



Dr Ye Meng was interviewed by Boni Sones during the Cambridge Service Week Industry Conference, '**Bridging to New Service Technology**' on 11 October 2017

YE MENG: My name is Meng Ye, I work for the Alibaba Group, I'm a senior expert.

BONI: Thank you very much indeed for talking to the Cambridge Service Alliance podcast series today. We are at the conference Bridging to New Service Technology, and title of your presentation is The Dynamics of Digital Transformation Enabled by Alibaba and its Ecosystem Partners. Can you tell me what you told the conference, and why ecosystems are important to Alibaba.

YE MENG: Yes, I think my presentation includes two main parts. The first part is about my observation of the new economy. I think the new economy is on a new engine. That is to say the new information infrastructure, including the cloud and big data, the networks, the terminals. And the second is the new factors of production besides the land capital and the machine, big data becomes a prominent new factor of production. Third is the new division of labour. We see that massive social collaboration is taking major place in nowadays. And also we found that the basic form of the new economy is the Trinity composed of a platform economy, sharing economy and also the micro economy. That is the first part of my presentation.

BONI: Alibaba, you are Chinese company that is just 18 years old, and you started selling online retail. You're now global, you have various divisions. But what's driven that change? Is technology and big data driving the change?

YE MENG: Alibaba group initially is e-commerce company, and because with the development of Chinese e-commerce market we got more opportunities both from domestic market and also from abroad market. Then we expanded our business sector to five plus two business sectors, five e-commerce Internet financial services, modern logistics, cloud computing and data, big data analytics, and also the cross-border online trade services, and the tools, [Hh House] and happiness.

I think the advancement of the research and development in technology just pushes forward business boundaries. That makes Alibaba and our ecosystem partners just can participate in this new business world.

BONI: You've said you're pushing forward the business boundaries. You're basically taking data about consumers and connecting manufacturers, whether they are people on their mobile phones or whether it's the large manufacturing of solar panels. You're actually connecting consumers to the people who make it. It is a manufacturing revolution.

YE MENG: Yes, I think the manufacturing is going to have a revolution in nowadays, because I think several years ago we see made in Japan, made in UK, made in China, but now we can see made in Internet. Because through the Internet to data driven business just let the manufacturing providers, material providers, give them quick



response to the consumer's needs. Through the Internet they can gather the most quick and most accurate data or information from the consumption side.

BONI: You're basically manufacturing on-demand, whether it's large-scale demand from the factory, or small-scale demand from an SME and a start-up who started up on mobile technology. It's the fact that the technology can respond so quickly and connect the producer in the factory to the consumer that is the big driver for change. That connection and the speed of the connection, and the speed of the response.

YE MENG: I think the big companies and SMEs or talented young people, they have different, they should have different objectives. Big companies, they should transform them to the infrastructure, and that is to say they are manufacturing infrastructure, fitting the Internet, fitting the whole world. If the big companies take themselves as the manufacturing infrastructure using digital technology, connect consumers and designers, and SMEs, they can transform themselves into the new company in the future.

Also I think the SMEs or talented young people, or smart creatives, they are enabled by the infrastructural services provided by the platform of big companies, they can just put all their efforts on the new idea, on the information. I think that's very good.

BONI: You spoke about seven Alibaba case studies, the Theo factory, the Blue Star, the Alibaba smart living program, the business division program, the GLC plus, and the XCMG case study, and then the smart devices incubator. It seems that Alibaba has a wide business vision, it's very broad what your visioning from the small to the large, as I've said. How do you keep across all these different business streams?

YE MENG: I think our company has advantage, especially in the marketing or the e-commerce platform, and also the technology expertise, especially in cloud computing and big data analytics. We now do all the jobs, we just find a way to cooperate with other partners, big companies or SMEs, find a new way to make the manufacturing or embrace the new industrial revolution.

BONI: You think it is a new industrial revolution? And as I've said Alibaba has got here, you're out front, you are leading the others in terms of your business practices. And it's taking you just 18 years, some people might accuse you of being disruptive to their business models.

YE MENG: Nowadays you can see a lot of young companies, they contribute to the world a lot. Even though we are only 18 years old, we can achieve what we dream. Because our mission is to make doing business elsewhere easy, we just want to be an enabler, to help our partners by successful. That is the secret of our success in our practice.

BONI: And you are collaborating with people anywhere in the world, made in UK, made in India, made in China. You've said it doesn't matter, and that's a surprising thing to hear from Alibaba. You are the dominant force in the Chinese economy, or one of them. But made on the Internet, you are happy with that?



YE MENG: Yes, I think so. We just provide the infrastructural services to help the Chinese SMEs and young talents, and also the big companies to be successful in their business. We want to transform this capability to serve SMEs, young talents, and the big companies in other countries to help them be successful.

BONI: We've Christoph Mueller of the Emirates Group speak about how you have to trust the data, let go of your brain, get the data, analyse it, and trust it to take your business forward. Do you agree with that? That these business models are now data-driven?

YE MENG: I think even though we talk about big data for several years, but now the big data application is not enough, we had some experiments in off-line retail, and also in manufacturing industries. We see that we need to foster the innovation, especially applying big data in the whole society to light all of the ecosystem partners to involve in, so we can get the real change that big data can bring us.

BONI: And you've said that you are driven by two values and ethics, happiness and health. And we don't here does two words associated with Alibaba, we think you're a big business, and we think you are smart technology driven business, but you pursue happiness and health?

YE MENG: Yes, I think people just want to pursue their happiness, they pursue their happiness in two different ways. One is from their work, and second is from the services. I think in previous years commerce or the advancement of the modern retail, just like people can buy what they want. But if they buy enough, they won't get more happiness or to fight against the boredom. I think [0:11:33] with more cultural meaning or desire, the services with more cultural meaning and design. Also the in-depth cultural services, that will make people more happy. With think the happiness means that the future in digital media and entertainment is services.

Also I mentioned that the new economy is Trinity composed of platform economy, the sharing economy and the micro-economy. People will do what they want, they just want to realize their own dream in their life, so the work style, all the employment form will change in the Internet age, with the assistance provided by the platform or big companies, they can really find their talent, get happiness from their work. I think we need to pursue our happiness from both sides.

BONI: How do you describe your business in Chinese?

YE MENG: The mission of our company is to make it easy to do business anywhere. Anywhere doesn't mean every place in the world, it means [Chinese word] is we need to regard our family as a family regards our nation as a nation and regard a word is a word, we need to think and solve work problems from the whole benefit of the people in the world.

BONI: How do say that in Chinese?

YE MENG: [Speaking Chinese].



BONI: Thank you very much indeed for talking to Cambridge Service Alliance podcast series at the Cambridge Service Alliance Annual Conference, Bridging to New Service Technology. Congratulations on what Alibaba has achieved so far, and good luck for the future.

YE MENG: Thank you.