

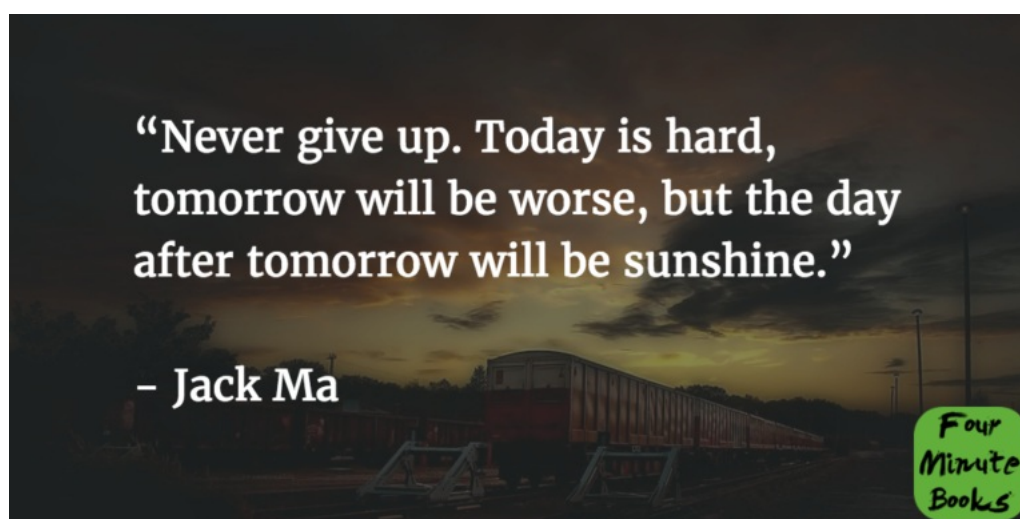
Alibaba's World Summary

 fourminutebooks.com/alibabas-world-summary

1-Sentence-Summary: *Alibaba's World is an inside look at one of the world's largest e-commerce companies from one of its first Western employees, who served as its vice president and head of international marketing for several years, showing how this company turned from startup to global player in just 15 years.*

Read in: 4 minutes

Favorite quote from the author:



It must have been two years ago. My friend Paul and I were sitting on the back porch at my parents' house on a warm fall evening. He'd brought some pecan nuts we were snacking on, which are hard to come by in Germany, and I said: "You know what? It really sucks you can't get these anywhere here, only in very small quantities in exclusive shops at insane prices. I wonder why retailers don't stock them, like they do with peanuts, walnuts, etc."

We realized there might be an opportunity and next thing I know, we're on my laptop and Paul types in "alibaba.com." I had never heard of the site before, but for the next two days, I spent tons of time on there, looking at wholesale prices for importing Pecan nuts, and I couldn't believe how much you could get there for how little money. I even called German officials to find out how much Pecan nuts you can import without running into tons of red tape and legal problems (it's 300 kg, I think).

Because we didn't have the money to invest, we ultimately scrapped this project (and by now German retailers *do* stock Pecan nuts at cheaper prices), but launching an Alibaba-based business has intrigued me ever since.

Alibaba's World tells the story of how this little pre-dot-com crash startup turned into a global e-commerce player in just 15 years, landing the biggest IPO in history.

Here are my 3 favorite lessons:

1. Don't let your goals create artificial limits for you, play with what's possible instead.
2. Build for the long term.
3. Center your business around one key customer insight at a time, that fits the market well.

Saying "open sesame" didn't work? Then it's time to roll up your sleeves like Jack Ma did and do it yourself!

Lesson 1: Don't artificially limit yourself by setting too unambitious goals, test what's possible instead.

The founder of Alibaba.com, Jack Ma, has not only never written a line of code, he also didn't even own a computer until he was 33 years old. In fact, before starting Alibaba, he struggled in most of his jobs. Having failed his college entry exams three times and working as an English teacher after eventually graduating, he heard about the internet by coincidence in 1994.

Seeing how it offered little to no information for and about China, he started putting together websites with his friends, eventually making a decent living building corporate websites. However, until 1999, when founding Alibaba, he had never run his own before. What's more, only 1% of the Chinese population had internet access, and none of these people were buying things online, because they didn't trust the system yet.

But Jack didn't choose to see those things. He didn't focus on Google, or eBay, or his lack of knowledge. **He chose to see a potential market of one billion customers.**

If you lowball all of your goals, you're cutting yourself short. Shoot for the moon, dare to test the limits of what's possible, try to go beyond them. Even if the rest of the world doesn't see a new reality yet, if you do, you might bring just what the world needs to make it happen.

Lesson 2: Build your business for the long term. Go for 80 years, not 80 months.

There are many things you can screw up when launching a business. One of the most common ones is setting the wrong time horizon. You'd be surprised how many founders don't even plan for the next six months, focusing just on the next few weeks at a time. Others plan on a big exit 2-4 years down the line, which is better, but still not right.

If you plan to take on something as crazy as building a great company, which takes all of your energy, time, your blood, sweat and tears, how could you not make it the goal of a lifetime?

Jack Ma decided right from the get-go that he wanted Alibaba to be around for at least 80 years. A goal he later even increased to 102 years. **Wanting to build something that lasts a lifetime drastically changes your day-to-day decisions.** No more short-term gimmicks, no more quick

fixes, no more hacks.

Only this extreme long-term focus allowed Jack to postpone the company's IPO, start by offering free services and not give in to investors' demands to re-name it (like Yahoo! wanted to).

Don't build for tomorrow. Or next year. Or for the exit five years down the line. Build for the long run.

Lesson 3: Find a key customer insight that's a good fit for your market and center your business around that.

Because Jack Ma knew so little about the field he was entering, he was free to test new things and not bound by perceived limitations. However, this also meant he had to find out what his customers wanted first.

After trying several ways to become profitable that didn't work, like investing and partnerships, he eventually found his key customer insight to build upon: **people had to learn how to place trust in someone they've never met, in order to be comfortable buying from them.**

He then built the business around this insight, focusing on getting Alibaba verified and implementing features like live, 1-on-1 chat for buyers and sellers on TaoBao (Alibaba's C2C eBay competitor).

You can go one customer insight at a time, taking little steps and thus making sure that each insight is compatible with your market (for example TaoBao is also free to use at first, because Chinese customers want to try something before committing to it).

That's how you stay focused and make sure you build success upon success.

Alibaba's World Review

It must've been interesting to work in an entirely Chinese environment as a Westerner for Porter Erisman, the author of *Alibaba's World*. Viewing Alibaba's story through his inside, yet outside lens gives it just enough objectivity to make the lessons interesting on a general level – a great mix of biography and business!

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What else can you learn from the blinks?

- What Yahoo! suggested as a name for their "joint venture"
- Why eBay mocked TaoBao, but Ma ultimately had the last laugh

- How Jack dealt with difficult, Chinese authorities and the SARS virus
- Why antagonizing your competitors is a bad idea
- The decisions a leader has to make
- How to build a strong team

Who would I recommend the Alibaba's World summary to?

The 18 year old high school drop out, who wonders "What good can I do?", the 33 year old English teacher, who feels like she's hit a dead end in her career, and anyone who's currently building a company just for the big exit.