

Riding with Didi

Out of the Box

Tony Chan Fan-cheong is president of the Hong Kong University of Science and Technology. He has spent his life pursuing his dreams relating to teaching and research, and has unique views on education, scientific and technological development, and nurturing the young.



LAST MONTH, I led a delegation to Beijing to attend an alumni event as part of HKUST's 25th anniversary celebration. We also made an ad hoc visit to the headquarters of Didi Chuxing, China's largest ride-sharing platform, which had just acquired Uber China. The visit has produced a very rewarding outcome as Didi and HKUST signed a Memorandum of Understanding for collaboration two weeks ago as a result of our efforts to explore opportunities for innovation and technology cooperation.

Didi was founded by Cheng Wei, Wu Rui and Zhang Bo, who were all under 30 years old at the time they set up their business.

Prior to transforming themselves into up-and-coming start-up entrepreneurs, Cheng and Rui worked for tech giant Alibaba while Zhang led the R&D work on Baidu's nine mobile product lines.

In just a few years, Cheng was named one of the Global Game Changers by *Forbes* earlier this year proving Didi's expansion success. The growth potential of the company has also been boosted

by the appointment of Liu Qing as president. Liu is the daughter of Lenovo's founder Liu Chuanzhi and previously worked at Goldman Sachs Asia for 12 years. Despite being a Chinese tech firm, Didi has successfully taken its brand to international markets and its employee headcount has grown to 7,000 recently.

The signing ceremony of the agreement was attended by the delegation from Didi led by Zhang Bo. He later delivered a talk at HKUST sharing Didi's vision of supporting the development of smart cities through advancing intelligent transportation systems. The goal is to have every available seat in a vehicle shared, or else it will go to waste.

Currently Didi clocks 20 million rides every day, which has made the company far and away the biggest in the world and helped it achieve 60 percent of the global shared ride volume.

Zhang also gave some interesting statistics: 25 percent of the available space within the third ring road in Beijing is devoted to car parking, and 30 percent of the moving cars are either in line to park or looking for parking spaces.

His point is that we have a lot of waste and inefficiency in our transportation system and the problem can be solved by ride-sharing, which can produce more efficiency and at the same time reduce the negative impact on our economy.

Apart from basic ride-sharing services, Didi has also ventured into other transportation-related business such as smart traffic signals.

By tapping into its database on real-time traffic conditions, the intelligent traffic control system can

help cities to adjust the timing of traffic lights to minimize congestion.

The most intriguing product is reversible traffic lanes. By using a specially built bus that runs along a multi-lane roadway, it can efficiently change the lane barriers from one side of the lane to the other, thus allowing the flow of traffic to be reversed, depending on the traffic conditions.

Many cities like Hong Kong should consider adopting such a system to alleviate traffic problems.

From the philosophy and ambitious plans of Didi that Zhang explained at his talk, the company is very innovative and adapting very quickly to the Chinese market needs. Chinese transportation systems and customer habits and needs can be quite different from those in other countries, and the company is moving at a rapid pace to not only satisfy those needs but also anticipate customer needs early on.

This was Steve Jobs' motto. He did not believe in customer surveys, saying that Apple should build products customers do not yet know they need and would love.

Didi is a good example of the opportunities for entrepreneurs in China, with a huge market that can absorb true innovations and the availability of a large supply of technical talents domestically and from abroad, enabling aspiring young people to build huge businesses in just a few years.

These opportunities should be available to entrepreneurs in Hong Kong as well, as long as they are willing to get to know the Chinese market and partner with the right people and recruit the right talent.