

Company Spotlight

Ambit: Powering the Path to a Billion-Dollar Company

by Jeremy Gregg



Company Profile

Founded: 2006

Headquarters: Dallas, Texas

Founders: CEO Jere Thompson, Jr. and Chief Marketing Officer Chris Chambless

Products: Electricity and natural gas

Markets: California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Texas and Washington, D.C.

In early 2006, two Dallas natives began talking to their friends about ways to capitalize on the growing opportunities presented by energy deregulation in Texas. While they did not know it at the time, those two men—Jere Thompson, Jr. and Chris Chambless—would soon become the founders of the fastest-growing retail energy company in the world.

Four years earlier, at precisely midnight on Jan. 1, 2002, Texas had opened its electricity markets to retail competition for the first time. After experiencing a number of hiccups and setbacks, including several consumer lawsuits that caused what the Texas Coalition for Affordable Power described as a “crisis of confidence,” the market was beginning to stabilize by 2006.

With a common background in the telecom industry, both Thompson and Chambless believed that there was an opportunity to apply the discipline, systems and expertise of that industry to the retail energy market.

Humble Beginnings

Introduced through a mutual acquaintance, the two men met for the first time at a sandwich shop in Addison, Texas, for a friendly chat about energy deregulation. Over turkey sandwiches, Thompson and Chambless became so excited about the synergy between their ideas that they resolved that day to begin building “the finest and most-respected retail energy company in America.”

{ Ambit means “one’s circle or scope of influence.” }

From the very beginning, they wanted to leverage the power of the direct sales model to build their company. In fact, they even decided to name their company Ambit, which means “one’s circle or scope of influence.”

Prior to co-founding Ambit, Chambless had been hired as only the 52nd employee at Excel Communications. Describing the experience as “drinking from a fire hose,” he explains that is where he learned the direct selling business as he helped Excel to reach \$1 billion in annual sales in a little over six years.

“I learned the importance of great IT systems, how to incent and motivate independent entrepreneurs and, more importantly, I learned what doesn’t work. All of that was great preparation for starting Ambit,” he explains.

Immediately after they met, the co-founders borrowed office space from Thompson’s brother and went to work. A few weeks later, they moved into a large, renovated warehouse in the historic West End district of downtown Dallas.

As their website explains: “The expansive office space suited their needs perfectly—helping to establish a feeling of ‘openness’ and enabling faster communication. As a way to reduce costs and preserve capital, they bought several \$19 fold-up tables to use as desks and put together a team of experienced executives who shared their vision. Ambit executives continue to use these same tables to keep that spirit and commitment alive today.”

That August, Ambit shipped its first New Consultant Kits to the “Founding Four” consultants. Today, there are more than 200,000 independent consultants driving sales to more than 1 million customers each month.

While it is now the fastest-growing company in the retail energy sector, Ambit has retained its roots in those humble beginnings. This is perhaps best represented by the official corporate motto that Chambless and Thompson developed the day that they met: “Never sacrifice integrity for growth.”

“On our first day working together, Chris and I sat down and talked about what kind of company we wanted to build,” says Thompson. “There are some great companies in this industry and there are others who have been poor operators who have given the industry an undeserved reputation. We wanted our company to be one of the great examples and we wanted to make our families proud of our accomplishments. We decided that motto would be something that our employees could use as a guide when we weren’t there to help make a decision for them.”

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That attitude has obviously not stunted Ambit's growth. In 2010, Ambit had reached \$415 million in revenue. The next year, the firm posted \$664 million. That number grew a whopping 40 percent in 2012 to over \$930 million—and the company's trailing 12-month revenue passed \$1 billion in March 2013.



Ambit's open environment fosters communication.



The Wall of Fame highlights consultant achievements.



Ambit's motto is prominently displayed at its headquarters.

The Key to Ambit's Growth

"Jere and I both came from the telecom industry and so I think our experience there led us to look at this opportunity differently than many of our competitors. We never considered ourselves an energy company or a direct selling company. We considered ourselves a data processing company," says Chambless.

"We sell energy and we use direct selling as the channel to acquire customers, but at our core we store, manage and share data. In telecom, we saw companies with great systems prosper and grow and we saw companies with inferior systems wither and fade. We compete now with many energy companies and several direct selling companies, but I'm not sure we are competing with any data processing companies."

Entering its seventh year, Ambit Energy is poised to be the first direct selling energy company in history to reach a billion dollars in revenue. The company provides electricity and natural gas services in deregulated markets across the United States.

Ambit's website describes the company as a "Top Electricity and Gas Provider." But Chambless, who graduated from college with an English degree, defines the company as far more than simply its product offering.

"Ambit is thousands of individual dreams powered by a single vision: to be the finest, most-respected retail energy provider in America," he says. "In that way, the opportunity to help customers in our markets across the country save money on their monthly energy expenses is also a vehicle for our independent consultants to achieve their financial goals. Their passion for achieving those goals is what is making Ambit such a tremendous growth story."

Thanks to the strength of these 200,000+ consultants, Ambit now powers over 1 million homes in the markets of California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Texas and Washington, D.C.

Ambit Energy Today

Two years after Chambless and Thompson—now Chief Marketing Officer and CEO, respectively—ate their first turkey sandwiches together, Ambit Energy recorded revenues of almost \$200 million. By the end of 2009, annual revenues had increased to nearly \$325 million. As a result of this tremendous growth, Ambit was named the fastest-growing privately held company in North Texas by the highly prestigious Caruth Institute for Entrepreneurship at Southern Methodist University's Cox School of Business in their annual Dallas 100™ rankings. In 2010, Ambit made the SMU/Cox Dallas 100™ for the second year in a row, and was also listed among the Top 100 Places to Work by *The Dallas Morning News*.

And yet the greatest recognition came later that year, when *Inc.* magazine named Ambit “America’s No. 1 Fastest-Growing Private Company.” Before it had turned 5 years old, Ambit had captured one of the most respected titles in the entire business world—driven by the power of the direct selling model. 2012 marked the third year in a row that Ambit ranked on the *Inc.* 500|5000 list of “America’s Fastest-Growing Private Companies.”

“I love the direct selling industry. I think it’s one of the last bastions of capitalism still accessible to the average person,” Chambless says.

Eric Johnstone, Ambit’s Vice President of Marketing and Field Services, is similarly passionate about the impact of the direct selling model on Ambit’s future: “The great thing about the Ambit Opportunity is that it is truly an opportunity for everyone. We sell a service that everyone needs and uses every month. You don’t have to be a professional salesperson or need to learn a lot about the benefits of a product. For that reason, our consultants come from all walks of life—doctors, teachers, real estate agents, engineers, stay-at-home moms, retirees, people who were formerly unemployed—anyone who is looking for a vehicle to earn extra income with the goal of reaching financial freedom.

Ambit Awards & Recognition

Ambit Energy has rapidly become one of the most highly recognized direct selling companies in the world, taking top spots in competitions both within and outside of the industry. A sample of awards:

-  Named “America’s Fastest-Growing Private Company” by *Inc.* magazine (2010)
- Ranked No. 390 in the *Inc.* magazine 500 list (2011)
-  Recognized by JD Power and Associates in numerous categories
- DSN Global 100* (15th largest with revenues of \$664 million—*Direct Selling News*, 2012)
- DSN Global 100* (31st largest with revenues of \$415 million—*Direct Selling News*, 2011)
- DSN Global 100* (38th largest with revenues of \$324 million—*Direct Selling News*, 2010)
- \$100 Million Club, *DSN Global 100* (No. 43 with revenues over \$197 million)—*Direct Selling News*, 2009)
-  Ranked No. 1 in the prestigious SMU/Cox Dallas 100 (2009 and 2010), recognizing the fastest-growing privately held company in North Texas
-  Top 100 Places to Work (2009, 2010, 2011)—*Dallas Morning News*
-  Best Places to Work (2009)—*Dallas Business Journal*
-  Entrepreneur of the Year Award finalist (CEO Jere Thompson, Jr.)—Ernst & Young
-  CTO 25 2010 (CIO John Burke)—*InfoWorld*
-  Premier 100 IT Leaders 2009 (CIO John Burke)—*Computerworld*
-  2009 Momentum Awards finalist—Dallas Regional Chamber of Commerce

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—Chris Chambless, Co-Founder and Chief Marketing Officer

Meet the Founders



Jere Thompson, Jr.
Co-Founder and
Chief Executive Officer

Thompson comes from a strong legacy of innovation and iconic American success. His grandfather was the founder of the Southland Corp.—better known today as 7-Eleven.

By 1992, Thompson had already earned a name for himself as a respected leader for the telecommunications industry through the deregulation years. He founded CapRock Fiber Networks to build fiber and broadband networks across Texas. As CEO, he guided CapRock into new markets, took the company public and managed its growth from infancy to 1,300 employees and \$300 million in annual revenue.



Chris Chambliss
Co-Founder and
Chief Marketing Officer

Chambliss brings more than 15 years of corporate direct selling experience to Ambit Energy. He was a senior executive at Excel Communications, which became a multibillion-dollar publicly traded telecom company and one of the fastest-growing companies in U.S. history.

More recently, as the Vice President of Marketing at VarTec Telecom, he was responsible for all aspects of the company's marketing strategy, including brand development, channel integration strategy, sales management and new product development.



For example, Ambit's IT team has created a custom, patented Customer Care and billing platform from the ground up called BlueNet®, which the team says has provided a competitive edge for the company. The technology manages all aspects of the customer life-cycle—from utility transactions between customers and transmission providers to web-based account management and billing tasks.

Additionally, Ambit's leaders pride themselves on their firm's exceptional, U.S.-based Customer Care Center, in which a highly trained American staff is equipped to handle all customer relationships. For the independent consultants, Johnstone explains that Ambit has gone to great lengths to make its program accessible and manageable for everyday people: "PowerZone is our consultants' back office business management system where they can track their commissions, find a local business presentation, track their customers and downline organization, and get the latest news and information from corporate. PowerZone also includes Ambit University, which includes a suite of training videos from corporate staff and some of our top income earners. There are also scripts and market-specific information they can download."

"Our business presentations focus on those individuals who want to earn a little extra residual income every month," Johnstone continues. "And we have a number of people who are earning enough to pay off debt, save for retirement, or plan for their children's education. Those consultants who are most successful are those who have a strong 'why'—they make the commitment and work at it."

Ambit's consultants pay a one-time fee to start their business (there is no annual renewal fee). This fee provides them with access to Ambit's back office business management system called "PowerZone," as well as the business-building kit that Ambit sends out to new consultants.

Johnstone explains that Ambit's approach is different than some direct selling companies because "electricity and natural gas are products that everyone uses. So, we train our consultants to gather customers by asking people they know to be their customers. A consultant only needs 20 personal customers to qualify for all commission levels, so we teach them to find good, loyal customers who will stay with their business."

Given its reliance on online videos for both recruiting and training, Ambit also maintains a very strong presence on all major social media platforms. The firm even has a dedicated social media group to maximize the online experience for Ambit's consultants and to keep them informed about news from the corporate office.

Ambit's Operational Innovations

Chambliss believes that one of the key factors to the company's ability to manage such rapid growth is its exceptional technology. These tools have equipped Ambit and its leadership to handle the unique challenges presented by rapid growth within an emerging industry.

Johnstone continues, “When a consultant sponsors a new consultant, the first place they typically send that new consultant is to Ambit U to watch the training videos. We also send out a business-building kit and a series of training emails to our new consultants during their first week in the business to reinforce what they learn in the videos.”

“PowerZone is our consultants’ back office business management system where they can track their commissions, find a local business presentation [and] track their customers and downline organization.”

—Eric Johnstone, Vice President of Marketing and Field Services

In addition to relying on technology, Ambit also sponsors a number of live training events throughout the year. This includes a simulcast broadcast at the first of the year, which is shown via satellite to a number of Ambit’s markets across the country. Johnstone explains that “each market has a live component that beams back to the other locations. This past January, we broadcast to 10 different markets. The day includes training, motivation and the latest information from corporate.”

Ambit offers its premier event every September in Dallas, called *Ambition*. This three-day event includes a Thursday and Friday dedicated to training consultants on new tools and personal development. The event culminates on a Saturday with recognition, announcements, messages from the co-founders and premium guest speakers.

Celebrating Success

Ambit has developed some very high-impact forms of recognition that have motivated both top-performers as well as consultants who are just looking for some extra income on the side. One of the firm’s signature recognition pieces takes a page from the playbook of the PGA Masters by providing a custom jacket to its most stellar performers.

When a top achiever has earned more than \$1 million, he or she becomes a member of “The Millionaire Club”—complete with a tailored yellow sports coat. Those earning over \$5 million earn a special purple sports coat. As of January 2013, Ambit has awarded 18 yellow sport coats and three purple ones to this group of very high performers.

These high-profile leaders are an inspiration to other consultants to dream big. The company has also re-introduced their free energy program, where both customers and consultants who refer a minimum of 15 customers to Ambit receive a Free Energy Credit every month, up to their total energy cost.

Figuring out how best to motivate its army of consultants is one of the primary hats that Chambless wears. When asked how he responds when people ask him, “What do you do?” he replies, “It depends on what day you ask me that question. Today, I’m a pricing strategist working on a new idea for a promotion. Tomorrow, I have to speak at an Ambit event and I’ll be a cheerleader. But at a high level, I’m responsible for two things: eliminating any excuse for our consultants to fail by providing them with all the tools and training they need to be successful, and teaching them all to tell our story.”

As they look past \$1 billion in revenue this year, Thompson and Chambless see no reason why the company will slow down.

“The deregulated energy industry is huge and I think we have barely scratched the surface of the opportunity to gain market share,” says Thompson. “There is a large population of customers in these markets who are largely unaware that they have the right to choose a new provider and save money. Our model is perfectly designed to solve that problem.”

“Never sacrifice integrity for growth. We could have grown even faster if we had been willing to take more risk, but that would not have been consistent with our values.”
—Jere Thompson, Co-Founder and CEO

“I think the Internet and social media are also making it easier for people to share information and build large networks. So, from a technology standpoint I see tremendous opportunity.”

And yet, despite their success, Thompson remains grounded in his corporate motto’s standard to “Never sacrifice integrity for growth.” He says, “We could have grown even faster if we had been willing to take more risk, but that would not have been consistent with our values.”

Where the Ambit Story Could Have Ended... Badly

Ambit’s website offers the following story, which is emblematic of the character that drives this company:

“**O**ne day as Chief Information Officer John Burke rode the DART Light Rail into work, he sat with his laptop, as he often did, entering complex code for Ambit’s core systems. Suddenly, as the doors opened, a man rushed by, swiped John’s laptop (along with John’s only copy of all of his work for Ambit) and dashed off the train.

“Since starting with Ambit in 2006, John has been recognized as one of the top technology leaders in the country by *Information Week* and *Computerworld* magazines. But fortunately, it was John’s years of ice hockey experience that really paid off that day as he chased the man down, tackled him to the pavement, took back his laptop and still made it back on the train before the doors closed.”

