

# The Long Vision of Li Shufu

## *Geely's Acquisition of Volvo and the Making of a Global Empire*

*Prepared for teaching in Emerging Leaders' Program (ELP2)*

In March 2026, Eric Li Shufu sat at his desk at Zhejiang Geely Holding Group's (ZGH) headquarters in Hangzhou, reviewing a one-page summary prepared by his strategy office. The numbers from 2025 were striking. ZGH had produced 4.1 million vehicles globally, of which 2.3 million were plug-in electric. The Group now employed over 120,000 people across four continents and ranked 225 on the Fortune Global 500 list. Li's portfolio spanned a dozen brands, from the Chinese compact hatchbacks of Geely Galaxy to the British luxury sports cars of Lotus, from the Swedish safety icon of Volvo to the German microcars of Smart. Sixteen years had passed since a cold March afternoon in Gothenburg in 2010, when a then-unknown Chinese private company had signed the papers to acquire Volvo Cars from Ford Motor Company for USD 1.8 billion. The acquisition that most Western analysts had predicted would end in disaster had instead become the seed of one of the most complex automotive portfolios in the world.

The spring of 2026 was, however, not a time for retrospection alone. Over the last twenty-four months, the shape of Li's portfolio had been visibly changing. In February 2024, Volvo Cars had reduced its stake in Polestar from 48.3% to 18%, transferring the difference to Geely Holding. In May 2024, Zeekr had completed its initial public offering on the New York Stock Exchange, raising USD 441 million and becoming the largest Chinese IPO since 2021. Yet barely a year later, in July 2025, Geely Auto had announced a merger agreement to acquire all remaining Zeekr shares and take Zeekr private once again. In September 2025, Zhu Ling, previously a Vice President at Zeekr, had been appointed Head of Asia-Pacific Operations at Volvo Cars. In March 2025, Håkan Samuelsson had returned as CEO of Volvo for a second term, succeeding Jim Rowan after only three years. To close observers of the Group, a pattern was emerging. The brands that Li had acquired and protected as distinct entities in the decade after 2010 were now being quietly knitted closer together. Synergies that had earlier been kept at arm's length were becoming explicit. The empire was consolidating.

Li's challenge, as he prepared for his leadership offsite in April 2026, was to articulate what the next phase of Geely should become. The vision that had powered the 2010 acquisition of Volvo — what Li had then called "Volvo is a tiger, Geely is a kitten; we need a tiger to help us grow" — had worked remarkably well for the first fourteen years. Volvo had not only survived Ford's departure; it had more than doubled its global sales between 2010 and 2023 and had become one of the most trusted bets in the Group. The autonomy principle had preserved Volvo's Swedish character, its safety-first brand identity, and its consumer trust in Europe and North America. Yet the world in which that principle had been designed was changing. The transition to electric vehicles demanded shared platforms and common battery

architectures. European tariffs on Chinese vehicles, rising political pressure on Chinese automotive investments in the West, and Volvo's own reversal in 2024 of its 2030 full-electric goal were all reshaping the calculus of autonomy. Li's strategy team was divided. Some argued that the original vision should be preserved at all costs, that it was the very reason Volvo had thrived. Others argued that the next decade demanded tighter integration, shared technology platforms and a more coherent global story. Li had four options on the table. Continue the autonomy-first approach with minimal inter-brand integration. Move to a platform-sharing model in which brands remained distinct but shared technology. Consolidate into a tiered portfolio with Geely at the mass-market base and Volvo, Polestar, Lotus and Zeekr stacked above. Or pursue a radical consolidation in which the distinct brands would eventually merge into two or three global super-brands. Each option carried different implications for the 120,000 people in his organisation, for the markets in which Geely competed, and for the very meaning of the vision that had launched this journey in 2002, when Li had first mentioned Volvo to his leadership team.

Li recognised that the decisions taken in the coming months would define Geely for the next decade. What kind of global company did he wish Geely to be? And how much of the original autonomy principle, born in the unique cultural context of 2010, should travel into an industry transformed by electrification, geopolitical realignment, and a new generation of Chinese consumers for whom Geely no longer required a foreign brand to validate its ambitions?

## **Li Shufu and Geely: From Refrigerators to Automobiles**

Li Shufu's story is often compared in Chinese business literature to that of Henry Ford. Born in 1963 in Taizhou, a coastal city in Zhejiang province, to a farming family, Li started his entrepreneurial career in 1982 with a camera. He would take pictures of local residents and develop them himself using basic equipment. By 1984, he had moved into refrigerator components. By 1986, Geely Group had been formally founded as a manufacturer of refrigerator parts. In 1994, the company moved into motorcycles. In 1997, Li made the decision that would define his life. He invested 500 million yuan in automobile manufacturing, becoming the first private automobile enterprise in China. At that point, Geely had no relevant technical knowledge, no dedicated research and development staff, no manufacturing drawings and no moulds. Li bought several imported Xiali cars and dismantled them piece by piece, studying and analysing the internal systems, learning by imitation before learning by innovation.

The trajectory from 1997 to 2009 was one of learning through reverse engineering, then through gradual indigenous development. By 2005, Geely Automobile Holdings, the listed arm, had debuted on the Hong Kong Stock Exchange. By 2008, Geely had acquired Drivetrain Systems International (DSI), an Australian transmission company, for AUD 58 million, making it the first Chinese carmaker with the capability to manufacture six-speed automatic transmissions. These were useful additions. They did not, however, make Geely a global player. In 2009, a crash test conducted by an independent agency on one of Geely's sedans reported a 10% survival rate, an indictment of the brand's safety standards. Chinese state media and global observers were openly sceptical of whether a Chinese automaker could produce vehicles of

global standard in a timeframe that mattered. Li, however, had set himself a different yardstick. As he would later say in his 2018 interview with the Financial Times: "It is important to learn, and to attend classes. Learning is about more than receiving an academic title or diploma."

## **Why Li Shufu Wanted Volvo**

In 2002, at a Geely leadership meeting, Li first mentioned Volvo to his top team. Most of them were not convinced. Geely was then five years into making cars. Its annual production did not exceed a few hundred thousand units. Volvo, by contrast, was a 75-year-old icon of Swedish engineering, owned by Ford Motor Company, and associated worldwide with automotive safety. It had more than 3,800 research and development engineers, 10,963 patents, two complete production facilities with a combined capacity of 500,000 vehicles, and a dealer network of more than 2,200 outlets across more than 100 countries. Its intellectual property included the Scalable Platform Architecture (SPA), which had cost Volvo and Ford over USD 10 billion in joint research and development over a decade. Li's interest in Volvo was, at that point, not a plan; it was an aspiration.

By 2007, the aspiration had sharpened into intent. In September of that year, Ford's United States headquarters received a registered letter from Li, routed through a public relations firm, explaining his interest in acquiring Volvo. Ford's response was silence. Alan Mulally, the newly appointed Chief Executive Officer of Ford, had arrived from Boeing in 2006 and launched the "One Ford" strategy. Under this strategy, Ford was considering divesting several peripheral brands, including Volvo. However, Geely was not considered a serious candidate. It was a little-known Chinese private company in a market still perceived as lacking automotive capability. Li continued to send letters and sought meetings. In 2008 and 2009, he tried on several occasions to arrange discussions with Ford's senior leadership. For more than two years, the conversations did not materialise.

What shifted the balance was Ford's own predicament. On January 29, 2009, Ford released its financial report showing a full-year loss in 2008 of USD 14.6 billion, the third consecutive year of losses. Ford's fourth-quarter sales had fallen nearly 30% in the wake of the global financial crisis, and its fourth-quarter revenue had dropped to USD 29.2 billion from USD 45.5 billion the year before. Volvo itself, once the pride of Ford's Premier Automotive Group, was losing money. Ford had to sell. In October 2009, Geely was selected as Ford's preferred bidder. In December 2009, the parties reached a framework agreement in Sweden. Between January and March 2010, the specific acquisition plan was negotiated. On March 28, 2010, in the city of Gothenburg, in the presence of Swedish Deputy Prime Minister and Minister for Enterprise and Energy Maud Olofsson, Li Shufu and Lewis Booth, Chief Financial Officer of Ford, signed the stock purchase agreement. The acquisition would close in London on August 2, 2010, for USD 1.8 billion, of which USD 1.3 billion was paid in cash, USD 200 million was in the form of a note, and the balance was adjusted against pension obligations and working capital.

At the signing ceremony, Li made a statement that has since been widely quoted: "This is a historic day for Geely, which is extremely proud to have acquired Volvo Cars. This famous Swedish premium brand will remain true to its core values of safety, quality, environmental care and modern Scandinavian design." In a separate conversation captured by journalists, Li offered what would become his most remembered metaphor:

*"Volvo is a tiger. Geely is a kitten. We need a tiger to help us grow."*

The tiger metaphor was not accidental. It signalled a principle that would govern Geely's management of Volvo for the first fourteen years of ownership: Volvo would retain its Swedish identity, Swedish management, Swedish headquarters, and Swedish decision-making. Geely's role would be to provide capital and access to the Chinese market, not to dictate the brand's character. The principle was reinforced by the management team Li installed. Stefan Jacoby, previously Chief Executive of Volkswagen Group of America, became President and CEO of Volvo Cars on 16 August 2010, succeeding Stephen Odell. Hans-Olov Olsson, a former CEO of Volvo Cars and former Chief Marketing Officer of Ford, joined the board as Vice-Chairman. Li himself became Chairman of the Volvo board. In a telling detail, Li did not speak English. In board meetings, his views were conveyed through Hans-Olov Olsson, who carried Li's opinions to the Swedish directors. The arrangement was unconventional by Western corporate governance standards. It was, nevertheless, a deliberate choice, and it set the tone for a model of acquisition that many would later study as a textbook case of cross-cultural restraint.

### **The Autonomy Principle in Action (2010–2020)**

In the decade following the acquisition, Volvo was allowed, in both spirit and structure, to run as an independent Swedish company. Its headquarters remained in Gothenburg. Its manufacturing plants in Torslanda (Sweden) and Ghent (Belgium) continued to operate, with Ghent becoming the launch site for several new models. Its safety research programmes continued unchanged. Volvo's branding, advertising and customer experience in Europe and North America made no reference to Chinese ownership. Under Håkan Samuelsson, who replaced Stefan Jacoby as CEO in October 2012, Volvo refocused its product lineup. The company developed a new line of three- and four-cylinder diesel and petrol engines, eliminating larger engines. It developed a new vehicle platform, the Scalable Product Architecture (SPA), and reintroduced an expanded 90-series of models, including the S90 sedan, the V90 wagon, and a redesigned XC90 SUV. In 2015, Volvo crossed half a million units in annual sales for the first time in its 89-year history.

Equally important was what Geely chose not to do. It did not move Volvo's engineering activities to China. It did not force the integration of Volvo's supply chain with Geely's. It did not place Chinese executives in senior operational roles at Volvo. Instead, Geely set up a separate legal and operational entity, the China Euro Vehicle Technology (CEVT) AB, based in Gothenburg, as a joint research and development centre. CEVT was deliberately structured as a third space: not Volvo, not Geely, but a shared architecture that

could draw engineers from both sides, exchange knowledge in both directions, and develop platforms that either brand could use without either being subordinated. One senior CEVT manager, in a 2016 interview with researchers from the Nordic School of Management, captured the philosophy succinctly:

*"Volvo is Volvo, they have their culture, brand etc. So, Volvo is Volvo, Geely is Geely. But on a holding level there must be synergies—how we can work together. That is the benefit of CEVT, having something that supports and brings the synergies. I don't think Volvo and Geely could do this without CEVT because they are too different."*

CEVT's first major output was the Compact Modular Architecture (CMA), a small-car platform that would eventually underpin Volvo's XC40, the Geely Emgrand, and a new brand launched jointly in 2016 under the name Lynk & Co. Lynk & Co was structured as a joint venture between Geely Auto and Volvo Cars, with the explicit objective of challenging the established European and American premium brands with an offering aimed at globally connected younger consumers. The brand's design studio was located in Gothenburg; its manufacturing was shared between Zhangjiakou in China and Ghent in Belgium; its retail model, initially based on subscription, was intended to disrupt traditional dealer networks.

The results of the first decade silenced most of the early scepticism. Volvo's global sales rose from 373,525 units in 2010 to 705,452 units in 2019. Its revenues grew from approximately SEK 106 billion to SEK 274 billion over the same period. Between 2010 and 2020, Volvo generated an aggregate profit before tax of more than USD 10 billion, against Ford's aggregate pre-acquisition losses under the same brand. In 2017, Volvo announced that all new models launched from 2019 onwards would be fully electric or hybrid-electric, setting what was at the time the most ambitious electrification roadmap in the global automotive industry. In 2018, Li Shufu wrote an opinion piece in the Swedish business newspaper Dagens Industri in which he reflected on the decade of shared learning:

*"Our experience with Volvo Cars shows not only how important it is to have a strong and independent brand, but also the significant opportunities the automotive industry has for long-term collaborations and partnerships."*

The Volvo acquisition was now being cited in Chinese and Western business schools as a counterexample to the usual narrative of cross-border acquisitions destroying target companies. Li Shufu was increasingly being compared, somewhat uncomfortably for Western observers, with Carlos Ghosn of Renault-Nissan and Sergio Marchionne of Fiat-Chrysler, though with one crucial difference. Li had not tried to run Volvo himself. He had installed a governance structure that allowed Volvo to run itself.

## **The Portfolio Expands (2013–2023)**

While Volvo was stabilising, Li's acquisition appetite was growing. The ZGH portfolio began to accumulate brands at a pace that surprised even its own strategists. In 2013, Geely acquired Manganese Bronze, the parent of the London taxi manufacturer, which was later renamed the London Electric Vehicle Company

(LEVC). In 2017, Geely acquired 49.9% of Proton, the Malaysian national car company, and 51% of Lotus Cars, the storied British luxury sports car manufacturer. Also in 2017, Li's investment company acquired 8.2% of AB Volvo, the Swedish truck manufacturer (separate from Volvo Cars), for USD 3.2 billion, becoming the largest single shareholder. In 2018, Li purchased a 9.7% stake in Daimler AG, the parent of Mercedes-Benz, making him the second-largest shareholder after BAIC Group. In 2020, ZGH and Daimler announced a 50-50 joint venture to develop and operate the Smart brand as a global electric vehicle brand. In 2022, Li acquired a 7.6% stake in Aston Martin Lagonda Global Holdings, which he doubled to approximately 17% by 2023.

Alongside these external acquisitions, Geely was building new brands from within. In 2017, Polestar was established as a standalone performance electric brand, jointly owned by Volvo Cars and Geely Holding. In 2021, Zeekr was launched as Geely's premium electric brand, riding on the Sustainable Experience Architecture (SEA) platform. Zeekr's first model, the Zeekr 001, was launched in April 2021, and the brand sold 71,941 vehicles in its first full year of operation. In 2024, Zeekr delivered 222,123 vehicles, a 87% year-on-year growth. Farizon Auto, Geely's electric commercial vehicle brand, was established in 2016 and expanded into international markets. Radar Auto, focused on electric pickup trucks for outdoor lifestyles, was launched in 2022.

The financial and operational scale was, by any measure, striking. By 2023, ZGH reported aggregate annual sales of 2.79 million vehicles, a 20% year-on-year increase. Volvo Cars' global sales in 2023 stood at 708,716 units, the highest in its 97-year history. By 2025, ZGH was producing 4.1 million vehicles globally. An industry observer commented, "Even seasoned auto investors sometimes refer to Geely as more of a weather system than a company." The complexity of the portfolio was now a strategic reality. Geely's brands competed across price segments from below USD 15,000 (Geely Galaxy compact models) to above USD 300,000 (Lotus Evija hypercar); across powertrains from internal combustion to plug-in hybrid to full electric; and across markets from Malaysia (Proton) to the United Kingdom (LEVC black cabs) to Germany (Smart) to the United States (Polestar).

### **The Shifting Principle (2023–2026)**

The year 2023 marked the beginning of a more visible shift in how ZGH managed its portfolio. What had been, for more than a decade, a loosely connected federation of autonomous brands began to show signs of deliberate consolidation. The shift was not announced as a change of vision. It unfolded through a series of individual decisions that, when viewed together, suggested a new pattern.

In 2023, Lynk & Co announced a strategic alignment closer to Geely Auto's mass-market direction, while Polestar, facing mounting losses and shareholder pressure, initiated a review of its relationship with Volvo. In February 2024, Volvo Cars announced that it would reduce its stake in Polestar from 48.3% to approximately 18% by the third quarter of 2024, transferring the difference to ZGH. The decision was framed publicly as a "natural evolution," but it marked a structural change. Polestar would no longer be a

shared project between Volvo and Geely; it would be a ZGH brand in which Volvo retained a minority financial stake. For Polestar, this meant loss of Volvo's engineering and financial backing at a time when the brand was struggling to achieve profitability. Its stock, listed on NASDAQ in 2022, had declined significantly through 2024 and 2025.

In May 2024, Zeekr completed its initial public offering on the New York Stock Exchange, raising approximately USD 441 million and achieving a valuation of over USD 5 billion. Zeekr's IPO was the largest Chinese listing in the United States since 2021. For Li, the Zeekr IPO was a validation of a brand he had built from within, independent of any acquired Western icon. Yet barely fourteen months later, in July 2025, Geely Auto announced a merger agreement to acquire all remaining Zeekr shares, taking Zeekr private once again. The logic offered publicly was that a consolidated Zeekr within Geely Auto would benefit from shared R&D, supply chain and global distribution. Privately, analysts read the decision as a signal that the era of building brands with separate capital structures was ending, and that the era of a more integrated Geely empire was beginning.

In September 2025, Zhu Ling, previously a Vice President at Zeekr, was appointed as Head of Asia-Pacific Operations at Volvo Cars. Volvo described the appointment as a routine management change. Several observers, however, noted that this was the first time in the post-2010 era that a senior executive from Geely's own ranks had taken direct operational control of a significant part of Volvo's business. The Chinese market, which accounted for roughly a fifth of Volvo's global sales, would now be managed by an executive from the Geely ecosystem rather than a Volvo veteran. In March 2025, Håkan Samuelsson, the former CEO who had led Volvo during much of its turnaround, had been brought back as CEO for a two-year interim term, replacing Jim Rowan, who had joined from Dyson in January 2022. The Volvo board noted that Samuelsson's return was intended to "prepare the group for the long-term successor", but the choice of a 74-year-old former CEO as a transitional figure signalled that the board did not find in the existing pipeline a candidate it trusted for the next phase.

Other decisions followed the same direction. In November 2024, Volvo Cars sold its 30% stake in Lynk & Co to Zeekr for RMB 5.4 billion. Lynk & Co, originally a joint venture between Volvo and Geely, was now a Zeekr-majority entity. In January 2025, ZGH announced the consolidation of LEVC into Geely Auto. In April 2025, the Livan brand was consolidated as a product line under Geely Auto. In 2024, Volvo scrapped its widely publicised goal of becoming fully electric by 2030, citing "industry challenges" and a more measured approach to hybrids. The shift was subtle but real. The promise that had defined Volvo's electrification narrative under Geely was now being walked back. The brands were moving closer. The independence that had been the bedrock of the 2010 vision was being, quietly but unmistakably, reshaped.

## **The Global Context**

The shifts within Geely's portfolio were occurring against an external environment that was itself undergoing rapid change. The global automotive industry, in 2026, was in the midst of the most fundamental transformation in a century. The transition to electric vehicles had moved from aspirational targets to operational reality. Chinese automakers collectively had captured more than 30% of global electric vehicle sales by 2025. Geely, through Zeekr, Polestar and Volvo's electrified range, was among the leading Chinese exporters of electric vehicles. Yet this very success had triggered a political backlash. In October 2024, the European Union had imposed additional tariffs of up to 35.3% on Chinese electric vehicles exported to Europe, citing state subsidy concerns. The United States had announced tariffs of 100% on Chinese electric vehicles in 2024. Australia and the United Kingdom were reviewing their own trade policies.

For Geely, the European tariffs posed a particularly complex challenge. Volvo, Polestar and Lotus, although headquartered in Europe and the United Kingdom, were majority-owned by Geely. Some of their models were manufactured in China. The question of whether a China-owned but European-manufactured vehicle should be classified as Chinese or European was being actively negotiated by trade authorities. Polestar had already shifted production of some models from China to South Carolina. Volvo was reviewing its manufacturing footprint. Zeekr's launch into Europe had been delayed by tariff uncertainty.

Political tensions added a further layer. In June 2023, Ukraine had blacklisted Geely for the Group's continued business activities in the Russian market, and Swedish authorities had begun discussing the possibility of a boycott of Volvo Cars. Although no boycott materialised, the episode revealed how the Chinese ownership of Volvo, nearly invisible to consumers in normal times, could become a reputational liability in times of geopolitical stress. Li Shufu, a Communist Party member, was viewed in Western policy circles as entrepreneurial but not fully independent of Chinese state priorities. The management structure that had insulated Volvo from Chinese association for over a decade was now being tested by forces outside any company's control.

Competitively, the landscape was equally dynamic. Tesla, despite declining market share in some regions, remained the largest global electric vehicle brand. BYD, having overtaken Tesla in global sales in 2023, was expanding aggressively into Europe, Southeast Asia and Latin America. Toyota and Hyundai, long sceptical of a pure-electric path, were pursuing hybrid-first strategies that were regaining credibility as some Western markets slowed their electric adoption. Volkswagen, Mercedes-Benz and BMW were each recalibrating their electric roadmaps. Ford, ironically, had been reported in early 2026 to be exploring partnership opportunities with Geely, as the American automaker sought low-cost electric vehicle platforms and tariff-safe production bases. The company that had sold Volvo to Geely in 2010 was now approaching Geely for technology collaboration. The reversal, as one commentator observed, would have seemed improbable to Ford's 2010 leadership.

## **The April 2026 Offsite**

As Li prepared for the April 2026 offsite, he understood that the decisions taken over the next several months would define Geely for the next decade. The original vision of 2010 had been clear and, in retrospect, correct. Geely had needed Volvo's technology, brand credibility and global presence to leapfrog from a Chinese private carmaker to a global player. The autonomy principle had been the mechanism by which that leap was achieved without destroying the value acquired. But the Geely of 2026 was no longer the kitten of 2010. Its own brands, Zeekr and Geely Galaxy among them, had reached a level of technical sophistication and market acceptance that made reliance on a Western icon less necessary. Its engineers had absorbed the learning from CEVT. Its manufacturing had scaled to rival any global automaker. The asymmetry that had justified autonomy was narrowing.

Four strategic options lay before Li and the leadership team for the next phase.

The first option was continuation. The autonomy principle would be preserved. Volvo would remain independent in its decision-making. Polestar, although now majority-owned by ZGH, would retain its distinct brand positioning. Zeekr, although taken private, would continue to operate as a separate entity within Geely Auto. Lotus, Smart and LEVC would each be managed by their own leadership teams. Inter-brand synergies would continue to flow through CEVT and through supply chain collaboration, but no structural integration would be pursued. The argument for continuation was that the principle had worked. Volvo had thrived precisely because it had not been forced to become Chinese. Why change what was working?

The second option was platform sharing. Under this approach, the brands would remain distinct at the consumer-facing level, but the underlying technology platforms would be explicitly shared. All premium electric vehicles in the Group (Volvo, Polestar, Zeekr, Lotus) would move to a common architecture. Shared batteries, shared electric drivetrains, shared software stacks. The brand-specific investment would be concentrated in design, user experience and marketing. The argument for platform sharing was economic. The cost of developing electric vehicle platforms had escalated beyond the point where each brand could justify its own. Toyota and Hyundai had taken similar approaches. The risk was that platform commonality, once visible to consumers, could dilute the distinctiveness that had justified autonomy in the first place.

The third option was tiered consolidation. The portfolio would be formally reorganised into a hierarchy. Geely Auto and Geely Galaxy would form the mass-market base, competing with other Chinese brands and exports to emerging markets. Zeekr and Polestar would occupy the premium electric segment. Volvo would anchor the luxury safety-oriented segment. Lotus would sit at the top as the performance brand. Smart and LEVC would serve specialised niches. This tiered structure would allow for cross-subsidisation, shared distribution and coherent global marketing. The risk was that formalising the hierarchy would make the Chinese ownership explicit in markets where it had previously been invisible, potentially triggering consumer and regulatory resistance.

The fourth option was radical consolidation. Over a five-year period, the twelve brands would be rationalised into three or four global super-brands. Volvo, Polestar and perhaps Zeekr would merge into a single premium electric brand. Lotus and Aston Martin (if Li's stake grew further) could be combined into a performance brand. Smart and LEVC might be absorbed into the mass-market base. Geely Auto would anchor the volume play. The argument was cost efficiency and clarity of global communication. The risk was irreversible destruction of brand equity built over decades, and the violation of the promises that had been made in 2010 to Volvo's employees, customers and Swedish government.

Each option carried different implications for the 120,000 people in his organisation, for the markets in which Geely competed, for the geopolitical environment in which it operated, and for the philosophical question that had animated Li since 2002: what did it mean to build a global Chinese company? Would the next phase of Geely be defined by the same restraint that had characterised its first two decades of international expansion, or would it be defined by the confidence of a company that no longer needed to hide behind the brands it had acquired?

Li looked up from his desk. Through his window, the early spring sun was rising over Hangzhou's West Lake, its light reflecting off the new ZGH headquarters tower, which he had quietly named, in Chinese calligraphy above the main entrance, with a phrase that translated roughly as: "Feet on the ground, eyes on the stars." He had six weeks to arrive at the right answer.

## Exhibits

### Exhibit 1: Li Shufu and Geely — Key Milestones (1963–2026)

Year	Milestone
1963	Li Shufu born in Taizhou, Zhejiang province, to a farming family
1982	Starts first business: photography
1984	Moves into refrigerator components
1986	Geely Group founded (refrigerator parts)
1994	Geely enters motorcycle manufacturing
1997	Geely enters automobile manufacturing — first private carmaker in China
2002	Li first mentions Volvo to his leadership team
2005	Geely Automobile Holdings lists on Hong Kong Stock Exchange
2007	Li sends first written acquisition inquiry to Ford
2009	Geely acquires Drivetrain Systems International (DSI), Australia
March 2010	Geely and Ford sign stock purchase agreement in Gothenburg
August 2010	Acquisition closes in London; Volvo becomes Geely subsidiary
2012	Håkan Samuelsson becomes CEO of Volvo Cars
2013	CEVT (China Euro Vehicle Technology) established in Gothenburg; Geely acquires Manganese Bronze (London taxi)
2015	Volvo crosses 500,000 annual sales for the first time
2016	Lynk & Co launched as Geely-Volvo JV
2017	Polestar launched; Geely acquires 51% of Lotus; 49.9% of Proton; 8.2% of AB Volvo
2018	Li acquires 9.7% of Daimler AG, becoming second-largest shareholder
2020	ZGH-Daimler 50-50 JV for Smart brand announced
2021	Zeekr launched as premium EV brand; Volvo Cars IPO on Nasdaq Stockholm
2022	Polestar lists on NASDAQ; Li acquires 7.6% of Aston Martin
2023	Aston Martin stake doubled to 17%
Feb 2024	Volvo reduces Polestar stake from 48.3% to ~18%

May 2024	Zeekr IPO on NYSE raises USD 441 million
Nov 2024	Volvo sells 30% of Lynk & Co to Zeekr; Volvo scraps 2030 full-EV goal
March 2025	Samuelsson returns as Volvo CEO, replacing Jim Rowan
July 2025	Geely Auto announces merger to take Zeekr private
Sept 2025	Zhu Ling (ex-Zeekr) appointed Head of Asia-Pacific at Volvo
2025	ZGH produces 4.1 million vehicles globally (2.3 million plug-in electric)
March 2026	Li prepares for April leadership offsite to set next-phase strategy

## Exhibit 2: Geely Holding — Brand Portfolio (2026)

Brand	Year	Ownership (approx.)	Positioning	2024/25 Sales (units)
Geely Auto	1997	ZGH (100%)	China mass-market (ICE + PHEV + BEV)	~1.68 million
Volvo Cars	Acquired 2010	ZGH 78.7% post-IPO	Global premium safety/luxury	~708,000
Lynk & Co	2016	Zeekr 51% + Geely Auto 49%	Global connected premium	~222,000
Polestar	2017	ZGH ~65% + Volvo ~18%	Performance EV	~44,851
Zeekr	2021	Geely Auto 62.8% (merger in progress)	Premium EV	~222,000
Lotus	Acquired 2017	ZGH 51%	British luxury sports / EV	~10,000+
Smart	JV 2020	ZGH 50% + Mercedes 50%	Urban micro-EV	~70,000
LEVC (London EV)	Acquired 2013	Geely Auto 49.9%	Commercial / black cabs	niche
Proton	2017	ZGH 49.9% + DRB-HICOM 50.1%	Malaysia national brand	~155,000
Farizon	2016	ZGH 100%	Electric commercial vehicles	~64,000

Radar	2022	Consolidated into Geely Auto	Electric pickup / outdoor	niche
Aston Martin (stake)	2022	ZGH ~17%	Ultra-luxury performance	~6,000
Mercedes-Benz (stake)	2018	Li Shufu ~9.7% personal	German luxury	(minority investor)
AB Volvo (trucks)	Stake 2017	ZGH 6.8%	Commercial trucks	(minority investor)

### Exhibit 3: Volvo Cars — Sales and Financial Trajectory (Selected Years)

Year	Sales (units)	Revenue (SEK billion)	Key Event
2009	335,000	~95	Last full year under Ford; losses
2010	373,525	~106	Acquired by Geely (August)
2012	421,951	~124	Håkan Samuelsson becomes CEO
2015	503,127	~164	First time crossing 500k units
2017	571,577	~211	SPA platform; commitment to electrification
2019	705,452	~274	Highest sales to date (at that point)
2021	698,693	~282	Volvo IPO on Nasdaq Stockholm
2023	708,716	~400	Record global sales
2024	763,389	~circa 400	2030 full-EV target scrapped
2025	~750,000 (est.)	not yet reported	Samuelsson returns as CEO

*Note: Sales figures are from Volvo Cars public reports and industry databases. Some 2025 figures are estimates. Revenue conversion: 1 USD ≈ 10.5 SEK (2024).*

### Exhibit 4: Hofstede Cultural Dimensions — China, Sweden, United States, India

Dimension	China	Sweden	USA	India	Teaching significance
Power Distance	80 (High)	31 (Low)	40 (Low)	77 (High)	Hierarchical vs consensus decisions

Individualism	20 (Low)	71 (High)	91 (High)	48 (Mid)	Team identity vs individual accountability
Motivation (Masculinity)	66 (High)	5 (Very Low)	62 (High)	56 (Mid)	Assertive growth vs care-centred culture
Uncertainty Avoidance	30 (Low)	29 (Low)	46 (Mid)	40 (Mid)	Openness to ambiguity
Long-Term Orientation	87 (Very High)	53 (Mid)	26 (Low)	51 (Mid)	Patience in strategic moves
Indulgence	24 (Low)	78 (High)	68 (High)	26 (Low)	Restraint vs gratification

Source: Hofstede Insights country comparison data. Scores range from 0 to 100. The Sweden score of 5 on Motivation/Masculinity is among the lowest in the world.

### Exhibit 5: ZGH — Aggregate Global Vehicle Sales (2010–2025)

Year	ZGH Aggregate Sales (million)	Key Strategic Move
2010	~0.8	Volvo acquisition closed
2013	~1.1	Manganese Bronze (LEVC) acquired
2015	~1.6	First Volvo 500k+ year
2017	~2.2	Lotus, Proton acquired; Polestar launched
2018	~2.6	9.7% Daimler stake
2020	~2.1 (COVID impact)	Smart JV announced
2022	~2.3	Polestar NASDAQ listing; Volvo IPO
2023	~2.79	Record year; +20% YoY
2024	~3.35	Zeekr NYSE IPO; Volvo-Polestar restructuring
2025	~4.1 (2.3 plug-in)	Zeekr privatisation announced

### Exhibit 6: Li Shufu — Selected Public Statements (2010–2025)

Year / Source	Statement
---------------	-----------

2010 (Gothenburg signing)	<i>"This is a historic day for Geely. This famous Swedish premium brand will remain true to its core values of safety, quality, environmental care and modern Scandinavian design."</i>
2010 (informal, quoted widely)	<i>"Volvo is a tiger. Geely is a kitten. We need a tiger to help us grow."</i>
2016 (Financial Times interview)	<i>"It is important to learn, and to attend classes. Learning is about more than receiving an academic title or diploma."</i>
2018 (Dagens Industri, Sweden)	<i>"Our experience with Volvo Cars shows not only how important it is to have a strong and independent brand, but also the significant opportunities the automotive industry has for long-term collaborations and partnerships."</i>
2022 (ZGH 2030 vision speech)	<i>"While keeping our feet on the ground, we should always keep an eye on the vast universe. We must protect the Earth's environment and promote sustainable development, but at the same time, we should also look toward development among the stars."</i>
2025 (annual shareholder letter, reconstructed from public reports)	<i>"Every generation of Geely's leaders faces a different kind of world. The principles that built us are not the principles that will sustain us. But neither are they obsolete. Our task is to carry forward what worked, and to release what has completed its purpose."</i>

*Note: Quotes from 2010, 2016, 2018 and 2022 are from public sources. The 2025 shareholder letter quote is reconstructed for teaching purposes based on the spirit of Li's published statements and has not been verified as a direct quotation.*

## Case Note

*This case has been developed from publicly available sources including Geely and Volvo corporate communications, media coverage, regulatory filings and published academic case studies. Core strategic events, financial data, dates and public statements are accurate as per sources. Certain internal dialogue, board-level tensions and specific framing of the April 2026 strategy discussion have been reconstructed for teaching purposes, and should not be taken as verified statements of Geely's internal deliberations. This case is intended solely for classroom discussion and learning.*