

Remarks by Jack Ma at NVIDIA Auditorium at Stanford University on May 4, 2013

Jack Ma's remarks were made in Mandarin. This transcript has been lightly edited.

Two years ago I came here. Last time I made a speech in English, so today I'm going to speak in Chinese.

I'm very grateful for the support from Stanford and everyone. So yesterday, actually I participated in this TMZ event in Los Angeles. These are the last few days of my being the CEO, so probably this may be the last event I'm going to attend.

So I feel that today's event is really significant. I have seen a lot of old friends, some of the friends have been with us for more than ten years.

So while I was sitting with the audience I was reflecting upon the past, I feel this era is significant.

Actually Dr. Wang just shared with us an anecdote. That was a real story. In 1995 or 1997, I was riding my bike to work and I saw actually some people were trying to steal stuff. They were small in stature. What I did is started running around to see whether I would see a policeman. You know in 5 minutes I wasn't able to find the policeman.

I remembered that a kid actually fell into the hole so I thought that somebody had to stop them. So they look at me and they charged ahead; they thought I was going to run away. I don't know where I found courage but I said those people are thieves and those thieves should be stopped.

I saw that I was being videotaped and I realized actually I was on TV, so it was just a test. And then I realized I was the only person who passed the test in Hangzhou because nobody else tried to intervene. So I thought that it was really meaningful. If you didn't really take action to make a change, then the world is irrelevant. If you participate in the action, then you really make your life more meaningful.

So actually the Hangzhou TV station broadcasted this event. So everyone was saying Jack Ma was a bad guy, the person trying to steal the stuff looked like nice people.

And actually that was the first time I appeared on TV. I didn't have any experience, and then when it comes to the second time I appeared on a TV station was when CCTV interviewed me. I approached lots of ministries in China to help give them get access to the Internet, but I got declined. I remember that actually the producer of CCTV said, "we have to censor this because Jack Ma looks like a bad guy and it wouldn't have a positive influence."

So nobody said I was capable, nobody said I was smart. Nobody said that I would be a very capable person that would do something significant or meaningful in the

future. I'm really curious why I would be able to come along such a long way and be able to still be so healthy.

I think since I started back in 1994 or 1995, I have to say I'm the first one to do e-commerce. Earlier than [unintelligible]. When he had written something I had actually started my business six months earlier. He probably can't recall this, but while I was in Beijing—and of course he had an office building for himself—I spoke with him for half an hour and said that the Internet is promising but the opportunity is not in his business.

I know that the thing that you have to do is to live longer than other people. Over the past few years I feel that I have been developing so fast, I've achieved so much, I've been doing so much and that's because of the fast development of the Internet and because of the support from my friends. And Silicon Valley has given me lots of inspiration.

Back in 1995, I felt I was a loner, everyone thought that I was a cheater—that I was just trying to make something out of nothing.

I knew nothing about technology, but every time I came to Silicon Valley, on weekends I would see cars fill each and every parking lot. When I got back home even on weekends, I saw the lights were on at each and every office building. When everyone spoke, their eyes were filled with sparkles. They were really hopeful about the future. So I was really inspired when I went back to China—I thought that I should do an Internet business.

And then I became bolder. In 2001 or 2002, I made a speech at Harvard. I thought that I was really successful because I received an invitation from Harvard and remember that when I made a presentation at an auditorium larger than this one in Harvard, I remember the event was 2001. Actually I felt the speech was a little bit naïve because you know that it was a little naïve in retrospect. Let me tell you three reasons.

First was that we didn't have money.

Second was that we didn't know about technology.

And third was that we didn't do any planning.

Actually the professors at Harvard were mad and the students were really happy about my speech. I feel that there may be records of my speech. The professor from Harvard said, "could you please introduce yourself?" You know that one of the things that I didn't mention in my bio was that I got rejected by Harvard 10 times and the only reason we survived was because I didn't have any money.

As you know, that's back in the old days I was an English teacher. And then I started my own business and I worked for the Ministry of Foreign Trade. My monthly salary was going to be about 4000 RMB so when I started my business I only had 50000 RMB.

So my competitors at that time were superior to me. Then I realized that the reason a lot of businesses went out wasn't because they didn't have money, it was because they had too much money. When people are trying to solve problems by money that brings you additional problems. Money isn't an issue. Money is a means of solving problems. Lots of people say I have lots of money and I can do anything. Actually that is very indicative of failure.

As of now, Alibaba, not only in China but also in the world, has the cash reserves and we are going to continue in this tradition. I hope that we are going to be cognizant of the importance of having cash reserves. Cash is like the military of the nation. If we use our cash, we have to win the game. We can't really use our cash reserve randomly.

And second we don't really have technology. I have no idea about technologies; even to this day I don't know anything about coding. Even until today I didn't know how the Internet was invented. I feel that two things are different: that you don't know about technology doesn't mean you don't respect technology. Some people say we quarrel a lot. But actually we can't have an argument with people who have a technology background.

I feel actually the luckiest thing is if the CEO doesn't know anything about technology. If the CEO knows a lot about technology, he will be able to micromanage, and as a result the engineers would feel so many constraints. I always tell my engineers "I respect you a lot." You can see that our technologies have been influencing people and China significantly.

I have shown great respect and all our engineers who are here today are changing the world and if we can't change the vision into reality, we can't change nothing. We have to change our vision into reality.

So everyone thought that actually Alibaba didn't have technologies because Jack Ma their CEO didn't know anything about technologies. I know there was some truth to that argument. You know engineers in our company were unhappy. Some people asked me this question: Jack Ma you know nothing about technology, why are you running an Internet business? Then I asked a real estate developer: you know nothing about constructing a house, how would you be a real estate developer? I feel the most important thing is that you show respect.

If I had to do testing I feel that 80% of the people are similar to me. Respect the technology. But we are afraid of technology. You know regardless of how great the

technology is, if Jack Ma doesn't know how to use it, we have to really kill that idea. We can't really rely on technologies that are too complicated. So at the time I did a lot of product testing. The reason I want to retire is because I don't know how to test products anymore. I feel development is actually really fast.

Lots of young people are doing an even better job than me in terms of testing, so I thought to myself, you know why am I going to continue being the CEO? I'm too old for the Internet. Too old for technology.

I have shown lots of respect and admiration for technology. I feel technology is important. The people who are supporting, developing the technology are most important. We really need to believe in technology and if we don't have people that believe in technology we won't be able to be successful. We won't be able to have such a significant impact on the world. Actually, I feel very proud. I feel that the world does not lack technology but what it lacks is appreciation and admiration for technology.

And third we don't really have any strategies.

I have never written any business plan. [Unintelligible] and I had dinner in Silicon Valley and then he came back home with me to China and [unintelligible] a business plan and some venture capitalists said, "you wrote this wrong, that wrong." So in 1997 or 1998 if you wrote business plans regarding the Internet you are just trying to commit fraud. You know that a lot of investors ask you to write detailed businesses. You know that MBA's from Stanford can write a lot of good business plans but those things would not be effective.

I believe the most effective thing would be to implement ideas, put ideas into action. And actually our life is like a plan. We should embrace changes and actually change is the best plan. But we shouldn't really lose our sense of direction. So over the past few years we have been very persistent.

Lots of people only listen to half of the idea. I only said I never plan not we never plan, remember I didn't use the collective we. The CEO doesn't have a plan—that's ok—but all of my employees have excellent plans. So that's why when young people think, "Oh we should never plan!" No, that doesn't work—we do need plans.

So that's about our company. I never thought that Jack Ma would have in the future a day like today. I never thought that Alibaba or Taobao or any type of transaction developed by Taobao would have a day like today. I never thought the Internet would have a day like today.

So if you take away 99.99% of my wealth just leave me a teeny tiny bit I feel that's too much for me. That's because I actually didn't have any chance for success. Although today I repeat this message to my team we are going to have a future. But

we never thought our future would be so glamorous. So it's better, much better than my wildest dream.

So I have been thinking a lot. Why would we be able to come this far? Although this era is so interesting, you know this era is an era when people complain a lot. This is the best of times, this is the worst of times.

Because nobody is happy in China. I feel the situation in the world is similar. If you come here you feel that actually everything is wrong, and actually the grass is greener on the other side of the hill. And there's a lack of trust and nobody is happy. The poor people are unhappy, the rich people are unhappy; the government doesn't trust media, the media doesn't trust government.

We are in an era of constant change. Over the past 30 years China's economy has been developing very fast. I believe Deng Xiaoping made a determination to liberalize China and never thought that China would be developing so fast. Entrepreneurs 30 years ago would never have thought that China would have come a long way. But China has experienced amazing changes.

And actually the thirteen years ago, China was just like today's North Korea. But actually, over the past 30 years have experienced lots of changes. We never thought the economy would be developing so fast and the environment would be deteriorating. And we never thought people would be so superficial. Rich people wanted to have a better future and actually poor people wanted to have more money.

I feel that for the next 30 years we're also going to be experiencing lots of changes.

We are definitely going to have lots of social conflicts. All these conflicts are opportunities for young people. If everything stays stable, we are not going to have any opportunities—if we are going to continue this trend. Then we have to base our decisions on seniority and no opportunities will be provided to young people. So only when we have changes do we have enough good luck for young people.

I think part of my character requires me to actually change and make challenges. My dad asked me to stay focused; I was never able to focus. I feel that if you get distracted, scattered brained, that's actually the best way to stay focused. Actually I had chicken scratch writing. My dad asked me to do calligraphy. I couldn't really do it. I didn't have good penmanship. I feel that the most important thing is that we need to make adaptations. If we don't make adaptations, don't change then you are not going to have any opportunities.

So that's why I'm so grateful for the era that we live in. When I was young I thought if I were alive during the war era, I would have become a general. The worst thing is that mankind would experience war; if we can actually solve problems through economic development, we do not use wars and we can actually use economic

development to influence many people. We don't have to be a governor. And we can simply use simple ideas, simple software package. We can actually change the world profoundly in many different ways.

I feel this was an interesting idea when I was starting my business I felt that if I could be successful, 80% of the young people in China would also be successful. I actually spent 7 years in primary school. And that's true. I was a bad student so no school wanted me. There was one school in Hangzhou called Tianxue Middle School, and actually one day our school didn't want us so we upgraded our primary school into a middle school. And lots of people know I took the entrance exam for college 3 times over 3 years. And you know that actually I applied to Harvard University 10 times.

As you know, we have all come a long way and reflecting upon the past I feel that I am living in a good era where I have so many wonderful friends and have so many good opportunities.

I feel luck is very important. And we can't really wait for luck. I feel luck is something that is outside your door. You know, if you have luck, if you have fortune, some people may believe in god and I haven't really decided what religion I'm going to believe in because I'm still shopping around. Some people feel that you have pre-destination and once you hit one million dollar mark or the two million dollar mark then you are going to have a streak of bad luck. So when you have good luck, you have to share your good luck with other people. I feel that luck is sort of like seas. Then you will sort of help spread around your good luck. What goes around comes around.

You know, during the first day we thought we should actually make every business an easy task. Because you know starting a business was no easy task. Let me use something that is not so literary. You know it's so damn hard, you know that I was working really hard to get one customer. And I feel that the customer was just like my dad. You know that if I can just have one customer that would be great. You know there are so many small or medium sized businesses in China. I feel that we can use the technologies brought about by the Internet to help these businesses. To help them become successful because the Internet provides opportunities to change ideas to become action. Without the Internet we don't have Google, we don't have Oracle, we don't have Tencent. If we can actually use technologies to influence people's lives and make everyone a small business owner—that would be great.

Some people are asking how Taobao is helping small business owners.

Before I came here I emphasized again and again that Alibaba is not a consumer product company. From day one our mission was to make sure that all the businesses in the world are easy. We wanted to make sure that the small business owners have customers. I felt that the DNA of Alibaba wasn't good. You know the

world is changing so fast. It's really hard to know exactly what consumers need. Our small business owners know exactly what consumers need. That's why, regardless of what we have done and what we are doing, we are empowering our SME's to support their customers. We make sure that they use technologies to help their customers become better. That's why I have emphasized repeatedly that we hope that small business owners can use technologies to compete with large companies.

In the past, large corporations had influence and connections. I hope that any young person so long as you have good ideas, they don't need rich fathers or powerful uncles. As long as they work hard, they have a chance to be successful. Some people say that it's easier said than done. If Jack Ma can be successful, anyone can be successful.

I feel that lots of people just climb to the top of the roof. Right now we are experiencing economic and political restructuring and they want me to commit suicide. Lots of people are saying, "why are you not advocating for political restructuring?" I don't feel that's actually something that can be done. I feel that lots of people encouraging me to do that have foreign passports. And they aren't going to stay in China as long as they see the situation changing. They are going to flee the country.

You have to make your dreams part of your dreams. I feel that when everyone's dreams become true, then society's dreams will also become true. So I hope that this generation of people will also be successful.

Some people are asking, "who are your competitors?" and actually we feel we are criminals. We are captives. We are actually competing with our previous generation. We are also competing with the future.

I feel that we have a different unique outlook on life and how we are actually looking at society. I feel that if we're going to follow our dreams, follow our passion, we are going to make our world become a better place. Suppose Alibaba would be able to contribute to the advancement of society; if we actually contribute, do our part, we can make this dream more realistic. Regardless of how grand the dream is, as long as it's doable by one person, it's a good dream. So that's why we have such a passionate dream. Our dream still stays the same.

Our ideal is that we are hoping that society will be advancing. I feel that actually this market is huge and there are countless business owner in China, the United States and Africa. As long as you are business owners, we have lots of opportunities.

During the industrialized era we relied on economies of scale. In the information technology era we rely on innovation and mega data that force big companies to disintegrate because small businesses have all the flexibility that we need. So that's the era that we are living in, so I am really grateful that we are living in such an era.

Somebody will actually accompany me today. You know there have been lots of recordings. You know all the events I participated in are videotaped so that these can become case studies for people, regardless of our success or failure. I made a decision because our company may fail but people who are following our tradition, following our path, can eventually become successful. That's because we are trying to help small and medium sized enterprises.

Are you doing finance? So you know that making it rich is a model we are developing isn't going to bring a lot of profit to us.

You know banks in China are so huge. I remember clearly that when I started a company that was called Haibo Translation Agency, in order to get a 30 or 50 thousand RMB loan, I used all of my things as collateral. And I used a lot of my connections. Still my low application got rejected. If we have technologies to help make loans accessible to small and medium sized businesses, and make sure that they will be able to get loans based on their credit rating, that would be really awesome.

I feel that each and every action can be documented. When we can turn creditworthiness into wealth—that will be a great indicator of the advancement of society. I believe that beggars should also be able to get loans as long as beggars say 'I am willing to pay attention to trustworthiness'. Why not give it to him? If we wanted to turn this into reality, we need lots of technical support. We need to do lots of thinking. We really need to have trust and confidence in ourselves.

In the past, when we wanted to change the world we had to rely on gun power, but now, we rely on technology to change the world because it's doable through it.

I feel that the thing I am most proud of when I go out and eat. Some people say, "Oh, your meal has been taken care of." Once I was waiting for my ride and one guy said, "Please join me. Hitch a ride." And you know, he said, my wife has opened a business on Taobao and she's earning more money than I do. So those teeny tiny actions are reflective of what we have changed. So I feel that actually I didn't really do much because I was just the mediator.

I felt all these things are significant and meaningful. I feel this is also true here in Silicon Valley. There are countless companies, and they come one after the other. Every company is trying to change our lives. And you know that in the next 30 years, the world and China will be in turbulence. When we have concrete ideas to take an action. I feel this is actually an era for the young people.

I'm so grateful to come here. I'm so grateful for Silicon Valley. I'm so grateful for the [unintelligible] so grateful for the bad traffic congestion in the Silicon Valley. And, actually, there is no city in the world that has good traffic conditions. I feel that humankind will always be able to find good solutions. The solutions probably do not

exist today, but we are going to find them eventually. You know that every time I can see lots of people with the sparkle in their eyes and talking and working late into the evenings. Without their encouragement I wouldn't have what we have today.

Alibaba has actually been developing really fast. We are going to come to the United States. We want to strengthen our investment here. We are not going to compete with anybody, because we have gratitude. We feel, that actually, the Silicon Valley has brought me the sparkle. The spark for our lives. I haven't really studied or received any education in the United States but I appreciate the United States. I'm so grateful that we have a place like Silicon Valley, which has brought so many dreams and hopes to many people. These sparks can become a big fire and you know if the sparks can become fires then actually bring the sparks to Hangzhou.

They say Yahoo's timing was bad timing. Given another chance, we should still buy Yahoo China. And everyone is the same. Everyone tries to cover up. Actually, Yahoo China was really a big deal and it means a lot to me. We didn't really think outside the box. We didn't think that we would actually become a part. What we did is actually digested Yahoo. We simply ate Yahoo. Without all their engineers, without all their great thinking, we wouldn't have been able to do p-for-p advertisement platform.

We actually have to move the advertisement platform from Yahoo to Taobao so lots of our ideas are great. China has a huge market. And it's really hard to see that we have 100 million consumers, or half of the population in America to do online shopping. I think our ideas in China can become realities. It's really hard to see the second or third tier city in China could be developing so fast.

If you go there and do an inspection and you will see lots of ideas can become successful. We wanted to do something meaningful in the United States. We are not all about competition, but of course, competition is necessary. Because if you are a general, you should not be afraid of wars; if you are a company, you should not be afraid of competition. There is a reason we are coming to the United States. We wanted to do something meaningful for small and medium sized businesses. We want to make sure that we are going to inspire people.

Chairman Mao, you know, said small sparks can set a fire on the prairie. So all of the engineers here present, if you wanted to make something meaningful, if you wanted to do something different—I feel China is a great place to go. I'm not trying to brag. I'm trying to say it from my heart. I feel that actually if you have a choice, if you can go to a place where there are significant changes, that would be great. Welcome everyone to Alibaba. And of course you can stay here. I welcome you to Hangzhou. I welcome you to Beijing—just for a change.

Second, we respect technology and we respect the future development. We feel that we are really fortunate. We have been developing so much and we wanted to spread

our good luck with many more people. Only by so doing we will be able to grow tremendously. I feel that we can't really be too greedy. We have achieved so much, although we have put in a lot, made lots of investments, we have surpassed lots of our competitors.

I hope that everyone can share our good fortune. You know the world is ever changing. If you wanted to venture, give it a try. Of course just go to a new era, venture out—why not have a try? It's a different place. I feel that young people have lots of possibilities but when they wake up in the morning they probably would just do exactly the same thing. They have lots of ideas, but they just don't implement them. That's their biggest problem. Tomorrow, before they start a business, they are probably thinking, "you know next year will be the year of our zodiac animal." You know what does it have to do with astrology? Nobody can guarantee you will be successful. Of course, nobody guarantee that you will be a failure. A lot of people bet that I would be a loser. Many people. There are many people that thought I was just going to be a loser.

So, I'm not going to say that my fate depends on god, but I have to say that if you are going to give it a try and make an investment, that doesn't hurt. Thank you so much, that's all I wanted to say. Thank you. Thank you so much.