

# Technology Management Series

**Strategy: Leading with AI**

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**Session 1 – April 11, 2024**

**Building Blocks for Digital Scale: Ant Financial**

## **Materials:**

1. *Competing in the Age of AI: Strategy and Leadership When Algorithms and Networks Run the World* by Karim Lakhani & Marco Iansiti
2. Ant Financial (A) (617060-PDF-ENG)

## **Ant Financial (A) Summary**

In 2004, Chinese e-commerce company Alibaba created Alipay, an app to facilitate payments on its e-commerce sites. As Alibaba grew, so did Alipay, until Alipay spawned its own ecosystem of financial technology products and services under the name of Ant Group. By 2020, Ant had one billion users on its platform, which offered investment opportunities, consumer lending, and insurance, targeted towards middle class individuals and small- and medium-sized businesses. In November 2020, Ant Group was poised for its initial public offering (IPO). But the Chinese government canceled the IPO just days before Ant was expected to raise \$34 billion at a valuation of \$310 billion.

Please read the case **Ant Financial (A)** and prepare to discuss the following questions:

1. What resources and capabilities did Ant leverage to expand its scale and scope in China?
2. What are the pros or cons of Ant's centralized architecture to host data and analytics?
3. What challenges did Ant face with regulators in China? Do you agree with the moves of the Chinese government in regulating Ant?