

# Merkle Preparing for Big Move to Columbia Gateway

By *Debbi Mack*,  
STAFF WRITER

When David Williams became president and CEO of Merkle Inc. at age 25, he admits that his quick rise wasn't based on "any great vision." Nonetheless, Williams has taken a data processing company of 24 employees and turned it into a fast-growing data marketing agency with about 1,000 workers, 800 of whom work in Maryland.

Lanham-based Merkle's headquarters will relocate to a new 120,000-square-foot building with office space for up to 900 employees in Columbia Gateway in May. It will be part of a two-building complex (with the 70,000-square-foot second building slated to rise at a later date).

The complex will also include a 10,000-square-foot state-of-the-art data center. Today, about 350 employees toil at headquarters, but the company plans to hire 84 more next year and 550 more during the next five years.

By relocating, Williams hopes to bring the company closer to where most of its employees live and various housing markets that employees can better afford. Williams said the move also fulfills a company objective of constructing and owning its own building, and Howard County had available land.

## Young Dreamer

So what possessed the then 25-year-old Williams to buy a company in 1988? "I was young and naive" and "it was one of those 'right place at the right time'" situations, Williams said. "When you're 25, everything seems possible."

Williams, who has a bachelor's degree in business administration from Shippensburg University in Pennsylvania, was

working at a stock brokerage firm in Philadelphia. That's when Harvey Blanton, a long-time friend of the family and Williams' mentor, decided to sell Merkle Computer Systems. Williams, who intended to represent Blanton in the deal, decided instead to buy the company.

Williams said Blanton's mentorship at that time was invaluable. "Harvey was very drawn to helping a young person succeed," Williams said. "He was clearly a mentor to me, totally committed. A great friend, a great colleague."

Since Williams purchased the company, it has evolved from a small data processing firm to a nationwide business. It has also transformed into one of the country's fastest-growing companies in the field of database marketing - an industry that was in its infancy at the time of the deal.

Williams said there are "four dimensions" to the company's database marketing work: building databases of customer buying habits and other transactions; adding demographic and other information to those databases; doing statistical analyses or "data mining" to find more effective marketing opportunities; and creating marketing programs, through direct mail, online marketing and other means, to implement the insights from those analyses.

In 2007, Merkle acquired CFM Direct, a direct marketing ad agency focused on financial services, including major banks and credit card companies. Williams said the acquisition "added critical mass" to Merkle's direct mail and other marketing programs. Financial institutions make particularly good clients for Merkle, Williams said, because they have more detailed information on their customers and more sophisticated databases to work with.

## Bumps in the Road

Reaching this point hasn't all been smooth sailing, though. Before he bought Merkle, 12 banks turned Williams down - one banker he met took one look at him, got up and left the room - before Perpetual Savings Bank agreed to finance the purchase.

Further, during Williams' first six months as owner, Blanton had a heart attack, the Resolution Trust Corp. took over Perpetual and the company lost Encore Marketing as a customer, which resulted in the loss of \$600,000 in annual revenue.

"We've faced many challenges," Williams said. One of Merkle's challenges, and strengths, has been to attract the best talent in the country and help them use the company as a platform for personal and professional growth and achieving their own objectives.

Williams says the company's two main stakeholders are its employees and its customers, so satisfying both are among his highest priorities. In 2006, Williams was recognized as one of the country's "Best Bosses" by Winning Workplaces, a nonprofit organization. "I believe the key to Merkle's success has always been rooted in a positive and supportive work environment that allows all Merkle employees to reach their individual goals," Williams said.

Williams supports an "open door" policy for employee suggestions, ideas and feedback. He also implemented Merkle University, an in-house educational program in which employees take and teach classes on a variety of subjects for professional and personal development.

Williams says the company has high expectations of its managers. "The kind of boss who thinks employees should serve

them probably wouldn't make it at Merkle," Williams said. "The kind who thinks he should serve employees would."

## Overnight Success?

Williams attributes a lot of the company's success to "our ability to find what we want to do and do it." When he bought Merkle, there were nine other bigger marketing and advertising companies in the D.C. area. His first aspiration was to be No. 1 among them. Now, Williams is focusing on becoming the No. 1 data marketing company in the country. When the time is right, he intends to take Merkle to the international playing field.

Stability and continuity have also been key to the company's expansion. Williams says most of his senior managers have been with the company for at least a decade and share his enthusiasm for the business.

Success, he thinks, also comes from willingness to be in it for the long haul. Rather than seek short-term gratification, Williams prefers to consider "what can we achieve in the next decade and what can we do in the next 90 days to advance that goal."

"We like to say we are an 18-year overnight success," he said, adding that his advice to other aspiring entrepreneurs is, "Do it early. Do it when you're young. Just go for it."

Williams thinks people often fail to realize their potential due to fear. "People are afraid to dream. ... I think they're afraid of it not coming true."

Creating and growing a business is "hard, but not impossible," he said. "Find good partners, find good people and do it."