



As Seen in *D CEO* magazine.
March 2011

SIX QUESTIONS FOR

JERE THOMPSON JR.

CO-FOUNDER AND CEO, AMBIT ENERGY

Jere Thompson co-founded Ambit Energy with Chris Chambless in 2006—four years after the deregulation of Texas' electricity market. The company buys electricity and natural gas at wholesale rates, then sells them to customers at retail prices. Thompson, who previously worked in the telecom industry, says Ambit's annual revenue has climbed to more than \$400 million. It now provides energy to customers in Texas, New York, Illinois, and Maryland.

1 Why is a company like Ambit necessary in today's market?

You have an industry that's 100 years old, full of monopolies, with inefficient pricing. With [electricity] deregulation, they've allowed this industry to be broken up, and young companies that are more frugal—and far more efficient with technologies and systems—are able to come in and offer lower prices to consumers. Here in Texas we're saving people 10, 20, 40 percent below what the incumbents charge.

2 How hard is it to get people to switch energy companies?

Just like it was with long distance 20 years ago, people at first are a little bit skeptical. But then as soon as they try it and are convinced by it, the trickle turns to a stream, which turns to a flood.

3 Why has Ambit grown so fast?

First, we're in a gigantic industry. The addressable market is probably a little over \$40 billion, and we're selling products that virtually everybody uses. So when you look at it, you're offering a necessity at a price below the incumbent with the ease of a switch. It only takes two or three minutes to switch over.

4 How have you contained the growth?

It's all systems-driven. In our telecom days, we witnessed small and large companies trip because they had inadequate systems in the back office,

or they had a management team that hadn't managed anything that large. [At Ambit,] we spent almost a year developing systems before we ever launched.



5 Where do you think the market is headed?

It's maturing, like any new industry that opens itself up after deregulation. It starts slowly; then suddenly there is a whole slew of competitors thinking this is something they can compete in. Then all of a sudden it becomes very competitive, and the most efficient and smartest ones win.

6 Your grandfather, Joe Thompson, founded 7-Eleven. What did you learn from him?

Try, try, try again. What most people don't realize is that [7-Eleven] made thousands of little decisions every day: Where do we open a new store, what products do we put in, what is the price? And most of those decisions were good; some were wrong. But as soon as they saw it was a bad decision, they tried to correct it. And if the correction didn't work, they said, "Okay. Let's learn from this and move on."

—BRADFORD PEARSON