

Growth Tools

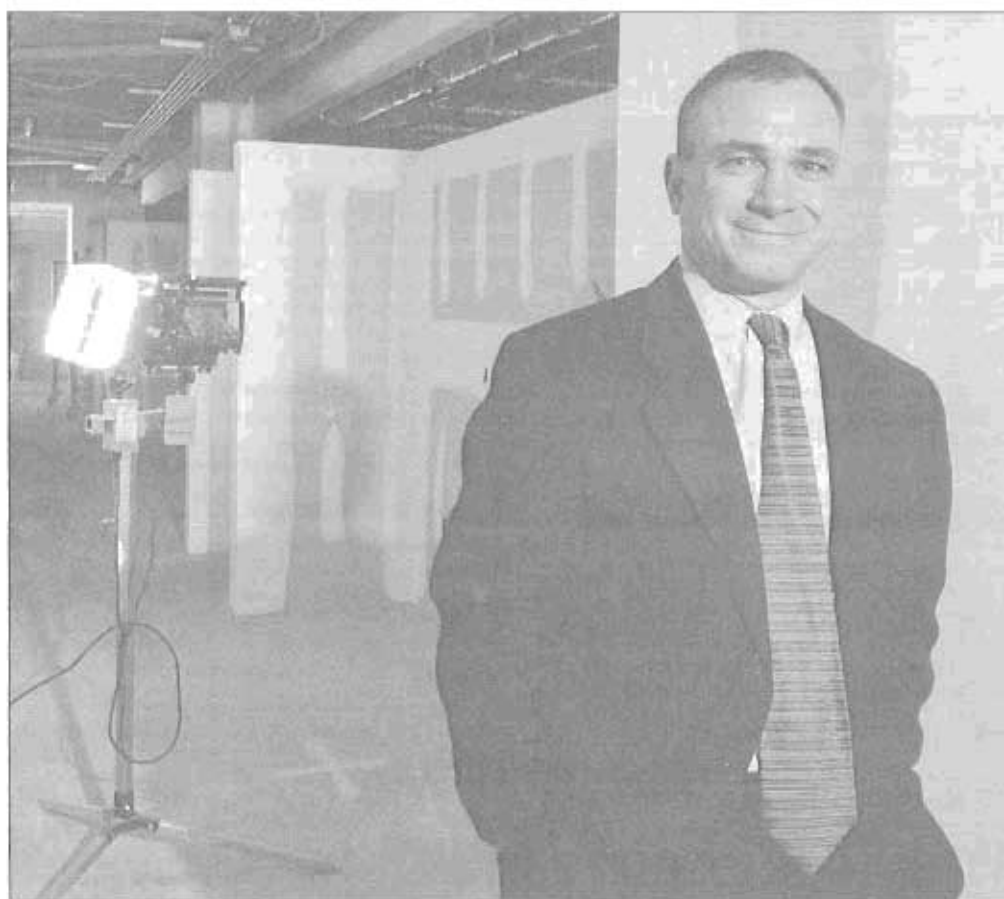
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| ENTREPRENEUR |

Constructing a growth plan

Commodore Builders



W. D. BERNSAU | BUSINESS JOURNAL

Joe Albanese, CEO of Commodore Builders, says his firm hopes its flexibility will be a competitive advantage in a complex marketplace.

General contractor/construction management firm emphasizes project diversity, staff training

BY SEAN MCFADDEN
JOURNAL STAFF

This year did not go quite as **Joe Albanese** had originally expected. But the CEO of general contractor/construction management firm **Commodore Builders**

says his six-year-old organization is building a foundation for continued growth by focusing on opportunities to be gained by being nimble in a shaky economy.

At the start of the year, Albanese thought Commodore — which had a

highly successful 2007 that saw the firm's revenue grow by 40 percent and move to expanded, 33,000-square-foot offices in Newton — would "blow the doors off" its goal of \$90 million in revenue.

By late spring/early summer, however, he was seeing a far cloudier economic picture.

"I can identify \$40 million to \$50 million worth of opportunities that we were counting on as solid (job) prospects that just evaporated," says Albanese, 46.

Albanese says that on any given project, the firm now has "three times as many competitors as we have had in the past, and in many cases, they are ones who we have not typically competed with."

In a scenario not dissimilar to some of his industry peers, the necessary belt-tightening that ensued has affected his labor pool. In November, the firm laid off 12 administrative and operations personnel from a staff that had grown to 130 employees.

Yet there's also positive news: While some larger job prospects went away, Commodore still managed to complete 66 projects in 2008 — up from 57 in 2007, Albanese says. So far for 2009, it has 13 projects booked at a value of \$20 million, he adds.

And the firm's annual billings will still surpass last year's — going from \$72 million in 2007 to projections of \$80 million in 2008.

The stance Commodore has taken is decidedly proactive, while remaining flexible and diverse in the marketplace. That includes handling projects in the commercial, health care, institutional and life science markets — even a 3,000-square-foot outdoor exhibit project, which was

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COMMODORE: Market diversity and training

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completed in May, for the **Stone Zoo** in Stoneham.

"We have abolished the phrase 'it is what it is' and really talk about, 'it is what we make it,'" Albanese says.

An example of the firm's flexibility is a 10,000-square-foot fit-out it performed for **Leggat McCall Properties LLC** at 10 Post Office Square in Boston in September — which it completed in just 15 working days.

Mahmood Malih, executive vice president, development at Leggat McCall Properties, observes, "They are very attentive to the needs of the customer. And, they are very good team players."

Internally, the firm is also emphasizing training during the downturn; Albanese says its budget for that area has increased by 130 percent this year.

During its weekly C-School training sessions, attended by 40 to 50 operations personnel, the focus currently is on how to set up projects in a down economy and how to protect profit without sacrificing on delivery.

"We invest a significant amount of time and money in training because we know it's going to pay off in the future," Albanese explains.

Industry colleague **Glenn Verrette**, a

FAST FACTS

Joe Albanese founded Commodore Builders, a general contractor/construction management firm, in 2002.

The firm's market focus includes commercial, corporate interiors, academic, institutional, life sciences and health care.

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partner at **DTZ FHO Partners** in Boston, notes, "I think Commodore is smart and strategic, and that shows in the results they're achieving. In any organization, it comes down to the leadership and the people."

At the same time, Commodore has adapted to challenging times before.

Albanese started the firm in 2002, capitalizing it with \$1.2 million — a combination of personal savings and angel investment (which has since been repaid).

Shortly after Commodore's launch, Albanese was joined by two colleagues he knew from the construction industry, **Andy Fraser** and **Tom Comeau**, as co-founding principals.

Albanese, who had departed an executive position at **Shawmut Design and**

Construction in Boston, was temporarily constrained by a two-year noncompete agreement that prevented him from seeking work from any of his previous clients there.

"It slowed us down in the beginning, but in the end it made us work harder to find new clients, and that made us stronger," he says.

Another key period in the company's history occurred when Albanese, who is also a captain in the Naval Reserves, was called away on a tour of duty in the Middle East from February to November 2007. Anticipating his absence, the firm put a management team in place, consisting of Vice President and COO **Comeau**, Vice President **Fraser**, CFO **Paula Gerry** and Vice President of Organizational Development **Lauren Larson**, to oversee day-to-day operations.

"It accelerated the evolution of our firm and the evolution of my role as founder, from operations-oriented to visionary, strategic- and market-focused," Albanese says. "It also brought out the best in so many of our people who may not otherwise have been given that opportunity if I was still occupying that space."

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