

#### Baidu, Inc. (NASDAQ: BIDU)

#### 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

- 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



# Strive to be the best in "a combination of areas"

One area of superiority is not enough.

"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

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

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



#### Founders roles:

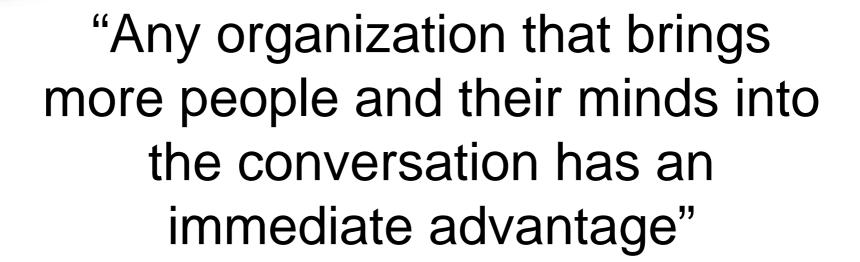
- Ultimately responsible for creating a company's Culture
- Vision
- Build the right founding Team

#### **Founder Team**

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

## A Culture of Candor

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



- "Winning" by Jack Welch

### A Culture of Execution

People who execute:

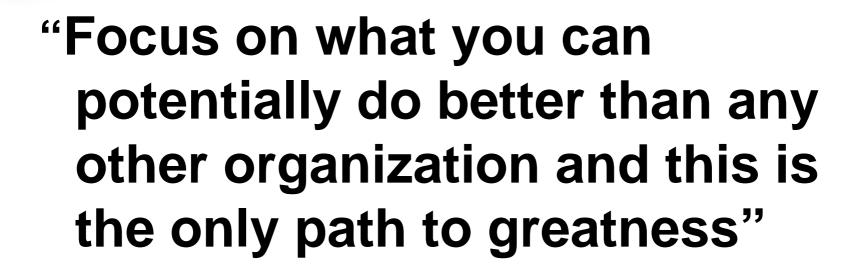
- Take full responsibilities
- Strongly result-oriented
- 'Never-give-up' mentality

## "Ideas are important, but execution is everything"

- John Doerr of KPCB



- Core business
- Say "no" to "big" opportunities



"Good to Great" by James Collins



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

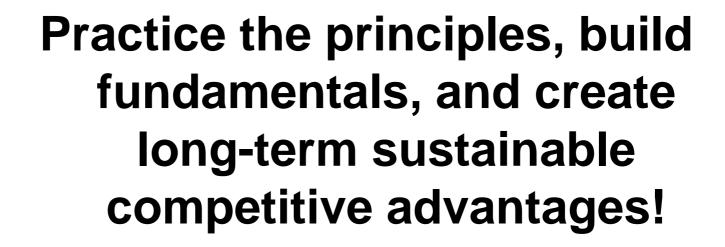
"The size of a CEO's office in a start-up is inversely proportional to the chance of success for the company"



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



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



# Thank You!