and clothes, to balance the books.

Ma's path to internet retailing dominance began with a business trip to the United States in 1995 that went sour after the investor he was to meet turned out to be con man. Before he returned, he met contacts in Seattle who introduced him to the World Wide Web. His search for beer turned up nothing from China, leaving him with the kernel of an idea for a website devoted to things Chinese.

Ma partnered with a state-owned enterprise to start a Chinese version of the Yellow Pages that was Alibaba's precursor. The venture ended with a falling out and he later founded Alibaba in Hangzhou.

The company launched retail website Taobao in 2003 to compete with eBay in China. Ma was unfazed about going up against the U.S. giant, famously saying, "Ebay is a shark in the ocean. We are a crocodile in the Yangtze River. If we fight in the ocean, we will lose. But if we fight in the river, we will win."

Ebay shuttered its China site in 2006, a major victory for Ma.

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