

Inc.

The Handbook of the American Entrepreneur

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What's wrong with this picture?

Nothing!

You've never met a man more obsessed with service than Dawson Rutter

By Leigh Buchanan

Photographs by
Michael Edwards

THE MAN

Dawson Rutter was a limo driver himself—a damn good one. Now he owns Commonwealth Worldwide Chauffeured Transportation, a \$34 million expression of his belief that little things matter. As he demonstrates here.



THE SIGN

When picking up a customer at the airport, hold the sign at chest height. Write the client's name—last name only—in black felt-tipped marker. Bring a clipboard to hold behind the sign so it doesn't flutter in the wind. Close up your o's—sloppiness is an insult to the customer. When the customer is in your car, place the sign neatly back in your briefcase. Never fold or dispose of the sign in front of the customer.

THE GREETING Look your client directly in the eye and prepare to greet her with a firm handshake. But be aware that some people don't like to shake hands. Always be reading your client's mood.

THE SHOES

Keep them well polished. People notice shoes.

THE BRIEFCASE

Carry extra signs, both paper and laminated, as well as an extra marker.

THE CAR
The 180-car fleet is upgraded every two years, so all cars are new.

THE FAVORITES
Stock the car with water (cold in the summer, room temperature in other seasons) and the client's favorite coffee beverage and reading material.



Commonwealth Worldwide Chauffeured Transportation is a \$34 million bastion of white-glove civility spawned by one man's rage. That man is Dawson Rutter, and he does not seem like an angry guy. Loud, yes. But not angry.

The 55-year-old entrepreneur makes like a duck's back whenever unpleasant subjects arise. Rutter laughs when I bring up an unflattering *Boston* magazine article about his legal squabbles with a competitor. He laughs when we view the video of an accident that temporarily produced a \$125,000 insurance claim. (The video cleared Commonwealth's driver of blame.) He laughs when describing the two traffic tickets he had received the day before—unfairly he believes—while driving his SUV on New York's West Side Highway.

But when the subject of Carey International arises, Rutter's loud, flat voice be-

comes a little louder, a little flatter. The joviality segues into resentment. Carey International is the crisp-uniformed gorilla of the limousine business, an industry that in its highest form services C-level executives and red-carpet personalities. In 1998 Carey was in the throes of a roll-up and wanted to buy Commonwealth, at the time a humble player in the Boston market. As Rutter tells it, Carey dangled a juicy number, but its final offer came in 60 percent lower. (Carey did not respond to messages asking for comment.)

"I was furious," says Rutter, ensconced in his curiously featureless office not far

from Harvard Business School. "You're set up to sell the business and you think you're going to move on to the next stage of life. Then the rug gets ripped out from underneath you. I was insulted. I was angry. I wanted to show them."

In a pure David and Goliath story, Rutter would have toppled Carey from its throne; in fact he hasn't come close. Carey remains the industry leader while Commonwealth runs a respectable 22nd in size, according to rankings compiled by *Limousine & Chauffeured Transportation* magazine. What he has done, however (in addition to reaching No. 52 on this year's Inner City

THE POSITION
Park the car so that the rear door is in line with the building door from which the client will exit.

THE CLIENT
Commonwealth does not have fares. It doesn't have riders. It has clients.

THE LUGGAGE
Place the bags between the back door and the trunk so that you can see them at all times while seating the client. If a hotel doorman places the luggage in the trunk, check with the client to make sure you have the correct number of bags.



THE PERSONAL EFFECTS
Offer to place the client's laptop, briefcase, or hand luggage on the floor of the seat next to her. That is the safest spot in the car.

100 list, with four-year revenue growth of 248 percent), is transform a nondescript local operation into a flourishing company with national and international reach and a level of service that, by many accounts, is setting new benchmarks. In the process, he is professionalizing a job that largely attracts an untrained, itinerant work force, closer in character to the motley crew of TV's *Taxi* than to the English butlers Rutter likes to hold up as models.

Most remarkable to some observers, in the past three years Rutter has taken Manhattan, the industry Everest in terms of size and risk. "New York City is the biggest and toughest livery market in the U.S., if not the world," says Jon LeSage, managing editor of *Limousine & Chauffeured Transportation*. "Commonwealth is thriving there. And they set up their beachhead after 9/11, which is really impressive."

Conversations with Commonwealth's customers turn up superlatives normally reserved for five-star hotels. "I've been doing this for 16 years and this is the best limousine company—the best organized, the most professional—I've ever worked with," says Maria Wittorp-De Jong, chief concierge at the

five-star St. Regis Hotel in New York City. "They take any issue we might have, no matter how small, extremely seriously. Nothing ever lingers with Commonwealth. They take care of it right away."

"We're very demanding; we expect perfection," says Jane Lanouette, senior vice president of publicity and promotions for Boston-based Allied Advertising/Public Relations. "These guys have an unbelievable consistency of service. And they're great people. I'm nosy, so whenever I get a new driver I grill him. And everybody at that company is just so upbeat and so happy."

Commonwealth, in other words, is among those rare companies that have gone from 40 customers to 4,000 without sacrificing the aura of boutique service—it has grown, in fact, by making that aura stronger. And although anger got Rutter moving, somewhere along the way he stopped trying to show Carey and started trying to show himself: that an ex-cabbie with no business training and a thimbleful of ambition could reverse course in middle age and create one of the most successful companies in his industry.

Taxiing for Takeoff

Heaven forbid Dawson Rutter should ever put a bumper sticker on a car. But if he did, the message might be this: Success Happens.

I can't recall meeting an entrepreneur who talks about fate as much as Rutter does. Since his Road-to-Damascus moment nine years ago, Commonwealth's founder has been chugging down biographies and books on leadership in an effort to understand "how successful lives—successful as judged by history—develop and play out." Sitting on a red-leather sofa in his home in a Boston suburb, absently stroking one of the family's 15 cats, which has wedged itself against his side, Rutter muses about Abraham Lincoln, J. Pierpont Morgan, and his beloved Theodore Roosevelt. When he reverts to his own story, however, the character-as-destiny theme evaporates.

Certainly few would have predicted an illustrious future for Rutter circa 1969 through 1981. The son of an advertising executive and a homemaker, Rutter grew up in an affluent New York City suburb, where as a young boy he peddled greeting cards and plant seedlings from his little red

wagon. College put paid to that precocious industriousness: Rutter sums up his academic career as “the scene in *Animal House* where John Belushi is standing in Dean Wormer’s office with two pencils hanging out of his nose.” He dropped out of Ohio Wesleyan in 1970, Pace University in New York in 1971, Boston University in 1974. Between academic debacles, Rutter amassed the kind of peripatetic resumé—painter, auto worker, short-order cook, construction worker, landscaper, waiter, lawn mower, sheet-metal worker—characteristic of hopeless drifters and embryonic artists marking time.

Rutter was neither drifter nor artist—just a guy enjoying his own transitory immaturity. While still at college he had started driving a cab, and for much of the 1970s he trolled the streets of Boston picking up businesspeople, drunks, academics, psychotics, and various combinations thereof. In 1981 he followed a cabbie friend

The story of the big break has a Pavlovian effect on Rutter. Each time he mentions it, off come the glasses and up well the tears. What at first seems like excessive sentiment is in fact abject gratitude. A lot of entrepreneurs will tell you about the account that changed everything, but most are manifest-destiny types, confident that if Client A hadn’t made their fortunes Client B would have come along shortly. Rutter, by contrast, seems convinced he’d still be in the bush leagues if John Brady hadn’t come into his life.

In 1982, Brady was the new editor of *Boston* magazine and a recent transplant to the city. His wife, an editor for *Cincinnati* magazine, had refused to pull up stakes, and so Brady spent the spring and summer of that year trying to persuade her to move. One day when she was visiting, Brady hired Rutter, whose brochure had turned up at his office, to take the couple on a city tour. Rutter ferried them all over, from Faneuil Hall in Boston to the Old North Bridge in Concord.

seen me...working hard...struggling...and he just did a really nice thing for me,” says Rutter, momentarily overcome. “That wasn’t luck. That was fate. That was meant to happen like that. That was absolutely meant to happen like that.”

Reinventing the Wheel

By industry standards, Commonwealth in the late 1980s through mid-’90s was a ringing success. Eighty percent of U.S. limousine companies have fewer than three cars and chiefly ply the wedding and prom trade. By 1990 Commonwealth had 20 cars, \$1.5 million in revenue, and a client base that included some top Boston hotels. With a couple hundred thousand in take-home pay, Rutter had exceeded his modest dreams—modestly.

So he played golf. Five or six times a week. “I had a 3 handicap—at one point a 2.5 handicap,” says Rutter. “I didn’t have to work very hard, and I didn’t.”

“It was a wake-up call,” Rutter says. “Unless I did more to build value in this business, I was going to be 80 before I could retire.”

to a limousine company—“for the air conditioning and the cleaner clientele,” he says. A month later he was managing the 15-car operation, and nine months after that he was back on the street after clashing repeatedly with the company’s owner. “She was very heavy-handed and difficult to deal with,” says Rutter. “When I looked around I saw that style of management was typical of limousine companies. That’s when I decided to start my own.”

With \$35,000 from his mother and some pamphlets from the Small Business Administration, Rutter launched Commonwealth in 1982 as a high-end limousine company. Despite the premium-service mantra, a slacker spirit prevailed. “All I ever wanted was maybe five cars and a nice place for my friends and me to work,” says Rutter. Even that was unattainable at first; he found himself back in a cab part-time just to keep himself and the business alive. He owned one car and was still driving the cab in June 1982 when the “big break” happened.

“He made a very strong impression on me,” recalls Brady, who is now president of his own publishing consultancy in Newburyport, Massachusetts. “He had a charm to him, and a personal touch.”


Seven months later, Rutter was in cab-driving mode when dispatch ordered him to 34 Warren Avenue. (He is a street address savant; he also recalls 20-year-old dates with freakish specificity.) Serendipitously, the fare was Brady; the two reconnected and Brady was once more charmed. They met again by chance when Rutter was picking up attendees from a party at a nightclub. In August 1983, *Boston* magazine released its annual Best of Boston issue with a brand-new category: Best Limo Driver. “There was no runner-up,” says Brady. “And so a legend was born.”

The Best of Boston imprimatur was wind beneath Rutter’s wings. Business tripled instantly; he bought a third car, a fourth, a fifth. He vowed, Scarlett O’Hara-like, never to drive a taxi again. “He had

Then in 1998 Carey International made its uninspiring offer: \$1.4 million. And from the crucible of that failed acquisition, growth guy was born. Anger was the catalyst, but Rutter also responded to a more pragmatic concern. Simply put, he realized that his nice little company wasn’t worth very much. “It was a wake-up call,” he says. “Unless I did more to build value in this business, I was going to be 80 before I could afford to retire. I rededicated myself to the business. I was going to see what I could do.”

Unable to interest banks or investors in his plans for expansion, Rutter was forced to work off retained earnings and a \$100,000 line of credit. He determined to reinvest every nickel he made. Anxious to multiply those nickels as quickly as possible, he naturally targeted sales, which had previously been limited to his own desultory efforts. His first recruit was an expensive but very effective rep from—where else?—Carey. Over the next five years Commonwealth hired eight salespeople, including three in 2002 when the travel business was at its nadir.

Rutter steered his new, high-powered sales team toward financial companies

 **Inc.com** Leigh Buchanan, at your service. To read about her experience at Commonwealth Worldwide’s chauffeur school, go to www.inc.com/keyword/jun07.

THE PHILOSOPHY

Be a winner by displaying commitment, confidence, persistence, energy, and a sense of mission.

THE TRAINER

Joe Rucker, director of chauffeur services, with some of the 198 chauffeurs in his charge.

THE LOOK

The suit is black, the shirt is white, the tie is black. The jacket never, but never, comes off.



THE UMBRELLA

It is larger than a golf umbrella to protect both you and the client. Strings on the inside prevent it from blowing inside out.

THE BRIEFCASE REDUX

Carry your map book, an appointment book, business cards with your own name and phone number, a flashlight, a first-aid kit, and extra cash and change. And, because appearance counts, shoe polish and a lint brush.

whose road shows put suits in seats for days or weeks of driving. Steadily Commonwealth assembled a top-tier client base. After breaching New York in 2004, Rutter snagged some of the town's choicest hotels, whose exalted guests have gone on to retain his services for themselves. Most recently, Rod Stewart hired Commonwealth for his 2007 tour after sampling the company's service at the St. Regis. "Entertainment is becoming another great vertical for us," Rutter says.

Bigger accounts, of course, translate into bigger demands: Globetrotting executives may require transport in Paris and Poughkeepsie on the same day. Determined to be all places for all people, Rutter has assembled a network of affiliated companies to which Commonwealth can farm out jobs, taking a percentage of each trip. Today the company has around 400 affiliates worldwide, accounting for 40 percent of revenue.

Throughout Commonwealth's expansion, Rutter has hewed to a philosophy he

Commonwealth was exonerated by proof of boneheaded behavior by the other driver).

Putting on the Ritz

Commonwealth is a high-tech business by industry standards. But it's the technology Rutter eschews that betrays his hand. Several years ago Commonwealth bought a \$50,000 phone system with all the bells and whistles and promptly disabled a major whistle: the feature that forced callers to navigate through endless menu prompts. Phone Commonwealth and you are greeted instantly with the recorded assurance that your call will be answered within three rings. And it is. "Self-service sounds like it's about convenience, but it's making the client do all the work," says Rutter. "That is an anti-customer-service message."

Rick Blair was skeptical of the three-ring policy when he joined Commonwealth two and a half years ago as director of call center operations. Blair was a 28-year veteran of

Rutter is hiring a concierge whose full-time job will be tracking that information.

The business has also instituted a kind of secret shopper program. Every driver knows that twice a year someone recruited by management—an employee's friend, a business partner, occasionally a client—will be evaluating his performance from the back seat. These incognito riders assess the chauffeur on 25 parameters: Was the car parked with the rear door in line with the building door from which you were exiting? If you gave the chauffeur a change in the itinerary or a special request, did he or she accept it professionally and make the necessary change by saying, "Of course, that will not be a problem"?

Delighting Miss Daisy

So how do you transform an ethnically diverse work force with little higher education into a squadron of fastidious Jeeveses? Rutter says it's elementary. "Training.

**"Other car companies are metal-centric—
"We are flesh-centric. We are about people."**

once heard described as "building the church for Easter Sunday." "We create infrastructure in anticipation of revenue," he explains. "That ensures service delivery will be impeccable 100 percent of the time. We can always handle 105 percent of our absolute busiest day. Is that a more expensive way of doing it? You bet. But the fact is we don't lose customers, which means we can afford to pay that premium."

So Rutter spends. His New York and Boston fleets now total 180 vehicles. His staff numbers 320, including recently hired executives dedicated to managing affiliates and training. He also invests heavily in technology. Drivers carry BlackBerrys loaded with flight-tracking software. The company records all phone conversations to aid with problem resolution. Every car is equipped with cameras called DriveCams, which record drivers' performance in a continuous loop. When the system detects a car stopping abruptly or suddenly changing lanes, for example, it captures the 10 seconds of film preceding and following the event.

"It manages driver behavior and keeps insurance costs down," says Rutter, cheerfully clicking through a library of favorite clips he keeps handy (accidents in which

Delta Airlines, where he had internalized the automation-equals-efficiency formula so dear to corporations. Now he crows about the three-ring promise as proudly as Rutter. "Sure, it's more expensive," says Blair. "If we went self-service we could probably cut the call center staff by 40 percent. But the customer experience would be awful."

The customer experience. Fragile, subjective, multifaceted. It is Rutter's obsession. He is determined to deliver the Platonic ideal of limousine service. Acutely aware that over 90 percent of his staff directly touches the customer, Rutter has invested everything in his employees.

"Other companies are metal-centric—mostly about the cars," says Rutter. "We are flesh-centric. We are about people."

Commonwealth has always had its own chivalric code by which chauffeurs, in particular, must operate. For example, they are urged to closely observe and record clients' preferences. So when a driver turns up 15 minutes early (to forestall incipient panic on the part of the traveler), he or she may come bearing the client's favorite coffee drink, cold beverage, and reading material. The temperature in the car is preset to the client's liking, the radio tuned to his favorite station.

Training. Training. Motivating. Training. Mentoring. Training. Leading. Training. Training. Training."

Since the beginning of the year, training at Commonwealth has gone from something done well to something done fanatically. In January, Rutter hired a full-time director of employee and organizational development: Brett Tyson, a native South African and former owner of his own training company. Tyson is concocting a full-scale curriculum for each of the company's departments, beginning with the chauffeurs.

Tyson spent months surveying 80 people inside and outside the company and conducting 50 face-to-face interviews. He spoke to representatives from every function and even a few customers to compile dozens of rules for chauffeur performance. "We asked the five most important things a chauffeur should be able to do upon completing initial training," says Tyson. "We talked about the three things a chauffeur most often failed to do in the first year of employment. We asked what chauffeurs have done to exceed the standard. We took it from the other side and asked what chauffeurs have done to make a trip seem like nothing special."

From the responses to these questions,

Tyson created an intensive week-long program emphasizing teamwork, communication, and customer service skills, and featuring such segments as “topics of conversation,” “holding the umbrella,” and “reading the mood of the client.” “They have to understand the things that set us apart from other chauffeur companies,” Tyson says. “The airplanes make customers walk through first class and see all that luxury on the way to their tiny seat and plastic cup of water. When people walk by our chauffeurs on the way to meet some other company’s, they should feel like they’re seeing first class on the way to coach.”

What fascinates me is that Rutter expects staff to maintain those standards even when there’s no client in sight. Keep that jacket on even if you’re alone and on your way back to the garage. At the airport, don’t fraternize with less fastidious chauffeurs from other companies. Get used to looking people—all people—in the eye and smiling.

them well. With clients, he squeezes that warmth through an appropriateness filter so he comes off as cordial and genuine but not familiar. Even when he’s alone in his car, he says, he never scowls, never lets his guard down. “Like when I go through the tolls,” he says. “Some of those people look pretty unhappy. So when I give them my dollar I say, ‘Hi. How you doing?’ And I smile at them. Maybe it makes them feel good. I don’t know. It makes me feel good.

“There’s no secret to customer service; you’ve just got to be a happy person,” says Rucker. “I’m a happy person. I hope that rubs off on my staff.”

Turning Down the Idle

As Rutter squires me around Commonwealth’s offices, half his sentences start with the same four words. “Soon this will be our new training area.” “Soon this will be the expanded call center.” “Soon this will be rehabbed into additional office space.” The

have to wonder, is this really a guy who built a \$50 million company because someone jerked him around? Rutter talks nostalgically about all those years running a small company, when he fumed over every mistake and occasionally ejected people bodily from his office. Today, by all accounts, he is a patient listener and forgiving boss. Just how tolerant is this guy? Despite suffering from allergies, he cohabits with the aforementioned 15 cats, three dogs, two canaries, a cockatoo, two cockatiels, a rabbit, and three rats, all because his wife loves animals.

Asked whether, in retrospect, Carey’s offer was really that unreasonable, Rutter laughs yet again. “Yeah, looking back I can see where it might be fair,” he says. “It was a higher multiple than they were paying other companies. Maybe it was even generous.”

It appears that all this activity, this “momentum,” to use one of his favorite words, has somehow touched the heart of calm in Rutter. “I think in the past few years there’s

mostly about the cars,” says Rutter.



The guy who gets this better than anyone—maybe even better than Rutter—is Joe Rucker. Now the director of chauffeur services, Rucker is a 20-year employee of Commonwealth, the first 18 of those years spent behind the wheel. I had already heard Rucker’s praises sung by several customers. Expecting a paragon of elegant decorum, I am surprised when Rucker introduces himself during a training session. He is an effusive man with longish hair and a tendency to bounce on his heels.

But Rucker is all about the attitude, all about the details. He is unflinchingly warm to his staff—hugging them, praising them, calling all 198 of them on holidays to wish

DRIVEN
Chauffeurs from Commonwealth’s New York corps. Again, what’s wrong with this picture?

company is on track to do \$50 million in 2007, and true to form Rutter is front-loading infrastructure. He would like to open an office this year in Los Angeles, and later one in Chicago.

To achieve all this, Rutter was until recently working around the clock. A few years ago he began experiencing bouts of rapid heartbeat. With little time for golf, his handicap rose to 14. Increasing the stress, Rutter has since 2004 been sparring with Dav El, the country’s second-largest limo company, which sued him for poaching drivers bound by noncompetes.

Yet even when discussing Dav El, Rutter sounds more amused than annoyed. And I

been a phenomenal change in my level of maturity,” he says. “I’m much less volatile. I communicate more with language. Maybe it’s because I’m more powerful. There’s less need for me to scream.”

Company building as a stress reliever. I’ve never heard that before. But watching Rutter spend two minutes whistling at a cockatiel in a vain effort to make it whistle back, I am glad, for his sake, that his earlier dreams were shattered. After all, there’s only so much golf a man can play before waking up one morning and wondering, What have I done with my life? And Rod Stewart will always need a ride to the airport. **1**

Leigh Buchanan is an Inc. editor-at-large.

Raising Revenue, Building Blocks: The Fastest-Growing Inner City Companies

BY LEIGH BUCHANAN

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HEN HARVARD BUSINESS School professor Michael E. Porter founded the Initiative for a Competitive Inner City in 1994, he envisioned a symbiosis: one between entrepreneurial companies seeking overlooked opportunities and struggling urban neighborhoods needing a shot in the arm. That relationship is manifest in the ICIC's annual list of fast-growth companies. The 2007 Inner City 100 boasts an average four-year revenue growth of 535 percent and record average revenue of \$39 million. Nine percent report sales exceeding \$100 million. The list has a record number of minority CEOs: 40 percent compared with 32 percent last year and a previous high of 38 percent in 2003. Twenty percent are immigrants.

In many ways these companies look typical. They are overwhelmingly in service industries (73 percent), draw on loans or credit lines for growth capital (81 percent), and seek to differentiate themselves on quality or service (68 percent).

But there are distinctions. More than a

third cite government agencies as primary customers. Fifteen percent say at least a quarter of their work force speaks a primary language other than English. Almost a third have employed former inmates. In its ninth year, the Inner City 100 continues to prove that business thrives wherever there is imagination, determination, and an eye for hidden potential.

52. Commonwealth Worldwide Chauffeured Transportation

Boston

Supplies professional limousine service to financial executives, entertainers, and other VIPs

G 248% **R** \$21.7 million **E** 270

Key: **G** Revenue growth from 2001 to 2005

R 2005 revenue

E Full-time employees in 2005



Right This Way
The at-the-ready gentlemen
of Commonwealth Worldwide
Chauffeured Transportation