

IT'S BEEN AN ENERGETIC START FOR AMBIT ENERGY



BUD FORCE

KEEPING THE LIGHTS ON: Ambit Energy is led by, from left, Jere W. Thompson Jr., co-founder and CEO; John Burke, chief information officer; Jim Timmer, chief financial officer; and Chris Chambless, co-founder and chief marketing officer.

BY STEVE GARMHAUSEN | CORRESPONDENT

How do you become successful selling electricity and natural gas? In the case of Ambit Energy, you spend your first year doing everything but selling it.

In the wake of deregulation, the Dallas-based energy service company spent nearly 12 months building a first-rate technology platform system and assembling a management team designed for the long term, said cofounder and chief executive Jere Thompson Jr.

"A lot of people jumped right into electricity," he said. "They tried to sell it first and figure out how to provision and support it later."

As a result, while many of its counterparts

have struggled or failed, Ambit is growing by leaps and bounds. Revenue is expected to surpass \$300 million this year, up from \$197 million last year and \$44 million the year before that.

Its employment numbers have grown apace: From 22 employees in 2006, the company has grown to 208.

Ambit is one of a crop of retail energy providers that has sprung up in recent years to offer alternatives to businesses and homes. Its business model includes using "independent consultants," working from their homes, to help drive sales.

Its marketing efforts include a referral program, launched a year ago, that allows customers to earn free electricity and natural

gas, along with rewards such as discounted travel packages.

Ambit has been careful not to swing for the fences by courting more lucrative businesses exclusively. "We've diversified our risk across a quarter million customers," said Thompson, who jumped from the telecom industry to help start Ambit.

There is plenty more room to grow; Ambit has less than a 2% penetration in the markets it's in — Texas, New York and Illinois, said Thompson. As it gains customers, Ambit can scale up efficiently because it invested early on in its technology infrastructure.

"We couldn't find off-the-shelf systems, so we built our own," explained Thompson. "We looked at ourselves as a data processing company that happens to sell electricity."

Ambit's customer management and billing system manages everything from utility transactions between customers and transmission providers to Web-based account management to billing and collections of energy accounts.

Its capacity to easily accommodate lots more customers gives Ambit "enormous operating leverage," said Thompson.

Ambit's newest territory, Long Island and the Bronx in New York state, brings with it 1.6 million potential customers, and a chance to further test that technology infrastructure.

Thompson cites as another advantage Ambit's open and thrifty culture. In a 100-year-old warehouse in Dallas' West End, Ambit's executive managers sit side by side in a shared workspace and use \$19.95 fold-up tables as their desks, said Thompson.

The CEO describes the decidedly humble office furniture as a symbol of the need to stay hungry.

"Success can make you take your eye off the ball," he said. "But it's pretty hard to get arrogant when you're sitting at cheap tables."