

CONVERSATIONS

Mark Williams, Strategic Development Group, Inc.

MidlandsBiz:

Where were you born and raised?

Mark Williams:

I was born and raised in Maryland near Washington, DC and attended the University of South Carolina, where I graduated 1983 with a degree in Marine Science/Engineering. I began working for a Columbia-based coastal engineering firm and found out quickly that I loved business even more than technical work and pursued an MBA. I had started a site location practice while in business school when I received a job offer at the [South Carolina Department of Commerce](#) (then Development Board). That offer and the prospect of additional corporate exposure was extremely attractive and I signed on.

I worked for the Department of Commerce for almost 10 years during the Campbell and Beasley administrations. During the Beasley administration, I became the agency's Chief Development Officer responsible for domestic and global recruiting including supervision of the South Carolina's foreign business development offices in Tokyo and Frankfurt.

The years at Commerce were an extremely rewarding experience, however I felt my return to the private sector was long overdue and that more than ever there was a significant business opportunity in offering large corporations a higher level of consultancy with their site selection decisions. I left Commerce in 1999 to start [Strategic Development Group, Inc.](#) Within six months, we had developed a substantial client base including large multinational companies such as Bridgestone, BMW, Commercial Metals Corporation (CMC) and British Petroleum (BP). Our projects spanned the United States and Canada.

MidlandsBiz:

What were some of the lessons learned at Commerce that helped you in your own business?



Mark Williams

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The most important part of my experience at Commerce was the exposure to top business executives, to different companies and corporate cultures from around the world. Seeing the decision-making process on major deals really helped me hone my analytical skills and identify initiatives that created substantial value for companies. The greatest lessons learned in later years at Commerce were from then Secretary of Commerce, Bob Royall, who has been the most important business mentor I have ever had.

MidlandsBiz:

What is your core business?

Mark Williams:

First and most important, the core of our business is creating profound value for our clients while operating in an ethical manner and making a significant profit. We've conducted projects in 25 states.

70% of our business deals with site location and negotiation. We offer rigorous parameter-based site search services for corporations looking to establish the optimum place to move or expand their manufacturing and headquarters facilities. We also conduct negotiations related to property acquisition, taxes and utility rates.

30% of our business is helping States, regions and counties develop and implement strategic economic development plans, site certification and targeted marketing programs. We have carried out these initiatives in both the US and Canada with clients that include [Governor Phil Bredesen](#) in Tennessee, Hydro Quebec in Canada, and various regional economic development organizations.

Here in South Carolina, we have conducted numerous economic development assignments around the State and are currently working with the [North Eastern Strategic Alliance](#) (NESA) on targeted marketing initiatives. We also coordinate foreign recruitment missions in Europe and Asia for NESA. State Senators Hugh Leatherman and Yancey McGill are key members of NESA's executive committee and I have enjoyed conducting extremely successful foreign recruiting missions with them and NESA Director Jeff McKay.

MidlandsBiz:

How do you narrow down the sites choices for a customer?

Mark Williams:

When a company retains us to help locate a manufacturing or headquarters facility we typically start a search encompassing multiple states based on key location factors such as transportation logistics and workforce requirements, and infrastructure needs. We go through a process of narrowing the number of sites being considered based on those sites offering the best business case. Final site location decisions are typically

determined by who will offer the most significant competitive advantage based on key site selection factors.

MidlandsBiz:

Do you place companies here in South Carolina?

Mark Williams:

We are currently looking to possibly site two new projects in South Carolina. We will site a company wherever it is best suited for the client and that may or may not be in South Carolina. Our current projects have us evaluating 8-10 states around the US, including South Carolina.

MidlandsBiz:

Describe the competitive landscape in your industry. How are you different from your competitors?

Mark Williams:

Firms in our industry typically fall into two categories: big firms such as Fluor Daniel, KPMG, and Ernst & Young, and smaller, boutique firms such as ourselves. With just 3 full-time staff and around 10 people under contract, ours is a different business model. Recognizing that our customers are looking for expertise, we have kept our structure small and flexible so we can assemble a top notch team that best suits our customers' needs. This model has been extremely successful in allowing us to be retained consistently by some of the world's largest and most successful companies.

MidlandsBiz:

Outline your growth as a company.

Mark Williams:

For the last 10 years, we have typically grown sales and profits by about 10 percent a year. Even during the current recession we have experienced growth. In order to continue this level of growth, we will have to continue to add and expand services that add extreme value to our clients' activities. We expect some growth in our professional staff, however our goal is to keep growth of staff to a minimum.

One of the key benefits of our growth and profitability is our ability to give back to Columbia and to South Carolina. We actively support numerous targeted organizations that promote the success of children's academics, particularly the sciences.

MidlandsBiz:

What trends have you seen in the types of companies that are expanding?

Mark Williams:

Two years ago, 50% of our business came from locating automotive suppliers as well as chemical and steel companies. The automotive business has declined significantly

as you would expect. We expect growth in the automotive industry to be modest at best during the next five years.

To continue to grow sales and profits we've expanded into other high growth areas and have been retained by bio science related companies who have grown through the recession and are likely to continue to grow in the US. We've also been working in the solar industry which shows great promise. We will remain committed to our current client base, as we explore new and growing markets.

MidlandsBiz:

How do you charge your clients? Are there any trends in the pricing of your services given the economy?

Mark Williams:

We typically charge our clients a negotiated monthly fee. The recent economic strain has caused many clients to seek shorter term fee commitments and hourly billings due to the potential their project may not be implemented. Unlike many of our competitors, we do not affiliate with any particular contractors or other service providers because we prefer our counsel to clients to be based purely on what's best for them and not on other fees we may receive from referrals.

MidlandsBiz:

In your opinion, how well is South Carolina doing at economic development?

Mark Williams:

The Boeing announcement is a huge deal for this state. It is clear that South Carolina is on the radar for corporate locations, big and small. The State has numerous business advantages related to logistics and a lower cost of doing business. We believe the State should accelerate its efforts to make economic development and related wealth creation a top priority.

In the late 1990's, the then Development Board changed to a Cabinet level agency with a Secretary appointed by the Governor. As such, transitions from administrations have been more challenging.

Many Commerce employees work 50 or 60 hours per week and travel the world working even longer hours to establish business relationships with executives to attract quality investment and jobs. Commerce employees deal with very complicated issues including finance, engineering, accounting, and logistics. These jobs are demanding and require high levels of business sense and common sense. South Carolina needs talented people at Commerce, and more importantly, we need continuity.

Commerce is a wealth creator for the State and should be funded with this in mind, even during a recession. Other states, and more importantly, other competing Southern states are becoming more aggressive when it comes to their economic development

efforts. They often have bigger budgets, more detailed long-term strategic plans and more seamless transitions from administration to administration.

South Carolina needs to better understand what competing states around it are doing. Our company does a lot of work in North Carolina, Tennessee and Alabama; these and other competing states are very serious about economic development and have well executed plans in place! In Tennessee, for example, the Governor and his development team have set up incentives in strategic areas such as automotive development and solar energy, and back it up with some significant targeted marketing dollars. As a result, they continue, even during the recent recession, to have great success.

MidlandsBiz:

Would you ever go back and work for Commerce?

Mark Williams:

For some reason, that question is often asked and my answer is consistently not any time soon. Possibly some time far down the road.

In the mean time, my hope is that economic development becomes an even greater priority for this state – the top priority. Economic development and related wealth creation in a global economy will create a better quality of life for all South Carolinians...and our citizens deserve that.