

# CONNECTING CLOUD TO ASEAN

Alibaba Cloud's Lancelot Guo wants to capture the surging demand for intelligent cloud services in the burgeoning market. **BY SHARANYA PILLAI**

**T**HE year 2020 has been dominated by Covid-19 and economic volatility, but for Alibaba Group vice-president Lancelot Guo, there is a clear silver lining. This is the year when many businesses have finally come to view the adoption of cloud technology as a "no regrets" decision.

"In the past, they probably would still argue about how they are going to go on the cloud," muses Mr Guo, who is president of ecosystem and sales operations at Alibaba Cloud Intelligence, the data intelligence unit of the Chinese tech behemoth.

"Now, I think more and more people realise that it's time to go. So we spend less time this year convincing people than in the past," says the affable 47-year-old, who spoke to *The Business Times* over a video call from his office in Hangzhou, China in late October.

Established in 2009, Alibaba Cloud provides a suite of cloud computing services to businesses worldwide, including startups, corporations and public services, as well as merchants doing business on Alibaba marketplaces, such as Taobao and Tmall. It is also the official cloud services partner of the International Olympic Committee.

The unit established its international headquarters in Singapore in 2015, in response to the strong demand for cloud computing services among businesses here and in the broader Asia-Pacific region. It also set up its first cloud data centre in Singapore that year, which it has since expanded twice, in 2016 and 2018.

Cloud computing involves the use of remote servers on the Internet to store and process data. While it may sound as abstract as its name, the technology has become a must-have for businesses that wish to serve customers online and on mobile devices.

#### Nascent market

Mr Guo, who was born in Shanghai, has had a front-row seat to the explosion of cloud technology in China, in tandem with the rise of the country's tech giants such as Alibaba. He is also well-versed with the US ecosystem, having cut his teeth with tech majors there in the earlier years of his career.

These days, Mr Guo is also paying close attention to a much more nascent market: South-east Asia. Home to millions of small and medium enterprises (SMEs), the region has historically struggled with cloud adoption due to low Internet penetration and a fragmented market.

For a cloud evangelist like Mr Guo, the forced digitalisation spurred by the pandemic represents a great opportunity for change. He says: "The experience, the best practices as well as the technology platforms be-



PHOTO: ALIBABA GROUP

ing used in China, getting so popular and becoming extremely successful, is going to be very useful, in my opinion, for South-east Asian countries, for the economy to grow – because you guys are very similar to us in terms of the economic pattern.”

#### The big S-E Asia venture

Mr Guo has spent his career jet-setting around the globe, but one city that remains “close to (his) heart” is Manila, the capital of the Philippines, he says.

He had previously spent about half a year working in the city as a consultant with Accenture, and was struck by its vibrancy.

“It’s a country with a lot of young people, with a lot of technology talent. They want to create new solutions serving not only the industries in the Philippines but also the major markets in the US, Europe and other places. What we see is that it’s a very fast-moving, emerging economy with technology at the very core of businesses,” he points out.

In his role with Alibaba Cloud, Mr Guo is not just advocating for businesses to adopt the company’s cloud and data analytics solutions. He also aims to nurture a wave of tech talent in both the Philippines and the region. He sees it as a natural alignment, considering that the mindset and entrepreneurial spirit of China’s youth population is similar to that of South-east Asia.

In September, Alibaba Cloud announced that it will train some 50,000 IT workers in the Philippines in its cloud ecosystem over the next three years. The firm also hopes to assist 5,000 Philippine businesses with digital migration by end-2023. “What we want to do in the Philippines is that we want to work with many partners to coach and develop many technological talents around our cloud technology. Secondly, we also believe that the Philippines, with its economic development cycle, is very likely to be another major market in terms of Internet technology,” he notes.

Mr Guo adds: “We would like to develop a very close partnership with the major players there... major corporates like the telcos and the technology companies. That would help us not only in serving the Philippines’ own economy, but also have an impact around the whole South-east Asian region.”

This is just one aspect of the blue ocean opportunity Alibaba Cloud sees in South-east Asia. In Indonesia, it has partnered major corporations such as national carrier Garuda Indonesia, which has adopted Alibaba Cloud’s systems for greater efficiency.

Over in Singapore, the international headquarters, Alibaba Cloud is immersed in developing the local tech ecosystem. For instance, two years ago, it partnered the National University of Singapore to set up an innovation incubator for science and tech students. Alibaba Cloud also subsequently launched cloud and tech courses with the Singapore Management University in early 2019, to upskill over 1,000 professionals in Singapore.

“Singapore is a very open country, a hub that connects the east and west... Talent is another great thing about Singapore. It’s basically a country that can attract a lot of talent from the Asean countries,” he adds.

With the Covid-19 pandemic, the use cases for cloud technology in this region have also expanded significantly. For instance, demand from healthcare providers and public services is rising as they seek to serve patients more efficiently. More insurers are also adopting cloud to

enhance their online services, eliminating the need for customers to file claims in person.

“This year, something new we see that is going very well is corporate collaboration, in terms of online meetings, conferencing, online collaboration and so on. We also see a huge demand from the education (and) training part, because many students are studying from home,” Mr Guo says.

“In the general demand on cloud, we see a huge acceleration. In the past, we saw that it’s a very promising business that’s growing very well. This year, we see more and more people are adopting and they believe that this is the future. For us, this is more cheerful (news).”

#### An early passion for tech

With the rapid developments in the cloud and data sector, Mr Guo has had to stay on his toes. But his early interest in the tech world has put him in good stead.

Mr Guo’s passion for tech began to show during his high school years in Nanjing, when he spent “pretty much all my spare time on the computer”. Choosing to major in computer science at Shanghai Jiao Tong University was a no-brainer.

“I hate to say this, but I didn’t have a lot of options back then, because I was a nerd in high school,” he shares. “I had a chance to handle a computer back then in school, and I was recognised as a good programmer. When I had to choose my major at college, it was a natural choice.”

After completing his Master’s degree in computer networks, Mr Guo went on to work for Microsoft in China. “Back in 1997, it was ‘the company’ to work for, so I was extremely happy to join... I did a lot of work – engineering and technical work, and sales and marketing as well.”

Interestingly, this was also when he chose the English name “Lancelot”. “One day, we were in a role-play game and I picked up the name ‘Lancelot’. I didn’t even know the story behind it, to be honest with you... but I loved the name and also learned the stories, literally visiting the roundtable in the UK... It represents strength (and) capability,” he says.

But he adds with a hearty laugh: “I shared with my colleagues back then, my name (being) Lancelot is like you guys coming to China and calling yourselves ‘Confucius’.”

After his stint in Microsoft, Mr Guo decided that he wanted to focus more on programming, and moved to the United States. He joined Portal Software in California, one of the early players in the Internet solutions business, which was later bought by Oracle Corp.

While immersed in engineering, Mr Guo then began to develop a deep appreciation for how technology must solve business needs. “So that’s why I started my career as a consultant. I went to Accenture and delivered many projects around the world, part of it in the Philippines,” he recounts.

After all the globetrotting, he returned to China. One reason was the birth of his daughter in 2005; another was a new opportunity to work on a large project that Accenture had signed in China. Mr Guo had delivered a similar project in Tokyo, and his boss was confident that he would excel in China. And he did, although he admits with a laugh that the working hours were tough.

It was at his next job, with US tech major IBM in China, that Mr Guo got a taste of the cloud business. “IBM was one of the champions in terms of cloud technology. It made a lot of bets,” he recalls, expressing gratitude that the com-

#### LANCELOT GUO

**Vice-President, Alibaba Group President of Ecosystem and Sales Operations, Alibaba Cloud Intelligence**

1973: Born in Shanghai, China

#### EDUCATION

1990 – 1994: Bachelor’s degree in Computer Science, Shanghai Jiao Tong University  
1994 – 1997: Master’s degree in Computer Networks, Shanghai Jiao Tong University

#### CAREER

2006 – 2010: Senior Manager (Telecommunications Industry), Accenture  
2010 – 2015: Partner, COMM Sector Leader (Global Business Services Leader for telecommunication, utility, media and entertainment), IBM  
2015 – 2017: Vice-President of Strategy, Greater China Group (Head of Strategy for IBM Greater China Group), IBM  
2017 – 2018: Vice-President of Watson Health, Greater China, IBM  
Since 2018: Vice-President, Alibaba Group

**“Singapore is a very open country, a hub that connects the east and west... Talent is another great thing about Singapore. It’s basically a country that can attract a lot of talent from the Asean countries.”**

pany helped him realise that cloud was the future. “I was leading an effort to bring the IBM cloud technology to China. Cloud was a big part of my job when I was doing what we called internal transformation – we wanted to make the company less hardware and more services. Cloud services was definitely a big part of that service strategy.”

With the accumulated experience from working for US firms, Mr Guo joined homegrown Alibaba, drawn by the company’s ability to access and adapt rapidly to the domestic market’s needs. “Obviously, a US-based company and a Chinese-headquartered company would be very different in terms of culture, business operations, the people and even our working language,” he says.

At Alibaba, which started off as an underdog in the Internet era, “everything is about speed”. In Alibaba Cloud specifically, “our key strength is in intelligence” with data analytics and AI (artificial intelligence) capabilities, which can differentiate it from incumbents like Amazon’s AWS and Microsoft Azure, he reckons, adding: “That makes me extremely excited.”

#### Data as Asia’s currency

Reflecting back on his journey to Alibaba Cloud, Mr Guo believes that he has come full circle from his consulting days. At Accenture, he relied on business model and process innovation to solve corporations’ challenges.

At Alibaba Cloud, he uses a similar strategy, but with the added advantage of being in a data-rich ecosystem.

“Alibaba is a company built on top of data. This business is becoming very innovative, because we can literally create business models and innovate out of data,” he says, citing the company’s Hema concept grocery stores as an example.

Traditionally, retailers would decide where to open locations based on factors like real estate prices and footfall. “But Hema didn’t do that; the business model was very much tech-driven. When we had to choose where to open stores, we go to our internal data and look through people making online purchases – what they are buying, where customers are located, their purchasing power... We calculate what are the favourite products.

“One example is lobsters. Chinese people didn’t consume lobsters at home in the past, only in dining places and restaurants. At home, we didn’t because it’s very much a food for treating people. But Hema tackled that and said that this is something that consumers would like,” he notes.

Instead of the large lobsters sold in restaurants, Hema sold smaller-sized ones suited for family consumption. It also optimised delivery systems and online payment methods to streamline the whole customer experience. To Mr Guo, this is a prime example of “using digital technology to come up with the business model”.

And he is confident that with its data capabilities, Alibaba Cloud can be at the forefront of bringing such innovation to its global markets, including in South-east Asia.

With Garuda Indonesia, for instance, Alibaba Cloud created solutions informed by its own learnings. And there is much more to be done, he reckons.

As Mr Guo sums up: “Cloud is no longer a debate; it’s a new normal. It’s going to be the new infrastructure for our new economy.”

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