

Fighting for Xiaomi Auto | Lei Jun's Speech on Entering the Electric Vehicle Market

(This is the official speech delivered by Lei Jun on March 30, 2021, at the launch event where Xiaomi officially announced its entry into the smart electric vehicle market. The full text is as follows.)

A few days ago, I went for a run with an intellectual at Beijing's Olympic Forest Park in the morning sunshine. It was full of vitality, and we had a very engaging conversation. He is Xu Zhiyuan.

We are very different people with very different backgrounds. Perhaps the only thing we have in common is that we both studied computer science in university.

I was very curious: why would he want to switch from such a good major like computer science to become a journalist and start a magazine? He was also very curious: how could there have been so many changes and transformations in my career over the past 30 years.

Transformation

Indeed, my life has undergone many major transformations so far.

In the words of tech enthusiasts, it's like I've "flashed my ROM" a few times.

Here, let me share three of them with you.

The first time I "flashed my ROM" was at Kingsoft. I was 28 years old.

I loved writing programs and thought I would do it for a lifetime. In 1998, Mr. Qiu Bojun recommended me to be the General Manager of Kingsoft. You might not believe it, but I was reluctant at first. I preferred writing code. But Mr. Qiu insisted, and I planned to try it out temporarily, waiting until a suitable General Manager was found before returning to programming.

At this time, an accident happened that changed my life. A colleague was helping me organize my computer and accidentally formatted both my hard drive and my backup drive. All my surviving code was gone...

I still remember this colleague's name today: Liu Guangming.

With no way back, I could only focus on being the General Manager. This forced me to later learn management, marketing, and sales, setting me on a completely different life path.

The second time was in 2007, after I left Kingsoft, I became a full-time angel investor.

This choice was greatly related to my previous experience of founding Joyo.com. Joyo.com was an e-commerce website I led in founding in 2000. It was once the largest e-commerce site at the

time, but because we couldn't raise enough funds, we had to sell it to Amazon in 2004, and it became Amazon China.

At that time, entrepreneurs in China didn't know how to start a business, and it was very difficult to raise money. The process of starting a business was extremely tough. I have a deep personal understanding of how hard entrepreneurship is, and I hoped to be a friend to entrepreneurs, sincerely helping them. Thus, I became one of the earliest angel investors.

Speaking of Joyo.com, even today people ask me: do you regret selling Joyo.com back then? I don't regret it, but very few people can understand the pain involved.

A few years ago, when I visited Jeff Bezos in Seattle, USA, the first thing he said was, "I'm sorry, we didn't take good care of your Joyo.com."

The third time was in 2016, when Xiaomi encountered setbacks and was in a life-or-death situation, I had to personally take over the smartphone department.

For me, this was a huge challenge. I became a hardware engineer, learning on my own while leading the team to catch up, to learn about manufacturing. After 5 years of continuous learning and catching up, our hardware capabilities improved significantly, and smartphone sales returned to the global top three.

I consider myself now initiated into the hardware industry.

Reflections on Transformation

From programmer to manager, from entrepreneur to investor, from internet to hardware—each was a massive renewal of cognitive structure and life experience. Some of these major transformations were passive responses, and some were active choices. But regardless of the type, they all required fearless courage, firm will, super-strong learning ability, and the resilience to withstand immense pain.

After all, every time you enter a new field, most of your past knowledge, experience, reputation, and honors are reset to zero. All you can rely on is a heart that charges forward relentlessly.

I am grateful for this pain and tempering. It could be said that without these few instances of "re-flashing the ROM," there would be no Lei Jun as I am today.

Continuous transformation and continuous renewal are the way to win a more interesting life.

That's why I've come to love running, dashing under the morning sun, feeling the beauty of nature and life.

The Decision to Build a Car

The past two and a half months have been another new journey for me.

Eight years ago, in 2013, I visited Elon Musk twice. That year, I became a Tesla owner and began paying attention to the electric vehicle industry.

Car manufacturing has always been a trendy topic. Over the years, we have occasionally discussed it a few times at Xiaomi executive meetings. Until January 15 this year, the board of directors asked us to seriously study the electric vehicle industry. To be honest, at the beginning, I was unwilling in my heart. Our phone business had just returned to No. 3 in the world; this battle wasn't truly over yet. Would making cars distract us? However, "the tree may prefer calm but the wind will not subside" (Chinese idiom meaning situations evolve regardless of one's wishes). Facing the major tide of the era, where should we go?

We started serious research on January 15. Many friends advised us to do it. "Xiaomi understands both hardware and the internet; you should start immediately." They also said, "Your peers are all doing it. If you don't, you'll fall behind."

Many people also kindly advised us that the auto industry is very complex, requires investments counted in tens of billions, has a particularly long cycle, and it's easy to fall into a pit. You are outsiders; you probably can't manage it. Also, others have been doing it for five or six years; it's too late for you to start now.

Electric vehicles: to do or not to do? This is a question.

This decision is extremely important for Xiaomi today.

During that period, during the day I would think of 10 reasons why we must do it. At night, calming down, I could list 10 reasons not to do it.

Back when we entered the smartphone industry, we had nothing. Weren't all our competitors giants at that time? Yet we still achieved today's miracle. Today, Xiaomi is already a Fortune Global 500 company; our strength is much greater than it was 10 years ago. What is our biggest worry?

Actually, there's only one: Do we dare to do it? Do we dare to draw our sword against the difficulties? I asked myself repeatedly: Can I still have the same courage I had ten years ago, the same determination I had ten years ago, even the same physical strength I had ten years ago?

In this process, Mi fans gave me the greatest encouragement.

At the end of last year, we held a New Year's wish-fulfillment activity, helping Mi fans realize their New Year's wishes.

There was a Mi fan with the ID "Carrefour Pirate." His dream was particularly cool: he wanted to

travel around China in an RV equipped with a full set of Xiaomi smart home products, to experience what "walking smart life" would be like.

I promised to help him realize this dream. Currently, the RV modification is nearly complete. Our first RV turned out to be a modified smart RV.

Before the Spring Festival, we organized a New Year's Eve dinner event with Mi fans. I received a special gift. Let me show you.

The Mi fan who gave me this gift is called Wu Xiangyu. This book is a collection of his purchase receipts from the Mi Mall over so many years.

A thick book, holding it in my hands, it felt really weighty. What moved me was not just that he bought 350,000 RMB worth of Xiaomi products over 6 years, but what he said: "I have always believed in Xiaomi. This is the testimony of me growing up with Xiaomi."

A few days ago, my colleague told him that he (Wu Xiangyu) had seen the recent news and was also very concerned about whether Xiaomi will make cars. He said: "As long as Xiaomi makes a car, I will definitely buy one!"

Student Wu Xiangyu, I heard your opinion. Thank you!

It's not just Student Wu Xiangyu; there are very, very many friends looking forward to Xiaomi making cars.

This evening, before the launch event, we conducted a survey on Weibo. The result was that over 95% of netizens supported Xiaomi in making cars.

Why do so many people want us to make cars? Why does everyone think we will surely win?

I think it's because everyone believes that we have the ability to make a good car that everyone will like; believes that we have the industry's most complete smart ecosystem, and also has the support of countless Mi fans worldwide.

At the same time, we are very aware of the risks of the auto industry: investments measured in tens of billions, visible results only after three to five years. This is not a small risk for Xiaomi, but Xiaomi, after 10 years of entrepreneurship, already has some accumulation.

Currently, Xiaomi has an R&D team of over 10,000 people, a steadily growing global #3 smartphone business, the best smart ecosystem, and 108 billion RMB in cash reserves. This is the figure disclosed in our recently released 2020 annual report. I can now proudly say that the best Xiaomi yet is striding towards a new journey with high morale.

Over the past 75 days, after 85 industry visits and communications, in-depth exchanges with

more than 200 senior automotive industry professionals, 4 management internal discussion meetings, and 2 formal board meetings, today we have finally reached the most significant decision in Xiaomi's history: Xiaomi officially enters the smart electric vehicle market. In the next 10 years, we will invest 10 billion US dollars, with an initial investment of 10 billion RMB.

From personal devices to smart homes, smart offices, and now to smart mobility, Xiaomi will use the power of technology to fully provide Mi fans with a comprehensive, all-scenario beautiful smart life. This mission fire has always burned fiercely in our hearts.

I look forward to seeing Xiaomi smart electric vehicles galloping on every road around the world.

I believe that Xiaomi can immerse every one of our users in a happy life brought by technology, whenever and wherever they are. "Using high-quality smart electric vehicles to let global users enjoy an ubiquitous smart life." This is Xiaomi's original intention in making cars.

This time, I will lead the team personally. This will be the last major startup project of my life.

I am well aware of what this decision means. I am willing to bet all my personal reputation, once again gear up, and fight for Xiaomi Auto! I am prepared to give my all for at least the next 5-10 years. We will face this new journey with huge investment, tremendous respect, and lasting patience.

You ask me if the pressure is great? I want to answer you: from this moment on, I no longer care about whether there is pressure. I only care about how to make a good car for Mi fans.

We have some confidence and base in making a good car. As long as everyone is willing to wait, we will definitely go all out!

In a few days, it will be April 6th, Xiaomi's 11th birthday. Having come all this way over 11 years, at this moment, I understand the meaning of growth even more especially.

What is "Eternal Renewal"? Now I can share my answer with you:

Eternal Renewal is unwavering belief and optimistic confidence. It is the spirit of constant innovation and vibrant hope. It is a magnificent picture that every one of us participates in, ultimately pushing the world forward.

This is Xiaomi. This is our common expectation: on the journey always rushing towards the distance, may there always be the courage to charge forward relentlessly, and a future of eternal renewal!

Thank you everyone!