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Limo business operator gets serious about growth after years in neutral. Growth Tools. **30**

SMALL BUSINESS

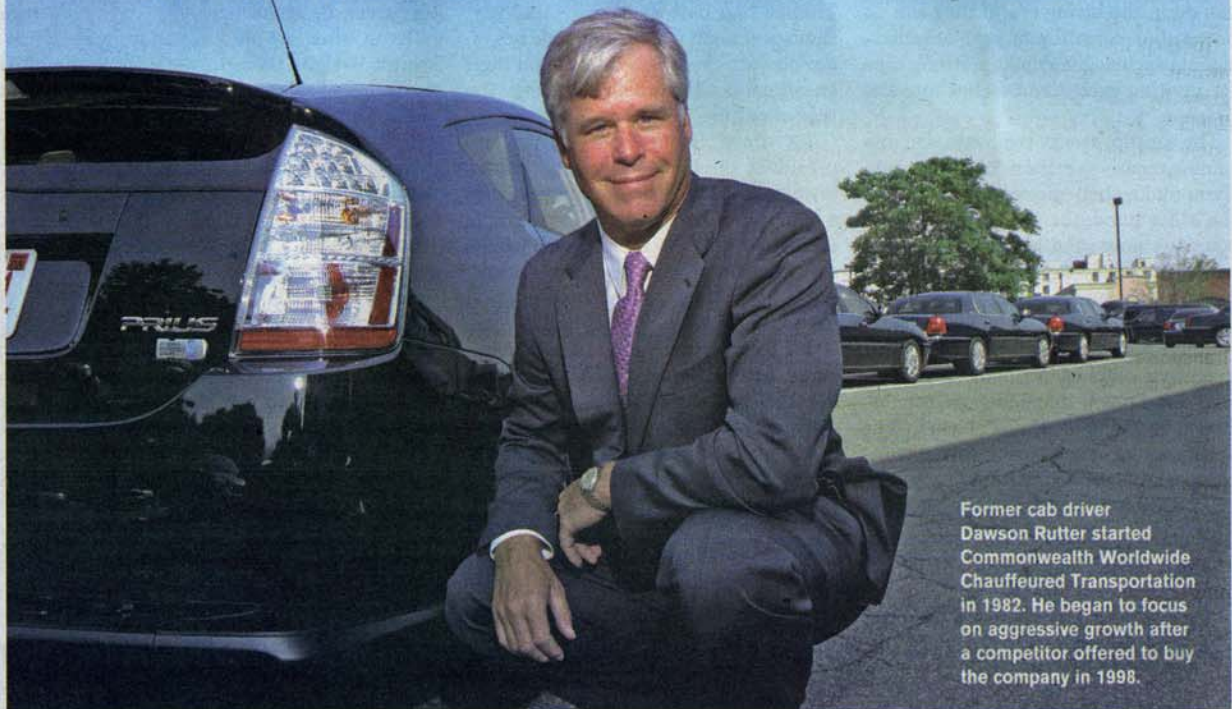
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Getting in the fast lane

Commonwealth Worldwide Chauffeured Transportation



Former cab driver Dawson Rutter started Commonwealth Worldwide Chauffeured Transportation in 1982. He began to focus on aggressive growth after a competitor offered to buy the company in 1998.

Transportation company fuels business through investment, expansion

BY SEAN MCFADDEN
JOURNAL STAFF

The growth of **Dawson Rutter's** limousine business, **Commonwealth Worldwide Chauffeured Transportation**, is a testament to how a change in mind-set can often shift a small-business enterprise into a much higher gear.

The turning point occurred around 1998 when Rutter, whose Boston-based company was stuck at around \$1.5 million in revenue for a number of years, received an offer from a major competitor

for slightly less than that to purchase the business.

At the time, Rutter's focus was admittedly far more laid back than it is today: Between spending time with his family and honing his golf game, he was only putting in about 30 hours a week at the office and had 20 cars in his fleet.

The buyout offer, which he ultimately declined, served as a wake-up call.

"I realized that if I went along as that small a business, that I was not going to achieve much and that I might have to work well into my retirement years," says Rutter, 55. "I had always had a sense that I could be a lot more successful in the limousine industry if I applied myself, worked a lot harder and reinvested the retained earnings back into the business."

With that in mind, his strategy began

FAST FACTS

Dawson Rutter officially incorporated Commonwealth Limousine Service Inc., dba Commonwealth Worldwide Chauffeured Transportation, in 1982.

The company, with operations in Boston and New York, provides luxury chauffeured transportation service, primarily to corporate customers.

Commonwealth had five-year revenue growth of 248 percent from 2001 to 2005.

to take shape on several levels: He hired a well-known industry professional, **Ralph Duncan**, in 1998 as a salesperson.

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August 10-16, 2007

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He grew the business through retained earnings, some credit card debt and a \$150,000 SBA guaranteed loan. And he put in 80- to 90-hour workweeks as he grew his management team.

Today, Commonwealth, which has approximately 340 employees, is traveling down a far different road — one that involves rapid growth, expansion and innovation.

Its fleet has grown to 184 company-owned vehicles. Company revenue grew by 248 percent from 2001 to 2005. It reached \$33.5 million in revenue last year and is projecting \$50 million this year.

The company has also found success in the highly profitable New York market with the establishment of a fully owned subsidiary operation in Long Island City in 2004 known as **Commonwealth Worldwide Chauffeured Transportation of New York LLC**, which now accounts for \$14 million of total revenue.

The company's latest move is one with an environmentally friendly spin: This fall, it will roll out six hybrid vehicles in the Toyota Prius and Highlander model categories. The company has budgeted \$70,000 for marketing.

"As hybrid vehicles become more so-

phisticated, it's going to be a continuing, growing market," Rutter says.

Commonwealth also is able to provide services to customers beyond its Boston and New York territories via a network of 400 partners it has worldwide: If a customer hires Commonwealth for an airport run, for example, Commonwealth will have a car waiting for the customer once the plane lands through an affiliate.

This "farm-out" aspect of its business represents one-third of its total revenue.

Commonwealth's customers, primarily corporate accounts, typically hire the company's services on a per-use basis.

Although Commonwealth has matured into a progressive business with a national and international reach, Rutter faced a considerable learning curve at the start.

The one-time taxi cab driver started the business in 1982, using initial seed money of \$35,000, which was partially his savings and some money borrowed from his family.

Looking back at that early period, Rutter says, "I was undercapitalized. I had no formal education for running a business. I had no experience whatsoever with finance or with management."

Customer retention has been a key

piece of his strategy: "Consistent service — consistency in on-time arrivals, consistency in professionalism, consistency in product — is the whole game in this industry," he says.

Customer **Jane Lanouette**, senior vice president for publicity and promotions at Boston-based **Allied Advertising, Public Relations**, says, "We have very high-profile guests coming in and out of Boston 12 months a year. ... It's important that standards are met, in terms of service and security, and Commonwealth delivers on all counts. They're a great company to work with — very service-oriented, and they'll do anything to get the job done."

At the same time, between the vehicles themselves (Commonwealth's fleet is turned over every 2.5 years) and various technology upgrades over the years, Rutter has followed a course of proactive reinvestment.

The company is using a \$12 million credit facility with **Citizens Bank** to help fund its recent growth initiatives.

"At Commonwealth, we have a saying: 'We build the church for Easter Sunday,'" Rutter says. "That means we are constantly reinvesting in our business and building infrastructure to anticipate the future growth of our company that we see coming."

SEAN MCFADDEN can be reached at smcfadden@bizjournals.com.