



■ The February 2010 opening of the J.W. Marriott Hotel and convention center and Ritz-Carlton Tower in downtown Los Angeles — adjacent to the famed Staples Center, Nokia Theater, and L.A. Convention Center — signifies a future growing market for accessible, upscale convention and hospitality venues needing ground transportation services supplied by DMCs.

# RUNNING *for the* DMC

By Martin Romjue

GETTING BUSINESS FROM DESTINATION MANAGEMENT COMPANIES IS A PRIZE ACHIEVEMENT FOR OPERATORS, BUT IT TAKES A LOT OF PRECISION, LOGISTICAL PLANNING, AND FLAWLESS PERFORMANCE.

PHOTO: RON RENNELLS

**N**

Nothing tests the metal and mettle of an operator more than handling scores, if not hundreds, of runs over several days for a destination management company (DMC).

As the recession recedes, groups and corporations are holding more conventions and gatherings, although often of smaller size. They rely on the middlemen DMCs to come up with timely ground transportation which makes all the difference in a smooth-running, scheduled event.

**RELIABILITY IS JOB NO. 1**

Operators and DMC managers familiar with the transportation for events tend to agree on one point: Reliability matters much more than the number of vehicles in a fleet, as long as operators can tap solid affiliates and networks.

"We can never say no to our clients," says Susan Kushner, president and CEO of Kushner & Associates, a transportation management company based in Malibu, Calif. "Unlike an individual who calls for one to three cars, we can be calling for 400 transfers. There must be computers and staff in place that can take last min-

ute changes and keep things organized. You can have all the beautiful cars in the world, but if I can't reach a dispatcher, then it doesn't work out."

Kushner, whose firm is not a DMC but provides transportation services for major events, works with major clients nationwide. To do business with Kushner, a chauffeured transportation operator needs, in the words of Kushner, "enormous flexibility to make changes and handle last-minute orders, and not charge cancellation fees."

An operator also must offer flexible prices. "Because we are a middleman, we have to buy lower than when someone comes to you direct," Kushner says.

**STICK TO THE SERVICE AGENDA**

Newer, clean vehicles and customer-friendly chauffeurs go without saying. But that hasn't always been the case. One successful DMC was so concerned about finding quality ground transportation that it started its own fleet division

Agenda: Kansas City is a full-service DMC started in 1989 that also has a fleet division with about 14 vehicles doing business as Agenda: USA.

DMCs typically need upwards of 70, 80, 90 runs a day when handling a corporate gathering or convention, Hagen says. "I would use multiple providers. It was hard for livery companies to think outside of the box and get my vehicles ready and lined up."

To that end, Hagen started Agenda: USA in 1996 because at that time he could not find a chauffeured transportation company in the Kansas City region that could meet the needs of Agenda: Kansas City. The fleet includes sedans, vans, SUVs, mini-coaches, and stretch limousines.

"As a DMC, we are an outsource for meeting planners," Hagen says. "Many are coming from outside, looking for us to be their local team member. I had very little problems in getting motorcoaches, but could not find [limo companies] at



**DMCS TYPICALLY NEED UPWARDS OF 70, 80, 90 RUNS A DAY WHEN HANDLING A CORPORATE GATHERING OR CONVENTION.**

—ALTON HAGEN  
GENERAL MANAGER OF AGENDA: KANSAS CITY AND AGENDA: USA.

and put up with nine years of losses just to make sure they could please expectant clients.

"Transportation can be crucial to a DMC," says Alton Hagen, general manager of Agenda: Kansas City and Agenda: USA. "I know there are DMCs out there that are in same predicament I was: They can't find companies they can depend on."

that time that could give me the level of service I needed. They didn't have insurance, or chauffeurs arrived at the airport well after flights arrived, or the quality of vehicles was old." Hagen also got exasperated when several operators acted as if he was a corporate representative bringing business to them, and then they would go directly to those clients by cutting out his DMC.

**EXPERT ADVICE:  
Don't Double Up,  
Or You Will Dip**



**BOSTON** — One veteran of the chauffeured transportation and business travel industries who has worked extensively with DMCs advises operators not to start their own DMCs or similar services, since such a move would detract from an operator's core purpose.

"You never compete with your customers; you do so at your own peril," says Scott Solombrino, CEO of Boston-based Dav El Chauffeured Transportation Worldwide. "You eliminate a whole series of people who would become your customers."

"If it's transportation you know, then stick to it. If you do both, something is going to lack somewhere. It's better to solicit business with every DMC in the world, but not good to be competitive with them," says Solombrino, a board director of the NLA and president of the Allied Leadership Council of the National Business Travel Association.

The market for DMC business is driven much more by reputation than price, Solombrino says. "A DMC has multiple functions. They don't want transportation to go haywire. They get comfortable with relationships, which they want to be proper all the time. If they find a vendor in their niche that consistently delivers, they will use them to the end of time."

Business travel and chauffeured transportation executive Scott Solombrino says the number one rule in dealing with DMCs is not to compete against them.



Know how to handle those last-minute hiccups so you can pull off a professional job no matter what changes are involved, says Craig McCutcheon, CEO of Rosedale Livery in Toronto.

As a result, Agenda: Kansas City got Department of Transportation and state-level authority to start its chauffeured transportation company. Hagen says Agenda: Kansas City lost money on its fleet division until 2005 when it finally became self supporting. "The level of service we offered wasn't covered by the amount of business being generated," Hagen says. "I treated it as a cost of doing business as a DMC. I had to provide my clients with higher level of service."

### GREAT EXPECTATIONS

Agenda: Kansas City now can tap vendors in its region that meet high standards. "We know all of the vendors in our cities, which ones are good fits and which ones to avoid," Hagen says. "We know which ones we can trust absolutely and which ones are problematic. We put into place other measures if one or more livery services don't do what they need them to do, so clients are not inconvenienced."

Hagen says his DMC will consider operators of any size as long as they are properly insured, honor commitments, and provide superior customer service. If an affiliate accepts a job but then gives it back in order to handle a newer one, "then we will never use them again," Hagen says. "But it is O.K. if an affiliate asks to be released in order to get bigger business and says, 'We will honor our commitment, but would appreciate it if you will let us make this extra money.'"

Craig McCutcheon, CEO of Rosedale Livery in Toronto, says one of the strongest suits of a DMC operator is the ability to do everything on short notice as if it's been planned all along.

"DMCs tend to get the information

they need from clients at the last minute," McCutcheon says. "You need a company that can adjust quickly, provide confirmations quickly, adapt its fleet quickly, invoice quickly, and during the actual group movement, whether a day or five days, has key contact people such as 24-hour dispatchers and reservationists, on-site staff, and meet-and-greet people."

For Rosedale, about 25% of its summer business comes from DMCs. "To attract DMC business, you must prove you have good local relationships, and be able to do more bussing than bus companies," McCutcheon says. "It takes a lot of T.L.C. and understanding. The DMCs are not creating this [demand], the companies are. There needs to be kid gloves between DMCs and the limo company."

### RIGHT-SIZING YOUR SERVICE

McCutcheon says smaller operators can grow their DMC business incrementally,

but warns, "If you don't have the fleet, don't bite off more than you can chew... Make sure affiliates are willing to work at your pricing."

Richard Kane, CEO of International Limousine Service in Washington, D.C. and the first vice president of the NLA, emphasizes that DMCs "want it all": new, clean vehicles with attentive chauffeurs in suits and ties, flexible scheduling for last-minute changes, 24/7 availability and dispatch, and the ability to compile detailed, accurate manifests of client arrivals, vehicle assignments, and pick-up and drop-off itineraries during an event.

International Limousine Service, the largest chauffeured operator in the District of Columbia, gets 40% of its business from DMCs, Kane estimates. ILS, located only seven minutes from Capitol Hill, is a natural fit for DMCs since Washington, D.C. attracts a continuous flow of lobbying groups, corporate gath-



PHOTO: RON RENNELLS

An operator working with a DMC must coordinate the right vehicles at the right time. Transportation demand for convention events can range from conventional mini-buses and motorcoaches, to sedans and SUVs, to in a few cases, exotic stretch limousines.

## DMC DEFINED — Why Are They Vital?

A DESTINATION MANAGEMENT COMPANY provides expert destination knowledge, creativity and logistical "know how" for groups in the areas of airport meet and greet, transportation, tours and activities, teambuilding, and event production from unique venues to entertainment and décor. A good DMC will operate as a

partner and can provide tremendous benefit to meeting and event planners in the areas of time management, planning and coordination, and ROI through their long-standing local relationships and tremendous buying power.

Source: Association of Destination Management Executives



Operators working with DMCs need to make sure they understand the transportation security rules of various venues and keep up good contacts with security staffs, says Washington, D.C. operator Richard Kane.

erings, government-related conferences, and association conventions. ILS also has a contract to be the chauffeured provider for Washington's famed landmark Mayflower Hotel on Connecticut Avenue, a good source of referral business.

"The DMC business is starting to come back strong in Washington because of the issues that we're dealing with," Kane says. "Everybody is coming here to make sure their voices are heard. When they get here, they have to get 'there' somehow. The nicest thing about Capitol Hill is there is no parking on the Hill. You have to take a cab, sedan, or bus."

### DMC CHALLENGES

One of the key challenges in handling large groups using multiple vehicles in any city is to coordinate with the strict security teams of hotels, convention venues, attractions, and other destinations within the city, Kane says. Operators need solid contacts so they know who to contact to accommodate and authorize multiple vehicle movements.

A key market shift that Kane has observed since the recession is more clients trying to bypass DMCs and deal directly with chauffeured transportation companies.

"In many places, the DMC used to come to us and represent an association or corporate travel department," he says. "Now many corporations are doing it direct. That's been a big challenge because instantly we're getting calls from people not as experienced and knowledgeable as a DMC." That takes more time for "re-teaching" the client on transportation arrangements that a DMC would already be familiar with, Kane says.

Kane also sees a trend toward larger vehicles to accommodate groups and more budget conscious mid-size clients of DMCs, such as organizations needing to move about 30-50 people for an event. Regardless of the size of the group, DMCs tend to look for larger chauffeured operators that have plenty of metal and/or can access a responsive local affiliate network for additional vehicles, Kane says.

## BREAKING IN: How Does a Smaller Operator Get DMC Business?

Southern California operator Steve Levin has started pursuing the contacts needed to slowly build a chauffeured service oriented to DMCs.

TEMECULA, Calif. — Steve Levin, owner of Sterling Rose Transportation, is pursuing as much convention business as possible this year, as he builds on his hotel transportation contracts.

Levin, a 2008 LCT Operator Of The Year, advises that gaining the trust and connections for DMC business requires networking and knowing how to emphasize a record of reliability. "You can't expect to just walk in and say, 'Here I am and I'm ready,'" Levin says. "It's based on long-standing relationships."

The shakeout from the recession has left fewer operators vying for larger slices of the convention pie, which means that secondary back-up companies are needed more than ever. Levin also cited examples of DMCs that used just one chauffeured transportation vendor, and were forced to urgently find alternatives when that vendor could no longer do business them.

"DMCs need to have multiple vendors to keep from having to scramble," Levin says. "Because of the volatility of the market, it's not a wise move to just have one. A DMC at least needs to have a primary and a secondary. You don't want to displace anyone, but you tell DMCs you just want to be on their list and be considered for doing a good job."

Levin stresses the importance of getting connected to the DMC industry. He belongs to the board of the San Diego chapter of Meeting Planners International (MPI), where he chairs two committees, and the Hospitality Sales and Marketing Association International.

"I've made the determination that this is the business that I want to be in and want it to be our focus in addition to wine tours and weddings," says Levin, who operates an 11-vehicle fleet based in Temecula that serves clients in San Diego, Riverside, Orange, and Los Angeles counties. "It's not a matter of just showing up at one meeting at one time and expecting you will get in and get business. I have to create relationships that allow me to get through the door."

In a recent sample letter to a DMC, Levin emphasized Sterling Rose's commitment to the meeting and events industry, being a "partner, not just a provider," being "large enough to do the job, but small enough to care about you," offering a variety of late model vehicles, competitive prices, service to multiple locations, and most importantly, giving a free sample transfer or run to demonstrate good service.

In mid-May, Sterling Rose helped provide chauffeured transportation service for the San Diego Convention and Visitors Bureau for its Big Bay showcase event, taking a gathering of event planners to and from the airport. Levin drove one of his minibuses as part of the job. "It gives me an audience with these people," Levin says. "If they come to town, I'll know about it, regardless of where they are staying."

Levin, whose company services several resort hotels in Southern California, also advises that operators develop and strengthen relationships with hotels, since most have sales and conference departments that work with multiple DMCs and corporate accounts throughout the year to handle lodging and/or onsite events. "I go to somebody at the hotel who knows event planners and ask them to ask the DMCs who they use, tell them about our work for the hotel, and then ask them if I can contact them." **LCT**



Steve Levin draws upon his experience providing transportation for hotels, such as the South Coast Winery and Resort in Temecula, Calif., pictured here, to attract DMC business.