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CS-19-013  
August 2019

## Innovation and agility at Tencent's WeChat

In early 2019, WeChat was an astounding success story. With more than one billion active daily users, it was among the most successful software products in history. Its owner, Tencent, was one of the top 10 companies in the world by market capitalisation.

From its founding as a 10-person skunkworks operation back in 2010 to its emergence as China's pre-eminent digital platform for social chat and day-to-day living, WeChat was a story of continuous innovation, painstaking execution and fortuitous timing. Much of its success could be attributed to Allen Zhang, the introvert programmer-turned-leader who crafted the original vision for WeChat and was still at the helm almost 10 years on as head of the WeChat business, constantly on the lookout for new ways to extend the product and create additional value for users.

But continued success was by no means guaranteed, with looming challenges on the horizon. First, the digital revolution was still in full swing. Just as WeChat succeeded by catching the mobile wave, there was every chance a new competitor would emerge to ride the next wave of change; for example in cloud computing, artificial intelligence, or virtual reality.

Second, WeChat was dominant in China, reasonably well known in other parts of South East Asia, and almost unused in Europe and the Americas. Tencent's executives were conscious of the opportunity to grow internationally, but also that it would be a huge challenge, with Facebook and other competitors so well entrenched in their home markets. What pathways could Tencent consider to internationalise the business, and how important was it really to push these growth options?

Third, there were several internal issues. WeChat had enjoyed a hands-off relationship with its owner Tencent. Allen and his team had been given a lot of freedom to develop WeChat as they saw fit, and without explicit financial targets. But there were reasons to think that this situation might change in the years ahead as WeChat became a more mature product and as Tencent's ability to make additional profits from its other business lines (e.g. online gaming) became more constrained.

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