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NGC, OWC on Inc. 5000 list

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Stephanie Janisch – sjanisch@nwherald.com National Gift Card sales consultant Nancy Knutsen does a second count on a set of Visa gift cards last week at the office in Crystal Lake. Many of the employees balance multiple tasks to keep production high. (Stephanie Janisch ())

CRYSTAL LAKE – Adam Van Witzenburg would prefer a quiet approach for his business, flying under the radar and going about its work each day without attention.

But that probably won't be possible in the near future for the president of National Gift Card in Crystal Lake. The company was one of two McHenry County-based groups named to the Inc. 5000 list of the fastest-growing companies in the United States.

The list was released in the magazine's September issue. NGC ranked 1,053 while Woodstock-based Other World Computing checked in at 3,741 – the fourth consecutive year that OWC has made the list.

"I attribute the growth and being on the Inc. list 100 percent to [the staff] and the amazing stuff they've been able to accomplish," said Van Witzenburg, who joined the company in 2005 and was promoted to president in June 2009.

"Being recognized by Inc. magazine for the fourth straight year as one of the country's fastest growing privately held companies is indeed an honor during challenging economic conditions," said Larry O'Connor, founder and CEO of Other World Computing. OWC experienced a 41 percent growth in sales over the past three years and has 99 employees. "We will continue in our mission to provide our customers with the highest quality products they need to get the most value from their technology investment and support their trust and loyalty with best-in-class customer service."

For Van Witzenburg, the honor is particularly tied to NGC founder and CEO Douglas Wheeler.

"For Doug, I think it means a lot to him," Van Witzenburg said.

"He sacrificed everything to start this in 2004 from scratch, and it's a testament to him and what he's been able to accomplish, what NGC as a team has been able to accomplish. When we went down this road, it was kind of for him."

NGC resells gift cards to businesses, who use them for promotions, reward programs, and customer gifts. NGC buys the gift cards in large quantities from providers, picking up a discount along the way, and charges a small service fee to its clients in the transaction.

"We are a very high volume, low margin business, so everybody has to do everything, from myself down to the newest hire," Van Witzenburg said. "Everybody is interacting with customers every day, and we are in sort of a commoditized business at times, and service really is what has helped us maintain and grow."

The company was created in 2004, and at that time was focused mainly on retailers such as Target or restaurants such as Burger King. In the past two years, though, the company's focus broadened.

"Up until about two years ago, all we sold were closed-loop cards – cards that are good at only one store," Van Witzenburg said. "About two years ago, we went into

open-looped cards – Visa, Discover, American Express. From there, the industry had a lot of change. First it was a Visa. Then you can customize the Visa, you can reload these cards, you can get them virtually sent to an e-mail or a mobile phone. ”

NGC saw its sales rocket 288 percent over the past three years. Wheeler said last year that the company expected more than \$65 million in annual sales. It soared well past that mark.

“[The changes] really happened over the last 12 to 18 months, and that’s where we’ve been able to gain more,” Van Witzenburg said. “We’re working with our big customers to provide solutions. Before that, it was ‘How many Burger King cards do you want and when do you want them?’”

Now, though, NGC’s sales staff are working more closely than ever with customers to customize products for their situation.

“When the economy did suffer, there was a need to incent, reward and thank both employees and customers,” Van Witzenburg said. “We’re strictly B-to-B, so there was a strong need for businesses, both big and small, to find creative and sometimes inexpensive ways to say thank you for a job well done. We offer a quick, effective and low-cost solution to accomplish that.”

Although the solutions might be low-cost, the company’s efforts have been high-reward, particularly in the past year.

“2009 was the first year that the open-loop cards really took hold and we were blown away by the response to it, and so that really caught us off-guard operationally, financially, all off the above,” Van Witzenburg said. “Finally, price-wise, there were competitive with the closed-loop cards, so that was the main reason for that. Along with that has come, and still come, innovations, capabilities and solutions that never were there before.”

That’s among the reasons that Van Witzenburg hoped to remain in the background. With burgeoning sales and recognition come expectations. Driving growth 288 percent over three years is one thing. Maintaining that growth under expectations, though, is another. Still, the NGC president said he was confident that the company’s staff of 15 could continue to provide answers to all its customers’ questions.

“We’ve got a great team here, both in sales and marketing and in operations,” he said. “They do a great job of trying to set us apart from the competitors in our industry.

“Many of our customers scaled down, but we believe that they can’t just stop rewarding and incenting and motivating their employees and customers.”