

Introduction

In this executive summary, our team with five members conducted a team project entitled **“Alibaba: an innovative e-commerce company in China”**. The executive summary’s audience is for the individuals who own e-commerce companies and for Alibaba Company’s managers. The purpose is to determine best practices in innovation and discover Alibaba’s development situation and management practices. Through the analysis of Alibaba and its future, several recommendations are provided to the audience.

Background

In 1999, Jack Ma and his other 17 friends established Alibaba Group in Hangzhou, China. On September 19th, 2014, Alibaba Group Holding Ltd. finished its IPO at the New York Stock Exchange. It was the biggest IPO in American history. The leaders of Alibaba Group dream that Alibaba should survive at least 102 years. Alibaba Group was established in 1999. It would sustain across three centuries if it operated 102 years. Alipay, which is founded by Alibaba, aims to provide online payment as the third party. The sub financial product in Alipay, called “Yuebao”, could offer 6% annualized return. The multiple function of Alipay has attracted many customers. With Alipay’s functionality, individuals can pay bills, transfer money and check the Yuebao’s balance. Taobao and Tmall are the online shopping website in China. Tmall tends to be more official and a little more expensive than Taobao.

Discussion

The philosophy of Alibaba is to attract small business companies. Furthermore, they still insist that customers are first; employees are second; and the shareholders are third. From our group’s perspective, these two aspects possibly lay the foundation of Alibaba’s future development. The management of Alibaba wants to share information and collaborative learning in this network. Alibaba excels in three areas of innovation; outside-in, product and functional innovation. They propel the development of Alibaba Company. The functional innovation provide the direct communication between buyers and sellers due to the software Aliwangwang and free business model; the product innovation provide huge amount categories of commodities due to Alibaba’s philosophy and the functional innovation; the outside-in innovation (open

innovation) can also help Alibaba at the right trajectory of development and more competitive in globe.

Recommendations

Based on the discussion of Alibaba, an e-commerce company should establish its own philosophy to support the development. Moreover, the management of an enterprise, its innovation network and innovation also plays an important role in an enterprise. Other e-commerce companies or people who are establishing their e-business enterprises should learn these advantages that Alibaba have. For the international purpose, the Alibaba Company's managers should learn the basic business model from eBay. By applying best practices from eBay Alibaba could have achieved more market share from the beginning.