Creating Connectivity

**An Interview with Robert J. Pera,
Founder and Chief Executive Officer,
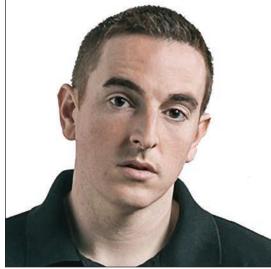Ubiquiti Networks, Inc., and Principal Owner, Memphis Grizzlies**

Robert J. Pera

EDITORS' NOTE *Robert Pera has held the role of Chief Executive Officer with Ubiquiti Networks, Inc. since October 2005. He also serves as a director of Ubiquiti Networks. From January 2003 to February 2005, Pera was a wireless engineer at Apple, Inc. He holds a B.A. in Japanese Language, a B.S. in Electrical Engineering, and an M.S. in Electrical Engineering (emphasis in Digital Communications RF Circuit Design) from the University of California, San Diego.*

In October 2012, Pera became the principal owner of the Memphis Grizzlies (www.nba.com/grizzlies), a professional basketball team, which is part of the Southwest Division of the Western Conference of the National Basketball Association.

COMPANY BRIEF *Ubiquiti Networks (www.ubnt.com) is lowering the barrier for connectivity with a mission of empowering underserved businesses and communities with innovative and disruptively priced products that make high-performance wireless networking a reality for everyone. With over 10 million devices deployed in over 180 countries, Ubiquiti is among the fastest-growing tech companies in Deloitte's Fast 500.*

Did you know you wanted to be an entrepreneur early on?

In high school, I had a small business where I set up computers, networks, and some databases that ran software. At that time, I was doing pretty well for myself. But I have always had a mind that questioned the status quo. I never listened to what others said about how you should form your career. Questioning everything led to my success.

What did you see in the market at the time that made you feel Ubiquiti could fill a void?

Ubiquiti comes from the word "ubiquitous," which means everywhere. Most of the world's population is not connected to the Internet so there is a substantial digital divide among those in remote and under-connected areas versus the rest of the world.

My vision with Ubiquiti was to create Internet connectivity that is available everywhere. So we're focused on bringing connectivity technology to the masses while changing the economics associated with such deployments.

How do you deal with areas of the world that are tougher to become involved in?

We have innovative technology that combines hardware and software, and phenomenal user experience, but that alone doesn't guarantee success. We have grown so quickly because we have taken a very nontraditional approach to building a business.

With the emergence of the Internet and social networking, information is disseminated very quickly; it's this type of transparency that keeps customers better informed.

Ubiquiti offers great technology at very disruptive economics and we evangelize – we sell not with salespeople but through evangelism. This means that the users are operators of our technology – they form profitable businesses, they rave about it, and it spreads virally.

Today, we have tens of thousands of entrepreneurs and operators using Ubiquiti technology and it has been all organic growth through evangelism.

What is the revenue model?

At heart, we're a software company – most of our R&D is software and most of the company is R&D, but we monetize through selling hardware.

As you have grown, has it become tougher to manage the business?

You need a good sense of your priorities. Some business functions require you to be hands-on and micromanage; others call for a hands-off approach that enables you to empower your team.

The way I recruit and build engineering teams is very unique, as is the way I design and architect solutions. So I'm hands-on in that respect.

But in other areas of the company, I allow employees and engineers to manage themselves because I know I've hired people that boast discipline, resourcefulness, and creativity. They don't require a lot of process, system, and management.

How did you develop your business savvy?

Growing up, I always wanted to be the best and I was extremely competitive. It seemed that I was always better at understanding markets, creating a vision, and building teams. I had some business sense, but I didn't go to business school – it has all been intuitive.

Is it important to emphasize brand awareness or does the platform not need it?

I struggled over the past few years trying to determine the difference between building brand awareness and being humble, substantive, and showing results. I prefer to have the results speak for themselves.

Now that we're a public company, I'm investing in more brand awareness and PR for the company.

What was the thinking behind going public?

I sold some stock, which required the company to go public. We weren't ready at the time but we have worked hard over the past year to put infrastructure in place and move forward. We have a unique business model and a great story, which will benefit us in the coming years.

Is there still enough of a challenge in this for you?

Sure. Our vision is ambitious: we're trying to reach the billions of people not connected today. We collectively have 10 million subscribers through our carrier technology and that number will continue to grow in coming years.

But we have also started a new piece of the business that we call Enterprise Technology, which are the tools necessary to create applications for that connectivity. We have video surveillance, energy control conservation, and information technology for schools, hotels, and offices. Under those themes of carrier technology and enterprise technology, we're going to continue to expand with more products.

Does everything come back to R&D?

In today's world, all success starts with R&D, and the quality and value of the product. Traditional business was based on information asymmetries; in an environment where information asymmetries exist, relationships are very powerful. Now the world is moving towards an environment of information transparency. Where that dominates, as in our case, the real value is the technology that wins out. I'm 100 percent focused on R&D and on our business model.

Do the analysts understand the company? Has it been tough to get the message across?

I don't know that they understand it yet because it's radically different from a traditional company, and a lot of people question the scalability of the model. The best we can do is continue to talk to them about the vision and when it becomes reality, my hope is that we get full credit for calling the future. ●