

# The Ma of all start-ups

*Alibaba: The House That Jack Ma Built* delves into the story of the company's growth, controversies and its unusual leader

**A**s a boy, Jack fell in love with the English language and literature, particularly readings of Mark Twain's *The Adventures of Tom Sawyer* that he listened to on a shortwave radio. Later it was the arrival of foreign tourists in China that provided Jack with his opening to the outside world. In late 1978, when Jack was fourteen, China launched the new "open door" policy, initiated by Deng Xiaoping, in pursuit of foreign trade and investment. After a decade of turmoil the country was on the verge of bankruptcy, and desperately needed hard currency. In 1978, only 728 foreign tourists visited Hangzhou. But the following year more than forty thousand came to the city. Jack relished any opportunity to practice his English. He started waking up before dawn and riding his bicycle for forty minutes to the Hangzhou Hotel to greet foreign tourists. As he recalled, "Every morning from five o'clock I would read English in front of the hotel. A lot of foreign visitors came from the USA, from Europe. I'd give them a free tour of West Lake, and they taught me English. For nine years! And I practiced my English every morning, no matter if it snowed or rained." An American tourist

whose father and husband were named Jack suggested the name and Ma Yun



STO express crew deal with express packages in Wenzhou, China. Alibaba's Taobao reached a sales volume of about 9.3 billion USD during Singles' Day in 2014

became known in English henceforth as Jack. He is dismissive of the quality of his English: "I just make myself understood. The grammar is terrible." But Jack never dismisses how much learning the language has helped him in life: "English helps me a lot. It makes me understand the world better, helps me to meet the best CEOs and leaders in the world, and makes me understand the distance between China and the world."

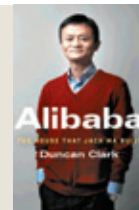
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### GOING TO AMERICA

His first trip to America sounds more like a plot for an *Ocean's Eleven*-style crime caper than an interpreter's business trip, at least according to the version put out five years later during the dot-com boom when media started to take an interest in Jack's background. Upon arriving in Los Angeles, the story goes, Jack met with the unnamed boss of Tonglu's erstwhile U.S. partner. Jack quickly figured out, as *The Economist* related, that the "company he was investigating did not exist, that his host was a crook, and that he himself was in serious danger." Jack has never named the boss, later described in local media

only as a "bulky Californian." But after refusing to take a bribe, Jack recalled he was locked in a beach house in Malibu, where his captor flashed a gun. He was then taken to Las Vegas, where he was kept in a form of house arrest in a hotel room on the top floor of a casino. Jack hasn't repeated the details of any of this in recent years. His personal assistant, Chen Wei, has written that it is an episode that Jack prefers to forget. A few years after the incident, when Alibaba was beginning to gain international prominence, Jack told a similar story to Melinda Liu, the Beijing bureau chief for *Newsweek*: "I flew to Hangzhou for an exclusive interview with Jack, and he spent a generous amount of time showing me around the Alibaba headquarters and talking at length about his life. He said that, on his very first trip to the USA, a former business contact (an American) had 'virtually kidnapped' him in a failed attempt to get Jack to work for him. At the time, Jack was pretty matter-of-fact, and the anecdote was just one of many he recounted. I later contacted him requesting more information; he indicated he didn't want to make too much of it and declined to provide additional details." The bizarre story ends with

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Jack escaping his hotel room and winning \$600 on slot machines in the casino. Abandoning his belongings upstairs, he escapes the casino and buys an airline ticket for Seattle. A less colorful version of the story was detailed in an article published in September 1995 in the *Hangzhou Daily*,<sup>7</sup> which says Jack had taken along \$4,000 in savings and money borrowed from his wife Cathy's mother and his brother-in-law. In any event, it was in Seattle that Jack first logged on to the Internet. He had heard about the Internet the previous year from a fellow English teacher in Hangzhou, called Bill Aho. Bill's son-in-law was working on an Internet-related business, which Bill described. Jack recalled that it was Bill who first told him about the Internet, but that he "couldn't explain it clearly either, it sounded very strange. . . . I couldn't really understand it either." In Seattle, Jack stayed at the house of Bill Aho's relatives, Dave and Dolores Selig. Jack was shown around the wealthier districts of the city, including the Queen Anne neighborhood. Dolores Selig recalled to the BBC that Jack was impressed by some of the larger houses on the hill: "Jack would

point at various houses and say 'I'm going to buy that one, and that one and that one' and we'd just laugh because they were very expensive houses. But he was impressed." Bill Aho remembered, "At that time, he didn't have a nickel."

Jack then met Bill Aho's son-in-law, Stuart Trusty, who had set up an Internet consultancy called Virtual Broadcast Network (VBN), located in the U.S. Bank building on Fifth Avenue near Pike Street in downtown Seattle. "Jack came and I showed him what the Internet was," Trusty recalled. "Back then, the Internet was largely a directory for governments and businesses, but he seemed excited." For Jack the visit to Seattle was a transformative experience: "It was my first trip to the States, the first time in my life I touched a keyboard and computers, the first time in my life I connected to the Internet, and the first time I decided to leave as a teacher and start a company."



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JACK MA

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