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TECH

OnePlus Dials Into a Crowded Smartphone Market

By Eva Tam And Lukas Messmer

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Carl Pei co-founded OnePlus, a Shenzhen, China-based smartphone manufacturer in 2013.

Mr. Pei was born in Beijing, and grew up in Sweden. He worked for Chinese electronics manufacturing firms Meizu and Oppo before starting OnePlus with Oppo's former vice president Pete Lau.

OnePlus aims to manufacture high-end quality phones at a low price and positions itself between low-cost smartphone companies like Xiaomi and high-end makers Apple and Samsung

OnePlus has sold more than 1.5 million smartphones across 35 countries and has grown to more than 900 employees. The company released its first smartphone handset, the OnePlus One, on an invite-only basis. Nearly one million units were sold within six months of its launch.

The company will introduce its second smartphone model, the OnePlus 2, on July 27. Mr. Pei spoke recently about how he started the company, and the challenges of being a young entrepreneur in the already crowded smartphone market.

Edited excerpts below:

Why did you start your career in China?

Everyone has pivotal points that change their perspective. One summer, my mom took me to Shanghai. My impression of China had been poor villages and rural stuff because that's what you see on TV in Sweden. I was standing in Shanghai in the lobby in this hypermodern hotel, seeing these people in fancy suits and ladies with really nice bags. These people had developed

really quickly. China's modern history has been pretty crazy. They started really poor and made something out of themselves.

But what about me? I grew up in the West, I had access to all this knowledge. I could speak fluent English, and I had a much better starting point. There was no excuse that I couldn't do something better. I had to do something.

After working for China-based electronics manufacturers Meizu and Oppo, you started OnePlus. How did OnePlus come about?

I was talking with my Oppo colleagues in a cafe, and we put our phones on the table. We were all using iPhones even though we worked for a company that makes [Android phones].

We asked ourselves who makes the best smartphone in the world? You had to say Apple. But second? There was no No. 2. We saw a gap.

OnePlus' motto is "Never Settle." What does that mean for your smartphones?

In the beginning you focus on your flagship phone and the early adopters. What do they want? They want everything. The OnePlus 2 has everything. We don't want to compromise on anything.

Even if we don't have the best specs, it doesn't mean we aren't delivering a good product to our users. Specs shouldn't be the thing that users worry about. They just need to think about whether they like using this product.

Is Shenzhen a place that encourages innovation?

Our view is that nations' borders are a thing of the past. The Internet is developing very fast. Communication is evolving. It doesn't matter where you are anymore. We're here because our capital is here. Our manufacturing is here. Our operations are here.

In the beginning, it was great to be here with everyone. Now we are branching out to different parts of the world. We have offices in Bangalore and Singapore, and we are opening an office in Europe. Later on, we will send some people to the U.S. Every place has something to offer. Why not utilize the best assets of a place?

How are you going to compete with big companies like Apple and Samsung?

You are innovative; you become big; you become slow; the market changes; you die off. Of course the big guys are going to be disrupted by the small guys. The question is, is that us, or is that someone else?

The smartphone market isn't growing anymore. But as young people get savvier about technology, the way they spend money is going to change.

Traditionally, consumers with little information use a mental shortcut and think a higher price equals a better product. With the transparency of the Internet and user reviews, this entire equation is changing. Not only for smartphones, but also for restaurants, and for everything.



Asked who inspires him, OnePlus co-founder Carl Pei says you don't have to learn from the highest-paid CEO or the most innovative; rather, there is inspiration everywhere. PHOTO: SIMON DAWSON/BLOOMBERG NEWS

How can OnePlus continue growing in the future?

We think a little bit differently when it comes to company growth. We raised very little money, and when we raise money in the future, it is probably going to be strategic amounts.

We don't believe in burning a lot of other people's money. We believe the best source of operating capital is from our users and that is the healthiest way of establishing a long-term company.

You are very active on your company's online forums. Why do you respond to critics' comments?

You have to be yourself. People get pissed off sometimes. I'm not always going to use corporate speak, like now. If you always act like a robot, then you're not going to get your most loyal fans to stay with you.

You have to let your personality shine, even if it's through the Internet. This is how the Internet and social media have matured.

What are some of the biggest mistakes you have made?

These aren't mistakes, but more things I've learned.



InnovAsia is a series that profiles Asia's newest generation of entrepreneurs and their innovations.

One is about hiring people. I think at one stage, we wanted to hire a bunch of super experienced people. But that didn't work. Experienced people will be better in managing people, but probably not in figuring things out. So we moved to focus more on personality and dreams.

Another thing when it comes to hiring is to not hire straight out of school either. They'll come in with all these dreams and notions about what a utopian workplace is. They are too idealistic and that's not going to work.

The other thing is about managing. The difficult thing that managers have to do is to make people understand in a nondefensive way why things need to change and why what they're doing now isn't up to our standards.

It's very easy to accuse somebody of something, and then they become defensive. That's human nature. This is something I'm still working on.

Who inspires you in your work?

When I was growing up, I had several different role models.

My first idol was Bruce Lee and as I got older, it became Steve Jobs. I thought the iPod was revolutionary. I was amazed by how he presented his products and how he thought about problems.

More recently I have questioned whether it's good to just idolize one person. It's better to learn from different people.

You don't have to learn from the highest-paid CEO or the most innovative. There's inspiration everywhere. Everyone has greatness within them. It depends on luck, skills and circumstance.

And you should learn from as many people as possible. You shouldn't idolize anyone.

Do you feel you're making a lot of sacrifices for your work?

I spend very little time with my family. I'm not joking when I say that I contact my family once every quarter. I've lost touch with my friends. I still meet with them when I'm in Sweden, and that is once a year. You drift apart a little bit. It's difficult to have energy to keep in touch and keep everyone happy. Sometimes, you just have to make choices without even thinking about it.

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