

How Companies Manage Change (Case of E-Commerce in China)

Executive Summary

The purpose of this project is to explore how e-commerce companies manage change in China. In this report, the team first looked at the external environment of e-commerce industry in China, and then investigate the history development and strategic expansions of two Chinese e-commerce organizations Alibaba Group and Jingdong (JD). In order to identify the differences between these two organizations from different perspectives, the team investigated the business strategies, core competencies, organizational culture and management styles adapted from different philosophies for both organizations. In the end, the team identified the differences, the challenges faced by both organizations and the recommendations for the future development for both organizations.

In order to discover the way e-commerce companies manage change in China, the team will explore the case study of Alibaba and JingDong (JD) since both of them are successful online retailers in present China and both are considered as a strong rival to each other.

Firstly, the team investigated the development of e-commerce industry in China, and analyzed the external environment including general environment and task environment of these two organizations. The team found out that the changing and versatile external environment for e-commerce in China has brought Alibaba and JD both opportunities and obstacles. The team is interested in how those two organizations has survived and prospered in such environment.

The team is curious about how their different management styles in terms of business model and organizational structures would influence their development strategies. To uncover this, the team analyzed the key time periods of development for Alibaba and JD in order to take a peek at how they made its own way to today's success, and explored the changes in their organizational structures and how their development directions have been different compared to each other. The team found that the founders from these two organizations control the organization differently, and they hold different philosophies and values. Liu, the founder of JD use the power from his position to control the organization, whereas, Ma, the founder of Alibaba, influences the organization by creating his own culture. Liu's management style is to enhance JD's core competency in e-commerce, whereas Ma's management style is to expand Alibaba and set foot in many areas in order to create a complete ecosystem of e-commerce.

In the end, the team identified the challenges faced by both organizations, and proposed some recommendations of future development for both organizations.