



# **Growth Drivers of a Successful Enterprise**

**Eric Xu, Ph.D.**

**BlueSky Conference 2009, Singapore**



# Baidu, Inc. (NASDAQ: BIDU)

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[www.baidu.com](http://www.baidu.com)

- **1999 - Founded in Dec. 1999, Silicon Valley**
- **2005 - IPO on NASDAQ in August 2005**  
**Baidu 2005 revenue US\$40M**
- **2007 - The 1<sup>st</sup> Chinese firm included into the NASDAQ 100 Index**
- **2008 - Revenue US\$468M**



# Define a Successful Start-up

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- **Market valuation**
- **How to increase the market value and the chance to succeed?**
  - Solid fundamentals lead to long-term and sustainable competitive advantages
  - Practice the basic principles



# An important Mindset

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**Strive to be the best in  
“a combination of areas”**

**One area of superiority is not enough.**



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“It is not any one variable or practice in isolation that makes a company great; it is the combination of several pieces, working together in an integrated package consistently and over time”

**“What Really Works - The 4+2 Formula for Sustained Business Success”  
by William Joyce, Nitin Nohria, Bruce Roberson**



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- **Primary management practices:**
    - Strategy, Execution, Culture, Organization
  - **Secondary management practices:**
    - Talents, Leadership, Innovation, Merger, and Partnership
  - ***Equity Structure***

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# Founders and Culture

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## **Founders roles:**

- **Ultimately responsible for creating a company's Culture**
- **Vision**
- **Build the right founding Team**



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# Founder Team

- **Independent thinking**
- **Complementary skill sets**
- **Shared values**
- **EQ**





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# A Culture of **C**andor

- **People express with frankness and constructive confrontation**
- **Confront truth of the situation**
- **The best idea wins**



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“Any organization that brings more people and their minds into the conversation has an immediate advantage”

- “Winning” by Jack Welch



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# A Culture of Execution

People who execute:

- **Take full responsibilities**
- **Strongly result-oriented**
- **‘Never-give-up’ mentality**



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“Ideas are important, but  
execution is everything”

- John Doerr of KPCB



# Focus

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- **Core business**
- **Say “no” to “big” opportunities**



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**“Focus on what you can potentially do better than any other organization and this is the only path to greatness”**

**“Good to Great” by James Collins**



# Capital

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- **Never run out of cash**
- **Raise money wisely**
- **Conservative spending**



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“The size of a CEO’s office in a start-up is inversely proportional to the chance of success for the company”





# Independent Growth

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- **Never count on others for your success**
- **Organic growth vs M&A**



# Summary

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- **Competency in multiple areas**
- **Build effective start-up culture**
- **Stay focused and achieve market leadership position**
- **Handle financing and money intelligently**
- **Grow independently**



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**Practice the principles, build  
fundamentals, and create  
long-term sustainable  
competitive advantages!**



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# Thank You!