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Why Giving Away Pays Off The Most

The epic charity faceoff between legendary operators George Jacobs and Dawson Rutter sets an example of what generosity and good can lead to. By Martin Romjue, LCT editor

The bidding war that erupted among two industry titans Nov. 14, 2016 over a donated Lincoln Continental sedan finally had to wind down to a draw and a good deal.

No industry auction event had ever spawned such high stakes one-upmanship before a rapt audience. And all this over a mid-$40,000s sedan that either one could have just bought on his own, checkbook in hand.

Dawson Rutter, the CEO-owner of Commonwealth Worldwide Chauffeured Transportation in Boston, and George Jacobs, CEO-owner of Windy City Limousine in Chicago, finally settled on giving $72,000 each for the car. The vehicle donor, Ford/Lincoln Limousine & Livery Vehicles, came up with a second car so each CEO would get one. When the tab was settled, the auction beneficiary, the NLA Harold Memorial Berkman Fund, netted a record $100,000, while $44,000 funded the second vehicle.

At one point during the dinner gala bidding, held during LCT-NLA Show East in Atlantic City, N.J., the sparring CEOs threw out $2,500 raises on each other as other bidders fell by the wayside.

“Dawson says to me, ‘How far do you want to go with this?’ It was so funny,” recalled Jacobs in a recent interview. Craig Hall, the marketing manager for Ford/Lincoln, got worried about the clash. “He feared Dawson and I would come to blows. He was terrified our friendship was disintegrating but he had no idea we were having the best time. It didn’t matter who got the car and what we paid. We’re both Type As and knew we were doing something special for charity. You give to charity and have the best possible fun.”

Rutter recalled how at one industry auction about 15 years ago a bidding session for an auction item stalled at $3,400. So Jacobs waved a $100 bill to keep interest going. Once bids resumed, the auctioneer returned the $100 bill to Jacobs, who didn’t want it back and instead bid it out on behalf of the auction. Rutter bought the $100 bill for $1,000.

Intangible ROI

So how did these two chauffeured transportation leaders, who trace their industry lineage to the founding era of the mid-1980s when LCT and the NLA started, get so carefree about donating to charity? Their charitable efforts provide some guidelines for operators who seek the most joyful investments of all.

Jacobs and Rutter say their philanthropy grants a satisfaction that goes beyond any bottom line ROI. Most of their donations consist of money and chauffeured transportation.

“I didn’t have a particular motive,” Jacobs says of his years of philanthropy, “other than just a desire to give back.”

Among the many groups Jacobs has donated to over the years: Make-A-Wish...
Foundation Illinois/Wisconsin/Indiana, Hydrocephalus Foundation, Front Row Foundation, Harold Berkman Memorial Fund, Step Up Women’s Network, YWCA, Ronald McDonald House, Greater Chicago Food Depository, Chicago Police Department, Food Bank, Hemisphere Travel, Rush University, University of Chicago Hospitals, Loyola University, Toys For Tots, The Salvation Army, Nature Conversancy, Autobahn Society, Covenant House, Alzheimer’s Foundation, National Arbor Day, the SPCA, Animal Rescue, scholarship funds, and hometown teams Chicago Bulls, Bears, White Sox, and Cubs. In August, Jacobs will donate to Camp Kids Are Kids, a group that helps children with cancer attend summer camp free of distractions.

“It makes you feel good when you are doing something good for others,” Jacobs says. “Everything I have I got from the limousine industry. I like to give it away; sometimes it’s dollars, transportation, or advice, or sometimes it’s speaking and giving incentives to people. The letters we get from Make-A-Wish kids who draw pictures and take photos when they ride in a limo gives me joy. To them it’s everything. In some cases, it’s their final request.”

As Commonwealth grew, Rutter started compiling a list of local charity recipients, such as Massachusetts General Hospital. At first, he donated small amounts of $1,000 or less. Since 2001, Rutter has been a grand benefactor of the Boston Symphony Orchestra, donating $1.5 million in transportation. He’s also been involved with the Cystic Fibrosis Foundation, Wounded Warriors, the Berkman Fund, and the Lupus Foundation of America, to name a few.

“One thing I really felt great about is donating to cystic fibrosis for 25 years,” Rutter said. “There have been major breakthroughs and they are on the verge of curing a significant part of the fibrosis population. When you’re giving money for many years and seeing no result, and then see progress, that is very gratifying.”

Sometimes charity donations can involve showing up at activities such as golf tournaments and fishing derbies. At one event, Rutter bought a few golf balls bid up to $5,000.

Finding The Right Causes
Like any business line item, organized donations require review and evaluation. Donors often learn by doing. To select charities, Jacobs and Rutter follow two approaches:

1. Check out recommendations from clients and employees. “I like to get input from other people and see the best use of funds to do the most good and cover the greatest number of people,” Jacobs says.
I've had animals my whole life, so I donate to the Massachusetts Society for the Prevention of Cruelty to Animals. I had a heart issue, heart arrhythmia, so I put in $50,000 for a heart charity. I'm with a group of men a friend put together and we all pledged $50,000 each to Brigham and Women's Hospital's cardiac center and cardiologist research.

“The Berkman Fund has no fees or salaries and makes perfect sense because it's a good central location,” adds Jacobs, who helped start the fund named after the late founder and owner of Los Angeles-based Music Express, Harold Berkman.

Qualifiers
As with any business-related venture, not all charitable efforts necessarily work for the best. “We do not donate to auctions anymore,” Rutter says. “The reason is when people buy [your service] at an auction, they think they own the car. It’s based on availability, but we had so many problems with people arguing and complaining to us about the free service. No more. People abused us on one-off donations. Now we’ll donate $200 instead of a car.”

For the same reason, Commonwealth does not offer rides for weddings or proms. “Too many complaining brides and we don’t have limos anymore,” Rutter says. “We don’t do proms or retail work, so we don’t get people throwing up in the back of limos. No more brides complaining dirt got on their dress from my car.”

Let Publicity Find You
While media exposure on charitable activities can yield new clients and positive word-of-mouth, the CEOs eschew those motives. “You don’t do it with that mind, but it’s a nice thing when that happens and it comes back to you,” Jacobs says.

“I don’t look for publicity,” Rutter says. “I used to go to charity golf events and donate items back to be auctioned off. It’s a lot of fun just giving away money to the right people.”

Inpiring Employees
Another benefit for a business with a charity program is it sets an example for employees. At Commonwealth, employees participate in a YMCA Christmas gift giveaway for children in underprivileged neighborhoods. “They are happy to be part of what we’re doing as a company,” Rutter says. Adds Jacobs: “What our company does is if a chauffeur or employee falls in hard times, has a death in the family, or a setback, employees raise funds. I match the employees by a set amount and it creates great camaraderie.”

Tax Write Offs?
Rutter advises keeping accurate records for tax returns. The mention of taxes spurs a pet peeve for Jacobs: “Everything you do in business — payroll, rent, gas, etc. is an expense. It’s income minus expenses. Charitable expenses are no different. You give because you want to give, not because it’s a tax deduction. Every expense is a tax deduction in a way.”

What’s Next?
After the blowout auction in Atlantic City, Jacobs and Rutter plan to ratchet up their efforts. “We have all this year to figure out how to top ourselves,” Rutter said. “We’re starting to have a germ of an idea: Team Dawson and Team George. Maybe we raise $10,000 from each of 10 people. . . ” he says, thinking out loud. Such an idea could yield another high-stakes stalemate. But then, who cares if Rutter or Jacobs gives more? The benefits always ensure the most winners.

— Martin@LCTmag.com