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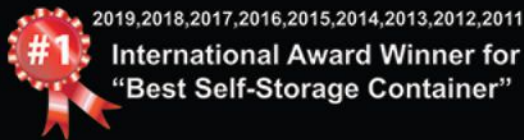
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Setting and Upholding Operational Standards

I came to the self-storage industry from a military background, followed by some time in the exercise-physiology field.

My time as an infantry-squad leader in the U.S. Marine Corps taught me a great deal about leadership, team development and decision-making, whereas my education in the sciences showed me the importance of recognizing and understanding systems and interactions.

Your self-storage operation is a series of systems and interactions that shapes your customers' experience. Phone calls, site tours, the rental process and general customer service are just a few examples. To take advantage of each short window of opportunity requires a lot of work. It takes efficiency.

The standards you set for your business and your ability to train for and uphold them is what will dictate your facility's level of proficiency. Self-storage operations vary a great deal, but there are some simple actions that can have a big impact in every case. Let's discuss how you can evaluate, set and improve your standards to maximize performance.

Apply a Critical Eye

You need to evaluate and possibly change your standards. Why take the time to put your self-storage site or portfolio under the microscope? You've heard the phrase "If it ain't broke, don't fix it," but I prefer this quote from Albert Einstein: "Insanity is doing the same thing over and over again and expecting different results." Our business has evolved, so it's foolish to keep doing the same things and expect the same level of return.

Jim Hines and Usain Bolt, two of the best sprinters in history, broke their own world records. They were constantly analyzing the competition and themselves—what they did well and where they could improve, even if it was just one-hundredth of a second. They used all the information and technology available to self-assess and achieve new levels of efficiency.

If you aren't actively pursuing the improvement of your site-level operation, you're at the mercy of your competition, for better or worse. Once you've taken the initiative to turn a critical eye on yourself, the

next big hurdle is effectively communicating necessary changes to your team.

Ensure Clear Communication

When communicating with your staff, keep it simple, as confusion causes wasted time and effort. Before every combat patrol, I would do a presentation to my squad and any attached personnel called an operations (op) order. It outlined every possible detail of an upcoming assignment:

- **Situation:** An outline of our area, our "friendlies" and any known enemy forces
- **Mission:** The objective, or what were we hoping to accomplish
- **Execution:** Details, timelines and everyone's individual role in the mission
- **Administration and logistics:** An outline of any administrative measures and essential gear needed before take-off
- **Command and signal:** An outline of the patrol leadership and communication method

It isn't difficult to see where this simple team-communication method eliminated a great deal of misunderstanding. Don't underestimate the role that clear communication plays as you strive to improve your self-storage team and your organization.

Apply Time-Management Skills

Another tool required in enforcing operational standards is time management. The most common misstep made by many good leaders is leaning on *task* management. Don't get me wrong, task management has its place. It's useful during training or for daily essentials. The problem is it doesn't give your team the tools to adapt to a changing workflow.

What if a task from your to-do list takes too long and staff is unable to complete everything in the time allotted? Will they come into work the next day in dread? Could they feel like they failed? At any given moment, a storage manager can be pulled in 10 directions. Do you really want to put your team in a position in which they have to choose between sacrificing customer service or sales just to scratch an item off a list?

If you have set clear expectations, you should also be establishing clear priorities. For example, let's say one of your extra-large, premium storage units becomes vacant and you have a wait list of 10 people ready to move in tomorrow. Your task list clearly states that the office needs to be swept and mopped, followed by doing A, B and C. However, clearly identified priorities would tell staff to clean this high-value unit first so you have it ready to rent. Focusing on time management based on top priorities allows your team to make smart decisions. It fosters an environment of learning and growth vs. a daily pass/fail experience.

Invest in Efficiency, Focus on Proficiency

Every investment in operational efficiency shows respect for your customers' time. It doesn't matter if the investment is your money, time or energy; each little improvement is perceived and appreciated by tenants and prospects.

Let's use a simple merchandise purchase as an example. A customer comes in to buy 10 boxes. He expects instant gratification (common with consumers today); he wants to pay for his items and move on. But let's say your box inventory isn't stored in the office but in a storage unit, and it takes you a few moments to fetch his items. If it takes you three minutes to grab those boxes, the customer has already used his smartphone to order his dinner and arrange for it to be delivered to his home. Longer than that? He's scrolling your online reviews contemplating whether to inform you about how he feels about his wasted time.

The longer it takes for that customer to be gratified, the less likely your business is going to be considered for a follow-up purchase or future rental. This is where you start to recognize the difference between professionalism and proficiency. You intended to keep your office clutter-free, but instead you missed the mark by not considering every second of your customer's time as valuable.

Here's another example: a sales call. Have you set an expectation that there should be a vacant-unit roster and other

sales materials near every phone used to take customer calls? Have you ever heard or seen an employee struggle to pull up info on the computer while speaking to a prospect? Maybe he even put the customer on hold while he looked for information. It's uncomfortable and should be embarrassing. Yet, you can set a standard of preparation—an expectation that team members be ready for every customer interaction.

Consistent efficiency will help you grow your business. Think of it as a bank account with rewards for reaching certain deposit thresholds. It takes one level of efficiency to secure a rental but a higher level to elicit a coveted review from that rental and still higher to get a precious referral.

If you continue to show an investment in streamlining your operation, you stand a better chance of getting more from each tenant than the initial rental. If you've really dialed in the customer's experience from day one, people will recommend you to friends and family because they know they'll be taken care of and the endorsement will be appreciated.

Train Staff

Boot camp was a transformative experience for me, but that approach translates poorly into the self-storage world. Yet, if you take out the high-decibel screaming and physical punishment, there are some great team-building principles to extract. Before we become a well-oiled machine, we must make a concerted effort to properly train every team member. There's no point in setting expectations if you don't

teach staff to understand them. Below are several principles I use to maximize training time and improve retention:

- **Allow an academic period.** Give new staff a few days to absorb any new information without any performance pressure.
- **Use training materials:** Prepare these for your trainees and trainer. This avoids “freestyling,” which has inconsistent effectiveness.
- **Adhere to a progressive training schedule:** Increase the complexity of the information and tasks and decrease the direct supervision. Focus time on expectations and fundamental skills every day. This creates something referred to as “motor programming” or “muscle memory.”
- **Solicit feedback:** Always take time after training is complete to get feedback and identify any deficiencies.

Consistent training and efficiency don't just promote customer retention, they help businesses retain team members. Employees want to feel like they're part of a professional, proficient organization. The hiring and training processes are your first opportunities to recruit a candidate for the long haul. You want him to feel that joining your team was a good decision. Handing him a high-school-janitor-sized ring of keys and saying “good luck” isn't the preeminent way to keep good people.

Know Your Weakest Link

Establishing a standard of excellence means setting elevated but uniform policies

and procedures across essential functions that define your minimum expectation. Too often we leave terms like “good,” “better” and “best” undefined. Your manager is told to be better, or you classify someone as your “best” employee. However, the administrative nature of site-level self-storage operation makes it easy to implement quality-control standards that improve accuracy and efficiency and decrease liability.

The Marines believe a team is only as strong as its weakest link. We place high standards on ourselves so our weakest link is stronger than the enemy's strongest. When you don't set, evaluate and improve your standards, you increasingly rely on individual performance. For example, let's say you have two employees. One is a superstar and the other a low-performer. When your star is working, the paperwork is flawless; he's always prepared for phone sales and efficient at site tours. But he can't be there all the time. That means your low-performer sets the bar of expectation.

You can ask each employee to be perfect, but he'll always define “acceptable” based on the weakest performance you allow. The bell curve of low, average and high never alters. What you can change is where your average performance falls on that curve. You're trying to set a standard of excellence. You want to make your average performer stronger than your competition's superstar. **ISS**

Contributor: Douglas Stirling, San Diego Self Storage, www.sandiegoselfstorage.com

Your Company POLICIES and PROCEDURES

When's the last time you took a good, hard look at the way you do things at your self-storage facility? Many people love the “If it isn't broke, don't fix it” rule, however, there's one critical area that often gets overlooked—sometimes for years!

Policies and procedures are the lifeblood of your organization. As the framework for your daily operation and a reflection of your

values, they guide employees to success. Because they define standards for conduct, they play a large role in creating your company culture. They can also equip you to meet strategic goals, reduce risk and identify opportunities for improvement.

So, why do so many self-storage operations lack written staff requirements? Could having a formal set of guidelines positively impact your business? You bet!

Policy vs. Procedure

As you consider your policies and procedures, it's important to understand the difference between the two. According to “Risk Management” Magazine, policies are high-level principles that “set the directional tone” of your organization. Procedures, on the other hand, define lower-level processes. People often refer to an employee handbook as a “policy and

procedure” manual, however, these should be addressed as separate resources.

It can be difficult to know where to start. Writing can be a long, involved process. Much of the work is preparation; but because these documents impact everyone at work every day, it’s important to get them right. Keep in mind that getting these foundational pieces in order can prevent more work for you and your team in the long run.

It’s helpful to keep the end goal in mind. Don’t make up stuff just for the sake of having a larger manual. Consider why you’re writing your new standards and let that inform the specifics along the way.

Writing

Using a standard template will make your policy documents clear and organized, ensuring they’re easy to understand and navigate. Adhering to a structure will also streamline the writing process and save you time.

In addition to organizing your policies, you’ll want to determine which sections and information to include for each. Here are a few to consider:

- **Header:** Include the policy title and any effective/revision dates.
- **Introduction/purpose:** What is the policy about and the reason for having it?
- **Policy statement:** What is the position of your organization in regard to the topic?
- **Definitions:** It’s important to define terms as you go, especially for words and phrases that can have multiple meanings. This will make policies clear and could

help prevent you from arguing about definitions if you ever face litigation.

- **Procedures:** Include step-by-step instructions for routine tasks and operations. Visuals are recommended. For example, use screen shots of software, leases, forms, etc.

Don’t try to tackle every policy at once. Create a list of new policies that need to be written and existing ones that need revisions or updates. They can be developed in anticipation of and in response to change and growth. Your organization must constantly assess its activities, responsibilities and environment to identify the need for new best practices.

Ensure the wording, length and complexity of each policy are appropriate for those who’ll be expected to understand and implement it. To ensure your policies and procedures make sense, you need to see them in action, too. It’s always a good idea to go back to the employees who do the daily work and get their feedback.

For those of you who don’t have the time to create your own manuals, look to industry resources to get started. If you buy or “borrow” someone else’s manual, customize it to your organization. You certainly wouldn’t want employees to see a different company name in those pages, or a policy that doesn’t relate to your business.

Implementation and Compliance

Writing your policies and procedures is just the beginning. Next, you need to come up with an implementation plan to ensure compliance.

The first step is distribution. Housing your important documents online means employees will be able to access them anytime from anywhere, making it easier to search for the information they need. You can ensure your team reviews and understands your policies by having them electronically sign these documents. While this is easiest, there’s also nothing wrong with a good, old-fashioned binder at the store as well.

Remember, it isn’t enough to simply send employees a bunch of documents and expect compliance. You need to develop and provide training, so staff understand your expectations.

Updates

Because laws and best practices are always evolving, your policies likely will, too. Part of a healthy, robust policy-management process is establishing timelines for review. Some policies, such as those that relate to technology and social media, might need frequent review, while others might only need to be examined annually or once every few years. Forward planning will ensure your policies are never out of date.

Whether you’re reviewing and revising old policies or developing new ones, be attentive to detail and keep the big picture in mind. Your manuals set the tone for conduct and ultimately define your daily operation. By taking the time to ensure their success, you’re taking a big step toward positively developing your organization. **ISS**

Contributor: Susan Haviland, Haviland Storage Services, www.selfstorage101.com

Things to Consider When Creating Policies

- What’s the dress code?
- What are the job descriptions?
- How does the company handle payroll and paid time off?
- What happens if someone gets sick?
- Who should be contacted with questions about marketing, customer issues or human resources?
- How is money handled in regard to deposits, petty cash and refunds?
- When is the previous day’s deposit taken to the bank? By whom and how?
- What are the hours of operation?
- How does an employee contact his direct supervisor and the corporate office?
- Who should be contacted in the event of an emergency?
- Does the facility collect rent on the first of the month or the tenant’s anniversary date?
- Does the facility collect an administration fee or deposit?
- Where do you keep copies of tenant leases and rental forms?
- Does the facility have a unit inventory? What about a vendor list?
- Does your business have rules about using company computers, Internet and e-mail?

Source: insideselfstorage.com, “Keeping Your Self-Storage Business on Course With Effective Policies and Procedures,” by Matthew Van Horn

Advice for Owners on Preparing for **RECESSION**



During the last recession, from 2008 to 2010, nearly 1.4 million small businesses shuttered their doors, according to the U.S. Small Business Administration. In the real estate sector, self-storage fared quite well thanks to the recession-resistant nature of the industry. In fact, while the National Association of Real Estate Investment Trusts “All Equity Index” lost almost 40 percent across all sectors in 2008, self-storage REITs returned 5 percent including dividends.

Keep in mind, though, that while self-storage may be one of the “safer” sectors during an economic downturn, survival isn’t guaranteed. Many good owners, operators, developers and other professionals have exited the business during declines, and not by choice. For those fortunate to remain in the game, there are valuable lessons to be learned to help prepare for the next recession, which is long overdue.

Trying to forecast when the downturn will begin is difficult. There’s no limit to the theories, statistics and predictions. For example, a June 2019 survey from the National Association for Business Economics put the risks of a recession beginning before the end of 2020 at 60 percent. In a recent Fortune 500 poll, most CEOs indicated they expect a recession

to begin by the end of 2019 or sometime next year, with another third bracing for one in 2021.

In any case, a recession is coming. It’s an inevitable correction. To gather prevailing thoughts, I reached out to a few esteemed colleagues who have ridden through the ups and downs of the last two economic cycles, asking them about lessons learned and how to prepare for the next downturn. Here’s what they had to say.

**Tron Jordheim, Managing Partner,
Self Storage Strategies
Focus: Operation**

The last recession was driven by the sub-prime mortgage crisis, which caused the residential real estate bubble to burst and consumer debt to cross the tipping point. The next downcycle could also be driven by a real estate and apartment-rental pricing bubble. Consumer debt is again at a tipping point, but the recession could also be triggered by student-debt buildup, chaotic effects from international tariff policies, or energy-price increases from disruptions in oil and gas producing parts of the world. Combine all that with the increased use of automation in our economy, which could lead to more people being ushered from their jobs than the economy can handle.

With or without a recession, the oversupply of self-storage in some markets may disrupt rental rates for up to 10 years. Consider, too, that the rise of insurance-related payouts has stressed the reserves of insurance companies whose investments drive much of the economy.

Strategy. Don’t race to the bottom. Maintain your current rental rates, and continue to institute rent increases. If you need to make concessions to get rentals, use promotions like “first month free” or “free use of moving truck with move-in.” Spend more time than ever on curb appeal and site cleanliness, including bathrooms. Engage in more local guerrilla marketing.

Safeguards. In preparation for the next recession, here are some items self-storage operators should put into place now:

- Finance any capital expenditures that need it while rates are low, but be very careful how much debt you carry.
- Perform a stress test on your financial situation to see how much of a drop in revenue you can weather.
- Pay down loans that have loan-to-value (LTV) covenants, especially if your stress test makes you concerned that you won’t meet the thresholds of today’s debt picture.

- Scrutinize expenses to see what can be jettisoned if necessary.
- Get collections of any delinquent rent in order. An automated collections system can help. Stay on top of this!
- Sell your site if you believe you may want or need to unload it within the next few years. Or, if you have several properties, sell off the dogs and hold some cash to protect the gems.
- Get your basic marketing game in order. If your market takes a hit, the best marketers will come out of the recession in the best shape.

Pro tip. Again, don't drop rates to get new renters! It takes a very long time to recover rate power. Some operators who dropped rates in 2008 and 2009 didn't recover them until 2015 and as late as 2017. This time, we need to add in an oversupply facet, which is why it could take 10 years to recover. It's better to lose money for a while and be able to recover rates quickly than to cut rates and then struggle. Cutting rates also kills your pro formas if you want to sell.

Terry Campbell, General Manager, Live Oak Bank
Focus: Financing

Something to consider is the fact that self-storage usually does relatively well during a downturn. As we look at history, it isn't recession-proof, but it is recession-resistant. Even during the Great Recession, occupancies (national average) dropped to just under 76 percent, and delinquencies were very low.

Loan covenants. Owners should review their loans to see what type of financial covenants they may have. I've spoken with several who had covenants tied to their LTV. Many had property values drop, which put them in violation of those covenants. Even though they were making payments and business was fine, they were at risk of foreclosure. One gentleman I spoke with had to come up with \$1 million to get his LTV back in line so he wouldn't lose his facility. If you have this type of covenant, which isn't uncommon, be prepared in case something similar happens.

Refinancing. If you have good cash-flowing properties and plan to hold them long term, consider putting your debt into a long-term, fixed-rate loan. If the loan comes due during a recession, it could be harder to refinance in a high-rate, low-LTV environment. If you find yourself in this fix, you may need to go the route

of SBA financing with a guarantee to get the refinance.

Pro tip. Facility operators should consider going unmanned or using virtual management. If you have employees, this could help lower operating expenses; but of course, each facility, location and situation is different. I also suggest operators put as many tenants as possible on autopay to prevent delinquencies.



“My company has been preparing for the next recession for the last seven years. This includes keeping our loans to a minimum, carrying lower LTVs and being mindful of when rates may adjust.”

Aric Platt, Vice President, DDC Threecore
Focus: Development and Construction

In self-storage construction, the first step in preparing for a potential economic slowdown is to focus on the market. Understanding the market and its fundamentals will help you assess the potential impact and time required to recover.

The second step is to review your proposed facility location. The best sites are able to maintain customer traffic to drive project fundamentals (rental rates, occupancy, etc.).

The next step is to secure a firm for the design and construction of the site to ensure your team is able to manage any risks associated with recession. These include the financial stability of the general contractor (GC), subcontractors and suppliers. Though you may not bond the project, it's important to make sure your prime GC is bondable. This is a measure of the financial stability of the company and increases the likelihood of a successfully completed project. Also, ensure your GC

is collecting appropriate documentation from subcontractors and suppliers, such as partial and full-lien releases.

Pro tip. During the last recession, some owners were surprised to learn that though they paid the GC, the subcontractors weren't paid, which led to liens against on the property. This delayed projects with costly legal issues. So, look at the experience and history of the firm you hire. How did it navigate the last recession? Was it able to complete projects on time without major issues? When facing a recession, it's best to focus on project fundamentals to ensure success.

My Turn

I'm in full agreement with everything stated above. Note that several statements echoed the same sentiments, though no one had prior knowledge of what the others had said.

My company has been preparing for the next recession for the last seven years. This includes keeping our loans to a minimum, carrying lower LTVs and being mindful of when rates may adjust. Since 2012, each project we've commenced has had a clear exit strategy or refinance date that coincides with projections for the next correction as well as the approximate interest-rate and capitalization-rate environment in which we may find ourselves. We've also been amassing a war chest of cash and have significantly increased our private-equity network to actively participate in the types of opportunities that are created during a downturn.

There are many newcomers to self-storage since the last recession. They've enjoyed the huge wind in our sail from one of the strongest bull markets in our nation's history, along with the market gifts that have been given along the way. Don't take the likelihood of a coming recession lightly. Be prepared. Turn each of these lessons and suggestions into action items for your business to stay the course in the months to come.

To quote Mike Tyson, "Everybody has a plan until they get punched in the face!" In life and in business, it's all about Plan B. If you don't have a plan, the market will create one for you. **ISS**

Contributor: Scott Meyers, Kingdom Storage Holdings LLC, www.selfstorageinvesting.com

The **IMPACT** of **CLIMATE CHANGE** on *Self-Storage*

Katrina, Matthew, Michael and Sandy are more than just names. They were destructive hurricanes and storms that destroyed homes, lives, communities and businesses, and wreaked havoc on infrastructure that cost billions to repair. Chances are many of you were directly affected by one of these events or knew someone who was. The fact is we could all be impacted by climate change in the future.

As with so many global issues, there are many perspectives on this topic, and this article isn't meant to change anyone's thinking on the matter. But as the subject of extreme weather appears in news headlines daily, I thought it would be interesting to explore how it might relate directly our industry.

Customer Mobility and Migration

When operating self-storage in coastal and low-lying areas, hurricanes and floods are always a concern. It isn't just the coastal areas at risk now, however. With the ever-increasing severity of weather and

storms, the damage is reaching farther inland than ever before. In the last several years, many properties have become victims of flooding, hurricane, tornados and the like. Add to that the oppressive heat, no longer restricted to the Deep South but widespread throughout the nation.

Aggressive weather events have advantages and disadvantages for self-storage operators. On one hand, community displacement from natural disasters creates a need for storage. However, as areas like the South fall victim to tropical storms, hurricanes and flooding, migration into those regions have slowed and their ranking as a desirable destination diminished, according to a study from United Van Lines. This could mean a dwindling customer base for facilities there.

This restriction on human mobility is a very damaging effect of climate change for self-storage. Mobility is critical to success in our industry, but the sword cuts both ways. If customers aren't moving, they aren't renting as much storage. At the same time, it could also mean we have greater

tenant retention. In any case, climate change and extreme weather events will cause human behavior and mobility to change.

Fixed Expenses

Expenses are another area where self-storage operators could be impacted as a result of changing weather. Typically, a facility's fixed expenses such as insurance, property taxes and payroll are always among the larger costs, regardless of facility size or location. However, if the weather continues to be as severe and unpredictable as it has been in recent years, some of those expenditures could escalate even higher. It's logical and probable, for example, that insurance policies and premiums could increase.

Unfortunately, my company has gained firsthand experience in this matter, as Mother Nature chose to target some of the regions in which we conduct business. Our premiums will increase substantially because all companies go through International Catastrophe Insurance



Managers LLC for wind and hail coverage. Therefore, detection is inevitable, and premiums will rise rather significantly.

Of course, rather than just take the hit, there's always the option and best practice to shop around for insurance each year to ensure your policy is competitive. While I'm far from an expert in the insurance field, I caution you to thoroughly dissect your policy against competing ones to ensure you don't trade better coverage for a lower premium.

Utilities

Another area that could be affected is utilities, specifically HVAC. Most storage operators have a paragraph in their lease titled "climate control." It might state: "The climate-controlled spaces are heated and cooled depending on outside temperatures. The spaces do not provide constant internal temperature or humidity control." The clause also states that an owner "is not liable for any growth of mold or mildew on the stored property" in the event of a mechanical failure, among other things.

While you may not be required to maintain a set temperature, you're obligated to conduct good business practices and provide a certain level of customer service. That includes maintaining a cool building relative to outside conditions. With climate change, however, your buildings may not be able to withstand escalating temperatures.

According to an article in the "Washington Post," July 2019 was the hottest month ever recorded. In fact, "Scientists found that the planet is headed for one of its hottest years, and the period from 2015 to 2019 is likely to go down as the warmest five-year period on record."

Let's examine a likely scenario. Let's say your facility is mature and has a mixture of climate-controlled and traditional units. Based on the age of the facility and its phases, some of the HVAC units might still have a warranty, but others don't. Now, the facility has been beaten down by heat. To complicate matters, when it was built, air handlers were placed with the mentality that 1 ton covers 1,000 square feet rather than 2,500 square feet. So, not only have your monthly utility costs been compounded, your repair and replacement costs could be as well.

As an operator who recently replaced several 4- and 5-ton HVAC units, I can tell you the cost is approximately \$4,850 each. If this scenario comes true for you and you aren't actively servicing, planning and escrowing funds for this type of inevitable expense, you'll be hit hard.

Curb Appeal

Infrastructure should also be a concern in self-storage. Excessive heat, sun, heavy rain and wind can be damaging to asphalt, doors and building façades. These things aren't only costly to repair, they

can be an eyesore that detracts from your curb appeal.

In the last several years, I've overseen several facilities that have been significantly affected by hurricanes and flooding. In some instances, the timing couldn't have been worse for the owners, as they had their sites up for sale. Witnessing the challenges and working with them to overcome the devastation was difficult. These situations drastically reduce an owner's options as few investors, if any, have an appetite to purchase an asset with that much risk. All you can do is focus on the repairs, hope the community and market rebound, and pray that buyers have short-term memories.

If an area is prone to bad-weather events, it may cause the customer base to rethink whether they want to rebuild and live there again. There may be mass relocation. While that may benefit businesses in the new destination, it undoubtedly damages the town the people are leaving and, therefore, the self-storage facilities that operate there.

No matter where your business is located, you should be aware of how today's extreme weather could affect it. Look for vulnerabilities and act when possible to mitigate your risks. **ISS**

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Creating a Business Succession Plan

Many self-storage businesses are family-owned. They've been in the industry for decades, passed from one generation to the next. Real estate businesses are inherently perfect for multi-generational succession planning, if for no other reason than because unwinding the properties for sale—depending on how they're structured and financed—may be more cumbersome than simply transferring ownership to family members.

However, the process of business succession isn't necessarily easy. First and foremost, most people don't want to

talk about what happens when they retire, or worse, they die or become disabled. But those risks can't be ignored. Once there are sufficient assets to a business and a hope for continuity, these plans must be considered and, most important, written down.

Don't Wait

If your family wants to continue your self-storage business rather than sell it, it's critical to involve all relevant stakeholders in the conversation early. Share honest considerations on what would be best for the continuity of the business and

the family's investment in it. It's best to start now.

Once you identify the need for succession, the next step is to create a plan. This is imperative to avoid any drama and disputes that might arise if something happens to you. The inevitable strife that could result, not even including the potential loss in value to the business due to lack of clarity, could be significant. A clear plan benefits everyone involved and may, in fact, save the company from liquidation. Remember, you can always update your plan. The one you create now may not be the one you ultimately use.

Determining Company Value

There are four common ways to transfer a business:

- To an existing co-owner or co-owners
- To heirs or family members
- To an unrelated key employee or employees
- To an unrelated outside party
- No matter where the business ends up, one of the most important aspects to succession planning is creating a proper valuation of the assets. Valuation methods in self-storage, as in any real estate business, could include:
- **Cost approach:** Based on the cost to rebuild
- **Market approach:** Based on comparable properties in similar market areas
- **Capitalization-rate approach:** Based on income from the property
- **Gross-rent multiplier:** Considers purchase price and gross rents

These measurements don't include valuation for the company's goodwill in the market or any valuation multiplier that may be based on earnings.

A good succession plan will include in its language a specific method of calculating the company's value. Absent such an agreement, there are many ways to value the assets of a business; and the possible disparity in those valuations may, by itself, lead to challenges and dispute in the sale process. That's why it's so important, if possible, to decide the valuation method in advance and include it as a key element of the succession plan. Now, let's talk about the four transfer methods.

Transferring to a Co-Owner

Probably the easiest method of succession is simply the transfer one member's interests in the business to another member, typically through the use of a "buy-sell" agreement. That contract can outline the methodology to value the business and its assets to create a fair cost for the transfer of one member's shares to another.

These purchases are typically financed through key-man insurance policies in a cross-purchase agreement. Each partner takes out insurance on the other so if one dies, the remaining party will have the funds necessary—via the life insurance paid out upon death—to purchase the partner's shares or ownership. The insurance is directly used to pay for the

other's share of the business based on clear valuation terms identified in the buy-sell agreement.

Some buy-sell agreements contain a "shotgun" clause. If one owner offers to buy the shares of another, the owner to whom the offer is made has the option to accept and sell, or he can buy out the offering party at the same price. The concept of this provision is to balance the offer with potential acceptance. So, if one member makes an offer to buy the company at a certain value, he accepts the risk that his ownership could also be purchased at the same price. For many, this option suggests fairness in pricing. Such a clause is also considered a positive way to resolve disputes between partners who may have a disagreement about the future of the business or its claimed value.



Transferring to a Family Member

Without a written plan, the transfer of a business to an heir or heirs can cause conflict and dispute, especially if other heirs are excluded or one is given more authority than others. A succession plan can clarify these issues in advance. Undoubtedly there's more emotion involved in passing a business to a family member than to other owners or outside parties. Expectations of legacy and success may be involved with the transfer of a business from one generation to the next, which may be hard to accomplish.

Therefore, it's often said that transferring a business to a family member might not be the best approach to succession planning. Many businesses have failed during the later generations.

Based on the involvement of the heirs and the business climate and valuations at the time, it might be better to sell to a third party than to keep the business. But if the decision is to transfer within the family, it's important the designated heirs have some experience and training in the company before that time comes.

For family members who aren't involved with the business, the transfer can include ownership but not management. Sometimes it's important to share the wealth between heirs but designate only a few for management positions. Typically, those decisions are based on the members already involved in the business or who've shown an interest in the company. In these instances, any heirs who aren't already involved are given the opportunity to sell their inherited ownership to others at a predetermined value.

Transferring to a Key Employee

Sometimes an owner doesn't have any heirs. In lieu of selling in an open market, it may be the true continuity of the business is based on the employees who run it. In such a case, it may be the best plan for succession is to transfer it to one or more key employees who are able to obtain the financing (often through the seller) to purchase the business and its assets.

If the decision is to sell to key employees, you must feel confident they'll be able to manage the business without your leadership and control. No one wants to sell to his employees, especially with seller financing, only to recoup the business a few years later after a default.

Transferring to an Outside Company

Selling to an outside company, especially to someone who's in the same industry and may have even been a competitor, is often the hardest option. Commonly, outside offers are less than the valuation created for an inside sale or transfer. Further, by selling to a third party, the longevity of the business is at risk. Assets might be sold, employees replaced and the intangible "goodwill" of the past business obliterated. Then again, when selling to an outside company, the owner can truly separate himself from the business he sells.

Whatever method of business transfer you choose, plan for succession early. Not everyone likes to think about unpleasant "what ifs." Instead, think of it as planning for your golden years, when you can sit back and enjoy the rewards of your many years of hard work. **ISS**

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ANALYZING YOUR COMPETITION

In the MBA ethics course I once took, the professor asked, “Is it ethical to represent yourself as a potential customer to a competitor when doing competitive research?” The answer is yes, if you’re collecting information that’s publicly available and given freely to every prospective customer. While you shouldn’t go through a business’ trash, hack into its e-mail or engage in other shady behavior, you can call or visit and request information.

When you’re in the first stages of a feasibility analysis for a new self-storage project or exploring the market for an existing facility you want to acquire, it’s wise to call local competition and gather some hard data. If you already own a storage business, you should perform a competitive analysis at least every six months to better understand your position in the landscape and uncover areas where you might improve. In either case, you’re going to have to do some research, and then get out there and talk to competitors.

Regular competitive analysis can help you maximize facility profit. When you know what your competitors are doing, you won’t be left behind as customer needs and preferences change. Your units will stay full and you’ll be able to charge the highest possible rates. Following is advice on what to do and say to get the information you need.

Before You Call or Visit

You’ll want to be prepared. Start by Googling competitors and view their websites to answer as many initial questions as possible. You can also use the property-tax appraiser’s website, Google Earth, Maps and Live Search to gather information. Don’t forget about

social media and popular review websites like Yelp. Track everything on an Excel spreadsheet or other document you can easily update.

Here are some questions you can likely answer before you even reach out to competitors. If not, you can cover them during your conversation.

- **What’s the facility’s exact location?**
Does the website contain a map and contact info?
- **What are the hours of operation?**
Is after-hours access available?
- **What kind of security does the facility use?**
Is there an alarm system? Surveillance cameras? An automatic gate?
- **Is the facility safe at night? Is it well-lit?**
- **Does the operator sell locks, moving supplies or other items?**
- **Is there an onsite manager, a self-service kiosk or both?**
- **How many units are available and in what sizes? What sizes are most popular?**
- **Is there a waiting list for unavailable sizes? If so, how long does it usually take for a unit to become available?**
- **Are any of the units climate-controlled?**
- **What are the unit prices?**
Are there any specials?
- **Can customers reserve or rent units online? What about online payments?**

Time to Talk

Once you’ve completed this initial review, it’s time to start calling around or even visiting your self-storage competitors. To be successful, write a script and get comfortable with it. Learn and use it. Create your back story and get into character.

Start by saying something like, “Hi, my name is XX, and I’m interested in renting a storage unit for my parents.” This takes some pressure off the person on the other end of the phone to immediately close the sale, because shopping for storage

on behalf of a third party usually means collecting a lot of information. He’ll expect you to ask questions and maybe even call back more than once before you decide.

It’s important to convey that you don’t know how much your parents will be storing and they may need to rent more than one unit. This’ll allow you to make more inquiries. Demonstrate that you’re interested in the business and how it operates. Remember, you’re a child concerned about his parents and their stored goods!

Once you’ve answered all the questions on the initial list above, here are a few others you might ask:

- **Have you ever experienced any break-ins or other crime?**
- **Do your security cameras actually work?**
What areas do they capture? How long do you save the footage?
- **Have you had any issues with bugs or rodents? How do you prevent them?**
- **Have there any been any leaks or flooding?**
- **How often does the facility raise rent?**
- **Is there anything else I need to know that makes your facility better than the others I’m contacting?**

Finally, be prepared to provide a phone number and e-mail address if asked.

You want to leave this information. Don’t you want to see if the operator uses it, how quickly he follows up and via which method? What does he say or offer?

SWOT Analysis

Whenever I’m doing a competitive analysis, I examine each subject’s strengths, weaknesses, opportunities and threats (SWOT). As you’re researching, record if each competitor:

- **Answers the phone**
- **Promptly responds to messages**

- Is friendly or rude
- Requests your contact information
- Follows up with you (and via which method)
- Has a Facebook page or other social media presence
- Is involved in the community
- Has employees (how many?), is a “one-man show” or runs unmanned using technology
- Has a clear slogan, value proposition, and brand or mission statement
- Has something else that makes it unique in the marketplace

Once you’ve done a SWOT analysis of each competitor, use it determine where your own operation’s weak spots are and how you can improve. Ask yourself:

- What marketing specials are they offering that I don’t?
- How do they make renting easier than I do, and how can I change?
- Do they follow a professional sales script and ask for the rental?



“ If you feel uncomfortable about conducting a competitive analysis, don’t. Being aware of what your competitors are doing is just smart business. They should be doing the same.

- Do they genuinely appear to want me as a customer? If so, do they say anything I need to add to my own sales presentation?

Smart Business

If you feel uncomfortable about conducting a competitive analysis, don’t. Being aware of what your competitors are doing is just smart business. They should be doing the same.

Coca-Cola and Pepsi watch each other’s every move, but they also follow an ethical code. Once, a Coke employee went to Pepsi with his employer’s secret recipe.

Not only did Pepsi refuse it, the company helped the FBI catch the saboteur. As a self-storage operator, you’re simply conducting a competitive-intelligence analysis. Behave like an ethical person and treat your competitors as you’d want to be treated. It’s the quickest, easiest way to understand the conditions in your market. Best wishes for your success. **ISS**

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A Financial Forecast for Peak Performance



If you're like me, you hate the word "budget." It feels limiting, boring. I used to resist creating budgets because, as an entrepreneur, I believe that if you need more money, you find a way to make more money! Recently, though, I've realized the power of using a financial forecast (formally known as budget). Forecasting allows all stakeholders in a business—owners, investors, operators and marketers—to get on the same page in thinking about the company's future. Big things happen when we all paddle in the same direction and understand how our daily actions affect the big picture.

In large companies, the various departments are often siloed and may not always understand how their efforts fit within the larger corporate vision. Self-storage is a commercial investment and should be treated that way; but it's also an operating entity. Every decision should be analyzed through the lens of the financial forecast to ensure it adds cash flow or value for the business, or some benefit for customers. (After all, if you aren't good to your customers, you won't have any!)

Financial forecasting is an incredible way to unify all facets of your operation. Each person in the organization should know where he

fits. Marketing staff should know how many rentals are required so they can properly calculate campaign spending. Operations staff should know how many discounts can be given to hit rental targets. Investors should know how their asset is performing today and how it'll perform tomorrow.

Even if yours is a smaller self-storage operation consisting of only a manager and an owner, you need to be on the same page—perhaps even more so! Your decisions affect the value of the business, whether you offer 10 units or 10,000. Every credit, discount, missed phone call, closed deal and sold insurance policy translates to a dollar amount that is amplified in facility value.

Financial forecasting gives all stakeholders the opportunity to envision the future, provide input, understand their roles and agree on a plan of action. Once you have a plan, all you have to do is follow it! Let's take a closer look at how to create one.

Revenue Revelations

The easiest way to build a financial forecast is to export your monthly income statement to an Excel spreadsheet. Revenue lies in the balance between customers acquired vs. lost. How many

units do you expect to rent each month? Look at your lead-tracking system, demand reports and previous year's rental data to project your numbers. If you aren't tracking demand and leads, please start now or call a qualified professional to help you!

If you rented 30 units last January, barring anything weird, you should rent about the same number next January. Storage is a pretty consistent business (which is why we like it). Rental forecasts are a little more challenging for new businesses or those in lease-up, but you should be able to look at the previous few months of operation as a guide or consult a feasibility study if you don't have the previous year's information.

Next, think about how you'll acquire new customers to meet your projections. Will you offer a special or discount? If you know a new competitor is about to open, you'd be wise to model a special into your forecast. If you give a \$1 move-in or first month free, don't model revenue until the second month. Add in your administration fees, merchandise income, tenant-insurance or protection-plan income, truck-rental income, and any other revenue sources to get a clear picture of earnings for the year.

Corralling Expenses

Once your revenue is set, it's time to examine expenses. In self-storage, most costs are consistent, but review them and make adjustments as needed. I typically start with advertising. How much will you spend on ads, and where will you spend it? This includes Facebook, direct mail, websites, pay-per-click, search engine optimization and referral fees. Keep referral fees separate, though, to get a clear picture of your customer-acquisition costs.

Review all of your expenses by category. The cleaner you keep your chart of accounts, the easier it'll be to create a useful forecast.

Projecting dues and subscriptions, office expenses, utilities, and professional fees shouldn't take too long. This is a great opportunity to review all recurring monthly expenditures, especially those that seem

to creep up, to ensure they're still valid. We all have SaaS (software as a service) expenses that are \$10, \$15 or \$20 a month, but we often forget. The little things add up. If you're a large operator, give your managers the office and utility budget. They should have the information for the items they can control.

Next, decide when you'll schedule auctions and add those to the projection. How much do you think you'll spend on repairs and maintenance this year? When reviewing staff expenses, think about whether you'll give anyone a raise, hire a second person or expand office hours.

The two biggest expenses that are out of your control are property taxes and business insurance. Pay attention to those taxes, as they can be adjusted. Shop your insurance if you've been with the same provider for a few years. One operator I know saved \$20,000 a year just by shopping around. I typically forecast these as one-time payments in the month they are due, but some people like to forecast them each month and move money to an escrow account. It works both ways, so do what makes the most sense to you.

Finally, review your vendor and utility contracts to ensure you're getting full

service for the cost. Can you move to a new supplier? Can you negotiate a lower rate? This is a great time to scrutinize every penny and make sure each expense is justified.

Know Your NOI

Once expenses are set, calculate your net operating income (NOI) by subtracting expenses from revenue. I like to include debt service (principal and interest on any loans) and capital improvements (big items such as roof replacement or repaving the parking lot). Interest is always found on the income statement, while loan principals and capital improvements are always on the balance sheet. You can't look at your net income on the statement and connect it to the balance in your bank account. Loan principal definitely takes cash but doesn't drop income.

We all know revenue is vanity, profit is sanity, but cash is king. I like to forecast my cash as closely as possible. Adding debt service and capital improvements under your NOI will give you a better picture of where your cash will be each month.

Check Your Forecast

Whew! You did it! Now that you have a forecast for next year, don't ignore it.

Conduct a meeting each month with relevant parties and compare results to how you thought you'd perform. If you're beating the budget, perhaps you aimed too low. Adjust your projections to make you stretch.

If you're falling short each month, why? Was the budget too aggressive, or does your team need more training? Did a competitor open nearby and change the market? Can you increase marketing to get revenue back to projection? Looking at your forecast each month is crucial. Look at actual vs. budget for the month as well as year-to-date. Sometimes a month can go high or low, but the year-to-date figure might still fall in line.

Having all stakeholders on the same page and holding each person accountable for progress is crucial in any business. There needs to be a common language and theme for people to make decisions and a way to know if they're doing the right thing. Creating a financial forecast and reviewing it regularly is a great way to get your team in rhythm, no matter if you have one manager or 100 team members. **ISS**

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Setting an Operating Budget for an Underperforming Property

If you already own and operate a self-storage facility, you know it's important to have a written financial plan for the business. There are many resources out there designed to help you create an annual operating budget. But what about an underperforming property you've acquired (or intend to acquire) and improve?

Ideally, you want to turn this facility around and increase profitability. Already, industry brokers have begun pricing properties in this seller's market based on how they *should* function, rather than how they are already functioning. Your task, as an owner or investor, is to determine if these often-overzealous calculations are obtainable. This will take research on your part, and a pro forma budget.

The days of bargain hunting for self-storage may be behind us, but there



are still some very lucrative deals available. Even in the competitive real estate market of the last four years or so, I've witnessed instances in which new ownership of a "mature" property experienced year-over-year revenue growth as high as 65 percent. That's a rare find, of course. My company's acquisitions during this span have averaged approximately 20 percent first-year growth, which is a more reachable target. Let's look at how to create an accurate operating budget that can help you achieve similar success with an underperforming property.

Expenses

With an acquisition, chances are there's a financial history from the previous owner. To begin, focus on expenses. Look for areas where you might be able to "trim the fat." Assuming you aren't using third-party management, you may not have the advantage of economy of scale, but there may be other opportunities where you can reduce costs. Give every line item a thorough examination. What you find may surprise you.

I've seen storage businesses that have operated for years using their local bank for credit card processing, paying more than 3 percent per transaction when they should be paying less than 2 percent. This may sound minimal, but with \$500,000 in processing annually, a 1 percent savings is \$5,000. Don't leave that money on the table! When you add that amount to your net operating income, it's worth about \$75,000 in property value at today's capitalization rates!

maintenance. You might find unrealized savings on any item.

After looking for places where you might be able to reduce, look at those in which expenses may actually *increase*. The property has been underperforming, which is why you want it, right? Well, it's underperforming for a reason, and you have to figure out how to change that trajectory. You may need to consider upgrades to facility marketing, curb appeal or community involvement. The property may require a remodel.

Righting the ship may involve an injection of capital, so it's important to plan and figure out a schedule. Perhaps you'll initially want to focus on cleaning up the rent roll, and then look at making capital improvements beginning at the six-month mark. Can you make the necessary upgrades out of operating capital, or will you need to have a cash call? Your budget will give you a good indication of how you'll move forward.

Revenue

To make that determination, look at the revenue side of the budget. There are two major factors that go into calculating monthly revenue: actual dollars per square foot (\$/PSF) and occupancy. There are also secondary revenue streams to consider, but we'll examine those later.

If an undermanaged property averages 20 rentals per month, can you expect at least a 25 percent increase behind an aggressive, new marketing plan? If so, look new rentals over the past 12 months and increase those numbers 25 percent

examining the facility, you'll determine how aggressive you can be. You may decide you'll be happy with taking your \$/PSF up to \$.90 in the first 12 months. That means each month, your projected rental revenue should increase \$.083.

Let's assume you plan raise rent on 300 units. Dividing that number by 12 months means you should average 25 increases each month. Next, determine what your average percentage will be. Let's say that during your first year, you're going to be fairly aggressive with a 12 percent increase. Assign a dollar amount to that 12 percent to determine the overall effect it will have on your \$/PSF.

Keep in mind this is an aggressive increase, so there will be some churn. If the churn rate for the previous year was 6 percent per month and you know you're going to be aggressive with 12 percent rent increases, you may need to increase that churn to 10 percent or more in your budget projection. Are you prepared for the possibility of losing that many paying customers? This all needs to be calculated into your monthly numbers.

Market Factors

There are also seasonal factors to consider. What does the history of the property tell you? If there was a 10 percent churn last August, can you expect that to repeat next August, right before school starts? This is where market knowledge is critical. Do you get a lot of college rentals? Is there a troop deployment returning home? Is the new subdivision nearby selling its final phase? Look for things that can have a negative impact on occupancy and factor those into your planning.

Finally, look at secondary revenue streams. Are you increasing the facility late-fee structure? Will you be adding ancillary product and services such as tenant insurance, merchandise sales or truck rentals? If so, these will need to be added as new line items for revenue and accurately calculated into your expectations.

Creating a budget for an underperforming property can be challenging, but by setting realistic and obtainable metrics, a previously mismanaged self-storage facility can soon be on the right track to produce the revenue it should. **ISS**

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“With an acquisition, chances are there's a financial history from the previous owner. To begin, focus on expenses. Look for areas where you might be able to "trim the fat.”

Look for expenses that can be eliminated. I recently took over a property that was leasing a copier. A one-time purchase of a \$300 copier eliminated that monthly expense. Do you really need that fax line that's costing an extra \$30 per month? Perhaps you do, but it is the 21st century, and your business may do fine without it. Gather bids on things like waste removal and landscape

by way of projection. Be cautious, though. Are there delinquencies to be cleaned up? You might actually see an occupancy drop during the first three months while you trim the dead weight, which could offset planned net gains.

Also, calculate rental increases. If the property is renting at \$.80/PSF and your goal is to take it to \$1.10/PSF, this will need to be done incrementally. After

Understanding Occupancy: Physical vs. Economic

As self-storage operators, we're obsessed with facility occupancy. It's mentioned everywhere: at every industry convention and meeting, in every trade magazine, with graphs of where it is today compared to historic levels. We worry about occupancy every day and rightfully so, as it indicates business performance and the underlying financials.

However, when discussing occupancy, it's vitally important to understand which *type*. There are two—physical and economic—and many operators confuse them. Failing to understand the difference can cause managers to pull the wrong operational levers at their facilities, thus failing to maximize revenue potential.

Let's talk about the two occupancy types, how they differ, and how to use them to set key performance indicators (KPIs) and drive performance at our properties.

Occupancy Types

Physical occupancy is the easiest to gauge but the least informative from a revenue standpoint. It's simply a measure of how many self-storage units are occupied. While it may feel good to walk around your site and see all those tenant locks, high physical occupancy doesn't mean the facility is producing the most revenue it could. In fact, 100 percent physical occupancy should never be a goal. As an investor, when I hear a manager brag about being at 100 percent, I know the facility's revenue isn't being maximized and I see opportunity.

Economic occupancy is the percentage of total gross potential rental income (GPRI) that's being collected. If your facility has an annual GPRI of \$100,000 and your annual rent collections equal \$80,000 (excluding ancillary revenue for things like moving supplies, tenant insurance, late fees, etc.), you have an economic occupancy of 80 percent.

Unlike with physical occupancy, it's *desirable* to achieve 100 percent economic occupancy. That should be every manager's goal: to collect as much rent as possible on every occupied unit.

There are three factors that affect economic occupancy:

- **Delinquent units:** When a tenant fails to pay, your unit is off the market and yet no revenue is being collected.
- **Discounted units:** A tenant might be paying less than your street rate for various reasons such as a promotion, your failure to raise rates over time, or because he made a partial payment rather than full.
- **Vacant units:** There's no revenue here yet, but the opportunity is there.

Let's look at an example of how discounts affect economic occupancy. Say your street rate for a 10-by-10 is \$100 per month, but you're running a promotion and offering the first month for free. The annual GPRI for that unit is \$1,200. If your tenant stays for one year, you'll collect \$1,100, which gives you an economic occupancy of 91.7 percent on that unit. If he only stays for six months, you'll collect \$500, giving you an economic occupancy of 83.3 percent on that space.

Measuring Occupancy

The late author and management consultant Peter Drucker said, "What gets measured gets improved." Both types of self-storage occupancy can be measured at the *facility* level and the *unit* level. Facility-level measurements are an aggregate of all units, calculated as a percentage of the whole. For example, if 450 of 500 units are occupied, I'm at 90 percent physical occupancy. If I'm collecting \$96,000 of my total GPRI of \$100,000 on those units, the economic occupancy is 96 percent.

The facility level gives a holistic view of how the property is performing overall. However, the industry's best operators measure occupancy based on individual unit size as part of their revenue-management strategy. Why? Because doing so enables them to more carefully adjust their rates and operational approach. It's called dynamic pricing. You set your rental rates based on availability within a specific unit category. Some operators have taken this method to an even higher level and delineate by unit location as well as size, for example, by floor or proximity to the elevator, gate, office, etc.



Setting KPIs

Now comes the fun part: driving revenue. At my company, we use KPIs to give us the insight we need to adjust our operation and maximize income. How? Let's look at some examples at the facility and unit level.

Our facility-level KPI for physical occupancy is 90 percent. Once we exceed that level, our software alerts us and we know it's time for a price increase. Again, 100 percent physical occupancy is bad news. Not only are your prices too low, you have no flexibility to adjust and take advantage of opportunity in the marketplace. On the flip side, we know that if our physical occupancy dips below 90 percent, it's potentially time to increase our marketing spend.

Our facility-level KPI for economic occupancy is based on a percentage of physical occupancy. If our economic is more than 10 percent below our physical, we know it's time to look at two things: promotions and delinquencies. If, however, it's within 5 percent, we consider performance bonuses for our managers.

Our unit-level KPIs are different for each size and depend on facility location. Most of our sites are in secondary and tertiary markets, so we like to keep our 10-by-10s, 10-by-15s and 10-by-20s flexible in terms of pricing. We keep the physical occupancy of our 5-by-5s and 5-by-10s above 95 percent because the demand is lower. We also like to keep our larger units full because, in our experience, those tenants tend to stay longer and are less sensitive to price increases.

To truly leverage occupancy as a measure of self-storage performance, you need to understand both types, physical and economic. This allows you to develop KPIs and adjust your operational and marketing plans to maximize revenue and, ultimately, put more money in the bank. **ISS**

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5 MONEY-MAKING STRATEGIES for Self-Storage

Anyone involved in owning or operating a self-storage facility should be interested in generating more business revenue. Following are five solid, easy-to-implement strategies you can use to increase cash flow and boost success at your properties.

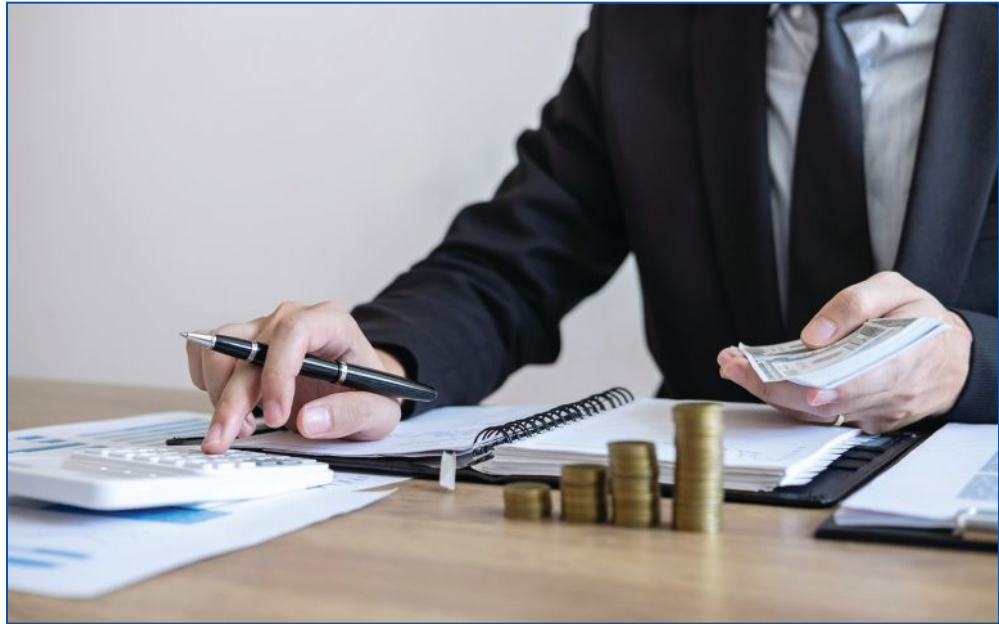
1. Use Management Software

Facility-management software should be a self-storage operator's best friend. It tracks every important detail pertaining to the business: rentals, unit details, collections, pricing, revenue sources, tenants and much more. However, most operators never use some of the best tools and functions their software offers, for example, the ability to set dynamic pricing.

Have you ever noticed that when you're looking to purchase an airline ticket, the price continues to change over time? If you look at a specific flight today and then again two weeks from now, the cost would be different. This is due to supply and demand. We see this same concept applied to many other businesses including hotels and car rentals. This is dynamic pricing, and it should be applied to your self-storage units. Your rates and promotions should change as often as daily, depending on availability.

Why should a tenant pay the same amount for a 10-by-10 when you have 20 available as when you're down to your last one? That just doesn't make sense. Always use dynamic pricing to ensure you're getting every possible dollar from your rentals. All the most popular management-software companies offer this feature within their programs, and you can set the parameters to automatically adjust your rates.

Your management software can also be used to improve other areas of facility operation. For instance, if your program integrates with your website, you can allow online reservations and rentals. It comes in handy for managing collections. It can also generate many useful reports that aid in effective revenue management, marketing and more. It's essential to not only use management software but to learn how to maximize its features and benefits.



2. Build a Quality Website

Every self-storage operation must have a website! And not just any website—a good one. More than 30 percent of all rentals happen because of a facility website, according to industry marketing firm Automati. I believe this percentage is rising every day.

You can easily imagine that most potential renters visit self-storage websites to find pricing and other information before committing. These days, we make purchase decisions on our hand-held super-computer smartphones. My grandparents are in their 80s and they use eBay, Facebook and Priceline more than anyone I know. Everything my grandfather buys is online, even his cars. If 80-year-olds are using the Internet to make large purchases, you can rest assured that most storage customers are using it to rent space.

I've seen just about every self-storage website type imaginable, from those with just a logo and phone number to a 20-page site with a drone-flyover video and changing graphics. There is a correct way to build a website, and simple is the name of the game. Include unit sizing and pricing, a map to the facility, operating hours, features, and contact

information. For reference, look at what the big operators are doing. They've found that simple websites containing the information mentioned above is the key to increased rentals.

Also, the website should be tied to your management software so pricing is accurate and customers can reserve units. Another perk to integrating your software with your website is the ability for customers to make online payments. Case after case shows the more ways you give customers to pay, the fewer collections you'll have to make.

3. Train Your Staff

It's increasingly difficult to find and hold on to good employees these days, which makes it more important than ever to properly train your staff. They need to be coached in proper sales techniques: how to answer the phone, how to follow up on leads, the in-store sales presentation, how to sell add-on products and services, how to encourage tenant autopay ... All these are vital to increasing revenue.

On the opposite end of the spectrum, collections efforts are essential to lowering your accounts receivable. People aren't born to collect money. Managers must

be trained to ensure customers stay up-to-date on payments, and they must properly handle collections calls. You don't want them stepping outside the lines of legality. They need to understand how to take notes on delinquent accounts and abide by state lien laws. Properly trained staff should have no problem keeping delinquencies below 3 percent.

4. Create Ancillary Income

Another great way to increase self-storage revenue is through ancillary products and services. These can range from merchandise sales to propane rentals to packing and shipping services and many others. You can be creative, so long as whatever add-on you're offering doesn't interfere with the primary business of renting storage units.

Popular items to sell include moving supplies, tenant insurance and truck rentals. These are fantastic forms of extra income because they complement self-storage and can even promote more rentals. Customers renting storage space tend to need boxes, tape, bubble wrap and an assortment of other packing supplies;

similarly, customers engaged in a move can often use storage. They also need a truck to transport their stuff.

Tenant insurance might be my favorite form of ancillary income, for a few reasons. One, it protects the tenant if anything happens to his belongings while stored at your facility, which adds value to your product. Two, it adds a layer of protection between you and your tenant. Third, it's an easy way to get an additional \$4 to \$11 from almost every rental.

5. Regularly Raise Rates on Existing Tenants

There are usually two reasons self-storage operators are afraid to raise rental rates on existing customers. The first is based on emotion. They might say, "Well, these tenants are like family and I could never give them an increase." To which I would respond, "What's your contact info because I'd love to talk about buying your facility."

Second, they're scared tenants will move out. This simply isn't the case, however. For starters, every one of the real estate investment trusts raises rates aggressively. These companies have poured millions of

dollars into research and have discovered that the best way to make more money is to raise the rates of your existing tenant base. Think about it: Your money will always be made from the 90 percent of units currently rented, not the 10 percent of spaces that are vacant.

The number of tenants who'll move out after an increase is so miniscule compared to the revenue gained that it just doesn't matter. In fact, 99 percent of your tenants won't leave. We started managing a facility in Upstate New York last year that had only done one rate increase in eight years. Within the first two months, we increased rent for more than 350 tenants. Only three moved out. If you can make more money at 90 percent occupancy than you did at 98 percent, what do you have to lose?

This isn't magic or voodoo science. These are practical, proven, easy-to-implement strategies to increase self-storage revenue and asset value. Give them a try and find out what the best facility operators already know. **ISS**

Contributor: Brett Copper, *Self Storage 101*, www.selfstorage101.com



How Managers Can **Positively** Impact Cash Flow

Self-storage managers, did you know you're running a multi-million-dollar business? You're the voice and face of that operation and, as such, you hold power to make or break it.

Being a facility manager is no longer about being the caretaker and picking up trash. It's about being proactive, closing leads and hitting the numbers. As the industry becomes more competitive, we

need managers who can drive the business in the direction it needs to go. That hinges on your understanding of cash flow and how your day-to-day decisions affect it. Let's look at ways you can positively impact the bottom line.

Discounting Rent

The most important number to most storage owners is occupancy. We want tenant locks on doors, as this usually means money in the bank! But as a manager, you sometimes need to discount the rental rate to close a deal. Let's talk about some common rental decisions and how they can affect the bank balance. We'll pretend our 10-by-10 rate is \$100, and we

charge a \$20 admin fee. When trying to close a rental, we have a few choices.

\$1 move-in special. With this offer, the most we'll lose is \$99. It's a good deal if the tenant would have gone to a competitor. If your average length of stay is a year, then you've given up \$99 to earn \$1,101, which is worthwhile. However, if the tenant is already prepared to sign the lease, offering a special is just giving away money for no reason. A move-in discount isn't a reward for customers you like. It's a way to close the deal for someone who's on the fence.

Waiving the admin fee. I'm a big fan of waiving one-time fees instead of giving away rent. It's a single reduction in cash instead of a monthly one. If we waive the admin fee, we only lose \$20.

Giving a free lock. Most locks cost the storage operator \$4 to \$8. I would gladly give away \$4 to make \$1,200 over the lifetime of the tenant's stay.

Dropping the rental rate. When we make it all about price, it's all about price. Great managers sell on *benefits* instead. Let's say we rent a unit for \$90 instead of \$100. We're losing \$10 every month until we raise the tenant's rate, which may not be for a year. This creates an annual loss of \$120. If you want to get fancy and apply a 7 percent capitalization rate on that amount, it's \$1,714 in facility value. Renting units at the highest possible price should be your main goal. Everything else helps feed it.

Waiving Late Fees

Once you rent the unit, keeping customers happy is critical to maintaining a stable property. One challenge to this is late fees. No one likes to pay them, which

makes enforcing them one of the hardest parts of your job.

Your owner should provide guidance on when it's OK to waive late fees and to what limit. Some owners don't want you to waive even \$1, while others want happy customers by any means, even if it means waiving \$1,000 in late fees each month.

Just remember, you can provide great customer service without giving away money! You can be sympathetic to a customer's situation while upholding your company policy. Explain the late-fee policy again so there's no confusion, and then offer to sign him up for autopay.

Think about it this way: To waive a fee, would you be willing to take the money out of your pocket and put it in the company's bank account? Your owner is paying bank loans, property taxes, flood insurance and your paycheck. Keep this in mind the next time a tenant asks you to waive a late charge.

Managing Collections

Hand-in-hand with late fees is collections. A good manager teaches tenants to pay on time, every month, and doesn't give much leniency. When you start bending the rules, you're asking for trouble. I've heard managers say, "Rent is due on the first, but you have until the fifth before we charge extra." Guess what? They just taught their customers to pay on the fifth.

It matters how you handle rent payments, late fees and collections, and how you discuss them with tenants. Your actions teach them how to treat the business and tell them how seriously you take your responsibilities. Being firm about

policies will make your job easier and your boss much happier.

Knowing When to Spend

As a good self-storage manager, you must know when to invest money in the business. I once knew a manager who wouldn't perform maintenance on the golf cart because he didn't want to spend the money. This was harmful to the business because it forced customers to walk around the property rather than ride in safety and comfort. Another manager ran out of locks and didn't buy more because she felt she'd spent too much that month. But we make money reselling locks! One manager wouldn't stock up on supplies in advance, which inevitably led to last-minute store runs. This left the site unmanned, plus the products cost more that way.

It's your job to keep office supplies and retail shelves properly stocked. You also have to keep up on facility maintenance. Knowing how to spend money to make money is the mark of a good manager.

The self-storage industry is getting more competitive, which could lead to lower rental rates. That means fewer dollars going into the business bank account, so each one counts. Keep this in mind when making decisions about discounts, late fees, collections, and purchases or repairs. There's a phenomenon called "other people's money" in which we're bolder when we're playing with money that isn't ours. Be aware of this and make the best decisions possible for your facility. **ISS**

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Tapping Into Hidden Revenue Streams

There are many ways to generate income at your self-storage facilities. Are you using all of them? Some "hidden" revenue streams can be tapped simply by leveraging your existing operational strategies. Following are four areas where you can unlock this profit and maximize its potential.

Rent Increases

You have a finite amount of rentable space at your self-storage property, but that doesn't mean the income generated from that space is limited. One way to create more



revenue is to regularly examine and increase the rents of your existing tenants.

When doing this, review occupancy by unit type, not as an aggregate. For example, rather than applying a 5 percent to 10 percent increase across the board, analyze market demand for each individual unit type or size. You may discover that larger unit sizes experience higher demand in your market, or your customers are willing to pay more than you think.

Consider a reoccurring rhythm of every three to six months. Your property-management software can rotate tenants who may be paying suboptimal rates into the queue for review. Exercise discipline, and don't be afraid to push those rates up. Depending on demand, you may be able to go 10 percent to 15 percent higher than what your immediate competitors are charging.

Tenant Insurance and Protection Plans

After confirming what's allowed by your state regulations, consider optimizing your revenue with a tenant-insurance or -protection program. When executed effectively, these plans can quickly become the second most profitable revenue stream behind self-storage rent. Set a target of 70 percent penetration at your property. You'll achieve greater stabilized net operating income and increased equity value, and

your customers will have greater peace of mind that their property is covered in the event of an unfortunate circumstance.

If you make this coverage required, you may need to modify your current tenants' lease to include it. I also recommend that you add verbiage to the rental agreement setting a limit for how much financial liability the self-storage operation is willing to absorb. If the lease states that \$5,000 is the owner's maximum liability, this helps determine the amount of coverage that can be sold to the customer, who can now choose \$1,000 to \$5,000 of coverage. Both the owner and tenant can proceed with confidence, with the insurance or protection coverage clearly defined at the time of rental.

Once you've successfully implemented your tenant-insurance or -protection program, it isn't uncommon to see a 7 percent to 10 percent increase in monthly cash flow. The name of the game is increasing the number of units covered every month, which will indefinitely increase property value in any market.

Fees

Does your self-storage rental agreement clearly state the maximum late fee, pre-lien fee and lien fees that can be charged to delinquent tenants, and do you enforce collection of those fees? You

should. When fully optimized, this revenue can be significant.

Limit the authority of staff to waive late fees. Many operators have found success in offering one courtesy late-fee waiver to each new customer, noting in the tenant's account when it has been used. Thereafter, the tenant pays. Consider placing verbiage in your rental agreement that a one-time courtesy waiver is in place as a customer-service gesture. Ensure that employees diligently explain this policy at lease signing.

In addition to late fees, consider other delinquency-related revenue such as lock-cut and auction-advertising fees. The more diligence you put behind your fee initiatives, the more successfully you can offset the costs associated with managing delinquent accounts.

Some self-storage operators also choose to implement a one-time administrative fee at the time of rental. This practice not only drives revenue, it diminishes liability.

The self-storage industry is evolving. Your competitors are getting smarter, more innovative and more sophisticated every day. Without new ways to increase market share, you're leaving revenue on the table. **ISS**

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Managing Your PRICING PROGRAM

My wife doesn't understand why the price of certain goods and services doesn't remain constant. For example, why is a beach-condo rental more expensive this week than next month? I explain that our capitalist system is based on supply and demand, and rates rise and fall accordingly.

Like my wife, far too many self-storage operators fail to understand this concept. They operate their facilities in a state of stasis. Their rates never change and there's no thought to supply and demand. They must have established their businesses as not-for-profit enterprises!

There are two important elements to any effective self-storage pricing program: street rates and existing tenant rates. If you aren't regularly reviewing and adjusting both based on market supply and demand, you're losing money. Here's why rate management is important and how to do it successfully.

Sad But True

Successful hotels, car-rental companies, airlines, bed and breakfasts, retailers of every stripe, service companies of every type, and self-storage operators all have one thing in common: Their rates rise



and fall with supply and demand. Their prices are dynamic, never static. They recognize that their businesses are for profit, and that one of their most important tasks is to maximize the return on their inventory (storage units) and, therefore, their investment.

I saw one extreme example of poor rate management just recently while conducting a market study. In a modest-sized Midwest town, the average rate for a 10-by-10, non-climate-controlled unit was \$52 per month; but the old Public Storage facility in town was charging \$130. You'd think that some of its competitors, all of whom had highly occupied sites, would wake up and realize they could charge at least a few dollars more. Unfortunately for them, that wasn't the case.

In another study, the average cost of a 10-by-10, non-climate-controlled unit was less than \$40 per month, and six of seven market competitors were 100 percent occupied. Apparently, none of them had the good sense to raise their rates. It really does seem that many operators have established their sites as not-for-profit organizations. Sad but true.

Why Raise Rates?

For some reason, the thought of raising rental rates, especially for your existing tenants, scares the heck out of far too many of you. Some seldom raise rates; others have *never* done it. There are always excuses: "Our customers are like family," "Someone might move out" and "Everyone else raises rates, so we don't." None of these reasons are sensible or profitable. Some are downright silly.

Most expenses for a self-storage facility creep up year after year: taxes, payroll, utilities, etc. If your rates remain static, you're going backward! Who signed up for that? The idea that a customer—who isn't, in fact, family, and hasn't co-signed your bank note—should never receive a rate increase is absurd.

The largest self-storage companies have spent a gazillion dollars to discover what works and what doesn't, and they *all* use sophisticated revenue-management processes that systematically increase street and existing-tenant rates. As such, their revenue continues to climb. Unlike many mom-and-pop sites, they operate like the for-profit businesses that they are.

No matter how long you've been in self-storage, you aren't smarter than those largest operators. If they've proven that systematic rate increases are right,

Most expenses for a self-storage facility creep up year after year: taxes, payroll, utilities, etc. If your rates remain static, you're going backward!

profitable, easy and sensible, why would you think you know better?

Let's look at how a simple \$3 increase becomes \$154,285 in facility value. Let's say you have 300 tenants. You raise each of their rates \$3 per month.

- 300 customers x \$3 per month = \$900 per month
- \$900 per month x 12 months = \$10,800 per year
- \$10,800 in additional rental income per year = \$100,000 in additional facility value (assuming a 7 percent capitalization rate)

That's a significant increase in asset value just for applying a bunch of small increases. It's almost magical. No one is going to move out over \$3; and so what if they do? Do you pay your bills with occupancy or revenue? I hope you know the answer to that by now.

How to Raise Rates

Here are a few quick tips to help you manage your facility pricing and implement rate adjustments.

1. Raise the rent of every tenant at least yearly, on his anniversary date.

I've had owners tell me they raise rates in January because it's too cold for people to want to move out or in July because it's too hot. (Yep, I laughed, too.) If you instead raise everyone's rate on their anniversary date, your only expose one-twelfth of your rent roll to an increase at any given time and spread the workload over 12 months. Plus, tenants come to expect it and it's not a big deal.

2. Make sure every tenant gets an increase.

There are no "special customers," no exceptions. You don't want to ever be accused, rightly or wrongly, of

exhibiting racism, ageism, sexism or any other "ism" as related to rate (or any other aspect of your business, including the application of late fees).

3. Send tenants a 30-day notice regarding their new rental rate. Do *not* cancel increases because two or three tenants complain. Self-storage isn't a constitutional right, and if they really want to go to the trouble of moving their stuff to save \$3, then so long. Run your business like a business, not a social experiment.

Recognize that it's OK to make money—and steadily more of it over time—by operating a self-storage business. You also need to understand that if your facility is highly occupied at 85 percent to 90 percent or higher, there's far more revenue to be made by raising rates on existing tenants than by renting out that last 10 percent or 15 percent of units that are vacant.

The Manager's Role

A difficult aspect of implementing rate increases is objections from your onsite management. Some managers will offer excuses like "He's a good customer," "Everyone will move out" and "The competitor down the street doesn't raise rates." Again, none of these are sensible or profitable! What they're really saying is, "I don't want to deal with customers who complain."

While some owners might have to replace managers who object too strongly or are unwilling to adhere to the rate-management process, most can overcome opposition through effective coaching and encouragement. They need to remind staff that they're working at a for-profit operation. Facility expenses, including their pay, go up each year. To remain profitable, it's imperative that rental rates also increase.

Owners also need to remind their managers that, yes, while a few tenants might protest, most won't. You can't run a business based on the grievances of a few customers.

Here are a few things managers must do when it comes to rate increases:

- They must be coached on how to handle that small handful of complaints.
- They must have the professionalism and confidence to properly deal with the situation.
- They must own the rate increases, not blame the owner or the home office. If they must blame someone to sympathize with the tenant, they shouldn't be managing a storage facility.

- They must be prepared with an explanation. It might sound something like, “Yes, I understand how you feel. But I’m sure you understand that rentals of all kinds—apartments, warehouses, self-storage—raise rates from time to time as the company’s expenses go up. As you can see, we only increased your rate a modest amount, and your new rent doesn’t take effect until next

month. We certainly want you to remain a customer but also understand if you’re unable to stay.”

- They must *not* be allowed to forego or reduce rate increases for any reason. Every customer gets treated the same.

Implementing effective, systematic, professional, commonsense, profitable, responsible revenue management—both

with posted street rates and those for existing tenants—is one of a self-storage operator’s most critical tasks. Initiate a process right now to increase the revenue and asset value of your facility. It’s time to establish your business as a for-profit entity! **ISS**

Contributor: Bob Copper, *Self Storage 101*, www.selfstorage101.com

Considerations and Strategies for Raising Rates

Operators of independent self-storage facilities often cringe when they hear “rent increase.” Let’s face it: When you run a smaller business, you likely know many of your tenants personally and have built a relationship with them over the years. You know all about their families, struggles and successes because you talk to them when they visit. This can make it hard for you to even consider raising their rates.

Well, it shouldn’t. You need to get comfortable with the concept of rent increases, because you could otherwise be leaving a lot of money on the table and negatively impacting your facility value.

Remember, a self-storage property is an investment. Any savvy investor needs to maximize the return on that investment when it comes time to sell. If you purchased your site at an 8 percent capitalization (cap) rate, then every \$1,000 in net operating income (NOI) is worth \$12,500 in value. Just thinking in these terms should make it a little easier to start raising those rental rates now. Here are a few additional considerations and strategies to ponder.

Consider Your Costs

Think about your operating expenses, such as utilities. Have the prices stayed the same since you purchased or opened your facility? What about your property taxes? Have you made any sort of capital improvements such as new lights, unit doors or pavement?

All these goods and services have costs, and they inevitably go up every year. This is the reality of running a business. At the very least, you need to maintain your NOI year over year. The easiest way to do this is to share rising expenses with your tenants by implementing rent increases.



Create Churn

You also need to create churn in your tenant base. What does that mean and why do you need to do it? Churn is customer turnover. While we’re always looking to acquire new customers, it can be good for some to leave, too. It opens opportunities to re-rent units to new tenants at a higher price.

Some self-storage operators are 100 percent occupied and wear that as a badge of honor. However, this is one of the worst inhibitors of revenue in the self-storage industry, especially if you’re not using a rate-increase plan for existing tenants. If you’re fully occupied, your income remains flat. You instead need to follow occupancy-based pricing strategies, which will stop you from leaving a lot of money on the table with that stagnant tenant movement.

Catch Up to Street Rates

Finally, you need to aggressively manage your rates and raise them as demand increases. For example, let’s say

a customer rented a 10-by-10 for \$100 per month while that unit size and type was 85 percent occupied. A few months later, that unit type is at 95 percent. Demand is strong, so raise the street rate to \$125. Of course, that means the tenant, who moved in at the \$100 rate is paying \$25 less than one who moves in today. Time to raise his rent at least part way.

As an independent self-storage operator, you need to set standards for rate increases. Many larger operators have a strategy to raise them at six months after move-in, and then every nine months after that. Sometimes they also raise them at the one-year mark. Take some time to figure out your strategy, then use your management software to automate the process and take the emotion out of the equation. By implementing a rate-increase plan for your existing tenant base, you’ll be able to increase your property’s value. **ISS**

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Adjusting Your Street Rates: Why and How



Raising Street Rates

Now, let's talk about your units that are 100 percent occupied or close to it. How should you adjust your street rates for these? It may be counterintuitive, but you don't want any unit size or type to stay at 100 percent occupancy for long. The better number to aim for to maximize revenue growth is around 94 percent.

Consider, for example, the always popular 10-by-10 unit. Let's say you have 100 of these and the street rate is \$100 per month. You can raise the rate to \$120, which might lower your occupancy but can still increase revenue. Take a look:

Rate	Units Rented	Monthly Revenue	Annual Revenue
\$100	100	\$10,000	\$120,000
\$120	94	\$11,280	\$135,360

By raising the rates on fully occupied units, you're bound to have some move-outs; however, these newly vacated units will have the higher rate for any new customer moving in. This creates churn, and some churn is a good thing. Once you find that sweet spot for the street rate in your market that keeps your occupancy in the mid-90s, you'll continue to create additional supply for new tenants while growing revenue. In the example above, that extra \$15,360 in annual income also increases the property value by \$192,000, assuming an 8 percent capitalization rate. Raising street rates doesn't sound so bad now, does it?

Rates Go Both Ways, Revenue and Value Go Up

Managing your street rates is one of the easiest ways to drive revenue at your self-storage business. In fact, adjusting them up or down based on supply and demand for each unit size and type is critical to your success. Be active and set a plan to regularly review and fine-tune your street pricing, and you'll see increases in income and facility value. **ISS**

Contributor: Justin Quinto, Investment Real Estate LLC, www.irellc.com

Have you looked at the street rates for your self-storage business lately? I'm referring to the price a customer would pay today if he walked in off the street to rent a unit.

When my company completes a facility valuation for an owner, we always ask when he last adjusted his street rates. It's surprising how many say they don't remember or that it's been a year or longer. Some have *never* adjusted those rates. That's just crazy! You certainly aren't paying the same price for gas or milk that you did last year or even last month. The price of commodities changes constantly based on supply and demand. You should be doing the same with your unit pricing.

Adjusting street rates is one of the most important tasks of every facility operator. It's the No. 1 driver of long-term revenue growth for a storage property. You should review and adjust these rates at least monthly. Every other week or even weekly would be better.

To get started, look at the pricing and occupancy of your units by size and type. As the occupancy goes up or down for each, so should the street rate. Adjusting the rates accordingly will result in greater income and facility value. Yes, lowering rates will increase revenue! Let's go into more detail.

Lowering Street Rates

Many self-storage owners look solely at overall occupancy as their measure of performance, but by doing so, they're

missing potential revenue. When your facility has been at or near full occupancy for months or even years, you may think you're doing something right. But if you're highly occupied at prices below the current market, you're losing out. Even with units at 50 percent and 100 percent occupancy, you have great opportunities to increase income.

Let's say you have 30 5-by-10 units with a street rate of \$50 per month. Only half are occupied. You look at your competitors' pricing and learn that your rate is about average. What should you do? Disregard competitor pricing and lower the street rate on that unit size. Why? If those 15 units stay vacant, they're bringing in zero dollars; but if you can lower the rate by \$5 or \$10 and fill them, you'll increase occupancy and revenue. Take a look:

Rate	Units Rented	Monthly Revenue	Annual Revenue
\$50	15	\$750	\$9,000
\$40	25	\$1,000	\$12,000

I'm not saying the "magic number" to lower your rates is \$5 or \$10. Maybe it's only \$2 or \$3 in your market. It'll take some trial and error. Tinker around and see at what rate your occupancy starts climbing. Fill those vacant units, and then you get your new customers into your tenant-increase schedule. This tactic will continue to maximize revenue.

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Increasing Value Through UNIT-MIX MANAGEMENT

Managing your self-storage unit mix can be an effective way to positively impact facility value. Think of your property as a puzzle comprising various unit sizes and types, the solution to which can unlock hidden income. By learning how to correctly assemble the pieces, you'll increase occupancy and boost revenue.

What does it mean to "manage" your mix? Depending on supply and demand in your market, some unit sizes will be more rentable and, therefore, profitable than others. Sometimes, smaller units should be combined to create larger units, or larger units should be split into smaller ones. Let's look at two examples that illustrate why your unit mix is so critical and how you can adjust it to maximize occupancy, revenue and value.

Breaking Large Units Into Smaller

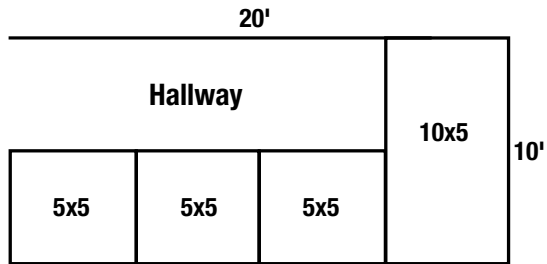
Let's say you have a 500-unit facility that's rarely more than 90 percent occupied. While reviewing the last six months of rental data, you discover that all units of less than 100 square feet are 100 percent occupied and your vacancies are mostly concentrated in your 10-by-20s.

Clearly, the demand in your market is for smaller units. In this scenario, you've likely turned away rentals because you didn't have the desired inventory. To fix the issue, consider converting some of those 10-by-20s into smaller units (see the top diagram at right). Yes, it's that simple!

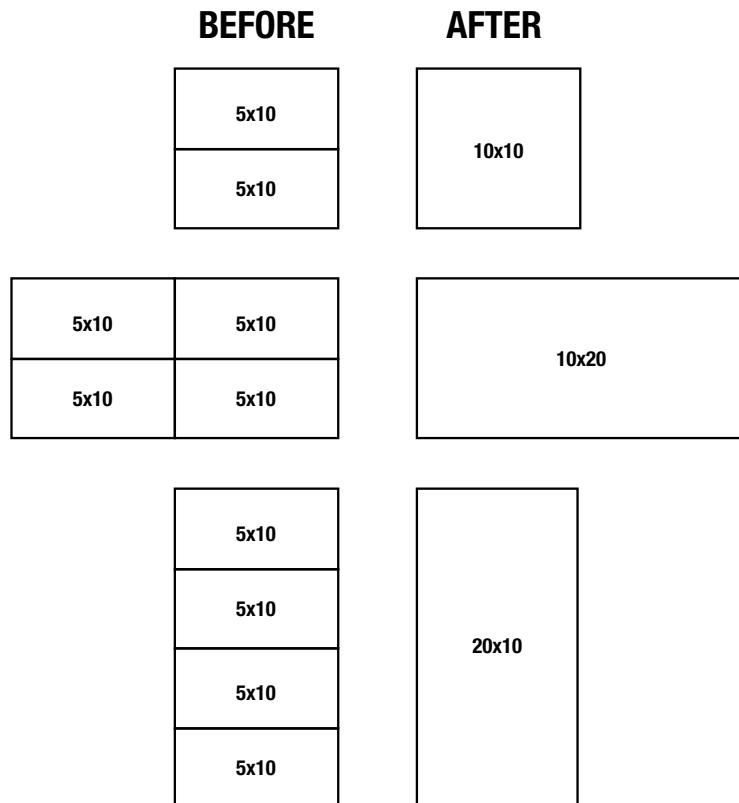
Let's say each 10-by-20 unit is priced at \$120 per month. The current monthly rate for your 5-by-5s is \$35, while 5-by-10s are set at \$60. With the above unit mix, you can turn each 10-by-20 into four smaller units that will likely rent quickly due to market demand for those sizes. Combined, the new, smaller units will generate \$165 per month in revenue, a 37.5 percent gain over the 10-by-20 price.

This approach also works for fully occupied properties. As soon as a large unit vacates, convert it to smaller sizes that are in high demand. If you do this throughout the year based on consumer demand, you'll continue to positively impact revenue.

Large to Small Unit Conversion



Small to Large Unit Conversion



Combining Small Units to Make Larger

In this example, you have a 400-unit facility that never moves above 91 percent physical occupancy. After reviewing the last six months of data, you learn that your 5-by-10s are hovering at 45 percent. You have 75 of them. At the same time, your 10-by-10s and 10-by-20s are full and have been for a long time. Your mix is leaning heavily toward smaller units and you clearly have too many for your market.

In this case, you should convert your 5-by-10s into 10-by-10s and 10-by-20s. To figure out the best places to do that,

look at your site map and physically walk the property. You're looking for vacant and adjacent 5-by-5s and 5-by-10s that can be combined by removing the wall between. See the bottom diagram as an example. Changing smaller units into larger ones takes some legwork, but once you understand your unit mix, you can easily plan the conversions (see the bottom diagram on the previous page).

No Dollars vs. More Dollars

By taking the time to understand your self-storage unit mix and market

dynamics, you'll be able to successfully manage your inventory to meet changing demand. Figure out which unit sizes are desired by customers and convert your underperforming units accordingly. With a little planning and effort, you can alter your unit mix to increase physical occupancy. Remember, a vacant unit brings in no revenue; but higher occupancy equals *more* revenue, which in turn increases property value. **ISS**

Contributor: Justin Quinto, Investment Real Estate LLC, www.irellc.com

THE SMART WAY *to* Use RENTAL DISCOUNTS



Rent one month, get one free! Move in for \$1! Half off the first month!

These are very common specials offered by self-storage facilities. Perhaps you've even used one yourself. Operators have long relied on discounts like these to lure new customers. They work because everyone wants a good deal.

While more customers should mean more money, that isn't always the case. Offering discounts too deeply or too often could harm your business in the long term. Yes, slashing prices can give your operation a temporary boost and fill vacant units, but using this tactic as your go-to sales strategy could damage your profit margin. By instead

creating discounts that fit within an overall revenue-management program, you can avoid the feast-or-famine cycle.

"It's critical to a successful revenue-management program to incorporate discounts. However, prudent management of those discounts is required," says Kevin Bowman, managing director of revenue management for StorageMart, which operates more than 200 self-storage facilities across Canada, the United Kingdom and the United States. "Seldom do we find situations where a one-size-fits-all approach is successful. In a perfect world, operations, marketing and revenue management work together to find the right solution for every store."

Choose Your Timing

One of the most important aspects to offering specials is timing. For example, a facility in lease-up can greatly benefit from concessions because it creates buzz around the brand-new business. These discounts are often promoted during a grand-opening event or offered to new tenants until the facility hits a comfortable occupancy.

This strategy has been successful for West Coast Self-Storage Group, which owns and manages nearly 60 facilities in California, Oregon and Washington. "We want to get people in the door and are willing to offer an incentive to do that," says Derek Hines, an Internet marketing specialist for the company.

While it's a great marketing ploy for new sites, caution is still necessary. If a new operator finds there's a price war in his market, he should be cognizant of the operating shortfall supply, says Todd Allen, managing principal of Reliant Real Estate Management LLC, which operates 61 facilities in seven states. "For example, the site no longer needs to hit 50 percent physical occupancy to break even; but due to the discounts in the market and their impact on revenue relative to what was projected, the site now needs to reach 65 percent physical occupancy, which, in most cases, will take longer than first anticipated by the pro forma."

For existing operators, simple supply and demand is frequently a driver for rental specials. A facility with too many

vacant units in a particular size might present exclusive pricing for a short time to fill them.

“The pros are that you can still offer your highly occupied units at higher rates, while still filling your other units with discounts. Most discounts last one to three months, while the average length of stay is much higher,” says Melissa Stiles, director of marketing for Storage Asset Management Inc., a property-management and consulting firm that oversees 200-plus facilities along the East Coast.

Reliant also bases its discounts on the supply-and-demand ratio of each unit type. “Discounts are provided on unit types that are under 80 percent physically occupied,” Allen says.

Concessions at StorageMart facilities are driven either by physical occupancy or an individual unit group. “We also override these discount defaults for special situations where no discount is needed. A good example would be a hot student market with a short lifespan,” Bowman says. “We have the ability to change the default levels quickly and simply. These defaults are adjusted multiple times during the year.”

Operators in a market that’s saturated—or even drowning—in discounts are usually left with no choice but to follow along, at least to some degree. “An operator should offer discounts in most competitive markets. Again, this can allow the operator to keep starting rates higher when applied correctly,” says Bowman, adding that they need to find a balance between securing new rentals and maintaining profit margins.

Choose Your Special

Deciding what specials to offer is equally important. When introducing a promotion, you first need to determine your objective. Is your site in lease-up? Are you looking to attract renters to a certain unit size or entice a specific demographic? The purpose of the concession can help you shape the offer.

“Some discounts, such as first month free, 50 percent off first month or \$1 first month, are designed to target customers that think they’ll be short-term renters,” Hines says, noting that many of these tenants will stay beyond the first month.

Another strategy is to allow customers to lock in a low rate for a longer period. For example, offer a discount to customers who pre-pay for six months or more. “There’s also the type of promotion discounting the second month of a customer’s stay to encourage [him] to rent for a longer term,” Hines says.

The key to a good promotional strategy is knowing the average lifetime value of your customer. “You can evaluate a customer’s total value by a simple formula of what the customer spent during [his] stay divided by [the length of his] stay,” Stiles says. “You can compare if the length of stay is longer for certain discounts to see which ones are best to offer.”

A successful special is also simple for everyone to understand. If your customer has trouble following what’s in it for him, he’ll move on to another facility. “This also saves time for our store management and sales team by not needing to further explain the promotion to the customer and risk losing [him],” Hines says.

Finally, every special should have an expiration date. “Almost all of our discounts burn off after the first month. This allows us to keep starting rates at a higher level and use discounts to drive traffic to our stores,” Bowman says.

“When faced with a customer walking out the door, too many operators automatically reach for the discount card.”

Tell Your Customers

Many operators, particularly the large regional brands and real estate investment trusts, promote their specials at the facility level through signage and online via websites and social media. Other avenues include paid-search advertising, e-mail campaigns and even grassroots marketing.

While all these channels will get the word out, you need to be clear about your intentions. If there are restrictions or limitations, they should be noted. Customers should clearly understand how the special works and when the discounted pricing ends.

“Companies handle answering questions about when rates will go up differently. Some are vague with the customer, telling them rates fluctuate and they’re unsure about when the rate will go up,” Hines says. “We prefer to be upfront with the customer regarding this question to avoid confusion down the road.”

Watch Your Market

While discounting rates can fill units, it can also have a dark side. It might seem like an easy ploy to gain more rentals, but offering them too much and too often will take its toll.

“Discounting can definitely have a negative effect on the store and the local market, and to a larger extent, the industry as a whole,” Hines says. “At the local level, discounting can drive prices down in the local market as competitors try to keep pace with the low rates being promoted. This ‘race to the bottom’ hurts everyone in the market. On a national level, the use of promotions is becoming ubiquitous, where customers are now expecting a discount or some type of promotion, which ends up devaluing the use of discounts as a differentiating tool.”

To prevent this, pay attention to what’s occurring within your specific market and react accordingly. “If a store has a certain size of unit in short supply, there’s no need to discount that. Also, having a store manager who understands the local market and knows when and when not to discount is important,” Hines says.

If you find yourself using specials as a crutch to fill units, try scaling back on your promotions. For example, instead of offering a 40 percent discount off the first month, try 20 percent. Another method is to shorten the terms. Rather than offering the special for six months, reduce it to three, Allen suggests.

While many customers can be price-conscious, they’re also seeking value when shopping for self-storage. In reality, the sticker price is just one factor of their decision-making process. They’ll also consider your facility’s location, hours of operation and the level of customer service they receive.

“Discounts are not your only competitive advantage,” Stiles notes. “Use discounts wisely, but also have the mindset that your product has a value with the amenities of your facility.”

When faced with a customer walking out the door, too many operators automatically reach for the discount card. A change in mindset about the service is in order. “Storage is a need-based business, but there are options,” Stiles says. “Someone is coming because they have need for storage, so make sure to offer discounts smartly.” **ISS**

Contributor: Amy Campbell,
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Preventing Delinquency, Collecting Past-Due Rent

Of all the challenging duties assigned to a self-storage manager, the one that's often dreaded most is the collection of rent from delinquent tenants. Pursuing past-due payments isn't a job we're born to do. It's difficult to hear about customers' struggles, and some tenants are mean or abusive in this situation, even though the manager is just doing his job.

Collections is an inherently negative task that can cause employee apprehension, morale loss and discontent. Often, owners don't discuss the challenges involved or implement a training program to help staff through the process because it isn't fun to discuss. However, staff need to understand the importance of collections and get the proper training to handle it successfully. Here are some ways to prevent payment delinquency and strategic methods to produce better results when lateness does occur.

Preventing Lateness

Having a good rapport with your tenants can go a long way toward preventing late payments. Forming a cordial relationship gives customers someone to feel accountable to when rent is due. Once you have this positive foundation, here are some other things you can do to avoid tenant delinquency.

Lease comprehension. It's imperative that you understand the intent of every provision in your rental agreement. While you may not understand every aspect of the legalese, you must comprehend the meaning of each section, be able to explain it to new tenants, and competently answer any contract-related questions.

Tell tenants exactly what will happen if rent is late, including the amount of the late fee and when it'll be assessed to their account. Present the lease in a positive manner and make sure they understand it. Spend time with each customer and don't rush the process.

Autopay. Assume every tenant is going to make automatic payments using his credit or debit card. During the rental process, ask, "What card can I use for your autopay?"



Autopay is the best way to ensure customers pay on time. A self-storage bill doesn't rank as high on most people's list of financial priorities as their electric bill or home rent/mortgage. It isn't an essential need or top of mind when they sit down to pay their monthly bills. Even those with the best intentions might overlook it. Autopay saves everyone time and hassle. Just keep a close eye on these accounts. Watch for expiring cards to ensure there aren't any payment interruptions. This is part of the good customer service you should be providing.

Complete information. It's also important to gather the most comprehensive information you can from tenants at the time of move-in. Applications should be filled out in full and legible. If a tenant stops paying and you have to start the lien-sale process, it'll be critical to have accurate contact info. Follow up and verify all e-mail addresses and phone numbers provided on the lease. This can be done conspicuously by making a thank-you call or sending a welcome e-mail or card.

If you discover that you have invalid information, follow up via an alternative mode of communication. It's good practice to conduct occasional audits of tenant files to ensure the accuracy of contacts. It's much easier to get any information you need out of a person while his account is in good standing.

Collecting Debt

Despite preventive measures, late payments will occur, and you need a process to guide your collections efforts. Create a written procedure and stick to it.

As soon as a tenant is late, remind him that he needs to make his payment. You can do this via phone, e-mail, letter or even text message. E-mail or text will be more efficient than trying to call or send snail mail, especially if you have a lot of late-payers. If possible, try to remind the tenant more than once before his grace period ends and you have to assess a late fee. As a customer-service measure, you want to save him money whenever possible.

As you approach the date when a *second* late fee will be assessed and the unit overlocked, start hitting the phones. Have a plan for how many calls will be made for each day, week or month. Completing calls around other duties can be difficult, so set aside some time. If you can divide the list among multiple team members, it'll go faster. Hopefully, a warning about a looming second fee and a reminder that they'll be locked out of their unit will motivate those delinquent customers to pay.

When making calls, it's important to have a script, which ensures the correct message is delivered on every call. You also need to understand the Fair Debt Collection Practices Act, which outlines

certain things you aren't allowed to do during a collections call. For example, you can't use harassing language or speak to anyone other than the tenant.

Have a method for recording and documenting calls so you know what's been said, to whom, and when. It'll also help you institute a follow-up plan. Perhaps your follow-up is an e-mail or text message three or four days after the first round of calls.

Schedule another call session before the delinquent units go into auction status and are assessed a lien fee. Once the units have gone into auction status, the calls become about not wanting to sell tenants' items. Since your last wish is to sell anyone's goods and put yourself at risk of liability, collections calls should be made more frequently before the lien sale. Maybe those in auction status get a weekly reminder of the balance owed.

A Word on Late Fees

Your company needs a written policy regarding late fees. It isn't in your best interest to waive them. If you get into the practice of doing so, word will get out and other tenants will expect the same

concession. Keep in mind, you could face an unintentional discrimination lawsuit if fees aren't assessed uniformly.

Ask yourself: How and when do you decide to waive a late fee? Who's decision is it? What criteria are used to make the decision? Additionally, what motivation do tenants have to pay their bill on time, or at all, if they know you'll waive the fees? Establish with your customers up front that delinquency won't be tolerated.

Using Technology

If you need additional help, there's technology you can use to help navigate the murky waters of debt collection and produce favorable results. In fact, there are several options to automate collection efforts via text-message alerts, robocalls and autogenerated e-mails. These programs are designed to take pressure off of self-storage managers, allowing you to focus on renting units and keeping the business running smoothly.

These "set it and forget it" tools require some initial setup. You'll need to decide what you want your messages to say and the frequency of outreach. You'll set a

timeline and create custom notices. You'll need training in how to use the program, and you'll need to understand any related policies. Anyone who will use the tool should have some ownership over the program and process.

An automated collections program will integrate with your property-management software, pulling information every day to see who's late and needs a reminder. It'll place a notation in the tenant's account and continue with follow-up reminders until the rent is paid. The program should also come with a dashboard you can use to change settings and pull reports.

Collections don't need to be stressful and shouldn't cause employee grief. Put strategies and tools in place, and make sure everyone understands why they're important. When self-storage staff have a little help to get the job done, collections should be less dreadful. Everyone will be happier as delinquencies fall and income rises. **ISS**

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Over the last decade, the self-storage industry has become extremely aggressive in revenue and expense management. On the revenue side, operators of all sizes have experienced an explosion of income due to strong markets, enhanced pricing techniques and new technology. At the same time, large operators have cut expenses by using their size and synergies, while small operators have leveraged technology and the expertise of vendor partners to help drive down costs.

Self-Storage Expense Management

This has been positive for two reasons. First, it drives stronger net operating income (NOI), which in turn produces stronger facility value and increased returns for investors. Second, this success has attracted more investment to the industry, which provides new opportunities and streamlined exit strategies.

Now, before we pat everyone on the back, this robust operating environment also has a very real and potentially devastating downside: complacency.

Due to strong self-storage demand, most operators have focused solely on the revenue side of this equation while cutting expenses as deep as possible. This seems logical, of course, because

why pay for things such as marketing, payroll, sales training and technology when your facility is consistently well-occupied?

As with most markets, things are generally good until you wake up one morning and find out something has changed. The self-storage industry has been developing new facilities at an impressive pace over the last few years. Some of these new competitors are just starting to come online and others will be delivered soon. The danger of this "boiling frog" scenario is several operators either haven't experienced, or may not recall, how to function in more aggressive environment.



As the industry evolves from one driven by strong demand and limited supply to one that's far more competitive, expense management will need to be guided by optimization strategies rather than black-and-white increases and decreases. Marketing, payroll, maintenance and property taxes are just a few of the areas that need to be reviewed. Let's examine key considerations for each.

Marketing

When reviewing your marketing expenses, there are a variety of questions to ask, including:

- In what kind of digital marketing will you invest? Will it be pay-per-click campaigns, social media, aggregator services, search engine optimization services?
- What kind of website will best showcase your property to potential customers? What will it cost to build, optimize and maintain it?
- What kinds of programs will you offer to promote reviews or testimonials about your facility?
- Will you offer a referral program? If so, what kind of expenses will be associated with it?
- What kind of programs will you implement to market to local businesses including apartment complexes, realtors and movers? What are the costs involved?
- What kind, and in what condition, is the signage on your property? If it requires repair or replacement, how expensive will that be?
- In what kind of tools will you invest to track the effectiveness of your facility's marketing and sales efforts?

If you're contemplating still other marketing tools or strategies, consider the effect they'll have on your cost-per-tenant acquisition. In a competitive environment,

marketing is key, but you need to track the effectiveness of your campaigns. Fund only the programs that drive a strong return on investment.

Payroll

As much as our industry believes in the future of automation, people are still the driving force behind facility success. It's still a people-to-people business; and as markets heat up, it's extremely important to have staff who can explain why your property is the best choice. Remember, most people who contact you have never used self-storage. The average customer doesn't know one facility from another, so we must effectively convey key points of differentiation to prospects.

Competition for good employees has been raging for years. It's been reported that retailers such as Target and Walmart are starting new hires at \$11 to \$12 per hour. For some storage operators, the variance between their current payroll and entry-level retail associates has most likely diminished. Payroll expenses will continue to rise as the cost of labor increases due to a robust economy.

Experienced facility managers are and will continue be incredibly valuable as more self-storage supply comes online. If you're developing a property, the speed at which you lease up and stabilize is extremely important, so it's imperative to sufficiently compensate staff. If you already have a successful team or need to hire one, make sure you're prepared to address this issue.

Maintenance

To compete with new competitors, existing self-storage facilities must have great curb appeal. Your landscaping, driveways, paint, buildings, access gates, security components, HVAC systems and management office all must be maintained and optimized.

In sociology, the "Broken Windows Theory" states that if a neighborhood or a city doesn't fix its broken windows and graffiti, the environment will "continue to descend into crime, chaos and violence." Though this might sound extreme, it holds true, even in self-storage. If a customer visits your property and sees something that isn't well-maintained, he'll immediately apply the deficiency to the rest of your site and you may lose the sale. Investment in capital and general repairs as well as preventive maintenance is necessary.

Property Taxes

Due to the economic recovery and strong investment environment, self-storage facility valuations have skyrocketed while municipalities adjust millage rates in the background. As a result, operators should be prepared for an increase in their annual property taxes.

If you believe your facility has received an overly aggressive valuation by the local tax authority, you have the option to challenge it; but in the big picture, these increases are something you'll have to address annually. Unfortunately, there's no way to spin a benefit for property taxes on a cash-flow basis. This is essentially a sunk cost, which is why every other expense item must be optimized for maximum performance.

A Fine Instrument

Facility expenses should be considered as a strategic, precision-based investment, not just "something you have to pay for." Cost reductions should be made using a scalpel or laser, not a machete. Remember, facility-operation teams use these funds to satisfy the current customer base and obtain new tenants. For example, both new and current renters appreciate when the HVAC units work in an area marketed as "temperature- or climate-controlled."

Consult with your management team as you consider expense increases and decreases. Far too often, there's a disconnect between how self-storage facilities operate and what they require daily vs. what's been projected in a finance-based pro forma. As with any other investment, the way you proportion funds and track their effectiveness will make all the difference. **ISS**

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Why to Challenge Your PROPERTY-TAX ASSESSMENT

How hard is it to determine the value of your own self-storage asset? What about someone else's facility you've never visited or seen from the inside? Well, each year, county appraisers are assigned the difficult task of determining the value of every property within a municipality. Then the owners are assessed a property tax based on what the appraiser believes your site is worth.

Real estate tax payments are among the biggest areas of exposure for commercial-property owners, and they significantly impact the bottom line. Most self-storage owners pay their property taxes thinking they have no choice but to forfeit the amount assessed. However, due to the relative newness and uniqueness of our industry, you should fight to reduce your valuation. Here's why.

Assessed Value

To determine a value for a recently purchased property, the county appraiser may rely solely on the purchase price recorded in the public record. This is improper. In self-storage, that price generally reflects more than just the value of the building, including intangibles like the ongoing cash flow.

Intangibles are an integral part of a self-storage acquisition and have always been difficult for appraisers to account for within their analyses. Buyers can reduce their tax bill by structuring their acquisition in ways that limit their liability.

That said, the time to act isn't when you receive your tax bill; it's long before you ever see the appraiser's notice. Since taxes are often paid through mortgage escrow accounts, many owners don't realize the amount they're actually paying.

Intangible Assets

In most jurisdictions, intangible assets aren't taxable—at least not as part of the real estate assessment. The International Association of Assessing Officers instructs appraisers to ensure their real estate assessments are free of any intangibles. Assessors assume their presence, but must ensure they're excluded from the

assessed value. If a business-enterprise component, such as an assembled workforce, working capital, licensing rights, signage, parking-space rental, pylon signs, packaging material, etc., are included, they should be extracted and not taxed.

Self-storage facilities are typically purchased as a *business* rather than only real estate. Though it's part of purchase price, there shouldn't be any ad-valorem tax assessed toward items like furniture, fixtures and equipment, commonly referred to as FF&E. Other items to be excluded from the assessment are:



- The value of intangible assets owned by others, such as a franchisor or third-party management company
- The extra income generated from vehicle storage, moving and packing supplies, truck rentals and similar ancillary profit centers

If intangible assets are necessary to the beneficial and productive use of the taxable property, the appraiser isn't the one who should make the ultimate decision on their value. Instead, the value should be determined by a special magistrate during your requested hearing to lower your tax assessment. The appraiser's job is to collect taxes using the mass-appraisal method. If you never question the appraisal assigned to your property, your local government will be happy to take your money.

Appealing an Assessment

If you wish to appeal your tax assessment, you can request an informal

meeting or hearing with your local authority. This can usually result in a determination as to whether any intangible assets were improperly included in your valuation.

Intangibles complicate the estimate of value. Assessors generally prefer not to use a cost approach because it reflects only the value of real property and not the going concern. However, in situations where intangibles should be excluded, it can be an effective method to lower your property-tax assessment. A breakdown related to land and improvements is usually easy to obtain by estimating construction costs, using actual costs or using data provided by cost services.

When challenging an assessment, always attempt to inflate the value of your brand, especially if you have more than one facility under the same name. Though a well-recognized brand can sometimes lead to a premium, it's a real estate intangible that should be isolated from the purchase price. By inflating its value, you can consequently reduce the value of your real property. Creativity can bring significant assessment reductions, but success depends on your efforts.

Opinion of Value

Be aware that there's a disconnect between how buyers and sellers perceive the value of intangible assets, how accountants report them, and how assessors, taxpayers and property-tax professionals measure them. Often, the methods used by accountants and other financial professionals are different and may not be appropriate for property-tax assessments.

Keep in mind, too, that when you submit an appeal, you're not directly challenging your tax bill. Instead, you're appealing the assessor's "opinion of the value." If it includes components that aren't considered taxable real estate items, this can indirectly lower your tax bill and enable a refund for previously overpaid taxes. **ISS**

Contributor: Brian Sharpe, Sharpe Properties, www.sharpeproperties.com

Choosing Between Live and Online Lien Sales



Although it might seem like most self-storage operators are conducting their auctions online these days, not everyone has made the leap. While it's true that many of the real estate investment trusts have largely adopted the online method, they only make up 15 percent to 20 percent of the industry; and even they're not using an online platform 100 percent of the time.

If you haven't made the shift to online auctions, you're not alone or behind the times. There hasn't been an overarching verdict in the industry about whether a live or online format is best. Still, online sales have become increasingly popular, with more self-storage operators are using them every day. You might find yourself thinking about your best practices for lien sales. How do online auctions compare to live ones? What changes can you expect if you move to an online platform? Let's take a look.

The Similarities

The premise of an auction is the same whether it's live or online: Property is sold to the highest bidder. Your goal is to have a "commercially reasonable" sale and recover the most amount of money you can toward the debt owed to you by the tenant.

Whether you use an auctioneer or an online platform, you'll have to pay fees for its use. That said, you might find the fees are typically lower for an online platform. This is because it doesn't require an auctioneer to drive to the facility, using his

vehicle and gas. The overhead is simply lower for an online sale.

Whether your auction will be live or online, ask how the provider will advertise and bring bidders to your sale. The single biggest failure of any auctioneer or auction website is not selling the unit.

Many of your rules and procedures surrounding auctions will remain the same regardless of format. You'll provide winners a certain amount of time to clean out their units following the sale. You'll decide when and how they can access the property. You'll ask that they respect your property, don't use your dumpster, don't leave garbage behind, don't smoke on site, etc. You'll identify which methods of payment you accept. Whichever auction format and provider you choose, you'll want to make sure you aren't prevented from enforcing your policies.

The Differences

While some things remain the same, there are noticeable differences between live and online lien sales. First, every convert will say his favorite thing about online auctions is they eliminate the need for an "auction day." You no longer have 50 to 100 people showing up at your property making a mess of your site. No more parking and traffic issues. You no longer need to schedule additional staff or close your office to accommodate the sale. Only your winners will visit your property, and that's to pay for and collect their goods. They likely won't even come at the same time. Online auctions don't create the same disruption to your operation as live.

But maybe you don't think this lack of a crowd is a good thing. Certainly, there's an element of excitement in live auction calls. The reason auctioneers talk fast and chant is to create enthusiasm and inspire people to bid more.

To emulate live auctions, most online platforms have adopted a "soft-close" policy. This means if a bid is placed in the last minute of the countdown, the timer will extend another minute or two or three. This allows bidding to continue until the highest price has been reached. The soft close also prevents "sniping" or sneaking in a bid at the last second, which is a common

tactic in an online auction. Bidders want to sneak their offer in last so nobody has the opportunity to outbid them.

Often, but not always, online bidders will be anonymous, which gives you a better chance of recovering the most debt. In a live auction, competition can drive up the bid, but it can also lead to collusion to save money. This happens when two bidders get together and split the cost of a unit rather than bid against each other. The anonymity of online auctions prevents this from happening.

What to Expect Online

If you're thinking about making the move to an online platform, there are some things you should know. An online auction is most successful if the listing includes 10 to 15 clear, high-quality photos of the unit from several angles. It isn't necessary to go inside or move items around, but the better your photos, the more money you're likely to make. Bidders like to zoom in to examine bar codes and serial numbers on unit contents. Looking at the pictures for several days gives them a much better chance to decide what's in the unit than the five minutes live bidders have while standing in front of the unit door with a flashlight.

Though initially hesitant to embrace online auctions because they brought more competition, bidders have come around in recent years. They've discovered it's far less of a time investment. They don't have to be out in extreme temperatures. They know if they've won, and they don't spend the day in an auction caravan only to go home empty-handed.

There are many factors to consider when deciding on an auction method. What do you consider a success? Do you want the unit cleaned out as quickly as possible or to recover the most debt? Do you want minimal disruption? Do you like the human aspect of interacting with an auctioneer and live crowd? Answering these basic questions will help you decide which procedures and providers are the best fit for you. **ISS**

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Executing Better Live Auctions

As an owner of multiple self-storage facilities, I've held numerous live auctions over the past 20-plus years. It's just part of the job. It allows us to get rid of delinquent tenants and rent the units again.

But I admit I haven't always had much regard for my bidders. With their trailers crowding my parking lot, I often viewed them as an annoying disruption to my business. However, after getting to know many of them, I've changed my perspective. Auction buyers are doing me a huge service by purchasing and cleaning out my space so I can rent it again and, hopefully, recover some of the past-due rent.

There are things we facility operators can do to provide people with a better experience at our live auctions and keep them coming back to our stores. If you get a following of loyal bidders who consistently come to your events, your auction performance will be better overall. Here are a few things I've learned.

More Units Is Better

Bidders are more likely to come to your auction when you have four or more units to sell. They don't want to drive all the way to your facility if they think they'll walk away empty-handed. Remember, many of them are reselling items from storage as a source of income. For some, it's their only source. We need to draw them to our sites with multiple units; their chances of finding one with good resale objects are higher that way.

Many auctioneers like caravan auctions, but over the years, I've discovered that most bidders don't. Sometimes, if the sites are very close, they'll be OK with it; but generally, bidders don't want to buy a unit at location one and then drive on to several others. They also don't want to go back to multiple locations to load their trailers.

Ten to 12 units is a great number for a live auction, but if yours is a smaller facility, three or four may be the best you can do. You just don't want to have more than 20. It would be better to have smaller auctions more regularly than wait until you have that many at once. An auctioneer or storage facility may have a devout following of

bidders, but even the loyal ones can only buy so much in a day.

Consider how much stuff could fill a 10-by-20 unit. It'll take quite a long time for a buyer to unload the space, bring it back to his place, sort it out and start selling. When I think about all the work bidders do to make a few bucks, I'm even more grateful they show up to our sales. It makes me appreciate all they do for our facilities.

Auctioneer

Once you have enough units for a live auction, it's time to prepare. If you're not "calling" it yourself, you'll want to hire an auctioneer. The best way to find a reputable, local professional is to ask associates for a referral. Who do other local owners use, and do they have a good relationship with this person? Before you hire him, see this auctioneer call an auction to make sure he'll be a good fit for your facility.



“Bidders are more likely to come to your auction when you have four or more units to sell. They don't want to drive all the way to your facility if they think they'll walk away empty-handed.”

Policies

Next, establish policies around your auctions. Print them and make reading and signing them part of the bidder sign-in process. Decide how you'll assign bidder numbers. I also recommend charging a cleaning deposit, typically \$100 in cash. This ensures the winner will completely clean out the space, which saves you from headaches later.

Marketing

When bidders sign in, collect their e-mails and phone numbers so you can market your future auctions to them. Send an e-mail or call loyal bidders individually to let them know when your next sale is scheduled. Posting signs to announce your next auction and announcing it in the newspaper will draw some people, but having loyal bidders you can contact is a great way to get the word out about upcoming events.

Event Day

Once auction day has arrived, there may be last-minute details to address. For example, you may want to arrange for alternate parking. Bidders will come with trailers to haul away all their winnings, and you don't want these vehicles blocking in regular customers or facility staff. If you don't have extra parking available, you'll need an assistant to help park cars and trailers while you're checking in bidders.

Here's another quick tip: If it's a hot day, have cold water available for bidders. If it's cold, offer coffee or hot chocolate.

During the auction, someone from your team should follow the auctioneer and make note of each winning bidder's number and amount of sale. At the end of the auction, collect payment from each winner. (By the way, a good way to ensure bidders stay until the end is to save the best unit for last.) I recommend taking cash payments, but of course, it's up to you to determine the terms that work best for you. Finally, keep an eye on the clean-out process and help direct traffic out of your parking lot.

Managed well, live auctions can be an entertaining part of a self-storage operator's job. They can also be a lot of work and hassle. However, putting in the effort to make the auction a good experience for bidders will help ensure successful events. Auctions can be our industry's unsung revenue stream if we create a positive environment for buyers. **ISS**

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On Being a *Remarkable* — — Company Representative

About 15 years ago, I worked for a small start-up company whose specialty was computer repair, with a pickup and drop-off service for businesses. We purchased an old minivan with wood paneling from a local pizza-delivery shop and applied magnetic signs on the sides and back that proudly displayed our professional logo and phone number. I even had work shirts with that fancy logo.

One afternoon, the owner and I needed to buy supplies at the local wholesale warehouse. As we strolled up and down the aisles, I watched him grin and nod at every customer and employee. In one aisle, he helped a young woman with a child put something in her cart, and she was clearly grateful. When I told him that kind of kindness was unheard of, he said something I've never forgotten: "Service to others happens everywhere."

About a week later, that young woman visited our repair store. When she needed her computer serviced, she looked for providers on Google and spotted our company. She said she hadn't forgotten the man who helped her. His actions had said something about our company—that we were careful and helpful, and worth patronizing. I wouldn't be surprised if she's still a customer!

Every day, we have an opportunity to make a positive impact in our community. Yes, it's easy to do when we're at our self-storage properties because we're in our comfort zone. We know our facilities like the backs of our hands. But what about when we aren't on site? Do we still have an opportunity to make a good impression? Absolutely!

Stand for Your Company

I'm privileged to work for a family-owned self-storage company. On more than a few occasions, I've had a meal with my regional manager and even his immediate supervisor. I've always been impressed by the way they treat servers. They have a manner that portrays compassion. I remember one time overhearing a server comment to a coworker, "I wish more of my tables were like that one there. They are so nice!"

The word represent means "standing for others." When you put on your work shirt in the morning and head out the door, you stand for something greater than yourself. Take pride and let it be known that you work for XYZ Storage. As you shop for supplies, get your cup of coffee or fill your gas tank, it's important to remember that you represent your company.

What if tomorrow's self-storage prospect happens to be the person you just met or from whom you just bought something? I bet you'd be embarrassed if the person with whom you got upset at the coffee shop walked into your office that afternoon to rent a unit. What if the person you just cut off on the way back from the bank was the one who inquired about storing with you via e-mail that morning? I'm not saying you need to bow to every person and give in to every request. I'm saying to treat others with the respect

and courtesy you'd desire if you were the customer. Uphold your employer's values and demonstrate integrity and honesty, even when you're not at work.

Here's an example of *not* standing for your company. I recently visited the local home-improvement store. As I was putting items in my cart, a young man asked if I worked there and could I cut a key for him? When I told him I wasn't an employee, he told me he'd been waiting almost an hour for assistance after requesting it. Finally, an employee came down the aisle. When the customer asked about the key he needed, she said she had forgotten and gone to lunch. That, ladies and gentlemen, is not how you represent your brand.

Adhere to the Four Ps

To help me remember how to best represent my company, I follow the "Four P Principle." I ask myself these four key questions every day:

What will **PROVIDE** the greatest benefit to the customer? In other words, how I can differentiate myself, my store and my company from competitors?

What will **PROMOTE** my company to customers and the community? What do my interactions inside and outside of work say about my business?

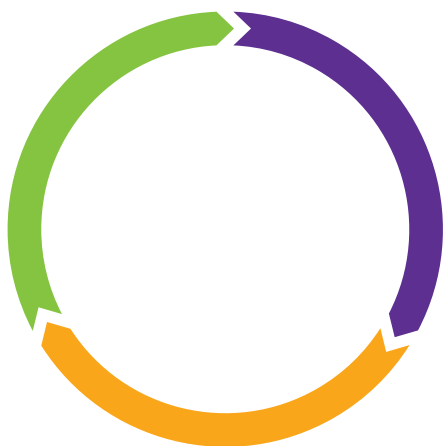
What will **PRESENT** to my potential and current customers that I take pride in my job and facility?

What will **PRODUCE** the best end result for my store or company? What affect will (fill in the blank) have on my customers? My team? My company?

Let me leave you with this thought: Do and say what you must, but do it in a way that best represents who you are as an individual and tells those around you that the company you work for is the best in the business. Give a smile. Give a nod. Represent. You just never know who your next customer will be. **ISS**

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The Sales and Marketing Process:

FUNNEL to FLYWHEEL

September 2018 marked the end of an era for many marketers, one that can be punctuated by this quote from Alexander Graham Bell, “When one door closes, another opens; but we often look so long and so regretfully upon the closed door that we do not see the one which has opened for us.” What the heck am I talking about? The major shift in how we, as self-storage marketers, salespeople and facility operators need to approach our customer sales cycle—a move from the *funnel* to the *flywheel*.

A funnel is a tube or pipe that’s wide at the top and narrow at the bottom, used for guiding a substance into or out of a small opening. Conversely, a flywheel is a large rotating wheel used to maintain momentum and smooth engine operation. How do they relate to self-storage marketing and sales? Let’s explore how the paradigms work, how they differ, and why you need to embrace the flywheel in your self-storage operation.

Time to Retire the Funnel

Besides being useful in kitchens and chem labs, a funnel is also a sales strategy. Why do marketing and sales teams embrace it? It offers a clear visual of the customer journey, representing the phases through which a company moves buyers toward a purchase.

Traditionally, the sales funnel has been broken into four stages: awareness (at the wide mouth), interest, decision and action (at the bottom). In some cases, loyalty and advocacy may be added to the bottom. In others, the bottom is simply “rinse and repeat”—start the process over with another potential customer.

The top is wide and represents awareness or potential new leads. In this stage, the customer might visit your

website, read your blog or complete a form to find out more information. This is the “getting to know you” stage.

The funnel narrows as customers enter the interest stage. Now, they might download a coupon or reserve a storage unit. They’re on the verge of becoming a paying customer. If the drop-off at this level is high, we call it a “low conversion rate.” We might think we need to test a new sales process, lower our prices or potentially replace underperforming managers. The truth is only a small percentage of prospects will pass through to the action stage.

In the funnel, your company teams are also siloed. Marketing works to attract leads, sales works to turn leads into paying customers, and service or support works to maintain those relationships. That’s generally where the customer experience stops. Often, companies will drop a prospect right back through the funnel because that’s the only process they have in place. But does that really make for the best customer experience?

The funnel loses energy. Many customers come in, many filter out. Very few emerge as paying tenants; and when they do, we don’t make them part of the process to gain others. There’s very little room left for repeat business or advocacy. For these reasons, there’s recently been a lot of discussion about whether the sales funnel is an adequate representation of the customer journey in an evolving marketplace. Hence, the flywheel concept is catching on.

Say Hello to the Flywheel

Is your company losing or gaining momentum? Much as an engine needs a flywheel to generate energy, companies need one to gather and disperse the power of their loyal customers. In a sales

flywheel, the customer is at the center, and everything revolves around his experience. Unlike a funnel where the customer falls out the bottom, the customer in a flywheel never falls out of the loop.

The flywheel represents a *circular* process, one where customers fuel growth. It’s a process in which your team works together to attract, maintain and continually engage with clients. In this environment, your marketing and operational strategies need to work hand-in-hand to put the customer at the center of everything you do. Let’s take a closer look at the stages in this technique.

Attract. This is when customers interact with your business for the first time. Attraction happens when they’re drawn to your brand through relevant and engaging content such as:

- Your website
- Your social media pages
- Company reviews and testimonials

Engage. Engagement occurs by creating meaningful, empathetic relationships with customers. You need to understand their motivations, needs and pain points on an intuitive level, and you want to make the decision-making process as easy as possible. Engagement will most likely occur on each customer’s preferred channel:

- Blogs containing helpful how-tos
- Social media polls
- Educational articles
- Podcasts and videos
- Live chat
- Text messages

Delight. Delighting customers means giving them the most pleasant, comfortable experience possible, one that’ll make them

excited to promote your brand. Giving customers joy and turns them into brand advocates. Think about how you can please them through these experiences:

- A smooth move-in process
- A referral or rewards programs
- Regular check-ins
- High-quality customer support
- Recognition of their successes

Watch for Friction

There's a caveat: A flywheel does experience friction from time to time, which can slow momentum. There are four common reasons for this:

- **A difficult onboarding process:** How difficult do you make it for customers to

find the right storage space, reserve that space and move in?

- **A lack of customer education in what your product is and how it will serve them:** Are you educating your customers on what type of storage they need or letting them choose for themselves?
- **Misalignment between the customer and the sales process:** Is your marketing strategy representative of your in-store service? Is your manager listening and solving customer problems?
- **Misalignment of goals between customer service and the customer:** Once a customer moves in, again, is the manager listening to and helping him?

It's critical that the customer, your marketing team and your operations

staff be on the same page. A complete understanding between the three is key to ensure and increase the flywheel's circular momentum.

The sales funnel has served its purpose for a long time. To some, it still does. Whether you prefer a more traditional sales and marketing approach or a more innovative process, what matters most is that you're tracking the source of your customers, giving them what they want, and providing them with an experience that'll result in their advocacy and your growth. **ISS**

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Perfecting Your CUSTOMER TOUCHPOINTS

The self-storage business is extremely unique in that most of our customers are in a state of flux and may be stressed out. It's said that the process of moving is one of the top 10 stressful situations people experience in their lifetimes. So, while other businesses might get a customer who's rational, allowing them to design their service experience around logical behavior, in storage, we need to be prepared for anything.

Regardless of where our customers communicate with us and their mental state when they do so, we must consider how to make all interactions convenient and user-friendly. In fact, there are many

potential touchpoints between a customer and a self-storage brand—places where a person might find and connect with us, even before he's ready to rent space.

Where and How We Connect

The way we market and advertise has changed dramatically over the last 10 years, and we rely much more on technology. Sometimes, technology allows us to operate with less staff and have fewer personal interactions with customers; but it doesn't always make the rental process easier.

To ensure the quality of our customer experience, we must regularly survey and

monitor the interactions customers have with our business online, through the call center, at the kiosk, and with employees in the office. We must also train staff to maintain customer satisfaction through all touchpoints. These might include:

- Web search
- Online business listings
- Facility website
- Social media platforms
- Online review sites
- Facility phone or voicemail
- Call center
- E-mail
- Chat

- Text
- Drive-by
- Office visit
- Advertising (digital or print)
- Community event
- Interaction with manager at the bank, store, etc.

Any place a customer might discover and learn about your company is a touchpoint. Once he's found you, many things might happen. You want to be conscious of and improve his experience during these moments and others:

- First impression
- Inquiry
- Property visit/tour
- Rental process
- Move-in
- Retail purchase
- Gate operation
- Truck use/rental
- Payment or account inquiry
- Customer-service issue (i.e., late fee, gate/code problem, door problem, lights not working, conflict with an employee or another tenant, etc.)
- Referral
- Move-out

An Example

Car companies spend an unbelievable amount to produce their products. In fact, BMW spent \$800 million to produce its new

7 Series. However, that level of investment doesn't always translate into the sales experience with the customer. If you're selling a luxury automobile, shouldn't the buying experience be every bit as great as the car?

In the case of BMW, there were more than 100 messages to communicate to customers about the new vehicle but only a few ways to deliver them. The company's major touchpoints are its website, media (print and digital) and its dealerships.

BMW realized that many of the car's features wouldn't be revealed to the customer until the sale process. Sales staff were given a checklist and would literally mark each box as they guided the customer through the options, some of which required set-up. The problem was buyers couldn't wait to get the car on the road and escape the dealership! The feeling of being stuck was stressful and more frustrating than they wanted during an already lengthy and taxing car-buying experience.

The company finally decided to reach out to customers two weeks after each sale and invite them back to the dealership to get answers to any questions they might have about their new car. People were much more responsive to that touchpoint because they weren't so anxious. Customers later valued and were happier with the technical help than during the buying process.

Plan to Impress

There's a quote from Maya Angelou that really speaks to the heart of the customer-experience concept: "I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

Self-storage owners spend a lot of time and money in designing their properties, but they often invest very little in finding and training friendly employees and giving the customer a wonderful rental experience. If we know customers are going to be frazzled when they interact with us, our goal should be to make each touchpoint fast, friendly and simple. For example, when they visit our sites, we should offer soothing music, places to sit, free cold water, and a positive, quick rental process. They should be surprised and amazed at how friendly our managers are and how easy move-in is.

To accomplish this high level of customer satisfaction, you must plan to impress. Hire people with good service skills, educate your employees through training, measure your results and gather positive feedback. Consider all your customer touchpoints and make each one count. **ISS**

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A Multi-Generational Approach to Service

There's been a lot of talk about how the self-storage industry should handle multiple generations of customers. We all know Millennials are the up-and-coming decision-makers and they prefer to do business on their mobile devices. However, we can't solely focus on one market segment. We need to interact with customers of all ages on *their* terms.

I recently examined the demographics of a random storage facility to get a sample of its client base. Out of 432 customers, there were 178 Baby Boomers, 132 Generation

Xers, 112 Millennials and 10 from Generation Z. Try this exercise using your own data and see how your customer base is segmented. You might be surprised!

Do you think all these people have the same expectations of your self-storage business? Obviously not. So, let's look at how we can assist customers based on their preferences. Instead of adhering to the Golden Rule, which is to treat others how you wish to be treated, try focusing on the Platinum Rule, which is to treat customers the way *they* prefer, not the way you prefer.

Older Generations

The older generations still treasure face-to-face interaction. They put a lot of trust and value into personal relationships. A good rapport can provide a sense of comfort, especially when we remember that most people in need of storage are enduring a stressful event. Offering a friendly face and sympathetic ear can mean the difference between getting the rental or not. Older customers usually require more phone time to entice them into the store, and then you'll spend more time walking

them through the rental process. This is the “old school” style.

How do we cater to older generations after they become tenants? Don't be hesitant to receive checks, because many in this age bracket still use this payment method. In addition, many enjoy coming into the office to pay their bill, grab a piece of candy or bottle of water, check on their unit, etc. Sometimes it's just about getting out of the house and interacting with other people.

Having dedicated employees who remember little tidbits about these tenants or their family goes a long way. Think about one more fact that sometimes eludes us: Our best source of advertising is positive word-of-mouth. If you treat this generation right, you'll receive referrals.

Younger Generations

Now, let's look at Millennials and Gen Z, two of the more unique segments of our market. These customers do everything online. For example, they'll order their food from the grocery store and have it delivered or use the pick-up lane. For this reason, we need self-storage websites that allow them to interact with us on their terms, from reserving a unit to paying their bill.

Our job is to facilitate the rental process for younger customers using digital resources. How many times have you received a lead and tried to call the customer, never reaching the person? Then a lightbulb goes on. You send an e-mail and receive a response

almost immediately. This is how younger generations choose to interact. We can either accept this, or the customer will move on to a facility that meets their needs.

The other important element to consider when serving these customers is response time. If they send an inquiry and we don't respond quickly, we could lose them. At my company, we track our closing percentage relative to our response to the initial inquiry, which I'm confident will provide some intriguing data.

After the rental, we need to use technology for sending invoices, payment reminders, notices, etc. E-mail is no longer the only digital method for this type of interaction. Texting is becoming more prevalent and evolving into a popular form of business-to-consumer communication. We're becoming accustomed to receiving text notifications from our doctor's office, auto-repair shop and utility company.

A forward-thinking colleague of mine, Dave Demchuk, managing partner of operations for Real Storage Private Trust in Canada, has taken steps to interact with younger customers. One of his locations added an “express lane” in the office. This includes a roped off counter with a tablet. When customers walk in the door, they immediately see they have options for their interaction. It's pretty genius.

Yes, implementing technology in your operation can add upfront and monthly costs, but in your analysis, you must factor in the savings it can provide and

the revenue it generates. Think about management tasks that can be sped up or eliminated completely.

Changing Times

I personally prefer the older-generation style of service. However, my wife would rather text someone than call. It drives me crazy how she would rather send 15 messages back and forth when a one-minute phone call would solve the issue; but we're wired differently.

Here, again, I refer to the Platinum Rule. Think about the differences. And old-school customer favors face-to-face interaction, prefers a paper lease, mails check payments and loves talking on the phone. A new-school customer has a major online presence, prefers to e-sign documents, loves online reservations and payments, and prefers texting to talking.

Are you operating both ways? Can you afford not to? As an industry, we need to take advantage of the technology we have at our disposal, not only for when customers are looking for storage but after they've become tenants. Yet, we still need to interact with some of them personally. We need to find a balance between old-school and new-school sales and service. Do so, and you'll be sure to meet the needs of all your customers, no matter their age. **ISS**

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Tricky

Service Situations and How to Handle Them

If you're a self-storage operator who deals with customers, you may encounter situations in which a customer is unhappy and you're in the spotlight to fix his problem. Knowing how to handle these difficult interactions takes a bit of skill, a dash of experience, a whole lot of understanding and the ability to see things from the customer's point of view.

Here are seven “deadly” circumstances you may face and advice on how to handle each.

1. You Made a Mistake or Must Deliver Bad News

You receive a call from a customer who was supposed to move into his unit on Sunday, but the vacancy lock was never

removed, and he couldn't do so. Yikes! This is clearly a manager mistake, one that might even result in disciplinary action. To reduce the negative impact on the tenant and business, the at-fault party needs to react—quickly.

The first step is to put your ego aside and evaluate the situation objectively. How would you feel if this happened to you?

“It’s not *what* you say, it’s *how* you say it. Always try to be understanding and relatable as possible when speaking to customers.”

—Cassie Apple, Manager, North Penn Storage, Edmond, Okla.

Apologize and let the customer know you feel terrible about the error. Being truthful and letting him know you also would be upset shows empathy and understanding.

Next, let him know you’re doing whatever is necessary to remedy the mistake, or that you’re willing to facilitate contact with the appropriate parties. Tell him when to expect a resolution. Then, whatever you do, make sure the problem gets solved!

In the example above, the answer is to remove the vacancy lock immediately and do what’s necessary to make the customer “whole.” Did he spend money on a mover or rental truck? You need to reimburse his lost expense or arrange to move him into the unit free of charge. Making the customer whole is key to gaining forgiveness when mistakes are made.

The same process applies if you must give a customer bad news. “I find that when you have to relay tough information, it’s just best to be honest and straightforward. I’ve had to do this with a flood and fire, and it is never easy,” says Tammy Hamrick, manager Vigilant Self Storage in Richmond, Va.

2. You Don’t Have an Answer

Have you ever faced a situation in which you didn’t have an immediate answer to a customer inquiry or issue? Maybe you were new and still learning. In any case, simply telling a customer you “don’t know” isn’t acceptable. A better course of action is to tell him you’re going to research the question and get back to him. No one can be expected to know everything, so this is reasonable.

However, it’s vital to follow through in a timely manner. If a bit of time goes by and you still don’t have an answer, follow up with the customer to let him

know you haven’t forgotten him and are still working on a solution. Set yourself a reminder and reach out to the customer either way. A quick e-mail works great for this purpose and creates a paper trail of communication.

3. The Customer Demands a Full Refund

Sometimes there’s just no winning and the only way to resolve a situation is to give in. When you’ve tried everything and the customer insists on having his money back, the best thing you can do is give it to him.

Apologize and let the customer know you’re initiating a refund request. Tell him when to expect the refund and by which means (check, a credit to his bank account or credit card, or even cash). Your business needs an internal procedure for processing refunds efficiently. You don’t want to lose any goodwill you’ve gained in providing the refund due to sloppy and slow execution.

From a business standpoint, refunds aren’t ideal and can be distressing; but as a representative of a reputable company, you should be prepared to keep your word. Chances are, you’ll rarely need to make a refund of any type.

4. You Can’t Fulfill the Customer’s Request

One of a self-storage manager’s greatest fears is facing a customer who’s demanding the impossible. Most self-storage operators genuinely believe in good customer service and will do whatever it takes to make customers happy—*within reason*. In most cases, going above and beyond to give them what they want or need is the right thing to do. But occasionally, it just isn’t possible.

For example, let’s say a customer asks for an extension to pay his rent, but the auction process is already underway and there’s a hard, immovable deadline to pay the balance and redeem the account. Your hands are tied here because each state has specific lien laws that dictate what can and can’t be done. In this case, you have to tell the customer “no.”

Norma Taylor, one of my company’s co-founders, once told me, “‘No’ is both a complete sentence and a perfectly acceptable answer.” With my kids, it’s easy to say; but with a customer, it takes a little finesse. First, tell him the facts, as best as you can, regarding why his request can’t be fulfilled. Then offer some compromises. Once you’ve explained the logic behind the situation, most people will understand and accept an alternative over nothing.

5. The Impatient Customer

It seems like hours pass in mere minutes in today’s fast-paced, on-demand world. It’s easy to get caught up in the “I want it now” mentality because almost everything is available in a snap. So, what do you do when something is taking the “normal” amount of time, but it still isn’t fast enough for your customer? Or, worse, what if the customer truly is being made to wait longer than usual?

The first thing to do is apologize, and then calmly and politely explain the reason for the delay. Clarify what’s happening and why, so the customer has realistic expectations. Even if the holdup is all in his perception, it’s best to talk it through. Hopefully, he’ll understand and be lenient in his assessment of your business. Perhaps he’ll even see that his impatience is a little unjustified.

If a desired outcome is going to take longer than the customer is able or willing to wait, take his contact information so you can alert him as soon as you have more information. Communication is important so he isn’t left waiting.

6. The ‘My Way or Nothing’ Customer

There are some folks who just want it the way they want it and will take nothing less. The old phrase “my way or the highway” comes to mind. When the customer believes he knows exactly what he wants, he may refuse to hear alternatives. This is especially frustrating when you know there are other options that may work better.

When someone is set in his ways, getting him to budge is difficult, but achievable. The first step is to hear him out. Let him know you’re respectful of his wishes. Politely tell him you can honor his request, or you can share alternatives he might find more enticing. Ask if you can explain these options. If he refuses, then do what you can to provide what he wants.

Allow him to decide how to proceed. It’s important to provide as much information as you can, but, ultimately, it’s the customer’s choice. If he chooses one of your alternatives, hooray! But if he sticks by his original demands—especially if they’re unreasonable or unachievable—the next scenario may apply.

7. The Angry Customer

I’ve faced an irate customer in my office, making wild demands, accusing me and the company of terrible things, and generally making me afraid of what he’ll do or say next. It can be a scary

situation, one nobody wants to encounter! When a customer is really angry, it can be exceptionally difficult because emotions are running high and causing logic to slip. Sometimes the customer is so upset you can't immediately respond.

The key here is to listen. It may sound silly, but when a customer is in the middle of an emotionally fueled ride, sometimes the only way to get back to logic is to allow things to run their course. Let the customer vent and listen to what he says. If you try to interject at this point, anything you say may add fuel to the fire. This is especially true if he's complaining about an ongoing problem. Just let him talk and try not to take it personally. That last bit is hard, but if the customer is upset, it's your job to be the logical one. Channel your inner Spock and try to hold back your emotional reactions.

Once the customer has explained his grievances, make sure you understand the situation by repeating them back to him. Say something like, "I want to make sure

I understand you fully so I can best help. What I'm hearing is..." Sometimes, this simple act of repeating his words can be the thing he needs to see his argument or complaint is illogical. Then, he may come back down to a more rational level.

If his complaint has merit, this is when your clean-up begins! As always, apologize that the situation has occurred, regardless of who may be right. As the company representative, you must accept some responsibility. Let the customer know you understand he's aggravated or frustrated. Speak slowly and calmly.

"It is easier to bring a customer back down if you are calm, and by just stating the obvious: that he is yelling at you and you are not raising your voice to him. Make sure you understand [his] complaint, but you don't necessarily have to agree with [his] complaint," says Quay Reeves, manager of Chateau Storage in Braselton, Ga.

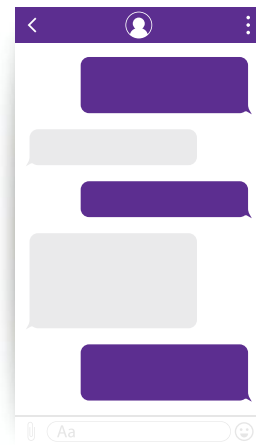
Always remember, it's not about you; it's about the customer and whatever is

going on in his life that brought him to use self-storage. Try not to fight fire with fire. Instead, focus on being the calm waters of reason and expertise. Getting angry is never the answer, as it'll shut down any chance of coming to a mutually satisfactory conclusion. Even if you have to walk away and try again, it's always worth the extra effort to defuse rather than allow destruction.

These are just some examples of difficult service situations you may encounter. There are many ways to handle each, and you may have some unique experience and techniques you use. However, there's one sound piece of advice you can apply to every customer interaction: Listen, be honest and do what you can to make it right. No matter what you encounter when operating your storage business, one thing is for certain ... It's never boring! **ISS**

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Reasons to Use **TEXTING** as Part of Your **Service Strategy**



“Customer experience is the new marketing,” according to Steve Cannon, president and CEO of Mercedes Benz USA. For me personally, the most convenient business usually wins, but I'm not alone. Research and advisory firm Gartner claims as many as 89 percent of all companies are competing primarily on customer experience. If that's true, how does your self-storage business stack up against the competition?

Here's a hint: If customers have to wait for a response when they contact you, you have work to do. A minute feels a lot longer than it used to in this fast-paced, digital world, and most customers aren't going to hang around. According to a

customer-loyalty survey my company conducted, one in five consumers expects a response from a local business within five minutes.

You can't afford to become an inconvenience to your current and prospective renters. Every interaction is an opportunity to impress and inform them. If you want to stay top-of-mind with customers, start with their phone!

Why SMS Is Superior

Texting not only helps you keep track of conversations with customers, it allows them to respond on their timeline. Text messages have the added benefit of being able to capture images, record video and even send appointment reminders. If you

still aren't convinced that texting is right for your business, here are seven statistics showing just how superior SMS really is.

Text messages have a 98 percent open rate, according to Mobile Marketing Watch. Maybe it's the annoying notification bubbles, or perhaps smartphones are as addicting as they say. Either way, text messages have the highest open rate of any form of communication. The average for e-mail is just 21 percent, according to e-mail platform MailChimp. Whether you're trying to collect payments or update contact info, your customer is nearly five times more likely to see your message via text.

On average, text messages contain less than 1 percent spam. If your phone chimes, buzzes, vibrates or rings, you

generally answer it or at least look at it. Unlike e-mails and robo-phone calls, texting as a channel is 99 percent spam-free, which makes it hard to resist checking your phone when you hear the text alert.

Ninety percent of text messages are opened within three minutes of receipt, says mobile-marketing company Tatango. When was the last time you opened an e-mail within three minutes of receiving it? Not only do texts get opened, they get read, which means you're not waiting for customers to clarify day-old messages or confirm appointments. Faster communication is more effective because it's more recent.

Customer texting is 100 percent scalable. For lots of local business owners, calling a customer adds a personal touch that helps them feel like a friend. What if you could extend that touch to every single

customer communication? With texting, you can talk to all tenants at scale without losing any of the sentiment.

Seventy-seven percent of Americans have smartphones. Your customers use their phones for everything. According to Google, 76 percent of people who search on their phone for something nearby visit a related business within a day, and 28 percent of those searches result in a purchase.

Seventy percent of smartphone owners who bought something in a store first turned to their devices for information, Google says. From dog-walkers to dinner, you can find just about anything online, so it's not surprising that more and more people are using mobile devices to find and buy things they need. Whether your customers are looking for your website or following up on a storage rental, they're likely to do it from their phone.

Ninety percent of today's consumers prefer texting over other methods of communication. Phone calls go to voicemail, e-mails can go to spam, but text messages get attention. According to cloud-communications company twilio, 90 percent of consumers prefer texts because they don't require an immediate interaction/response like a phone call. If that's what they prefer, why would you send them anything else?

Your customers demand convenience. Becoming their obvious choice for self-storage requires you to know and anticipate their needs. They're already texting, and your competitors aren't far behind. Why wait to communicate with them on their terms? **ISS**

Contributor: Nate Tall, Podium, www.podium.com

RENOVATION and the Tenant Experience

As the fable tells us, with a little love and care, even the ugliest duckling can become a beautiful swan. As self-storage facility operators, we need to think the same way about our properties. We may not think our facility's flaws are a big deal, but customers *do*. And with more supply entering the market, we need to offer a product that's comparable to, if not better than, new competition.

We've been bombarded with ads for new whizbang gadgets and technologies that have come out in the self-storage industry in recent years, and it can be difficult to choose the ones that'll best enhance your facility and operation. First, you must determine the type of product and customer experience (CX) you want to offer. If you're a hands-off operator, don't go crazy adding amenities and upgrades. New systems and features tend to require maintenance and even training. It's better not to offer them than to do so haphazardly. If you're more hands-on, or you have the support of a third-party management company or full-time maintenance staff, perhaps fancy modernizations are right

for you. Choose the option that suits your operational style and goals.

Once you've decided on the type of self-storage you want to offer, how do you determine which upgrades to include in your capital-improvements budget? My company likes to keep operations as simple as possible while still providing a great CX. Below are some things we consider when renovating newly acquired properties. Some might sound minimal, but we've found that these simple improvements lead to increased facility revenue and valuation.

Choosing Facility Upgrades

According to a report from market-research company Forrester, customer loyalty is driven by three key factors: ease, effectiveness and emotion. Any good CX addresses these components.

At a minimum, for users to be satisfied with your offering, it must be easy to use and get the job done. However, if you want loyalty, you can't stop there. Any new competitor with shiny bells and whistles and lease-up incentives can easily steal away your business. Loyalty is built through a

positive experience, and for that, you need an emotional connection. Let's see how these factors might affect the upgrades you choose for your self-storage site.

Ease. Is it easy for customers to do business with you? Can they book units online? Is there a self-service kiosk or call center available after-hours? Can tenants use their smartphone to access your facility and their unit? If you answered "no" to any of these questions, your facility could improve. It's time to engage any number of service providers and get with the program! There are many technology solutions available on the market, so you can find one to fit your budget.

Effectiveness. Is your business effective? Are tenants' good safe, dry and accessible? Does the gate work? Do doors open and close smoothly? Can renters get help when they need it? If not, it's time to make changes. Some issues can be remedied through policy updates, while others may require an equipment upgrade.

Emotion. To drive an emotional response and make customers loyal to your facility, you need to get at the core of the human experience. It requires diligent staff training and a great work environment. Think of a company, restaurant or store you absolutely love and would gladly pay a bit more to patronize. Why are you devoted to it? Does the staff remember your name and maybe even your birthday? They're probably always smiling and even look up from their phones or computers when you walk through the door. Perhaps they even

address you politely as “sir” or “ma’am.” Crazy, I know!

Communication

When making any changes to your self-storage site, there’s bound to be some inconvenience for customers. It’s vital to communicate any upcoming disruptions to your operation. Use multiple methods: phone calls, texts, letters, e-mails, newsletters, social media posts ... Heck, try a St. Bernard with a message in the whiskey barrel if it works! Consider the following:

- To truly get your message across, you’ll need to communicate it five to seven times.
- Communication is an art. Don’t rush it. Make every word count.
- Never use jargon, acronyms or language that can be misinterpreted. Speak plainly.
- Think about employing automated systems for text and voice messages.

Do whatever you must to keep customers informed. If the renovation will be lengthy, offer to move tenants who’ll be greatly affected to a different area of

the property, or provide a small discount during the disruption.

You really don’t need fancy gadgets to turn your ugly duckling into a beautiful swan. Understanding the three drivers of customer loyalty and implementing small changes around them will create a more positive CX than any technology or new paint job. **ISS**

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4 Ways to Improve Your Sales Pitch

Managing a self-storage business is as much a sales job as working at a car dealership. Though you might not get the same amount of foot traffic, you get plenty of calls and walk-ins, and you must do everything possible to make each interaction count. Let’s explore four ways to ensure you’re ready, willing and able to give prospective tenants exactly what they need, and even upsell, without being too forceful.

1. Know Your Product

While this might seem like a painfully obvious suggestion, it’s important. You should be able to clearly and concisely describe your storage units (square footage, door opening, width, height) and provide directions to a particular unit on your property. For example, “We’ve got a 10-by-12-foot, climate-controlled unit available. The entry is 7 feet, 11 inches wide and 8 feet tall. It’s directly inside of Building A, on the left-hand side. It’s the third unit from the door, No. 495.”

Now you’ve told the tenant everything he could ask about the unit, including the distance he’ll have to travel and whether large furniture can easily fit through the door. You don’t necessarily have to spit out all this information in every interaction, but have the knowledge handy. If necessary, walk around the property measuring doors, hallways and other useful items to create a cheat sheet.

Also have a site map, so you can quickly and easily direct tenants to their space.

Knowing your product also means knowing your extras. Do you have a current sale or special promotion? Know all the rules, restrictions and details beforehand so you can offer the best deal possible to anyone showing interest in your facility.

Finally, you must understand your facility’s weaknesses. If you have bad reviews online, know how to address them if a prospective tenant asks about an incident. We all make mistakes, and not every situation can be prevented. However, we can be prepared to respond to accusations, negative feedback and the like. Don’t fear your vulnerabilities. Knowing is the first step to improvement.

2. Lead the Conversation

We’ve all met “the talker,” the person who just wants to tell us his life story even though it has no relevance to the conversation. This is just a super-friendly individual with the gift of gab. To get him to discuss pertinent information, you must lead him. Ask what brought him to your facility. If he starts to veer off track, suggest a product or offering. For example:

Prospect: *Hey, I’m interested in a storage unit. My dad passed away, and he left me a lot of stuff. I just need to get it out of the house. It’s been really hard. My dad liked boats, hunting and fishing, and I just*

can’t deal with sorting everything right now. I’m super stressed and unhappy. I just need a place to keep it all, so I can deal with it later, you know?

Property manager: *I’m so sorry for your loss. You mentioned a house. How many rooms does it have? We’ve got a special going on that might interest you, and we have hand carts onsite for you to use when you move in.*

Here, the manager not only listened to what the customer said, he led the conversation back to the matter at hand. Everyone loves a deal, so when handling a difficult situation, anything you can do to help alleviate a customer’s stress is a selling point—like the use of a moving dolly.

The best way to lead conversations without coming across as pushy is to relate your offerings in context. Understand what the prospect needs and then offer a solution with extras that’ll give him a sense of getting what he wants, plus a little more.

3. Win the Business

Winning a customer’s business is about showcasing your high points. Be a peacock and show off all the perks that come from renting with you. Tell prospects what they need to know along with some enticements. Share about your business hours, gate hours, lighted hallways, pest control and whatever else makes your

property unique. Most managers assume people know about a facility's features, but not everyone does. These little extras can set you apart from the competition.

Winning the business might also include the use of specials. Perhaps you have a limited-time, \$1 move-in or you're offering 50 percent off the first month's rent if a customer stays for three months. Don't make potential customers ask about discounts. Whatever the deal, make the customer feel like he's winning. Attitude matters, and you should be excited to talk about doing business together. Tell them upfront just how amazing you and your facility are, and how happy they'll be if the store with you. Renting a unit from you should be a prize; get excited about it!

Along with displaying this positive mentality, reiterate how you'll fulfill their needs. Talk

about key selling points that connect to their specific situation. Relate everything you say to the issues that created the need for storage. Pay attention and address their concerns in a manner that makes them feel valued. If you do this correctly, you'll be 80 percent done with the deal.

4. Don't Ask, Suggest

Don't ask the customer what size storage unit he needs. Instead, ask how much stuff he'll be storing, what kinds of items, and what prompted the need for a unit. If he objects or thinks you're getting too personal, simply explain how you're trying to help him. For example:

- "I don't mean to pry; I'm simply trying to find you the best size and type of unit for your specific needs."

- "You said you've got some furniture. Well, I would highly suggest a climate-controlled unit because of X, Y and Z."
- "Oh, you'd like to store your RV. How big is it? We have enclosed RV-storage units in sizes L, M, N and O."

Be the self-storage expert. When someone comes to you for your services, make him feel he's in the right place. Be confident but not cocky, assertive but not forceful. Believe in your offerings and how they can benefit the customer. Demonstrate that you're the right facility for the job and you can solve his storage dilemma. **ISS**

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OVERCOMING CUSTOMER OBJECTIONS

Self-storage operators are frequently challenged by customer objections during the initial sales process and throughout the rental stay. There are several ways you can overcome these protests. You simply need knowledge and confidence in yourself and your product!

Make It Personal

Your first meeting with a prospect can frame the sales process and your future relationship with the customer. When someone walks into your facility to rent a unit, treat him as if he's already one of your tenants. Give him 100 percent of your attention and be genuine. Think about your own experience as a consumer and what makes you happy when shopping for products and services. Ask for his name and use it during the conversation. This makes the visit much more personal and creates a rapport.

Listen, and ask questions. Find out if he's used self-storage before and how he felt about the experience. This will tell you right away what he expects from you. It'll also help you direct the conversation to what's important. His concerns may include security, flooding, pests, break-ins and facility access, to name a few. Whatever's important to your prospect, address it first and put him at ease.

Know the Competition

You can't overcome sales objections if you don't know what you're up against in your market. To effectively handle pricing objections, you must know what competitors are offering and charging. I've visited many facilities over the years, and it's fun! Get out and visit!

You don't have to be sneaky about it. I walk right in with goodies in hand, introduce myself and let the facility manager take over. Most managers are proud of their office and the job they're doing and will talk about it. Make note of the benefits you offer and they don't as well as things they're doing that you may want to implement.

Focus on Value

Never try to price match competitors who are inferior. It's OK to have a higher rental rate when you sell your facility's *value*. To avoid price objections, you must not only tell the customer about your property features, you need to explain their benefits. Remember, you're the expert. Here are some examples:

- We offer temperature-controlled units, which helps protect your valuables against extreme temperatures.
- We have wide drive aisles that allow you to turn around easily in a large vehicle.

- We have controlled gate access, and each tenant is assigned a private gate code. We know who's on the property and when.
- Our high ceilings allow you to stack items and fit more into your space.
- We offer a month-to-month contract that allows you to control how long you stay. There's no long-term commitment.

Discount Carefully

What if there's still an objection about price? There are several things you can do to close the sale. Start by asking how long the customer plans to stay. If he says three months, offer a special price for *only* that period. We all know customers stay longer than they plan, but offering a three-month discount gets him to sign the lease. Afterward, the rent moves to the standard price. Just make sure you communicate this clearly.

You can also use incentives such as free locks, gift cards, lottery tickets or a tank of gas. We've had great success with "happy hour" rental rates on slow days of the week. Perhaps you offer a free lock or waive the administration fee every Tuesday between 2 p.m. and closing.

Just remember it's OK to let the customer walk out. One thing I've learned over the years is if price is the only thing

that matters to a person, sometimes you have to let him walk right over to your competitor. A seasoned manager will almost always recognize someone who'll bring delinquency and difficulties. Yes, we want the business, but we also want customers who pay their rent on time and don't cause problems.

Know and Communicate the Rules

To overcome customer objections, you need to be educated about your facility policies and rental agreement. This will help you be confident. If you're not familiar with your rules, you won't be able to effectively communicate them to new renters.

First, know your state laws. These change often, so it's important to be current on what's happening in your region. You also need to understand your lease so you can explain it to customers if and when questions arise. You should also be able to clearly explain your site rules. These are in place to protect everyone, especially tenants. They should cover things that might not be in your contract, such as:

- Leave hallways clear.
- Never block another tenant's unit door.
- Smoking is prohibited except in designated areas.
- Never leave building doors propped open.

Explain Fees

Airlines charge bag fees, hotels charge resort fees and utility companies charge convenience fees for online payments. In storage, the admin fee is a one-time, non-refundable fee charged at the time of move-in. Ranging from \$10 to \$25, it's used to offset the cost of setting up a new customer account and typically replaces a security deposit. Once you explain the reason for the fee, your customer will understand it's simply the cost of doing business. Some facilities offer a free lock as compensation, which is a great way to guarantee your customer is using an approved lock.

Now, let's talk about late fees. We all have tenants who want to argue about them. While some facility operators are inclined to waive them to keep the peace, doing so only enables customers to pay late. If you charge a late fee the first time a tenant is late, he'll know you mean business.

Late fees are simply non-negotiable. Spell this out clearly to the tenant at the time of rental. Utilities, credit card

merchants and lenders don't waive late fees, and you shouldn't either.

This is the same for lien fees. It costs money for to follow default procedures. We have to send letters, inventory units, advertise, post photos online, and share our profit with online-auction companies or auctioneers. These fees should be passed on to the tenant. Explaining this upfront will, hopefully, lead to fewer objections later.

Be Smart About Rent Increases

A storage facility's expenses go up every year, including things like taxes, insurance, maintenance and payroll. Managers can make or break the success of rental increases, so it's important to understand the need for them and how to respond to pushback.

It's common to get objections from tenants when you raise the rent. They're not going to call and thank you. However, there are things you can do to avoid backlash:

- Be consistent and make small adjustments annually. Tenants will be less likely to argue about a small amount they can expect regularly. Even if it's only a \$3 increase, it makes a difference to your bottom line.
- Don't increase all tenants at the same time. Stagger increases to avoid mass move-outs.
- Stay on top of facility maintenance. If you ask for a rent increase while getting behind on property upkeep, your tenants are more likely to push back.
- Provide great service from the beginning and they'll be more understanding and gracious about the need to increase rent.

Protect Their Stuff

One way to mitigate future problems is to help tenants protect their belongings. Understand and clearly explain your facility's insurance requirements. Know the insurance laws of your state and make sure you're compliant. Clarify why insurance is a benefit and not just an extra cost. Let them know there are programs with little or no deductible, making it a great second layer of protection and a complement to a homeowner's insurance policy.

Keep pictures in your office to show what can happen to a facility during a natural disaster. We've all heard stories about fires, hurricanes, tornadoes, even break-ins and what happened to customers who had no insurance: They lost all their valuables with no compensation.

Common Objections to Self-Storage

1. It's too expensive.
2. There are too many fees.
3. My belongings will be damaged.
4. My stuff will be stolen.
5. There are other facilities that better meet my needs.
6. If I get behind on rent, my unit will go to auction.
7. I'm not going to need storage long-term.
8. I can just store this in my attic, basement or garage.
9. This location isn't convenient.
10. I should probably just throw this stuff away.

Source: *insideselfstorage.com*, "Flipping Self-Storage Sales Objections: 10 Strategies for Turning 'No' Into 'Yes,'" by Krista Diamond

Be Excellent

The No. 1 thing you can do to overcome customer objections is to simply be *excellent*. Here are some general tips:

- Prompt, courteous service beats any other strategy. Remember, it's all about your customer.
- Always be clear and communicative with customers.
- Go above and beyond customer expectations by offering beverages, snacks, free Wi-Fi, and the use of dollies or carts. Host contests with prizes or host a customer-appreciation day. Send a hand-written note to thank them for their patronage.
- Resolve issues quickly and return phone calls promptly. If you don't have an answer about a problem, communicate that you're working on it and will have one soon. Think about how angry you get if an issue isn't resolved.
- Follow up with tenants during their stay. Ask if they have any questions or concerns and reiterate your availability to them if anything should come up.
- Be there at move-out. Call and confirm the date and go over vacate procedures.

With the right training and education, you can overcome objections in almost any situation. Go above and beyond and provide the best service in the industry. It's really that simple. **ISS**

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Simple But **CRITICAL** Maintenance Tasks



It seems like every day there's a new product, idea or technology that promises to make our jobs as self-storage facility managers easier. That's well and good for some office operations, but everyday site upkeep really couldn't get much simpler. I'm not saying it's easy; it can be time-consuming and even tedious. Still, maintenance matters, right down to the smallest details. Some of the seemingly unnecessary tasks we do at our facilities every day truly make a difference to our tenants as well as to our owners and their investors.

There's a quote I heard once that I've never forgotten: "If you walk past a problem, you have approved it." It came from Jim Sullivan, CEO of Sullivision.com, which offers service and leadership training programs to the food-service industry. We don't want to walk past problems, big or small, at our self-storage properties. While proper maintenance has a lot of facets, following are a few areas to watch and tasks to add to your routine to-do list.

Unit Doors

One of the most important maintenance tasks is to keep your roll-up doors working properly. The door interior *and* exterior should be checked *every time* someone moves out, before the next tenant moves in.

Checking and adjusting the springs will help with smooth motion on the track and easier latching. It'll also ensure the door doesn't "creep" down while in use. Thoroughly inspect the weather strip and the door track.

Some storage facilities are subject to humid summers with salty air, so corrosion and rust are a genuine concern, especially on the exterior. A little WD-40 on the latch goes a long way slow the progression of damage from the elements.

Doors can be easily freshened with a good cleaning. Washing them

accomplishes a lot more than you'd think! Use a mild solution that won't damage the finish (try Murphy Oil Soap). Also, sweep the back of the door with a broom. It's odd how many managers don't do this and then wonder why they get comments about "dirty units."

Facility Exterior

While our facilities may not be as pretty as big resorts, fancy hotels or five-star restaurants, folks want to know we care about our property's appearance. Just because we're a "commercial" or "industrial-type" place doesn't mean we have to look like it! Here are some general tips to keep the exterior looking great:

- Keep your grass neat and tidy. Lawn food and weed-control chemicals aren't expensive. They last a good while between applications and can be put on in a single morning. There's no excuse to have weeds—ever!
- Keep trash and debris out of your planting beds and lawns as well as your entry ways and parking areas. Not only is this a cleanliness thing, it's a safety issue.
- No weeds.
- Dead flowers gotta go. Think happy, bright flowers only!
- Flowering bushes and shrubbery along entry ways or walkways can help take up vacant space and fill in some of those blank areas.
- No weeds!
- If you use hanging or potted plants, try to be strategic in their placement to avoid injuries (you don't want them to be too low or in the way).
- Small battery-powered blowers are handy for a quick touch up to your sidewalks and driveways before you open for the day.
- I mentioned no weeds, right?

Lighting

Your facility lighting has as much value from an aesthetic perspective as it does for security. Check *all* outside lights regularly (once a week or so should be good). During winter, this should be easy, as they should be on before you leave for the night. Parking areas and entrances should be a primary focus.

Properly positioned, even landscape lighting can improve security along walkways and building exteriors. Standalone solar-powered lights have made exterior lighting much easier in the last few years, so have some fun with it. Maybe add colored spotlights during the holidays. Of course, that'll depend on your local ordinances, but it looks festive. Making your facility visible and attractive at night—without it looking like a prison during an escape attempt—is much easier than it seems.

Don't forget your emergency lights! Depending on the ordinances from your county or city, you'll want to be sure to keep records of when you test them on file (once per month at least).

Interior lights should be addressed as soon as any issues become apparent. Don't wait for bulbs or wall packs to burn out before you buy them; have extras on hand for emergencies. Dark stairwells and hallways aren't only dangerous, they're kind of creepy. You don't want any dim areas in your buildings. Take full advantage of LED bulbs, motion sensors, timers, photocells, smart lights—anything to improve your coverage and save electricity.

Roofs

Don't forget to look up. The inside of a ceiling can tell you a lot about what's going on outside the building. Stains, sagging or odd discolorations can indicate roof leaks or condensation. Stains on interior

walls may indicate a leak from overstuffed gutters. Clogged gutters and downspouts can allow water to back up and “sit” on a rooftop, depending on its pitch, and it *will* find a way to get in.

Check the rooftops, too, but only if it's safe to do so. Roof panels can expand and contract in the heat and cold and can loosen seals and seams. Any debris can trap water up there. It may not be so much of a leak issue right away, but rust and corrosion under that debris could eventually lead to one. Use non-skid boots for this, please! No slipping on wet metal roof panels, OK?

Some insulation rips on building and unit interiors can usually be explained away by tenants trying to (unsuccessfully) navigate large pieces of furniture through hallways, but insulation or debris on the floor under

a tear or hole may indicate nesting critters. Time to call a professional!

Perimeter

Any exterior barrier, be it a fence, brick wall or natural berm, deserves as much attention as every other part of your property. Keep walls looking fresh and clean. Fill in cracks, touch up paint and signage, and don't forget to decorate them during the holidays! If you have a chain-link fence, keep it in good repair. This type of fence is easily damaged and looks kind of tacky, especially when it's bent, rusty or just plain neglected.

In some areas, vines and weeds can tear apart a fence or wall. Try and keep any vegetation from encroaching on or growing up through your fence line. Vines crawling up brick or masonry walls may look pretty

or even classic, but they can allow water penetration and cause big problems down the road.

Details Make a Difference

These are just a few maintenance essentials to which we all should be paying attention. It's best to create checklists (daily, weekly, monthly and quarterly) to cover these basics and keep you on track. Also, learn how to fix common problems yourself whenever you can.

Never lose focus of your mission: to offer a clean, welcoming self-storage site. With proper time management, training and a bit of self-discipline, you can make all the difference on your property. **ISS**

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How to Create and Maintain OUTSTANDING CURB APPEAL

One of the first things prospective customers take note of when driving by your self-storage facility is how it looks. If they're on the market for a unit, they'll ask themselves, “Do I feel comfortable placing my belongings here?” Public perception is in part shaped by the visual condition of the property—your curb appeal. It's what creates their first impression.

Is your landscaping in order? Is the signage clean and legible? Are the drive aisles weed-free? These and many other routine maintenance items will serve as either an attraction or a deterrent for prospects. They impact a person's decision of whether to rent with you more than you may want to believe. Let's look at what it takes to assess and maintain positive curb appeal as well as its benefits to your business.

In-House vs. Outsourced

Most self-storage operators handle many aspects of curb appeal themselves but outsource more time-consuming or technically challenging tasks. It's important to know which things you can do yourself and which are better left to a professional. As someone once told me,

“If it isn't something you're willing to be the best at, outsource it to someone who will be.”

For example, facility lawncare may seem easy, but for many managers, even simple landscaping can become a secondary priority when business picks up. Curb appeal can start to deteriorate because employees can't be the best at customer service *and* after-hours lawncare. For staff to generate the most value for the business, they need to focus on sales and customer experience. You may even find that the cost of outsourcing certain tasks is offset by increased manager productivity.

One way to determine which tasks may be better suited for a vendor is to keep a simple log over the course of a couple weeks. Track the responsibilities you handle in-house and how long it takes to complete the work. Look at the quality of the work being performed and whether it's hindering you and others from performing more valuable roles. Decide whether to continue performing duties in-house or look for a service supplier. If you lose three to five rentals per month because you're focused on the wrong jobs, this could easily justify outsourcing.

Tidy = Mighty

If you've ever analyzed your competition, you've probably driven by their sites. One thing I've noticed is the facilities of the larger operators are almost always tidy. Even if a property isn't modern or in a prime location, the larger brands typically maintain very good curb appeal.

Smaller competitors sometimes fail to maintain the same standard. Things that jump out are weeds, trash or dirty drive aisles. Some operators don't pay attention to how well their outdoor parking spaces are aligned or how many vacant-unit doors are left open. The accumulation of small factors can lead to a big deficiency in curb appeal.

One way to ensure things stay neat is to create a checklist for simple tasks like picking up trash, checking outdoor signage, pulling weeds, etc. It should be followed during normal facility walk-throughs. This helps create team accountability and maintains a philosophy of being proactive.

Cleanliness Breeds Happiness

Having a clean facility means much more than nice landscaping and tidy driveways. It bestows staff with a sense of pride

and comfort in knowing the property is in good condition. In contrast, a messy office, buildings and grounds can create unnecessary stress that ultimately hinders the team's ability to close sales and increase revenue.

Staff will appreciate their workspace when they see the power of positive curb appeal. This, in turn, instills a sense of pride in their work and company. This is something customers notice, making them more likely to rent a unit without hesitation. Ultimately, keeping your facility clean does more than improve curb appeal, it helps improve employee attitudes and mindsets.

Think Like a Customer

One of the best training practices I've used is to have our managers place themselves in the shoes of our customers and see things from their perspective.

We even use role-playing in which a team member acts as a customer going through the entire rental process. We take him on a facility tour, show him a unit, and then bring him back to the office for paperwork.

When finished, we review the "customer's" perception of the facility and whether he'd do business with us. This allows staff to immerse themselves in the factors true customers consider during the decision-making process. It also lets us see just how important first impressions can be for renters. After all, if you wouldn't store valuable belongings at your own property, what should you expect from a customer who's new to your facility and brand?

Use the 5 Ps

"Prior planning prevents poor performance." This motto is a good way to

instill a mindset among staff and leadership that positions everyone for success. When you implement processes to check and balance curb appeal, employees become more proactive in tackling issues before they become problems.

Remember, the goal in managing facility curb appeal is to create a great first impression. Customers want to feel confident that you care as much about your facility as they do about their belongings. Consider outsourcing time-consuming tasks and maintenance issues, and be proactive with in-house responsibilities. This will help you optimize and maintain eye-pleasing curb appeal, drive new rentals and maximize value. **ISS**

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Being Proactive About Roof Preservation

Just like owners of other commercial businesses, self-storage operators are subscribing to a new, forward way of thinking when it comes to roof maintenance. The emphasis is on repair and restoration over replacement, which is expensive and can be disruptive. Now, replacements are done only when there's no other option.

Run-to-failure is an old way of thinking that no longer works. Today's facility operators exhaust all efforts to extend the life of their roofs. They understand the value of planned, smaller investments such as semi-annual inspections and

gutter-cleaning performed by a qualified technician. They don't ignore the roof, thinking they're saving money along the way. They make it a priority to minimize the risk of a major problem by intervening in a timely manner with professional repairs and restoration.

A wave of innovation in the roofing industry has helped foster this proactive approach. When you get in front of problems before they occur or escalate, you can maximize the useful lifespan of your roofs. Spending a little upfront can prevent a major capital expense from hitting you when you least expect it.

Can It Be Repaired?

Every roof will spring a leak at some point. And all leaks, no matter how big or small, need to be resolved quickly to prevent them from evolving into larger issues such as slip-and-fall risks, mold from wet insulation, damage to tenant goods, insect infestation, higher utility costs and others.

Think of your roof as a car. If your car started making a strange noise, would you automatically sell and replace it with a new one? Probably not. Most likely you'd have a mechanic take a look to determine the cause of the noise and the

best way to resolve it, hoping for a quick, cost-effective solution.

At the onset of a roof problem, the first course of action should be to contact a trusted roofing contractor. Explain what's happening and your plans for the buildings to help the company determine the most economical, durable solution for your needs. Typically, repair is the cheapest option and the quickest way to resolve a problem. When possible, it's the ideal way to extend the useful life of the roof.

Restoring to 'Like New'

As a roof approaches the end of its projected useful life and repairs become too frequent and cost-prohibitive, it's time to consider a restoration. Too often we see roofs being replaced when a refurbishment is all that's needed.

Intervening with a restoration at the right time can save as much as half the cost of a complete tear-off and replacement, and it can be just as effective at bringing the roof to watertight condition and back under a long-term warranty. In addition to cost-savings, restoration results in far less disruption to your tenants and business operation. It also creates far less landfill waste than a replacement.

Another benefit is restorations can be done on individual roof sections. A self-storage facility might only need a troublesome area fixed, or one or two buildings. Furthermore, the process can be repeated many times, resetting the clock on the warranty and watertight condition, and once again allowing you to delay replacement.

Watch for Leaks!

Here are four common roof-failure points to check regularly:

Penetrations are holes cut into the roof to accommodate HVAC components, vent pipes, drains, skylights, roof hatches, antennas, etc. They're typically the roof's weakest points, where water can find its way in. They must be properly sealed and maintained.

There are **horizontal and vertical seams** where metal panels come together. Fasteners can loosen, and seams can separate over time due to normal wear and tear, expansion and contraction, or harsh weather conditions. Seams that are improperly created at the time of installation or fasteners that aren't properly sized or tightened can be a source of leaks.

At the top and bottom of your metal roof panels are **closures, mechanical ridge vents and internal gutters**. As ridge vents age, they may leak into the seams. Closures may loosen or go missing over time, allowing water to enter the building. Internal gutters that are undersized or lack enough downspouts will cause water to back into the building.

Other metal-panel failures can include **holes, rusting and creasing** that lead to leaks. These can be caused by foot traffic, surface erosion and damage, wind and hail, and improper maintenance.

Bear in mind that restorations are only possible for certain roof types, including metal, with specific types of damage. If a roof has too much wet insulation, for example, it can't be restored. Some roofs are simply too far gone.

The Final Option

In some cases, the roof is in such disrepair and the system has outworn its useful life to such a degree that a replacement is the only logical choice. If that happens, there are many factors to consider such as climate, building type, warranty length and more. There are many roof systems on the market, but with modern technology, we now know more

about the materials and systems that work best in specific circumstances.

Trust in a provider that'll be open-minded and honest about your options when assessing your roof. Find one who shares in a philosophy of extending roof life vs. automatically settling on a costly replacement.

Practicing proactive roof repair and restoration can allow you to better manage your overall budget. When your roof costs are under control and more predictable, you can confidently assign dollars to other projects. **ISS**

Contributor: Anthony Vross, Simon Roofing, www.simonroofing.com

Keeping Your HVAC System in Peak Condition

Climate-controlled units are becoming increasingly popular in self-storage. They allow tenants to store environmentally sensitive items like furniture and antiques with assurance they won't be ruined by mold, mildew and other deteriorating factors common in spaces without temperature and humidity regulation.

Climate control is made possible by your property's HVAC (heating, ventilation and

air conditioning) system, which must be in good working order at all times. Regular maintenance of this equipment is one of the many ways to ensure top performance. Let's look at some of the benefits of regular "tune-ups" as well as some energy-saving tips and when to work with a professional.

Why Maintenance is Important

Better energy efficiency. HVAC equipment uses a lot of energy.

Considering the system runs around the clock in a self-storage environment, its impact on your utility bill can be massive. It also tends to get dirty over time, which impedes airflow and reduces efficiency. Regular maintenance and cleaning ensures your system won't have to work as hard to maintain an optimal temperature.

Lower risk of breakdown. The hardworking nature of an HVAC system makes it more susceptible to mechanical



problems. Without regular maintenance, it'll eventually malfunction, and you'll have to call a contractor to perform costly repairs. Proper upkeep allows you to spot problems early before they have a chance to worsen. By nipping small issues in the bud, your system will continue to operate smoothly.

Longer lifespan. No business operator wants his HVAC to fail after only a few years of service, but machines aren't designed to run forever. Your system works hard and will wear out over time. Regular tune-ups can help it run for the 10 to 15 years it was engineered to last. As long as

it gets the regular attention it needs, your system should function at its peak.

Energy Conservation

Though the energy costs associated with HVAC systems tend to be high, there are strategies self-storage operators can deploy to keep their utility bills from going supernova.

Saving money begins with your building insulation. Determining how much your self-storage units need depends on several variables, including ceiling height, cubic area and amount of lighting. You may need to work with an electrical or mechanical engineer or an architect to determine your requirements. An excellent option is to use approximately six inches of fiberglass insulation for roofs and walls. You can also slow the loss of cooled or heated air by using plastic door curtains on your units.

Airflow is another essential factor in efficient HVAC operation. System components such as ductwork, filters and vents accumulate debris over time, which restricts flow. When air flows smoothly, the system needs less energy to move it where it needs to go. To maximize airflow,

regularly clean filters, ducts and vents. These are tasks self-storage managers can do themselves, or you can have a contractor perform these duties.

Plan to Prevent

A system failure is the surest sign you're going to have to call a professional, but waiting for something bad to happen isn't a smart strategy. Repairs can be costly, and by the time a major issue is identified, the damage could be considerable enough to warrant an HVAC unit replacement.

The perfect time to call a technician is once per year, even if your system seems to be running perfectly. Annual tune-ups are vital to performance, so have a preventive-maintenance agreement with a qualified HVAC contractor. Service contracts are typically inexpensive and certainly cheaper over time than paying for one-off site visits. They're also a steal compared to having your system repair when it eventually breaks down. **ISS**

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Avoiding a Costly PEST INFESTATION

Self-storage operators often have their hands full when it comes to facility maintenance, and pest management can sometimes get overlooked. However, an infestation won't only damage your property and tenants' stored goods, it'll wreak havoc on your business reputation, all of which is costly.

Storage facilities are susceptible to pests for many reasons, including the types of materials stored, the sheer volume of items packed inside units, and the

length of time between tenant visits. It's easy for an invasion to go unnoticed and quickly spread, and there are many types of threats. Let's take a look at some of the most common and problematic, as well as tips for prevention and resolution.

Rodents

Not only are rodents among the greatest pest threats to health and homes, they're a major danger to self-storage facilities due to the significant property damage they

can inflict. Rodents aren't just a nuisance. They're known to spread more than 35 dangerous diseases, including tularemia, plague and hantavirus, among others. These diseases can spread to humans by directly handling live or dead rodents; contact with rodent feces, urine or saliva; and through bites. If your facility has a problem, it's crucial to take care of it as soon as possible.

Rats and mice can fit through holes and cracks as small as a quarter and

dime, respectively, so it's easy for them to slip into self-storage units. They can also chew through wallboards, cardboard and wood, causing severe damage to structures and belongings. They've even been known to spark fires by chewing through electrical wiring. In addition, mice defecate an average of 70 times per day. Their droppings can trigger allergies and transmit pathogens of food-borne illnesses, like salmonella.

Storage units are attractive nesting sites for rodents because they sit undisturbed most of the time, with tenants sometimes checking on their belongings only rarely. This means an infestation can grow and spread with little to no disturbance if proper care isn't taken.

Cockroaches

Cockroaches are perhaps the most detested of all pests, and with good reason. In addition to being an annoyance, they're extremely dirty, and an infestation can have serious health consequences. Cockroaches are a trigger for asthma and allergies. They spread 33 kinds of bacteria (including E. coli and salmonella), six types of parasitic worms, and seven kinds of

human pathogens. They're attracted to moist areas, where they pick up germs on the spines of their legs and transfer them onto food and surfaces.

Cockroaches are also one of the most resilient pests in the world, with the ability to live for a week without their heads, making them extremely difficult to get rid of in storage facilities. They're also good at hiding and reproduce at high rates, so an infestation can quickly become a big problem.

Bed Bugs

Bed bugs are a major pest issue in homes and hotels, but they can invade virtually anywhere humans exist. They're excellent hitchhikers, meaning they'll stow away in suitcases, boxes, bags, furniture, etc., making storage facilities a perfect environment for this traveling pest to inhabit and spread. Although bed bugs would prefer to be near humans, they can survive in a wide range of temperatures, from nearly freezing to 122 degrees, and can live for months without a blood meal.

Once inside one storage unit, bed bugs can easily move into others. Adults can spread rapidly through pipes, on clothing

and attached to other items. According to research, 76 percent of pest professionals say that bed bugs are the most difficult to treat—more than cockroaches, ants and termites.

Ants

More than 20 different species of ants are known to invade homes, schools and businesses, and there are more than 700 different species throughout the country. Ants are social insects, which means they almost always occur in large populations, making them difficult to eradicate.

Although ants rarely pose a health threat to humans, some, like carpenter ants, can cause damage to structures. Odorous house ants, on the other hand, do not cause structural damage but are a major nuisance, since they have colonies with multiple queens and many homes. Ants can invade storage facilities through the tiniest holes and cracks, including door seals and any gaps in the structure and foundation. They can quickly become an overwhelming problem.

When pest-proofing, it's important to consider areas of overgrown vegetation, such as grass, leaves and mulch. Butted



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against the foundation of a building, this provides ideal conditions for ants to forage and find entry. To keep them out, seal all cracks and holes and pull back any vegetation from your buildings.

Prevention

Though there are many pests that can plague storage facilities, there are ways to control and prevent infestations. Before one occurs, there are measures you can take. Consider the following:

- Perform regular inspections of storage areas, equipment, drop ceilings, office areas, windows and ventilation for signs of insect or rodent infestations.
- Encourage customers to use plastic/reusable boxes to limit the presence of cardboard and paper.
- Have an effective sanitation program in place.
- Ensure the facility has adequate waste-management systems inside and out. Improper garbage disposal and overflowing, dirty dumpsters are sure ways to attract and breed pests.

- Seal all pest-entry points around pipes, foundations, doors and other areas. Ensure there are no roof leaks.
- Install a gravel or rock perimeter to discourage vegetation growth that could invite and harbor pests, especially ants.
- Eliminate clutter in which pests can hide and nest, and clearly communicate with tenants about which types of items can and cannot be stored. Have a strict policy against storing food and perishable goods.
- Assess the type of outdoor lighting used. Consider using sodium vapor lights to discourage pests that are attracted to light.

Outsourcing

Working with a licensed pest-control provider that has strong commercial experience can help eliminate infestations. A qualified company can help you implement an integrated pest-management (IPM) program, a multi-faceted approach focusing on exclusion techniques and the removal of food sources and moisture. It should work with your staff to develop a plan tailored to your property. For example, it can send a trained technician to perform

an assessment. An IPM program for self-storage might include:

- Placing insect and rodent sticky boards and insect light traps
- Caulking around utility lines and sealing possible entry points
- Scheduling routine facility inspections by a licensed professional
- Maintaining comprehensive records of any pest sightings and inspections

Proper pest management for commercial businesses requires significantly more work than pest-proofing the average home. In self-storage, various factors can quickly accelerate potential problems, including foot traffic, the types of items being stored, structural faults and more. By taking precautionary measures and partnering with a licensed pest-control company you can operate efficiently without pests getting in the way. **ISS**

Contributor: *Dr. Jim Fredericks, National Pest Management Association, www.pestworld.org*

HOW TO MANAGE MOLD

owning a self-storage business comes with risk. Tenants expect their belongings to be safe while in storage. If they check their items and see some have been damaged in one way or another, you can expect a complaint at the very least, or a lawsuit at the worst.

So many unfortunate things can happen to a storage unit, from a break-in to a vermin invasion to fire or flood. Then there's mold, a nightmare infestation that won't just damage belongings but presents a potential health risk. Of

course, it's best to prevent mold from ever growing at your storage facility; but if it does, here's some guidance on what to do.

Identifying the Problem

Mold forms and thrives wherever there's excess moisture. There are different types of mold, and their appearance may range from fuzzy to slimy. They also come in different colors, including black, green, white, orange and purple.

If there's water buildup in your storage building because of a leaky roof, bad plumbing, overflowing gutters or humid air, mold will likely develop slowly over time and eventually wreak havoc on items made of paper, wood, fabric and upholstery. Worse, mold spores can trigger allergic reactions and respiratory problems among other complications in employees and tenants. If you find mold formations in any of your structures, you must deal with the problem as soon as possible.

Always check your buildings after a storm. The roof could have a leak, allowing rainwater to seep inside, which could create mold. Regularly check the walls for patches or spots. If you catch a musty odor in your building, it could be an indication of mold.

DIY (Do It Yourself) Clean-Up

If you or a tenant discovers mold inside a building, it's important to act swiftly. If you plan to remove it yourself, take the following steps.

Identify the source of the moisture.

Before you start removing the mold, you must track down the source of the wetness causing it. It could be a leaky roof, busted plumbing or too much humidity in the air. You need to determine where all that excess moisture came from so you can address it and prevent further mold damage.

Remove the mold. Wear protective gear such as rubber gloves, goggles and work clothes that can be dumped into the



trash when the job's done. As for materials, you're going to need rags, a pail, a scrub brush, non-ammonia soap or detergent, bleach, and an electric fan. Here's what to do once you've gathered it all:

- Dampen the affected area with a wet rag to prevent spores from being dispersed into the air.
- Using the brush and soap/detergent, remove as much mold as you can.
- Once the most visible spots are gone, wet the affected area with a mixture of one and a half cups of bleach in a gallon of water.
- Let the bleach sit for about 15 minutes, then scrub the spot again before rinsing it with clean water. Repeat the bleaching

process until there are no more visible traces of mold.

- Turn on the fan to dry the area.

The Pro Solution

DIY mold-removal jobs are only advisable if the affected area is 10 square feet or less. If the infestation occupies a bigger region, call a specialist.

Calling in a pro offers many benefits. First, an expert typically provides inspection services before and after the removal process free of charge. He should make a highly accurate assessment of the extent and nature of the infestation, which will inform what actions he takes to remove the mold and prevent it from returning. A

mold-remediation specialist should have the skills, experience and equipment necessary to remove the mold altogether. Once it's gone, he'll repair or replace any damaged parts of your building.

While some self-storage operators will be able to tackle minor mold problems on their own, a professional should be called if the infestation is bigger than you can handle. With the specialist's help, you won't have to worry about mold at your facility for the foreseeable future. **ISS**

Contributor: *Judy Olsen, ASAP Restoration LLC, www.asaprestoration.net*



It's a busy day at your self-storage facility. Two new customers have arrived to finalize their online reservations, and a third just walked in and requested a tour. Plus, the phone has been ringing all morning with inquiries about your latest promotion. These are the days operators love!

Unfortunately, today is about to become a nightmare. Amid the swarm of prospective tenants, a call alerts you to a problem with the front gate. It's stuck halfway, and there's a line of cars on either side trying to pass. Everything in the office must be put on hold so you can deal with this emergency. You call in a technician, who finds rocks lodged in the gate track.

Luckily, you can avoid a scenario like this one by performing some simple preventive maintenance. While many

repairs and tasks are better left to a professional, there are several routine checks that can be performed by onsite staff to keep security equipment working smoothly. Below are some steps, organized by component. It'll be up to each individual to determine his skill and comfort level and decide what falls under "do-it-yourself" and what should be left to a tech.

Door Alarms and Latches

If your facility has individual unit alarms, regularly check the doors to ensure the alarm and magnet haven't been lost, removed or tampered with. Check roll-up doors for failing or flat rubber, as this may cause misalignment that can trigger false alarms or malfunction. Many alarms have user-serviceable/replaceable batteries. Depending on your facility-management

software, there might be a low-battery report you can run to identify problem sensors.

Also, test the functionality of your door latches. Open, close or slide any moving parts to check for resistance or sticking. For overlocks, make sure corresponding keys fit all the way into the keyhole without obstruction.

Keypads

Keep keypads clean and free of spiderwebs, dust and other debris, and check often to ensure each key works properly. Watch for any that are hard to push or seem too loose. Each should register on the screen when pressed. One suggestion is to create a test code with all 10 digits. Perform your test, and then clear the code from the system to prevent unwanted access via fishing.



If your facility is in an area where temperatures fall below freezing, there are heaters that can be added to keys. Anti-freeze sprays are also available.

Any maintenance that involves opening the keypad housing is often best left to a service professional. Check with your vendor for recommendations.

Cameras and DVRs

The big one here is to make sure camera lenses are clean. Keep them free of dirt, dust and spiderwebs, wiping them monthly, if not weekly. If your facility is unpaved or offers vehicle storage (e.g., lots of dirt in the air), more frequent upkeep will likely be necessary.

Routinely cleaning your lenses will make a *huge* difference in nighttime visibility, especially if you're using infrared "night sight" cameras. Dust will catch the light from the emitters (behind the lens) and reflect it, creating a blurry, snow-blind effect.

Insects and spiderwebs can also cause issues with camera focus, and they're likely to blame if you notice your digital video recorder (DVR) logging an unusual amount of blank footage. Bugs crawling across the lens can cause a camera to detect motion when there's no actual human activity, triggering unnecessary recording. All that blank tape makes finding incidents more difficult and fills up the hard drive faster, creating shorter storage retention.

Checking your cameras for other pesky "false motion" triggers should be part of your prevention plan. Branches, leaves or anything else that might move in the

breeze, or even traffic on a busy street, can cause the DVR to record more than needed. Clean up camera views as you're able by trimming trees and bushes. What can't be physically removed or altered can often be remedied by "masking" those problems in your DVR software, so the recorder will ignore motion in those limited areas. Clearing problem items and masking can greatly increase your storage capacity and significantly reduce the amount of irrelevant footage.

Gates

When it comes to self-storage access control, your gates and motors carry the lion's share of the work. Frequent inspection are crucial to keeping them strong and operational. Run the gate through an open/close cycle and perform a visual and auditory check at least once a week. Watching and listening closely can tell you a lot about the health of your gate. Points to inspect include:

Chain tension and lubrication. A chain that's dragging on the ground can collect dirt and other debris that could become lodged in the gears, causing the gate to stick or, worse, motor failure. Ensure the chain doesn't droop excessively.

Lubricating is fairly easy but must be performed with chain lubricant only. This can be found at your local gate motor-supply store, or even auto- and bike-parts stores. Simply remove the motor cover to expose the main gears, then run the gate through a regular open/close cycle. Spray the lube on the chain and gears, allowing the cycle to bring the chain to you.

Signs of rubbing or straining. Listen for sounds of wheel strain or rubbing. Any squeaking could be an indicator of failing wheel bearings, which can cause extra strain on the motor and lead to overheating, wear, damage and possible failure. The state of the bearings can make the motor's job easy or nearly impossible.

Also check that the motor isn't straining. If it seems to be overworking, confirm with the manufacturer that your motor is rated for the weight of the gate.

Rollers and track. Examine guide rollers for signs of wear and the gate track (in front of and behind the gate motor) for debris, dirt, rocks or anything else that may interfere with operation. The track can be easily swept with a stiff broom, or you may opt to install a sliding-gate brush kit to do the work for you every time the gate opens and closes.

A Maintenance Schedule

Developing a schedule for preventive maintenance can help ensure your security equipment is fully functional at all times. Be aware of issues before they catch you off guard. Create a realistic timetable that meets the size, traffic volume and unique needs of your individual facility. You may even want to schedule a visit from one or more service technicians to walk the property with you and provide insight. Depending on your facility-management software, you can even set maintenance reminders. For example, you might receive a notification to check the cameras on Building A for cobwebs every Tuesday.

When to Call a Pro

It never hurts to call a professional! Any technician will tell you that many complex service calls could've been remedied in less time and with less expense if the self-storage operator had called him in the first place. Any time you feel out of your depth or there's any doubt about what to do, bring in a pro. Depending on your aptitude and experience, the company may be able to offer suggestions over the phone before a tech visits your property.

Taking small steps to maintain your security equipment will pay off in the end. You'll be less likely to be interrupted with emergencies and receive fewer tenant complaints. Finally, you'll have a system that functions properly if a security event occurs. **ISS**

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Strategies *for* Establishing a **SAFE WORKPLACE**



We all want to be safe, whether it's in our own home or while performing our jobs. In the workplace, it's essential for employers to create a safe, healthy environment for their staff. It's equally vital that employees are aware of—and follow—safety policies and procedures.

The self-storage industry isn't as dangerous as some other professions, but we must still take precautions to ensure we're providing an environment that's good for team members, tenants and visitors.

The Safety Manual

The first step in providing a safe environment is to develop and implement a safety manual. This guide will help employees understand the potential risks associated with tasks they may perform. Additionally, it should outline those responsibilities they shouldn't be attempting, such as electrical repairs if they aren't trained and licensed to do so. From a broad perspective, your manual should cover:

- Company safety policies and programs
- Rules (general and job-specific)
- Rule enforcement
- Proper use of equipment
- Proper clothing and personal protective equipment
- Materials handling
- General housekeeping
- Emergency contacts and procedures
- Location of first-aid kit

- Occupational Safety and Health Administration regulations that apply to the industry
- Employee responsibilities and roles
- Documentation

To develop and maintain a safe workplace, you need high safety standards. Educate new team members on your policies and procedures and establish continued education for tenured staff.

Maintenance Matters

Safe workplaces often employ preventive-maintenance programs. These address specific areas at specific times, drawing attention to the functionality of the items and areas in question. Examples at a self-storage facility might include:

- HVAC system
- Elevators
- Gate systems
- Golf carts

There could be more on that list, but you get the idea.

Items used in everyday tasks should be routinely inspected for wear that may pose a hazard. For example, examine the ladder every time you use it. Look for anything that could put an employee in jeopardy. Is there a loose rung? Are the feet in good shape? Do you know the working capacity of the equipment?

Any item that isn't functioning as intended should be repaired as quickly as

possible. If necessary, assign a level of priority. For example, a unit door with faulty springs could cause injury and should be addressed as soon as possible. One of four lightbulbs in a fixture being burned out is also important, but not as critical. It still will require fixing, of course; and from an aesthetic perspective, we wouldn't want to let this go on for long either. With an overall property-maintenance program, you can reduce many risks and expenses.

Potential Hazards

Be alert to potential hazards on your property. By routinely walking through and inspecting your facility, you'll gain a working knowledge of what's out of place. Staff should take off their "blindness" and really look for items that might pose a risk to themselves or anyone visiting the site. Look up, down and sideways, from the frayed floor mat that's a trip and fall hazard to the wall corner that was hit with a cart and now has an exposed piece of sharp metal. Look for these types of situations daily.

Of course, facilities in areas with harsh winters will be exposed to additional risks. When should you salt your grounds? How many inches of snow need to fall before you plow? Are your entry points free of ice? These situations need to be addressed with thoughts of safety for all. A hazard-free environment should be the goal for every employee.

Emergency Action

So, you've patrolled your property and identified potential hazards; and you've

addressed these items to make your facility safe. But then you have an emergency. It could be anything from a broken sprinkler pipe to a gas leak to an onsite injury. What you do next will go a long way toward limiting damage to people and property. Staff action can make a marked difference. Knowing what to do and who to call will also factor heavily in the outcome.

First, you'll need to assess the situation—and fast. You may need to call local emergency services such as fire, police or an ambulance. You may have to call your

sprinkler company or turn off the water. The possibilities are endless, so knowing what to do and acting quickly and calmly is the key to limiting further injury or damage.

Once the situation is contained, focus on communication and documentation. You'll need a written incident report with pictures. Notify any superiors as well as any tenants who may be affected.

Creating a safe and healthy work culture is an ongoing concern and requires the participation of all employees. Any risky conditions should be documented

and communicated to the appropriate authorities. Regular training to review policies and procedures should be scheduled and mandatory, with attendance taken for accountability. By being educated and vigilant, we can all make our facilities safe for employees, tenants and guests. **ISS**

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A Crime-Prevention Primer

"Police seek three people accused of burglarizing 12 storage units last month."

"Storage crime spree reveals weaknesses in property storage security."

"Police find locks removed from five self-storage units."

These are the types of headlines with which you never want your storage business to be associated. Because once the news gets out that your property isn't secure, customers won't trust you to store their belongings anymore. To stave off incidents like these, you must institute extensive, systematic crime prevention.

Unfortunately, our industry can be a target for many offenders. Incidents include burglary, vandalism, the storage and manufacture of drugs, the storage of stolen or illegal merchandise, identity theft, and others—even crimes as lurid as kidnapping and prostitution. They're committed by a wide range of individuals, from professional thieves to customers and the people with whom they've shared access. It's up to you, the facility operator, to establish security measures that prevent and minimize criminal activity.

Security Assessment

The first step is to do an assessment of the security you already have in place. Consider:

- **Fencing:** Walk around your property and examine the fence. Is it in good shape or are there bent poles, compromised mesh or rust? Any damage should be fixed.



- **Lighting:** Do your lights cover all areas of the property or are there dark spots where criminals can gain access without being noticed? If so, consider additional lighting.
- **Locks:** Do you use cylinder locks on your units? If not, consider them, as they're much more secure than padlocks or disc locks.
- **Keypads:** If your property has basic, low-tech keypad entry, it may be time to upgrade to a more integrated access system that can communicate with your management software.
- **Video cameras:** Consider upgrading to a digital-surveillance system that's high-definition or Internet-protocol-based. This will give you higher image resolution and allow for cloud storage.

Your Role in Reducing Crime

You may have heard of the "broken-windows theory." It's the idea that criminals are more likely to target a business that displays signs of disorder or disregard. Things like trash, graffiti, bent fencing, broken lights are signals that the property isn't being properly cared for or watched.

This is why it's imperative to do frequent, consistent walk-throughs of your entire property. This can be done while performing lock checks. Look for anything that's out of place. Trash and tenant debris should be discarded. Access points should be checked to ensure proper function. Vandalism needs to be cleaned or repaired as soon as possible.

You can also prevent crime by communicating with new and existing customers. When giving a prospect a tour, point out the security you have in place and mention how active you are in patrolling the property. If you have a relationship with local law enforcement, bring it up. If the customer is renting the unit to gain access to the facility and commit a crime, you may have given him reason to think twice.

Engage tenants in conversation whenever you see them in the office or on the grounds. Criminals who perform “inside jobs” like the idea of anonymity. Greeting them by name and asking an innocuous question like “How’s it going today?” will be seen as good customer service by upstanding tenants; conversely, potential criminals may reconsider their plans if they believe they’re being watched.

If you don’t have a relationship with local police, consider developing one. Invite officers from the precinct for a tour. This way, if there’s ever a break-in, they’ll have a sense of the layout and be able to react quicker. Some facilities allow local law enforcement to do K9 training on their premises. Not only will their presence give would-be crooks pause, you can promote this on your website and through signage to give customers an added sense of security.

Safety Guidelines

While preventing crime at your facility is important, your No. 1 concern should be safety for employees, customers and guests. To that end, it’s important to institute staff guidelines for various situations. Train employees in what to do when faced with specific scenarios, for example, in the event of a medical emergency or if they suspect illegal activity in a unit.

The most important instruction to convey is they should never put themselves in danger or take matters into their own hands. Instead, contacting authorities is the best course of action.

Tenant Screening

One of the easiest ways for criminals to gain access to your facility is by renting a unit. The key is to stop them from becoming tenants. Ask each prospect a few questions about why he needs a storage unit, what he’s storing and how long he’ll need the space. Listen to the answers. If he responds haltingly or changes his story halfway through the process, these may be signs that you should dissuade this person from renting.

If you’ve had problems with tenant crime in the past, you may have to take

additional steps, such as conducting criminal history and credit checks. While you may lose some business over this practice, it can be worthwhile in terms of making your facility more secure. Just remember that if you put these types of checks into your rental process, by law, you must screen every applicant so as not to be discriminatory.

Additional Measures

The strategies provided above can apply to most self-storage facilities, but if you have a property in a particularly dangerous area, you may have to take additional action. For example, consider restricting your access hours. If you’ve had more than your fair share of unit break-ins, it might be time to install individual door alarms.

By taking the necessary steps to upgrade your security and training staff on what to watch for and do, you can drastically reduce the opportunity for crime at your storage facility. You’ll not only keep people and property safer, you’ll earn a better business reputation. **ISS**

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How to **Work** With **LAW ENFORCEMENT**

My company, Valley Storage, operates 28 facilities in Maryland, Ohio, North Carolina, Pennsylvania, Virginia and West Virginia. As part of our security plan, we create partnerships with law-enforcement agencies at all of our locations. Doing so yields positive benefits for our business, the community and the agencies themselves. We support police however we can; and in return, our properties get more first-responder presence, which prevents criminal activity on and around the site.

There are many ways to create rapport with the agencies in your area. None of the suggestions below involve modifying your infrastructure or operation. Rather, they provide a way for your facility to be a community resource while deterring criminal activity.



Collaborate

One of the best ways to create this unique partnership is by allowing officers to use your self-storage property as a training ground. Police will train their K-9 units on a variety of maneuvers, from the rescue of lost children or dementia patients, to the detection of cell phones in prisons and drug discovery.

If there's an apartment on your site that isn't in use, it could be rented below market rate to a member of the police force or other first responder. Your facility benefits from having his vehicle parked outside to discourage crime.

Here are some other ways you can partner with law enforcement:

- Offer free storage units to police-athletic leagues to store their supplies and gear.
- Offer discounts to police officers for their personal storage.
- Allow law enforcement to store evidence at your facility, such as vehicles involved in fatal crashes.
- Support police events, such as National Night Out, with giveaways, or volunteer your time.

Make the Connection

Setting up a partnership with law enforcement is something every storage operator can do easily. The first step is to contact a local agency and identify its needs. Most departments will be surprised that you want to help but grateful for the ask. Once their needs are assessed, check with your legal and insurance teams to see if there are any risks. Most will be thrilled to have your facility participate in these endeavors, but it's always good to get clearance.

If law enforcement chooses your facility as a training ground, there's protocol to follow. For example, when a customer rents a unit at one of our stores, the manager explains that we work with local police and they'll randomly be on site for training. It doesn't happen frequently, but tenants receive no other warning. Often, it's so low-key that customers don't even notice. Police usually use one structure at a time, typically one that with hallways and stairways. Building access is restricted while training is in progress; however, if a tenant needs to get to his unit, the proceedings can be paused.

Enjoy the Benefits

Working with law enforcement has been such a positive experience for my company that the only thing I'd do differently is to seek partnerships with agencies earlier and more aggressively as we expanded into new communities. The results are hard to quantify, but the result is less criminal activity at our facilities and in the neighborhood at large. The community also benefits from better-trained officers.

In addition, some police departments will conduct a free risk assessment of your facility. They'll walk the site and offer suggestions. For example, they might advise where to add cameras or propose a change in gate hours. Their feedback could prevent problems, so it's extremely valuable. Your facility will be a generally safer place for tenants to store.

Police presence helps, of course; but the biggest crime deterrent lies in managers explaining to tenants your connection with local agencies. Even if your facility can't

Narcan Training

In addition to working with local law enforcement, consider offering Narcan training to your facility managers. We offered this on a volunteer basis. Ten employees participated in the half-day class to learn how to use this nasal spray, which could save someone's life in the event of an opioid overdose.

provide a training ground or offer low-cost storage to police, it's important that you're familiar with law enforcement. Reach out and invite officers for a tour; it might be helpful in an emergency. They'll be able to respond quicker if they're already aware of your facility layout. Providing them with an emergency gate code can also help.

Just recognizing law enforcement is a simple way to show appreciation and boost morale in the community. Provide them with lunch on National Law Enforcement Appreciation Day (January 9) or support their events. Identifying their needs benefits the community in several ways.

Partnering with law-enforcement agencies on any level has positive outcomes. The relationship is a win-win. Your business will enjoy great public relations while providing a safer environment and serving as a resource for police and first responders. **ISS**

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Creating Your

Crisis-Management Plan

The Camp Fire. Flooding in the Midwest. Texas hail storms. Superstorm Sandy. Hurricanes Harvey, Irma, Katrina and Maria.

Many disasters threaten lives and property and are impossible to prevent. But while self-storage operators may be helpless to stop severe weather or hold back a flood, they have the power to prepare and take steps to minimize the potential impact of these

events. In many cases, emergency planning could be the deciding factor in whether your business survives a catastrophe.

The most commonly seen natural perils are earthquake, fire, flood, hail, hurricane, sinkholes, tornado and windstorm. Man-made disasters include crime and bodily injury. Cybercrime, once uncommon, is growing in frequency and severity at an alarming rate. With so many dangers, how do you prepare?

Creating Your Plan

The smartest course is to write a disaster plan, review it annually, provide ongoing and documented employee training to reinforce the plan, and share the plan with first-responders. Your state's self-storage association may offer a template to help you get started. Additional resources are available from the Federal Emergency Management Agency, the Occupational Safety and Health Administration and the

National Weather Service. It's also wise to work with your insurance agent and attorney to fully develop and customize your plan.

Give some thought to the information and materials you might need in the event of a disaster. You must consider the physical safety of employees and customers, focusing on emergency supplies, contacts and communication, technology and data protection, insurance, and post-event protocol.

Emergency Supplies

Assemble a kit containing items you might need in an emergency such as first-aid essentials, tarps, flashlights, batteries, whistles, a battery-operated radio or television, back-up generators, cases of water, non-perishable food items, a cell phone and spare keys for vehicles. More personal items include identification, sturdy shoes, spare glasses, prescription medication and other necessities.

- Contacts and Communication
- First, create a handy document containing the information you might need in the event of a catastrophe. This might include:
 - Contacts for local authorities and medical facilities
 - Contacts for facility ownership, staff and tenants
 - Contacts for your insurance agent (plus your policy numbers)
 - Contacts for vendors to assist with restoration, debris disposal and repairs
 - An evacuation route and destination
 - A shelter plan (in case you're stuck on site)

This file should be kept in a safe, easily accessible place. Print a hard copy to keep on site and consider posting a digital copy online. Once a weather event is announced, you can even carry a copy on your person. Also, keep your active insurance policies in a protected place where they can't be destroyed, such as a safe-deposit box.

If your facility sustains significant damage, you'll need to keep employees and tenants informed about closures, safety considerations and recovery of stored belongings. Give some thought to how your response to a disaster could affect your reputation within the community. Plan for potential communication on social media and to local media outlets.

Technology and Data Protection

Your disaster plan should include a routine data back-up to an external hard drive, flash drive or the cloud. To minimize the risk of cyberattack, use high-strength passwords, encrypt website pages and restrict user access to data. Human error remains one of the primary reasons for cybercrime. Training is a critical factor in mitigating it.

Insurance and Claims

Does your insurance policy cover business interruption? Are you covered in the event of a catastrophic loss? What are your potential out-of-pocket expenses? Schedule a coverage review with your agent to discuss disaster- and storm-related exposures and confirm your policy reflects appropriate property values and coverage limits. If it specifies replacement with materials of like kind and quality, ask your agent to explain how that may affect potential repairs in the event of property damage.

Here are the coverages that provide critical protection in the event of a disaster:

- **Property and liability:** Includes business property, building ordinance, business income, general liability and umbrella
- **Building ordinance:** Covers loss to the undamaged portion of a building and its demolition, and the increased costs of construction to rebuild in compliance with current codes
- **Business income:** Covers the actual loss of business income sustained due to direct physical loss and provides cash flow while rebuilding
- **Wind and hail deductible buy-back:** Decreases the owner's out-of-pocket financial exposure by lowering the wind and hail deductible to as little as 1 percent
- **Specialty:** Includes sale and disposal liability, customer goods legal liability and limited pollutant removal

Once the immediate threat has passed and you've surveyed the damage, it's time start the claims process. You can report a claim to your agent or directly to the carrier, but only report each claim *once*. If you work with an agent, it's good to report to him directly.

When you make your report, you'll need to provide your business name, address and phone number; contact information for the policyholder and/or representative; the insurance policy number; the date, time and location of the loss; and a brief description



of the damage including specific building addresses. For liability claims, provide a brief description of the incident as well as names, addresses and phone numbers of witnesses. A claims representative will contact you to inspect the property.

It's vital that claims be reported as quickly as possible to ensure the best resolution. The potential consequences of failing to report a claim quickly include the disappearance of evidence and witnesses, delay in resolution, and potential lawsuits against the self-storage business. If your policy stipulates a timeline for reporting claims, failure to comply may void the contract.

Post-Event Protocol

In the event of a storm or other disaster that causes property damage, many business owners in the area are going to seek the services of vendors (restoration companies, disposal services, tree trimmers, etc.) to perform repairs and clean-up. Materials and labor may become scarce, and you could wait a relatively long time for service. Identify the suppliers you may need in advance and discuss their ability to access materials and provide service in demanding circumstances. You may be able to secure a priority position for response. Whoever you hire, make sure they're licensed and insured!

If your property suffers damage, there are a few actions you may wish to take to secure the property and prevent further injury. Most important, ensure your own safety as well as that of employees, customers and the

public at large. If your building isn't stable, don't enter it or allow anyone else to. Notify staff and tenants of closures or restricted access via e-mail, text or phone. Identify any downed electrical power lines or damaged gas lines and notify the appropriate authorities as soon as possible.

You don't need to wait for the insurance claims adjuster to start documenting the scene, so take photos and videos that show the damage. Make an inventory of lost and

spoiled items. Most insurance companies will cover reasonable and necessary emergency repairs that safeguard your property from further loss. Keep detailed records of your expenses and retain receipts for supplies you purchase and any work accomplished by a vendor. Finally, don't discard any item before checking with your claims representative.

Natural and manmade disasters can be destructive and deadly, and they usually

require a lengthy and costly recovery. While you can't prevent most of these events, you can avoid being caught off guard. Protect your employees, customers and business by taking steps now to be prepared for a future emergency. **ISS**

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PREPARING FOR HURRICANE SEASON



The Atlantic hurricane season is June 1 through Nov. 30. This time can bring some of the most destructive weather to the United States and surrounding areas. It can also create great anxiety for self-storage operators and their customers. Hurricanes bring the threat of high winds, storm surge, flooding, power outages and damage that can range from minimal to catastrophic.

Preparation for a severe weather event should take place well before a watch or warning is issued. Don't wait until the last minute! You and your tenants will be stressed, and you don't want to miss a key

step. Some items can be done days, weeks or even months in advance.

Prep List

Buy supplies. Well in advance, purchase plastic sheeting, tarps, animal traps, mops, buckets, cleaning supplies, chainsaws, work gloves, safety equipment, barricades, flashlights and batteries. Store these items in the most secure location on the property. Don't wait, as they'll be in high demand and could be hard to find or sold out.

Create a list of helpful vendors. This should include your insurance agent, a water-extraction service, a tree service,

electricians, plumbers, contractors, gate companies, etc. Consolidate all their contact information in a single sheet or book you can take with you if you must evacuate.

Offer tenant insurance. Promote your tenant-insurance or tenant-protection program well before hurricane season begins. Most companies won't issue policies once a watch or warning has been issued for your area. Encourage customers to add insurance to supplement their homeowner's or renter's policies.

Secure loose items. Signs, trash cans, benches, flags, banners, flower pots or other items that could take flight in high winds should be moved to a safe location well before the storm.

Prep the office. Elevate computers off the floor to protect against flooding. Secure all files and cash. Cover everything in plastic sheeting. Board windows or install hurricane shutters where possible.

Plan property access. Know how to lock down your gate and other facility access. Notify customers multiple times daily if you plan to close the facility, and consider your plan to allow access when you return. Commercial customers such as landscapers, contractors, tree companies, electricians, etc., may need access during the evacuation or immediately afterward, so communicate with them regularly. Make sure they know they may not have unit access until the property has been deemed safe by management. Encourage them to store necessary items at their home during the storm.

Plan for utilities. Know where your water and power shut-offs are and make sure they're functional. Contact your utility providers and find out if they'll cut power or if you need to shut off utilities prior to evacuation.

Stock up. Create a stockpile of bottled water, shelf-stable food, a manual can-opener, a change of clothes, cleaning supplies, etc. Since you don't know if your home or workplace could be damaged, keep storm supplies at both locations. If you don't need them, donate them to local charities to help others.

The Importance of Communication

Communication with customers is key. You want everyone to understand the steps you're taking before the storm and the procedures for reopening. Load a tablet or laptop with the company management software so you can access e-mail addresses and other contact information while evacuated; or you can designate a person at your corporate office to handle communication.

It's important you obtain storm information only from *official* sources. We learned during Hurricane Matthew that while some residents were reporting little or no damage in their areas, other parts of our community were severely damaged.

You can share information with customers through e-mail, your website, Facebook and other social media so they can get property updates, condition reports, your reopening schedule and other vital facts. If there was no damage at your facility, take and share photos. This will put your customers at ease.

Dealing With Power Outage

Power outages can last days or weeks while utility providers install new towers, power poles, transformers, wires and connections. Even if your area hasn't been severely damaged, the source of your power may have been. It's helpful to have a back-up generator, multiple flashlights, hand-crank lanterns, battery-operated radio and battery back-up phone chargers. Don't forget extra batteries! If the power is out for an extended period, you may need them for emergency and exit lighting that may not be able to recharge.

Emergency-management officials recommend you don't use candles, torches, gasoline, propane or other flammable illumination. Since phone service may be limited or roadways blocked, it could take longer for emergency services to reach you in the event of a fire.

Keep printed copies of blank leases on hand so you can rent storage units to customers even if you don't have power. Accept cash, money orders and checks if you can't get credit card authorizations.

You can also post on local media sources to communicate with the community at large.

Give people ways to reach you via social media, e-mail, text, etc. Set up a live chat if possible. These channels of communication must be clearly shared with customers before an event threatens the area. During the stress of an evacuation, tenants won't want to look up your contact information. Encourage them to put a link on their phone or save your e-mail or emergency phone number in their phones.

Once the storm has passed and the facility is deemed safe, send a general e-mail to all customers about its condition, the reopening date and other pertinent information. If some units were damaged, call or send specific instructions to those customers. Schedule a time for them to examine their unit, but limit access so you

can control when and how long each person is on site. Again, this can only occur after the facility has been cleared by authorities.

If some but not all buildings are damaged, block off those areas. Those customers should get priority to move their items to other units once they deal with their insurance claims. Set aside new units in advance, preferably close to the tenants' existing spaces. Match their current rate so they don't incur a rent increase on top of having a damaged unit.

One Step Further

It's likely that many of your customers and neighbors stocked up on supplies before the storm. If they didn't need them, offer your facility as a donation drop-off for those in need. Coordinate with media to promote the effort.

Include a company donation to help increase efficacy. Some great items to contribute include bottled water, shelf-stable food, diapers, baby formula, towels, cleaning supplies, new shoes and clean clothes. Take photos and post them on your social media pages to encourage others to help. Once donations are collected, use your moving truck or other transportation to deliver items where they're needed.

When it comes to hurricanes, prepare for the worst and pray for the best. Expect long days, sleepless nights, exhaustion, a lot of stress and unexpected problems. If you can handle this situation well, your tenants will appreciate your efforts. As word gets around, it'll help build your facility's reputation and improve your site performance. **ISS**

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What We Learned From Past Storms

Living in South Carolina, we're sometimes in the path of destruction. Here are a couple of things we learned during recent past storms.

Hurricane Matthew, September 2016. Wind can cause roof damage or fell trees, which could impact buildings or block driveways and roadways. This Category 2 knocked down nearly 100,000 trees on Hilton Head Island alone. Twenty trees fell or were leaning on our property when we returned from mandatory evacuation. After the storm, we called more than 20 tree companies and couldn't get anyone to come give us a quote for more than week because they had so many calls for help.

Throughout the county, there was flooding, power outages, uprooted trees, damaged buildings and bridges, and blocked roads. Debris clean-up lasted for more than a year, and we still have many areas where trees continue to lean or remain uprooted.

Hurricane Michael, October 2018. Heavy and wind-driven rain, storm surge, rising rivers, and overflowing culverts and ponds all contribute to water damage. With Hurricane Michael we saw heavy, prolonged rain create flooding for days and weeks, even inland, as the water made its way downstream. The damage stretched over several states. Here in the Carolinas, we endured rain, wind, surge and inland areas that were greatly affected by flooding.

Disaster Readiness: Lessons Learned in CALIFORNIA



The morning of Friday, Nov. 9, 2018, was pretty normal. I sent my daughter to school and headed to work. What I didn't know was I wouldn't be able to return home for more than 10 days.

The Woolsey Fire had started the day before in Los Angeles and Ventura Counties. Fires are common in Southern California and especially dangerous for residents of Topanga Canyon, where I live. Our canyon is narrow and full of older houses, trees and shrubs, which make it easy for fire to spread. Thankfully, this blaze was nowhere near us, so there was no reason to worry—or so I thought.

Enduring Evacuation

That morning, the fire was in Agoura, about a 30-minute drive north. While I knew I needed to keep an eye on it, it seemed there was no immediate threat. At 1:41 p.m., however, Topanga Canyon Emergency Preparedness announced that all zones were under mandatory evacuation.

The reality of what that means quickly goes through your head. Luckily, my landlord lives upstairs from me and was able to retrieve a few of my irreplaceable

items, such as photographs. Everything else had to be left behind. I had also carpooled to work that day with a co-worker, which meant my vehicle was in the evac zone.

The two of us spent the next four hours monitoring the fire and figuring out where to go. We thought this would be a 24-hour thing and we'd be home by Sunday at the latest. Boy, were we wrong.

One night turned into 10, and it was a crazy journey. The fire affected so many people—a quarter-million had been evacuated—that finding local accommodations was impossible. By the time we started looking for hotels, they were all booked. That first night we were able to find lodging 60 miles away, but the hotel could only accommodate us for the one night. Hotels were either full or too expensive, so we moved around quite a bit. We had no extra clothes, toiletries or travel supplies. Everything had to be purchased.

To get updates on the fire, we relied on Twitter. Previously, this platform wasn't even on my radar, but my opinion of it has gone a complete 180. I made sure to follow official feeds like my local fire and

sheriff departments. Knowing what was going on without being glued to a TV was helpful. Twitter will continue to be my main resource when I need up-to-the-minute, accurate information on an incident.

Plan for a Disaster

You never really expect a disaster to strike but having a plan can be helpful. Have one for both your personal life and your self-storage business. On the personal side:

- **Know your insurance coverage.** My co-worker found out after the fact that her homeowner's insurance would cover 100 percent of her hotel stays for the evacuation. My renter's insurance would cover up to \$3,000 for the "loss of use" of my rental. Had either of us known that, it would've made things a lot less stressful.
- **Decide where you'll stay.** Have at least two places in mind. The earlier you can book lodging, the better—even proactively before being evacuated. Depending on the nature of the disaster and how many people are affected, lodging will fill up fast and become pricey. The hotel industry uses revenue management just like self-storage, and that becomes evident when you're trying to book the last room.
- **Make a list.** It should include the most important items in your home and where they're kept. Arrange the list in order of importance. If you only have five minutes, work your way down the list until you *must* go.
- **Have an evacuation plan and follow it.** Where will you and your family meet? What will you do with pets? How will you handle multiple vehicles? What about clothes?
- **Use storage!** Sure, you may have a big house or nice garage, but consider using storage for items that can't be replaced. This is especially important if you live in areas afflicted by wildfires, floods, hurricanes, etc.

On the business side, consider:

- **Insurance:** Again, understand your coverage before something happens.
- **Access:** Do emergency personnel have a way to access your property if they need to defend it? The Woolsey Fire burned trees and landscaping at Malibu Sky Self Storage in Malibu, Calif., but firefighters were able to protect the structures and no tenant belongings were damaged.

- **Employees:** What will you do if your employees are evacuated but your business isn't? Can you keep things running?
- **Customers:** How can you help tenants who are affected by the disaster? Can you offer temporary discounts? Agua Dulce Storage in Agua Dulce, Calif., did just that when it heard a tenant's house had been destroyed by mudslide a few years ago. During times of fire, the facility makes its horse trailer available to local equine-rescue groups at no charge. This serves the community and provides no-cost advertising for the business.

Serving Disaster-Prone Areas

If your business is in a disaster-prone area, advertise your assets. For example, it's a great selling point to be able to say that you offer "security and fire-resistant construction" or whatever best describes your amenities.

Consider offering a discount or package for people who want to be more prepared. For example, because fire is such a huge threat in Topanga Canyon, many residents rent storage in the San Fernando Valley during fire season. If your facility has low occupancy, offer a four-month "fire-season special" and use it in your marketing. You can do something similar if your

area is prone to flood and your site is on high ground. Give people an incentive to prepare by storing at your facility!

Nothing compares to living through a disaster. I can't be more grateful for the efforts of the many individuals who helped extinguish the Woolsey Fire. We all know we *should* prepare, but that didn't really hit home for me until I was caught up in this emergency. I was one of the lucky ones to be able to return home. **ISS**

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FIGHTING YOUR 3 GREATEST VIRTUAL THREATS

Your self-storage business is going great. It's profitable and successful. Then, suddenly, burglars break in and steal a laptop. Or a well-meaning employee clicks on a malicious link that freezes your data, and someone demands \$5,000 in bitcoin ransom to release it. Or an employee gets an e-mail that appears to be from the owner requesting a transfer of \$2,500 to someone who appears to be a supplier, but it's actually a cybercriminal.

Why does cybersecurity matter to your operation? Because cybercrime is profitable. As long as the bad guys are making money, they'll keep doing it. And they're getting better at it. Businesses are getting smarter, too; but it's like an arms race, and cyber criminals are winning.

A Growing Problem

Cybersecurity isn't just for large companies, though those are the ones we tend to hear about in the news. Small businesses can be also be attacked and may have fewer defenses. In fact, broad-based cyberattacks may target groups of small businesses. One of the largest breaches ever (Target) started through an attack on an HVAC contractor who had access to the retailer's information systems.

It's been wisely said that data security is about people. It starts and ends with you. You're the best defense. The human factor is truly the sneak threat—and not just criminals, but your own loyal, long-term, devoted employees. Even when they have



the best of intentions. People are helpful, predictable, busy, trusting, habitual and careless. Training and increased awareness have helped, but it hasn't solved the problem completely. Let's look at some of the biggest cyberthreats today and how you can mount a defense against them.

Spear Phishing

Spear phishing is a customized, e-mailed attack on a specific company, maybe even a specific employee. It's targeted and has research behind it. These aren't the old phishing e-mails from a fake Nigerian prince, with typos all over them. A spear phishing message looks legitimate at first glance.

Spear phishing uses a "spoofed" or falsified e-mail address from the name of an actual owner or high-level employee in your company. It typically begins with a generic question like, "Are you in the office?" If you respond, it'll often lure you to a fake website to invade your information system. It may install malicious software on your computer or give hackers a portal to steal information.

Best defenses: Caution and verification. These e-mails often sound urgent and appear to come from a person of authority. Look closely at the e-mail address. Don't respond directly. Verify it by some other method, like calling or starting a new e-mail to confirm.

Business E-mail Compromise

This cyber scam uses social engineering to get the recipient to do something, usually transferring money to a fraudulent bank account. It doesn't use malware.

This con has several variants. In one of the most common, the e-mail account of a high-level director or manager becomes compromised. It may be spoofed or hacked. A request for a payment goes from the compromised account to a second employee who's usually responsible for processing money transfers. This second employee sends the money to an account he doesn't realize is fraudulent. The cyber criminal quickly transfers the funds elsewhere, often out of the country, and it's gone.

This scam has increased 136 percent over the last two years. It's aimed at businesses of all sizes, most of which are in the United States. Other variations include falsified requests from suppliers, fake invoices to vendors, and requests from hacked e-mail accounts to provide employee W-2 forms or Social Security numbers.

Best defenses: Procedures, scrutiny and verification. Establish procedures to verify or hold money transfers. Be suspicious of requests for secrecy or pressure to take action quickly. If funds are transferred to a fraudulent account, then act quickly by contacting your bank.

Ransomware

Ransomware is a real threat that's been around for years and has been highly successful at extorting money. It most commonly starts when you click on a malicious link from a bad e-mail or unsecured website.

The software freezes your computer and encrypts your data files. A warning pops up and demands that you do something, usually pay money (often in bitcoin). The warning says you must pay within a certain number of hours to get the private key to decrypt your files. Ransoms typically range from \$200 to \$10,000. Once encrypted, there really is no technical way to fix your system other than wiping and restoring it from backup data.

An additional risk here is the uncertainty. It's been anecdotally reported that after making the payment, you don't always get your data back. There are several variations of ransomware (FBI Moneypack, CoinVault, CryptoLocker and CryptoWall), but they all work the same way.

Ransomware exploded into an epidemic in 2016. According to the FBI, there were about 4,000 attacks every day. For example, a large medical center was attacked, shutting down its systems for scans, lab work, pharmacy, radiation and oncology for more than a week. It ended after the center paid \$17,000 to restore its systems. Years

ago, law enforcement's advice was to not pay. However, in 2015, the FBI stated it often encourages people to pay.

Best defenses: Don't get infected in the first place. Get training and awareness on how to spot a suspicious link or e-mail. Next, have fully backed-up data. If you're using a cloud-based service, check how far it backs up in time. It can also be good to save a local backup to a computer or external drive. You can then wipe your infected computer(s) and restore the data. The success of a restore, of course, depends on how recent and complete the backup is.

Other Considerations

There are continually evolving cyber laws that may affect your self-storage operation, such as state data-breach notification laws and the incoming California Privacy Protection Act. You may also want to consider cyber-liability insurance for your business.

The cost of cybercrime to the global community is estimated at \$500 billion every year. In preparing for cyberthreats, lead time is important to minimize costs, establish processes and avoid surprises. I hope these ideas will be helpful in protecting your business. **ISS**

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Tech Trends **Impacting** Industry Security

For far too long, self-storage access control has gone relatively unchanged. Over the past three decades, little was done to address the limitations of access-control and keypad systems. That's changing now as many high-caliber, smart security tools enter the market.

In the past year, we've moved from systems that, in many cases, were little more than a keypad and a gate, to smart-entry and -locking technology that allows facility operators to automate operational processes. These systems also provide a more convenient and secure way for tenants to access the property and their individual units.

Three major developments have dramatically impacted the landscape of self-storage security:

- The cloud helps operators control and manage their sites.
- Smart phones are the new mode of entry.
- Smart locks have improved the customer experience.

The Cloud

"Cloud" has been a buzz word in the technology world for several years. Any time you hear about a new software platform or app, you're bound to hear it. Cloud computing has changed the way we structure our organizations, how we operate, and even where we're able to work. But with all the noise we hear about the cloud, many people are still a bit hazy as to the "why" behind it.

Remember the '90s? The Baja Men were wondering who let the dogs out, Michael Jordan was hitting game-winning shots,

and you were spending 12-hour days in the office. You were tied to your desk because you couldn't access the data you needed from outside. Today, we can get into most of our programs and data from anywhere in the world, provided there's Wi-Fi. The '90s version of you would be envious if he could see you now, and not just because you had the sense to ditch that neon windbreaker.

To put it simply, the cloud uses remote servers that allow you to access resources over the Web. We can now run our businesses from anywhere. Additionally, it means onsite servers are rendered a thing of the past. There's no need to worry about the constant threat of a power outage or server crash.

The cost savings are significant as well. When a server crashes, you need to have someone come out, diagnose

it, and then repair or replace it. This is costly from a cash perspective as well as a business-interruption one. Cloud services, on the other hand, have built-in redundancies to prevent the threat of a server crashing and impacting their service. In fact, a cloud outage is rare. When one does occur, you can message Google or Amazon (the largest cloud providers) to clear it up quickly. So, using cloud-based platforms not only saves you money by making it unnecessary to have PCs or servers on site dedicated to running certain programs, it makes business interruption due to hardware issues far less likely.

Options for cloud-based platforms in certain areas of self-storage have been limited. This has made it difficult to access some data remotely and finding enterprise-level solutions for multi-facility self-storage operators nearly impossible. The most glaring example of this is smart entry. Traditionally, industry access-control systems used software that needed to be installed on a PC or server on site via a CD-ROM. What happened when feature enhancements or bug fixes were needed? It had to be done onsite.

Cloud-based smart-entry solutions can be updated remotely, so you can get available enhancements quickly and effortlessly. In the world of technology, the fast kill the slow. If you make an investment in tech tools, you want to ensure you can stay on the cutting edge by getting exciting new feature updates swiftly and remotely. Today, thanks to smart-entry platforms using the cloud, you can view and manage facility activity fast and access it from anywhere in the world. Even if there's a power outage at your property or your computer goes down, you can view dashboard, reports and activity logs from the comfort of your home, or wherever you are.

Better yet, with the use of smart locks in a cloud-based smart-entry system, you can do a lock check remotely. Tenants can also be overlocked and released automatically. Think of the time and effort you'll save by not having to physically put overlocks on all delinquent units. Your customers benefit as well. If they pay their bill, their access is immediately restored, even if no one is on site!

Going Mobile

When The Who said they were going mobile in 1971, it meant driving a van from New Jersey to Pennsylvania. Today, going mobile takes you a bit farther. We now live in a world where we can live in

Tennessee while working for a company in California, and check e-mails while on vacation in Wyoming. Our smartphones make us mobile in a way no one could have conceived 20 years ago.

From texting to Tweeting, Snapchatting to FaceTiming, we're constantly using our smartphones throughout the day. They've become our tool for everything from shopping to scheduling haircuts. Mobile technology has become so entrenched in our lives that no one bats an eye when they see an octogenarian taking a selfie to post on Instagram.

We've never seen a new technology catch on with such global reach. Consider the automobile. In the United States, we're used to most people having cars, but they haven't caught on with the global scale of smartphones. The car has been around for more than 130 years and there are 1.2 billion drivers worldwide. The smartphone has been around for just 12 years and there are 2.1 billion users worldwide. Apple Inc. founder Steve Jobs stepping on the stage to launch the iPhone in 2007 revolutionized the way we communicate, entertain ourselves and even how we work.



While Millennials are up on mobile tech, the wave of people transacting by phone is across all age groups. By making it easier for self-storage customers to interact with you on their mobile devices, you can take your storage operation further than we thought possible a few years ago. By enabling them to rent, pay their bill and access your facility via mobile, you increase the likelihood that you'll see these clients come back the next time they have storage needs. Why would they go somewhere else when they know how quick and easy it is to store their stuff at *your* facility? Going mobile can make your customer experience stand out from the competition and, at the end of the day, that's what we're all after.

Leveraging smartphone apps goes beyond meeting customers where they are and making rentals and payments more convenient. One of the most exciting advances in smart security over the past few years is using smart devices to authenticate access, monitor activity, and allow the opening of entries and unlocking of doors from a mobile device.

This technology was proven in the hospitality space when Hilton rolled out digital keys across its entire portfolio in 2015. Marriott soon followed, and now customers of both hotel giants can reserve a room online or via mobile app, check in, receive their digital key and view their room number, open their door, access the fitness center or other common areas, and even check out—all from a phone. This allows hotel guests to avoid lengthy check-in/check-out lines just to pick up and drop off their room keys. It also enables hotels to run their properties with less overhead.

For self-storage operators, this same type of high-tech customer service has now been made available. Mobile solutions with digital keys and electronic smart locks enable a fully automated move-in/move-out process.

Smart Locks

The advances in cloud software and mobile technology aren't the only ones in self-storage security. Enter the age of smart locks.

The access-control systems of the past served some purpose, at least on the exterior. Twenty years ago, keypads and cameras might've caused a would-be thief to think twice about breaking onto your property. Today, we all know that facilities with gates, keypads and cameras are raided often despite the security measures.

Perhaps we see this because much of the theft at self-storage facilities is internal, usually in the form of current tenants breaking into units that don't belong to them. Why is this so easy? Your tenants know your property well. They know when your managers are on site and where cameras are located. They also see when and where expensive items are stored. Cars, motorcycles, ATVs and much more are all a mere set of bolt-cutters away. We also see many thefts occur and go unreported for months because a replacement padlock was put on the unit after it was cleared out.

Google the phrase "padlock picking" and you'll see countless inexpensive

tools, devices and video tutorials using common household items, all designed to help people open a disk lock or traditional padlock in mere minutes. The same is true of cylinder locks. With so many ways to easily work around exterior padlocks on self-storage unit doors, it comes as little surprise that electronic locking solutions are a breakthrough for industry security.

It's important to note that not all electronic locks provide the same level of security. Those attached to the door's exterior can still be removed or defeated in much the same way as padlocks. That's where interior smart locks come into play.

"Once our tenants have seen how the inside door electronic lock works, the safety of it, the security of it, not having someone

on site doesn't matter," says Josh Boyd, who owns an unattended self-storage facility in Birmingham, Ala. "They don't really care about it because most people know that if something is going to happen, it's most likely going to happen in the hours after the manager has left, and people kind of know how easy it is to cut off a lock.

"I have a guy who has a battery-powered grinder that can get a lock off a unit in 10 seconds. Inside-the-door electronic locks have really changed the game for security because it's inside the unit. It's like a personal ADT system. So, we've advanced the calls of security while removing someone from being on site during business hours."

Boyd also notes the convenience and efficiency of interior smart locks and

how they're enabling automation in ways that was previously impossible. "The convenience and access is another big point for us. We can do 24-hour access and things that other places may not because we have these systems in place to allow that," he says. "The account management can be done from our app or done online. It's really come full circle on the customer/tenant side—to be able to provide this high-quality experience without having a manager on site. From an owner's side, the numbers are pretty compelling regarding automation and why it's so important." **ISS**

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CRIME-STOPPERS!

Key Security Components

One of the most important aspects of operating a self-storage facility is keeping people and property safe. Self-storage can be a target for criminal activity. Properties that fall prey to break-ins, vandalism and other incidents will lose credibility, customers and revenue. So, to ward off crime, facility operators employ a wide range of security measures. Let's examine today's must-have components, the latest technology available, how to maintain your system and when to upgrade.

The Must-Haves

When it comes to safeguarding a storage property, there's no across-the-board approach. "A facility's needs are largely based on size, the area's crime rate, desired rent rate and how tech-savvy your customers are," says John Wollam, owner of Stor-Guard LLC, a provider of self-storage access-control and security products. "A boat-storage facility in a retirement community isn't going to warrant the latest in technology, while a facility in the heart of Seattle will

probably want the latest and greatest. Your customers have expectations!"

Though every site is different, there are some common components each should have. The first is a solid perimeter. "A good fence that's not easy to climb, along with a gate, is the beginning of security for your facility. Without that, there's nothing to stop criminals from walking onto the site," says Paula Swanson, an inside sales representative for Stor-Guard. She also recommends a motorized gate. "This will remove the need to manually open and close the gate at the beginning and end of every day. The motorized gate allows the facility to be secured between customers, using an access-control system."

A staple in the self-storage industry, access control with keypads placed strategically at the entrance and exit allows you to control who's on the property at all times. Keypads come in a variety of styles and prices. Some require users to punch in a code while others use a card or proximity reader. Higher-end models will grant access through a fingerprint or mobile app.

"Every self-storage facility needs to control ingress and egress. Access-control systems give you the ability to let the good guys in and keep the bad guys out," says Chadwick Macferran, director of marketing for PTI Security Systems, which provides self-storage security components.



Another common device is a self-contained surveillance system. This usually comprises several cameras, a digital video recorder (DVR) or network video recorder (NVR), and display monitors. Cameras have come a long way in recent years and now offer higher resolution and definition, even in low-light conditions. On some systems, you can download an app and review the camera footage in real time via any Internet-connected device.

A camera system should be designed specifically for each property's needs and be able to track movement. "Camera coverage is critical to how safe a customer feels about storing his belongings in your facility. If you have an office, it's highly recommended you have monitors showing the surveillance. This will give your customers confidence," Wollam says. "It's also important to have a lengthy recording as problems are not always reported quickly. We recommend a 30-day motion recording."

Don't underestimate the importance of lighting in security. Criminals prefer to do their work in the dark. When you light up your site inside and out, you send a clear message that it's off-limits. "Lighting is a great deterrent and helps your tenants feel comfortable when visiting their storage space," says David Essman, director of marketing for Sentinel Security Corp., a provider of self-storage security and software products.

While there are other options, incorporate at least these basic measures. "Each of these components offer a level of security of their own. The combination of them all makes for a secure facility that is very marketable," Swanson says.

What's New

After the basics, consider new products. In recent years, a lot of new technology has hit the market. Some of the biggest advancements are happening in closed-circuit television (CCTV), which has become more affordable. High-definition video cameras can incorporate more data into an analog signal transmission, while fully digital Internet-protocol (IP) systems offer a clearer picture and have a larger field of vision.

"CCTV quality has drastically improved, making it easy for the operator to identify people who are not necessarily close to the cameras," says Swanson, noting that integration between the access-control and CCTV systems allow video footage recall with the click of a button. "Looking up the video footage of when your customer used



the keypad is as easy as clicking on an icon in the access-control software log. This can eliminate the need for hours of searching video footage."

You can also tap into video analytics. Through artificial intelligence (AI), these systems learn how to detect abnormal activities. If a threat is identified, they notify the appropriate parties, such as the manager or owner, a security company, or even police. "An AI video-surveillance system can add an additional cost-effective yet powerful layer to your facility's security," Macferran says. "Operators are no longer responding reactively but are proactively preventing damage and theft."

Electronic locks are increasing in popularity and can be a proactive asset, particularly in the case of attempted theft. "This is where most people think cameras come in, but cameras are only a valuable tool if you get a clear shot of someone's face *and* you know who they are," says Christine DeBord, director of marketing for Janus International Group LLC, which supplies self-storage building components and technology. "If you can't identify the person or if he's wearing a hat or hoodie, cameras don't do a ton of good. That's why operators need to know about electronic locks and the importance of individual-unit door security."

In fact, upgraded security at the unit door is becoming the norm. "An automated, outside-the-door electronic lock gives operators peace of mind while providing tenants a best-in-class customer experience," Macferran says. "Hard-wired and wireless door alarms are a reliable and cost-effective solution to add additional door security."

Another component gaining popularity is an office-intrusion system with monitoring.

"This will include a minimum of a control panel, motion detector, contacts on doors and windows, and a panic button," Swanson says. "More options are available, but these will sound alarms if there's a break-in while the system is armed."

There have also been several advancements in access control, with many systems using smartphones. Tenants simply download an app they can use to enter the gate, a building and even their unit. The tech is also capable of denying access to a past-due customer. "Cell phones are also considered more secure than codes, as each cell phone has unique credentials and people don't tend to share their phones," Wollam adds.

You can also control customer movement on your property by "assigning" it. This is particularly important for sites that offer specialty storage such as records, wine or vehicle. "If you have a customer who should only have access to Building C, his code can be tied to the main gate and just this building. If Building C has multiple levels, you can also limit the elevator access to a specific floor," Wollam says.

This controlled access can also be applied to when and how long a customer is allowed on your property. "Every modern-day security system should have multiple time-zone options, which will allow the assignment of different gate-access hours for different tenants," Essman says. This allows operators to not only control but track who enters and at what time from any computer or Internet-connected device. Automatic notifications can then alert staff of activity through the security system.

Another advanced product to consider is a thermal motions sensor. "Motion sensors

in units can detect heat signatures and alert you if a unit has been broken into or if someone is sleeping in it,” DeBord says.

Maintaining It

All this security will be for naught if it isn't regularly maintained. While some aspects of maintenance should be left to the pros, there are simple steps you can take to keep your equipment functioning properly.

“The manager can play an important role in testing each component of your security system daily,” Essman says. “They should test the keypads, cameras, lighting, door alarms, intercoms, etc., and report their findings to the business operator or a skilled professional for service.”

Software updates should also be performed. “[Facility operators] should always make system backups and take care of any error messages on their DVR/ NVR. Not doing this may mean that you don't have footage of an event when it happens,” Swanson says.

Automated gates must undergo a quarterly maintenance check by a certified professional. “This would include checking the system for unusual wear and lubing parts on the gate and gate operator,” Wollam says.

Those looking for an advanced method of maintenance should consider an Internet of Things (IoT) platform. “A centralized, enterprise IoT platform gives you real-time visibility into the health of your devices,” Macferran says. “In the past, companies may have had to walk the site to check in on video systems, door alarms,

thermostats, etc. With an IoT platform, you can be proactive vs. reactive in responding to issues.”

Time for an Upgrade

So, how do you know if it's time for an upgrade? Even if your components are performing as they should, are some of your keypad numbers so worn that they're impossible to read? Are you having trouble making out images in your video footage? Do your hallways or building exteriors lack adequate lighting? It could be time for fresh products.

A clear indicator that you need new components is if you're unable to find someone who can repair existing equipment or find replacement parts. “Another sign that it's time to change is if your system can't integrate with current management and accounting software,” Wollam adds.

Even if your systems aren't failing, it just might be time to modernize. “Your needs may have changed, or maybe newer technology and features are now available,” Essman says. “New stuff always makes your operation more efficient and your life and that of your tenants' a little easier.”

If you're ready to upgrade, first consider what you like and dislike about your current system, Swanson advises. “There are tons of options available for both access control and CCTV, so you might as well start with knowing what has worked for you and what may be a waste of money.”

While many older keypads remain functional today, security cameras become quickly outdated as new technology is

introduced. In fact, it's recommended that these systems be updated every four to five years, Swanson says.

When shopping, think about the support each vendor offers, upfront and long-term costs, how the equipment will be wired, maintenance needs, compatibility with existing systems, ease of use, and future expansion. “The most important thing to remember is that each facility is unique, facing different needs and budgets,” Swanson says. “An overall security system needs to be designed, not just a one-size-fits-all solution. It's imperative to work with a company that's willing to get to know your needs and your facility.”

Stay up-to-date regarding new products by reading industry publications, attending conferences, and talking to fellow operators and security vendors. Many suppliers will happily offer advice on how to create a more secure site.

As industry competition intensifies, it's vital to create a safe and secure property. Doing so will minimize your risk of becoming a target for criminals and help maintain your status as a reputable business in the community. “Operators can differentiate themselves from the competition with the technology that they use—security cameras, individual alarms, enhanced door security. Providing upgraded security features gives tenants the peace of mind that they and their property are safe in your facility,” Macferran says. **ISS**

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7 Security Tools to Embrace Now

For far too long, there's been little to get excited about when it comes to self-storage access control and technology. That's changing now as many high-caliber, smart security tools enter the market. Here are seven of the coolest products available today as well as tips on how to leverage them for site security.

Smart locks. Unfortunately, we see theft at self-storage facilities too frequently. Criminals tailgate onto properties and use bolt-cutters or other tools to cut locks and enter units. Smart locks, however, help

prevent this behavior while making it more convenient for customers to access their stuff. In the hospitality world, Hilton Hotels & Resorts rolled out smart locks across its entire portfolio, allowing customers to access their rooms from their mobile device. This type of technology is now available in self-storage as well.

Digital keys. These are a great tool to improve customer convenience while maintaining a better audit trail of who's been on property. In the past, tenants would simply share their code and physical



“ One storage owner is using a video-doorbell system to help answer tenant questions at a fully unattended facility in Alabama. The beauty of the tool is its simplicity.

key with family members or movers who needed to access unit. With digital key sharing, they simply add the mobile number of the person with whom they'd like to share, and that person can then use his mobile device to access the space. The beauty is customers can share access from anywhere in the world and revoke it whenever they'd like.

Motion sensors. Self-storage operators have long been using these to control lighting costs, but the technology has come a long way as a security tool as well. Today, there are a several motion-sensing, high-definition (HD) camera systems that send alerts when after-hours activity is detected on site. In some cases, they even timestamp the activity in the alert. There

are also thermal motion sensors that help you detect drive-up or unit-interior activity. This type of sensing not only helps to detect break-ins, it alerts you if tenants are living in units.

Wireless pressure mats. Securing RV storage can be difficult and costly, but these can make it easier to safeguard large RV spaces. The mats send an alert every time more than 60 pounds of pressure is applied. That means even if someone tailgates on or off a property, you'll get an alert at each instance of pressure passing over the mat.

Video cameras. Each year, cameras get smaller and less expensive, and the definition gets better. There are several wireless, battery-powered HD cameras

on the market that are great for outdoor installation because they can be placed in areas where running wire would be difficult or costly.

Video doorbells. While cameras are a security staple, they can also be used in less conventional ways to aid in after-hours move-ins. One storage owner is using a video-doorbell system to help answer tenant questions at a fully unattended facility in Alabama. The beauty of the tool is its simplicity. A tenant enters the vestibule and, immediately, the facility operator or call center gets a mobile alert. From there, someone can speak directly to the tenant from a mobile device and assist in the move-in process.

Glass-break detectors. These work by monitoring acoustics or vibrations and send alerts or trigger alarms when broken glass is detected. These are fairly inexpensive and can help with securing offices and storefronts.

All these exciting new products can help secure self-storage facilities, improve activity visibility and make it more convenient for tenants to access their units. **ISS**

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Protecting Your Facility Perimeter

Every self-storage owner should be concerned about site security. After all, break-ins can be costly to the property and its tenants. However, being knowledgeable about options can be daunting, with options and costs varying considerably. To facilitate the process, let's look at key considerations for your security investment, particularly in relation to your facility perimeter.

An Overview

Any time you leave your storage property unattended, everything inside is at risk from thieves including the storage units, vehicles, raw materials and equipment, and even your buildings. It's wise to do everything you can to protect the considerable investment your facility represents. A security system can help in these key ways:





- Alarms and other components act as a deterrent to theft.
- Security serves as a marketing tool to attract customers.
- In the event of a burglary, it can scare away perpetrators and help law enforcement catch suspects and even recover stolen goods.
- It may help lower your insurance premium.

The main purpose of a security system is to detect, deter and delay. Modern perimeter systems include several components and provide multiple layers of protection, including an outer layer, such as a fence or other physical barrier, and detection capability, such as fence sensors.

A Word on Cameras

Too many self-storage owners rely on cameras to act as their security system, but these only offer only a partial solution, as they're reactive, not proactive. Plus, they usually don't cover the fence line. Even when they do, they often can't see everything due to vegetation, moving vehicles or weather. Remember, in most cases, a camera works just like the human eye; if you can't see through a blockage, a camera likely can't either.

Instead, think of cameras as a forensic system. They'll record video of someone who breaks into your facility, but they won't prevent the crime or alert you in real time. Yes, there are systems with video analytics or motion detection, but they typically don't perform well in outdoor conditions. They also tend to issue a lot of false alarms, unless they're very sophisticated (read: expensive) or you're

paying a monthly fee to a monitoring company that watches for incidents in real time and alerts the authorities.

Establishing Your Perimeter

It's important to mention the obvious: If you don't have a physical barrier to stop people from entering your self-storage property, this should be your first move. A strong perimeter is your most basic measure to stop crime.

Use fencing designed for security. Some barriers are made to be visually appealing but lack in deterrence. The best way to transform a "stupid" fence into a "smart" one is to add a way to detect if someone is cutting, climbing or lifting it. This is usually accomplished with an alarm system, infrared sensors or electric fence.

Fence Alarms

A fence alarm is a sensor, usually a cable attached to the fence. Such a system used to be considered expensive, complicated, and only for government or military use, but there are now commercial-grade systems that are cost-effective and easy to install. Likely, a local installer can perform the work for you.

Fence sensors provide real-time monitoring capability to not only alert a self-storage operator of intrusion but prevent burglaries, since they can trigger sirens, strobe lights and other measures to scare away perpetrators. These intrusion-detection systems cost about \$5 to \$8 per foot for the equipment before installation.

Infrared Sensors

These are also called motion, line-of-sight or "laser" sensors. Though

similar to the sensors you may use inside your home or office, they're designed for outdoors. Usually, there are two sensors aligned with one another to form a "gate." If someone breaks the beam, the sensors trigger an alarm. Available in wire or wireless versions, sensors are typically installed inside the perimeter and require 3 to 10 feet of clear path around the fence line to create a "no-go zone."

Though this technology may sound like a great way to protect your facility, it has drawbacks. The main issue is false alarms, which can be triggered when something disrupts sensor alignment. This can be caused when a physical object (vegetation, vehicles, dirt, animals, etc.) blocks the view or direct sunlight blinds the sensors. Even extreme temperature can affect detection distance and capability, as these are based on an infrared heat signature. Sensors also tend to require frequent maintenance. They're usually cheap, China-made equipment that can't withstand harsh environments and fail after a few years at best.

Electric Fencing

This solution can be built from multiple parallel wires instead of standard fencing, or it can be mounted in front of an existing fence. It essentially creates two barriers whose collective purpose is to electrocute anyone who touches it. Most systems also offer detection capability, in which an alarm sounds when someone touches the fence. These are either purchased or leased, with the monthly cost ranging from \$900 to \$1,500, depending on the size of your property.

Though an electric fence may sound like a good way to exact revenge on criminal who intends harm, anyone wearing gloves or who throws a blanket over the wires can bypass the system. The nature of their construction also will not do much to slow trespassers.

When it comes to the security of your self-storage property, you owe it to yourself to investigate all available options. Few facilities need all the bells and whistles, and most security suppliers offer custom packages that allow you to hand-pick the options you value most. When making a buying decision, keep in mind the overall goal of the system and how its detection of and response to a criminal incident should prevent damage to your business. **ISS**

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THERE'S A **NEW** SHERIFF IN TOWN



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Your Automatic Gate: ASSET AND LIABILITY

Many self-storage facilities use automatic entry gates. At first glance, these systems seem like an advantage and positive selling feature. Consumers think of safety and security when they see a facility with a tall fence and automatic gate to control access.

In fact, there are many positive aspects to having an automatic gate on your property. However, important changes have taken place in the gate-operator



industry, and it's important to understand how they can affect your business. Depending on how you look at it, your gate can be an asset or a liability.

There are two industry standards that impact gate systems being installed at self-storage and other commercial properties today: Underwriters Laboratories (UL) 325 and ASTM International F2200. The UL standard applies to the gate operator and accessories, while ASTM F2200 is an architectural standard that applies to gate construction.

In 2016, all gate-operator manufacturers were forced to change the logic controls of their products to receive the UL stamp of approval. Basically, the change requires all gate operators to become disabled if one or a combination of safety devices aren't attached or working properly.

The ASTM F2200 standard relates to how the gate is constructed and installed. It varies depending on gate type. There are different standards for overhead, slide, swing and vertical-lift gates.

If you're building a new property, consult with the company providing your gate and gate operator. Most vendors will

know about the standards and how to follow them. It's hard to get around the UL requirements for the equipment, but gate construction is another matter. An Internet search will produce a lot of information on the standards mentioned above.

If your property was built before 2016, chances are your equipment doesn't meet the current UL standards; however, that doesn't mean you can't bring them up to snuff. Check with your gate supplier to see what modifications need to be made.

You're probably asking yourself, "Who enforces these standards?" I can assure you there isn't a UL police force out searching for properties that don't pass muster. But just let one person get injured by your gate or one vehicle get damaged and you'll quickly learn the people enforcing these requirements or at least bringing them to your attention. They're called attorneys!

When considering your self-storage gate system, do everything you can to make sure your system is an *asset*, not a *liability*. **ISS**

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LEVERAGING GATE SOFTWARE for **GREATER SECURITY**

As self-storage operators, we're trained to conduct regular walk-throughs of our properties to ensure there are locks on every unit, the site is clean, the number of occupied units matches what's reported in our software and more. While these are important things to watch to catch issues quickly, there's something else we can do to improve site security.

How many of you check your gate-access codes each morning to review what happened while you were gone? Your company spent a lot of money on the gate

system, software and cameras around the property. These are key features you sell when someone rents a unit. So, why not use them to their full ability? Let's check out the benefits of reviewing information from your gate software each morning.

Watch for Suspicious Behavior

While break-ins, property damage and other problems can happen any time, they're most likely to occur after office hours. Pay special attention to any gate codes that were used starting an hour before your gate hours end until you arrive

at the facility the next morning. Potential wrongdoers who have property access will enter before being locked out for the night. They want it to appear that they're just visiting their unit, but they may be angling to be alone on the site or have an excuse to spend the night.

Some gate systems will allow tenants to leave the property regardless of whether it's past gate hours, while others will lock them in no matter what. In both cases, you can use the software to benefit your facility. If you offer 24-hour access, pay close attention to those

entering around 11 p.m. and 4 a.m. These are peak hours for crime.

Make note of any tenants who may have input codes when entering but not when exiting. It may be that they've tailgated off the property. Or, they might just stay on the property overnight and leave when someone enters in the morning.

Don't forget about the cameras. If you see the same tenant often entering the property during the very late or early hours, why not take a few moments to review the video and see what's going on? With the time stamps from the gate software, it's easy to crosscheck.

Note anything suspicious such as the tenant walking around to different areas, staying in his unit for long periods or sleeping in his car. Many things can come to light, and this information shows if someone is trying to compromise your facility security. Anyone who does should be immediately evicted. While it isn't your goal to harass tenants, your mindset should be that you're there to protect the owner's asset and tenant belongings.

Watch for Unsafe Codes

Most self-storage operations have a specific gate-code pattern. It might include digits from the tenant's driver's license, a combo of birth date and unit number, or you might leave it up to the customer. Unfortunately, someone might pick up on this pattern and, with a few tries, gain access to the facility with someone else's code.

Gate codes should be at least five digits, as four-digit codes are easy to guess. When tenants choose codes, they tend to use a year that's important to them or one that's easy to remember but also simple to guess, such as 1111, 1234, 1379 (corners of the keypad), etc. Even five digits may not be enough.

While we can go on and on about patterns, you should regularly look at your access codes. Open your gate software and click on the report that shows all of them. It doesn't matter if they're for overlocking, employees or vendors—each code needs to be reviewed. Don't take it for granted that codes are secure. Even if you have rules to ensure strong codes, customers may not have followed them. If you see codes in your list that leave your site vulnerable, change them.

Look at Code Entries

It's also a great idea to see how often each gate code is used, and your gate

software can usually sort data based on code. Most of you know your tenants' stories and when they're on site. If something stands out—for example, you notice one code being used a lot in a single day—it would be wise to investigate. If the tenant hasn't recently moved in, it could be his code was compromised.

Again, use the cameras to your advantage! Take time to see what the person looks like, what type of vehicle he's driving, where he's going on the facility, etc. Compare the information to the lease or any other details you have. If things don't match up, review past usage of that gate code. With the help of the cameras, you'll be able to determine when the tenant used the code and when it was used by someone else.

Don't hesitate to contact the tenant. Tell him you were reviewing the facility-access logs and noticed his gate code was used at a certain time. You want to confirm it was him. If it wasn't, tell him you're changing his gate code immediately.

Once you change the code, you may be able to catch the person using it, as gate software will usually list invalid codes used. If the culprit tries the code and fails, look at the code he attempts to use next. If he's a tenant, he may actually try his own—then

you've got him! If he tries to guess another common code, you'll see that, too.

Sometimes, if a tenant has been locked out for lack of payment, may feel an urgency to gain access to the property and retrieve his belongings. He'll randomly guess at codes until he gets in. Look to see the codes he tried.

The same is true of someone who forgot his code or who's code isn't working due to a gate issue. He may attempt a bunch of codes until he finds one that works. This customer will usually call the office the next day for help. In this case, ask which code he used to enter the property. This will help you identify weak spots in your system.

Also, use the time stamps to your advantage. If a locked-out customer was able to gain entry, review the cameras! See if he followed someone in, if he guessed the code or if he's working with another tenant.

All this information is available just by looking at a report. If you do discover someone is using different gate codes, don't jump the gun and accuse him of anything. Instead, investigate what's going on and review the flaws in your system. If someone compromised your security, then take appropriate action.



Communicate With Tenants

An important aspect of your relationship with tenants is transparency. If you notice a customer is staying on the property late, even if you provide 24-hour access, let him know you noticed. Tell him you just want to ensure everything is OK and ask if he's ever seen or heard anything suspicious. It'll probably be a gut-check and may prevent him from wrongdoing if he knows someone is watching.

Owners spend a lot of time, money and energy to ensure their facilities are well-respected and protected. Use your security features, including your gate software, to your advantage. Ensure codes aren't easy to guess and are used only by authorized parties. Be proactive in reaching out to tenants when their code is in question. They'll feel safer that you went that extra step. If they're up to no good,

it'll put them on notice that you're different from others.

While there are other things to review with gate codes, these are main issues that happen at many facilities. Be proactive and give customers a reason to trust your facility. You're the difference! **ISS**

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Individual Unit-Door Security Technology



customers peace of mind. Your tenants care about their valuables, so it's crucial they feel those belongings are protected. Upgrading your door locks shows you're focused on providing the security and safety they desire.

Customer Convenience

Smart locks can be controlled via a keypad at the facility access gate or an integrated mobile app. When the tenant enters his code, the unit door will unlock, providing a simple, stress-free experience. The app makes the customer's visit a breeze, as he doesn't have to memorize any codes or fumble with a magnetic card. This convenience provides an even greater sense of control.

Facility Efficiency

An upgrade to unit-door security yields operational benefits as well. Smart locks provide insight to the status of each unit instantaneously through your access-control management software. This improves daily efficiency by eliminating the need for arduous lock checks. Smart locks can also help minimize tenant delinquency. If a past-due customer somehow gains access to your property, the lock will still deny unit admittance until the account is brought current.

Today's consumers seek self-storage businesses that can deliver the highest security and convenience—and they're willing to pay for it. In a competitive marketplace, delivering an upgraded door-lock solution can help improve customer acquisition and retention and ultimately improve your bottom line. **ISS**

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At the end of the day, self-storage operators all want the same thing: maximum revenue. Individual unit-door technology isn't only an important component in improving a site's overall security, it can be a profitable income stream and serve as a competitive differentiator. Keep reading to discover some of the benefits of investing in smart locks.

Increased Rent

If charging a premium for your storage units has ever felt out of reach, upgrading your door security is one of the best ways to make it possible. By offering the latest technology and advanced features, you're able to command a higher price in the marketplace. There's a direct correlation between superior security and top rental rates.

Competitive Advantage

Many self-storage operators overlook the extra layer of protection smart locks provide. Thanks to technological advances, however, the integration of these tools into your existing access-control system is easier and more affordable than ever.

In an environment as competitive as self-storage, advanced security measures are a key differentiator for tenants in their choice of facility. An upgraded unit-security offering is a unique marketing opportunity, showing how your facility goes above and beyond to ensure tenant's possessions are safe and sound.

Peace of Mind

Self-storage operators worldwide have adopted top-notch security because they understand how important it is to give their



Legal Nightmares in Self-Storage

Much has changed in the self-storage industry in recent years, so it's time to review my list of legal issues that keep me—and many facility owners—up at night. Some are familiar, while others are new nightmares, my friends. Here are four common concerns as well as how to reduce your risk.

Rental Agreements

Are you keeping your rental agreement up-to-date? After the last several years of legislative victories by the Self Storage Association, it's extremely likely that your state statute has been updated or improved. Changes might include:

- More/better ways to send default notices
- Adjustments to the requirement, frequency or type of advertising needed prior to lien sale
- The ability to tow a vehicle in a defaulted space, sometimes to the exclusion of selling it
- Improved protections under the contractual value limit in the rental agreement
- A safe-harbor late fee
- The ability to host online auctions
- The ability to sell contents insurance to your tenants

If you haven't been paying attention to your state laws, your rental agreement could be significantly behind the times. Moreover, if you haven't made some of the changes that are mandatory under an updated statute, your agreement may be a handicap rather than offer protection.

Some statutes have been altered to require new or updated mandatory language in the rental agreement, which might even need to be stated in a conspicuous manner. There are some states that now allow for e-mail of default notices, but only if you get some form of affirmative consent from the tenant. You might need to apply for a limited-lines

insurance license in your state to sell contents insurance. The list goes on.

If you haven't conducted a contract review against your statute on your own or with a trusted attorney, you're gambling your entire business against a thousand or so dollars in legal fees. Make sure your agreement is legally compliant and up-to-date with your statute.

Tenant Insurance

Have you switched from *asking* new customers if they wish to purchase tenant insurance or a tenant-protection plan to *requiring* it? If you haven't caught up with this trend, 2019 is the year to review your position on this subject.

When you meet with tenant insurance/protection vendors, they may give you a list of good reasons to offer their policy or plan. My rationale is far more basic: If all your tenants are covered in some way, then when there's a loss or disaster—especially if you're somehow alleged to be at fault or negligent—your tenants will be entitled to receive checks from the provider in lieu of bogging you down with attorney letters threatening litigation.

Just in the last few months, I've been dealing with several large facility fires, earthquakes and, as always, break-ins. While I would never argue that an earthquake is your fault, when a tenant doesn't have coverage for his personal property, he's going to try to make you pay for that loss. When you have a tenant insurance/protection plan in place, his focus shifts to making a claim against that policy rather than the facility.

Presuming the insurance policy or plan pays most of the time, the settlement of a claim requires the tenant to sign a release before getting paid. To receive his check, he waives his claims against you, the facility operator. This is the fastest and easiest way for him to be reimbursed. Moreover, once that release is signed (assuming it's done properly), you shouldn't

be hearing from your tenant or his attorney about any other claims arising from that loss. Tenants are much happier when they get payouts in this manner, thereby avoiding the potential for unpleasant social media rants against your business.

It absolutely stinks to have to look a customer in the eyes, tell him there's been some sort of catastrophe, and it wasn't your fault. He lost everything and, sorry, he didn't have insurance. One of the things that keeps me up at night is operators who still only *suggest* contents insurance or protection plans rather than requiring proof of insurance and, in lieu of that proof, enrolling tenants in the available plan.

The Class-Action Lawsuit

The self-storage industry has grown so much over the past decade that it's now on the radar of class-action attorneys. Every few weeks it seems another class-action lawsuit is being filed against a storage business.

These suits involve all sorts of things. Generally, the late-fee class actions are gone because of the efforts to get a safe-harbor late fee in many states. However, there are still many lawsuits relating to employee overtime, which can be easily prevented by reviewing your policies for pay and hours worked by your onsite employees. We're seeing many new lawsuits over other issues that are fully predictable and controllable. There's no way I can cover them all in this article, but let me highlight two of them.

First is the lump-sum fees (other than late fees) some self-storage operators are charging, especially when a tenant goes into default. One of the most basic tenets of contract law is you can't charge a fee (other than a late fee) unless it's disclosed, charged when the service is rendered and reasonable. Unfortunately, I see too many situations in which operators have combined fees when it isn't only questionable whether services were actually rendered but whether

the cost is reasonable. These lump sums are an easy target.

Here's an example: On the 30th day a tenant is late, an operator charges a \$150 lien fee that covers all related services provided up through the date of the sale, for example sending default notices, cutting the lock, taking unit inventory, advertising in the local newspaper, etc. When you charge a lump sum for all this, you're not charging the fees on the dates when the actual services took place. You make it too easy to challenge the reasonability of these fees and eliminate your ability to rebut because you can't break them apart.

The second class-action lawsuit type I want to mention—and the one everyone should pay attention to—relates to disability accessibility. This is about whether your facility, including your management office and storage units, are accessible to people with disabilities. It also includes your facility services.

There were several class-action lawsuits last year over website accessibility. For example, can a blind person read or otherwise understand your website? Even

a requirement on the rental agreement to provide a driver's license causes exposure. Blind people or those with epilepsy can't have a license; however, they can have a government-issued photo ID. To ask for a "driver's license" exposes you to a claim of discrimination.

Fees, Charges and Policies

Getting back to fees for a moment ... Are you being clear with your tenants, in your rental agreement, about the fees and charges they can incur at your facility for everything from rent default to clean-up and repair after they move out? This could be the topic of a full article.

If you're imposing fees and charges, and you think the only place you need to disclose them is in your default or move-out notices, you're wrong. Further, you might not be allowed to enforce those charges because it can easily be alleged that these policies were enacted without tenant consent. The problem is easy to fix by fully disclosing your fees, charges and other rules to the tenant in the rental agreement, so he knows what they are.

Keep in mind, however, that if you're going to state a policy, you need to enforce it. It isn't OK to include a clause in your rental agreement and then later say, "Oh, we don't actually do that."

As the industry continues to grow and mature, it'll face new problems that were unthinkable five or 10 years ago. More people will look to make their living off suing storage operators, large and small, for big sums of money; or they'll simply file bottom-feeding nuisance claims to get a quick small settlement. Fortunately, we can update our policies, procedures and behaviors to avoid claims we know are coming because they've already arrived at the doorsteps of fellow facility operators. **ISS**

This column is for the purpose of providing general legal insight into the self-storage field and shouldn't be substituted for the advice of your own attorney.

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Updating Your Rental Agreement



The rental agreement may be the most important tool in operating your self-storage business. That said, it's vital that you regularly review your lease to confirm it's up-to-date and effective for its intended purpose.

Some factors to consider are when the agreement was drafted and whether it correctly follows your state's self-storage laws. Has the lien law been amended? What about recent court decisions that interpret self-storage leases? Depending on the answers to these questions, it may be time for an update. Following

are several provisions to check and, if necessary, revise.

Non-Bailment

One of the most crucial ingredients to a strong self-storage rental agreement is an explicit statement that the owner isn't a bailee of the tenant's property and there's no warehouseman relationship between the parties. This is important because a bailee is held to a much higher standard of care than a landlord.

Along the same lines, your lease must state that the self-storage owner doesn't take

care, custody or control of a tenant's goods. Keep in mind that judges who are deciding cases concerning tenant claims will look primarily to the rental agreement to determine the facility owner's obligations. Therefore, the lease needs to be clear that the owner isn't a bailee of the tenant's property.

Lien-Sale Rights and Procedures

Nearly every state self-storage law requires that language be incorporated into the rental agreement to notify the tenant of the facility owner's right to lien the tenant's goods and sell those items

once the tenant is in default. Some laws even require that this notice be placed in a specific type size or in bold print. Again, it's essential to follow whatever is required by the statute. Courts likely won't uphold an owner's lien-enforcement rights if he hasn't properly complied with the statute requisites.

Limitation of Liability

The effort to potentially limit a self-storage owner's liability in cases of tenant claims is imperative and should be included in the rental agreement under three separate provisions.

First, there should be a value-limit provision stating that the value of the property stored cannot exceed a certain amount (commonly \$5,000) unless previously approved in writing by the facility owner. Under this provision, the facility could allow a tenant to store property with a greater value if the tenant could provide proof of insurance for 100 percent of the estimated value of the property. While some states haven't upheld this provision, many self-storage acts have been amended to allow for it.

Second, there should be a statement whereby the tenant agrees not to store property having special or sentimental value and specifically waives his right to make claims for emotional attachment to the stored property. This lessens the likelihood of tenants claiming emotional distress arising from the loss of or damage to his store goods.

Finally, there should be a jury-trial waiver that attempts to restrict the tenant's right to bring a claim before a jury. This provision is important because tenant cases heard before a jury have a greater likelihood of returning larger verdicts than similar cases heard only before a judge.

Release of Liability

Your lease should specifically address the tenant's release of liability against the facility owner, employees and agents. The language should include statements that the property is stored at the "sole risk" of the tenant and the owner isn't liable for the "loss of or damage to" the tenant's personal property due to burglary, mysterious disappearance, mold, mildew, fire, water damage, rodents, insects, and acts of God.

It's also important to include a statement that the self-storage owner won't be held liable for damage to or loss of property arising from the "active or passive acts



“ All good leases contain language that complies with applicable laws and addresses the unique issues that apply in this industry.

or omissions or negligence of the owner, owner's agents or employees.” This clause is significant because some court decisions have allowed owners to be released from liability even when their own negligence caused the loss or damage to occur. This is especially vital when there's also language requiring the tenant to obtain insurance for the stored property.

This release section of the agreement can also address liability for any personal injuries that may occur to the tenant while on the self-storage property. Though many states won't uphold a personal-injury waiver, some mention of it should still be included.

Insurance

One of the most important clauses in a self-storage rental agreement involves the issue of tenant insurance. This provision should state that the tenant is obligated to obtain his own insurance to protect 100 percent of the value of the stored property. It should also provide that the requirement to obtain insurance is a material condition of the lease and that failing to do so would be a breach of the agreement.

Another necessary provision in this section is a waiver of subrogation. This prevents a tenant's insurance company from pursuing claims against the facility after it has paid the insured. Without it, if a tenant collects from his insurance company on a loss or damage claim, the insurer would have the right to seek recovery against the facility for said payment.

Indemnification

Related to insurance, a good rental agreement should contain an indemnification provision whereby the tenant agrees to indemnify and hold harmless the self-storage facility for property loss or damage as well as

personal injury the tenant causes. In other words, if a third party is injured because of the tenant's actions and seeks to recover against the self-storage facility, the business can look to the tenant to recover any damages it's required to pay the injured party.

Electronic Communication

In a digital age, people have changed the way they communicate; and the prominence of electronic communication has led many states to amend their self-storage laws and allow lien notices to be sent by e-mail. It's important to follow these laws to know whether your rental agreement should contain a provision in which the tenant consents to receiving notices by e-mail.

As for text messaging, it's become more prevalent for self-storage businesses to text account statements and late notices to tenants. However, these messages are governed by federal law (Telephone Consumer Protection Act), which has multiple requirements. These include obtaining written consent from the tenant before sending any texts, notifying the tenant that he can opt out at any time, and a condition that consent to receive texts isn't required as a condition of purchasing goods or services. If you wish to e-mail and text tenants, ensure your rental agreement contains the correct language to comply with applicable laws.

Other Important Provisions

In addition, your rental agreement should include language addressing the arbitration of claims brought by tenants, restrictions on what can be stored in the unit, the termination rights of the landlord and tenant, and a statement defining a tenant's abandonment of property. Other provisions should address tenant military status, warranties, partial payments, the landlord's right to obtain unit access, and the owner's right to change the terms of the lease agreement upon proper notice to the tenant.

No self-storage rental agreement is perfect, nor does it have to be. However, all good leases contain language that complies with applicable laws and addresses the unique issues that apply in this industry. If you haven't done so in a while, take some time to read your agreement, and test it to see whether it needs updating. **ISS**

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Subrogation Waivers and Your Rental Contract

A “waiver of subrogation” is a common provision found in most self-storage rental agreements. It involves the subrogation rights of an insurance company and whether that company may assert action against a party who causes harm for which it is required to pay.

Typically, if a tenant is damaged by a landlord’s action and his insurance company pays on the claim, that insurer has the right to “step into the shoes” of its customer and pursue a claim against the landlord to recover its loss. If, however, the tenant signs a waiver of subrogation, he may have removed his insurer’s right to seek reimbursement for its losses. The company’s rights are limited because its insured (the tenant) gave up its right to recover as part of a negotiated contract.

Is it fair for a tenant to waive the rights of his insurance company? Most courts would say yes, that contracting parties are permitted to allocate risk between them and to limit either of their insurance companies from going back against the other to recover loss. The philosophy is if the insured parties were able to have their insurers recover against an at-fault party,

litigation would ultimately ensue. With a waiver of subrogation, each party assumes its risk through its insurance, and the risk of loss can be controlled based on each party’s coverage.

In self-storage, this applies primarily to tenant property loss or damage claims. If a customer has a tenant-insurance policy, the insurer paying on a claim might typically seek recovery against the facility operator. But if the tenant’s rental contract includes a waiver of subrogation, the insurer will find its rights of recovery have been waived. Generally, self-storage tenant-property insurers understand this risk and price their policies accordingly.

However, in other types of contracts, a party who signs a waiver of subrogation *must verify* that his insurance company will permit such an act. If an insurance policy doesn’t permit the waiver and the insured waives the insurer’s right to pursue recovery, the company would arguably have the right to deny coverage to the insured since he breached his contract by accepting waiver language.

A common subrogation provision in a lease might look like either of the following clauses:

- Landlord and Tenant will each look to its own insurance for recovery of any loss resulting from fire or other casualty. Landlord and Tenant waive any right of recovery of insured claims by anyone claiming through them, by way of subrogation or otherwise, including their respective insurers.
- Occupant waives any right of recovery against Owner or Owner’s Agents for insured or insurable claims of Occupant, and Occupant waives insurance subrogation against Owner’s insurers, if any, for all claims covered by Occupant’s insurance.

Self-storage operators would be wise to include a waiver of subrogation in their rental agreements, but they should also check with their third-party tenant-insurance provider to verify that its policy grants permission for its customers to accept the waiver provision and still obtain coverage. **ISS**

Note: This article was originally published in the author’s “Legal Monthly Minute” Newsletter.

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A Helpful Overview on LIEN LAW

The self-storage associations have been very busy in the state legislature in recent years making sure our industry lien laws are as good as they can be. There have been many successes, and much has changed. For this reason, it’s critical to check your state law periodically, and definitely double-check it

before you conduct a lien sale. To help you keep pace, I’ve highlighted some important reminders and trends below.

Why Lien Laws Matter

To industry professionals, issues of self-storage operation, management and law are, hopefully, second nature. But many

of your customers simply don’t “get it.” They don’t understand there are laws that allow storage operators to take a tenant’s personal property and sell it to the highest bidder when rent becomes delinquent. That ignorance may result in your tenant hiring a lawyer, who also doesn’t get it; and the next thing you know, you’re in court.

So, let's remember why these laws matter. Self-storage liens are an extraordinary mechanism by which a company, without the permission of a judge or court, can literally take a person's property, sell it to a bidder and use the money to pay the past-due rent. It's amazing! But it must be followed correctly, without exception. State legislatures have given us this tool, but with the strict warning—do it properly or else!

This is a long-winded way to say watch out, be careful and make sure you do it right. Those trinkets and old clothes might mean little to you, but they're everything to the person who placed them in that unit. They also may become everything to you if you sell them without following the law.

E-mail Notices

One of the greatest recent innovations in the self-storage industry is the ability to send lien notification via e-mail. For years, nearly every state required that these notices be sent via Certified Mail Return Receipt Requested. You had to retain a file where you kept the letter and the green card when it came back from the post office to prove you did everything right. E-mail is much easier to track and prove and is significantly cheaper.

Between 2013 and 2018, numerous states updated their lien laws to allow e-mail notices. Today, the only states that don't allow them are Alabama, Alaska, Idaho, Iowa, Mississippi, Montana, New Hampshire, New York, North Dakota, Ohio, South Dakota, Vermont, West Virginia and Wyoming. Iowa enacted a new law that allows for e-mail notification unless you receive a message stating the e-mail can't be delivered. Then you must send some type of verified mail. Other states in the list have laws being pushed through legislation now, so check often.

Practice tip: Think like a jury when sending out lien notices. If you send an e-mail and it bounces as undeliverable, consider sending a letter in the mail anyway. If you end up in litigation, a jury might not be kind if they see you sent an e-mail that bounced and didn't bother to spend a couple of bucks on a verified letter. Also, consider adding a "read receipt" to your e-mails so you can prove the tenant read the message. Some states require this anyway.

Newspaper Publications/Ads

This is truly one of the weirdest parts of self-storage lien laws. The reality

is anyone still paying for hard-copy newspaper delivery can probably afford to pay their storage fees. Further, no one other than auction bidders are reading the publications where most of these ads are placed. The idea that the general public will scour ads in general-circulation newspapers to see if their storage unit has been put up for auction is ludicrous.

In most instances, the law states you must provide a "general description of the property" contained in the unit. What does this mean? Some ads I've seen say, "XYZ Storage will be auctioning off personal property items from various self-storage units that may contain..." They then list every category of property possible. This is followed by a list of the units, one after the other.

This is risky. In Texas, there are no cases yet that have determined what constitutes a "general description of the property"; but one day someone will challenge whether a tiny description is good enough for every unit. In your attempt to cut corners on advertisement costs, be sure you include enough of a description that an average person will think it's "general."

Practice tip: Open the unit and look inside. If you see boxes, furniture, household items, books, holiday decorations and electronics, consider saying that in the advertisement. For example, rather than writing "hlsd gds/furn" consider saying "boxes, furniture, household items, decorations, electronics." I know it costs more, but it's definitely better.

Contractual Value Limitation

I recently represented a plaintiff against a self-storage company, which gave me great industry perspective. One of the chief issues in the case was the contractual value limitation. There were numerous arguments as to why it didn't apply.

First, though the contract purported to limit the value of the items stored, it made no mention of limiting liability for the loss of those items. Second, the company offered tenant insurance in values higher than the value limitation stated in the contract, which made little sense to the jury. Third and most important, we argued that if the plaintiff violated the provision, so what? What's the harm to the self-storage company? If there's no harm, it isn't a material breach of the agreement and, therefore, has no effect on her recovery.

Some states don't allow limitation of value in any event. In Texas, for example,

it's allowed but likely has little effect on violations of the Deceptive Trade Practices Act in that state. Illinois has a similar consumer-protection act that might also be unaffected by such a clause. But in these states and others that allow it, you need to have an attorney in this arena look at the language and determine whether it's enforceable, material and helpful to your defense.

Practice tip: Make sure your limitation-of-value language includes a sentence that states the tenant is also agreeing to limit his liability for any claim for any reason to the same limitation of value. Never offer insurance at a value higher than the limitation amount. That's an inconsistent practice that should be avoided. Remember, you must convince a jury and a judge who may not "get it" that your contract and its provisions make sense and should be enforced.

Online Auctions

As of 2018, the following states allowed online auctions: California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Pennsylvania, Texas, Washington and Wisconsin. Many have strict guidelines regarding these sales. They all must pass the "commercially reasonable" test, which varies from state to state. For example, in Iowa, that means at least three independent bidders must attend or view the sale in person or online at the time and place advertised.

Online auctions are catching on, and there are seemingly no cases yet to interpret whether such sales were conducted correctly or in a commercially reasonable manner. Therefore, use caution. If you have an online auction and only one bidder participates, you may want to consider whether the risk of that sale makes sense.

Further, be careful about your photographs. I recently defended a storage company because a bidder claimed the representation in the online auction images was fraudulent. He said the items looked better in the photos than in real life. The court found in our favor, but we did have a trial.

Practice tip: Make sure your photographs are good and reasonable representations of what's in the unit. The auction company should document the sale and how many bidders were present. It

should also be willing to provide a witness at trial if you ever need one so you can prove the sale was handled according to your state's laws. Don't cut corners on this!

Juries/Courts/Arbitration

I could write for hours on the laws surrounding whether you should have juries, judges only or arbitration clauses. Here are just a few things consider on this issue.

Demographics of judges changes frequently. In Texas, for example, Houston has 22 district court judges for civil matters only. In 1998, they were all Republican and elected. In 2018, they were Democrat and elected. In 2020, the straight-ticket option has been taken from Texas ballots and 11 of the judges will be up for re-election. Who

knows how this will affect the courthouse, if at all?

The point is, there's a trend in some self-storage lease agreements to have a waiver of jury trial and/or an arbitration clause. I would be careful about these with the following in mind:

- Is the county/parish in which you're located a place where the judges heavily favor individuals over companies?
- Are the juries in your area more prone to award large verdicts to individuals?
- Is your company big enough that you could be sued for a class-action related to some issue?

These are the things you should discuss with your attorney. You don't want to have

a waiver of jury trials in a county where the juries are better than the judges. You don't want to have an arbitration clause, which makes the case more expensive in many cases, if the courts or juries are fair. With an arbitration, you lose your right of appeal. The point is, don't write Constitutional rights out of your agreement until you've fully vetted whether it's a good idea in your area.

When it comes to lien sales, remember to be diligent about checking your state statutes. There are a great deal of changes going on throughout the country, so don't miss them. **ISS**

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The Issue of AUTHORIZED ACCESS

In reviewing self-storage rental agreements, I frequently see a line asking the tenant to list "authorized users" of the unit. When I press facility operators about this, they say they it's because they only allow one named occupant on the rental agreement, but when they rent to spouses, significant others or families, everyone wants equal access to the space. Authorized access becomes their solution for offering entry to more than one person.

Permitting only one tenant to sign the rental agreement isn't the problem. In fact, there are good reasons for that. Collecting the names of others who are authorized to have access, on the other hand, implies you perform a service you don't actually provide, which could lead to a misunderstanding or lawsuit between you and your renter.

What do I mean? Allowing for authorized access to the unit suggests you're the gatekeeper to the space. It's like saying you check all the people coming and going from the facility every day to make sure only the customer and his authorized persons are entering his unit. Unless you have some sign in/out procedure to get into a building, this simply isn't the case.

Further, by asking for the names of authorized users, you're inferring that you'll prevent anyone who isn't approved from entering the unit. In reality, with today's access-control and automation technology, you aren't personally checking who's coming and going. Also, your gate hours may exceed attended office hours. How are you ensuring only authorized parties are entering when there are no employees on site?

Finally, what are you willing to do for authorized parties? Do you cut the lock if they want into the unit and don't have a key? When you allow tenants to name authorized users, you're indicating that you'll get those people into the unit upon request. This is where confusion can cause lawsuits.

Duty of Loyalty

This all comes down to contract law. One party agrees with another to have some relationship between them. In your case, you're accepting rent in exchange for allowing a certain person to use a portion of your facility. That person, the tenant, should be the only one to whom you owe a duty of responsibility.

By allowing authorized access, you divide that duty of loyalty. If you've ever

dealt with a couple going through a divorce, you know the awkward position you're in when each party makes demands on you instead of fighting with each other. This happens daily at self-storage facilities when a tenant ends a relationship, as the now estranged parties often share a unit.

Now, because you've collected the name of a person or people who are authorized to access, you'll find yourself faced with that former spouse, boyfriend or girlfriend demanding you allow him/her into the unit because "you know" they're supposed to have access. We also see domestic-relations attorneys threatening storage operators with contempt of court if he allows one party in and not the other because of mutual restraining orders issued at the beginning of many divorce cases. When you only have a duty of loyalty to one party, this ceases to be an issue.

Simple Solution

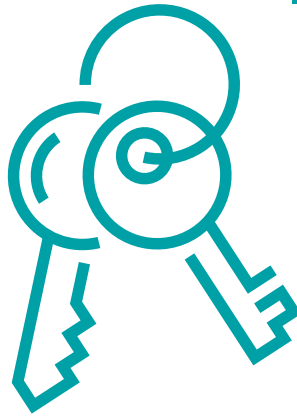
Self-storage is a relatively simple business—until we do things to screw it up. Authorized access is one of the things we do to complicate it.

The solution is to abolish the term "authorized access" from your rental agreement. Don't represent that you're the

gatekeeper, that you have the ability to let people in if they don't have keys or a gate code, or you control who comes and goes from the unit.

The easy answer to that husband and wife who want to rent a unit together is, "We only allow one occupant to sign the rental agreement; however, this is a lock with three keys. As long as you know the gate code and have a copy of the key, you can come and go equally." This simple solution avoids an enormous amount of unexpected, uncompensated liability to you. It leaves you with a duty of loyalty to only one tenant per unit.

Finally, don't confuse authorized access with *alternate contact*. I'm all in favor of



collecting alternate contact information, even if it isn't required by your state statute. I steer away from the term "emergency contact" because some tenants claim that nonpayment

of rent doesn't qualify as an emergency. They then say we've violated their privacy when we send said contact a copy of the default notice. Instead, refer to these as "alternate contacts" and define it in the rental agreement on the grounds that you can contact the alternate, so there's no misunderstanding. **ISS**

This article is for the purpose of providing general legal insight into the self-storage field and shouldn't be substituted for the advice of your own attorney.

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Complying With Employment Laws



Self-storage operations, like all other businesses, have an obligation to comply with state and federal laws that apply to the hiring, work and termination of employees. Lawsuits are filed every day against owners who believe they're acting properly in regard to their staff, only to find out certain laws have changed and they failed to update their systems accordingly. Following are six important areas you should review to ensure you're current with employment legislation.

Minimum Wage

The federal minimum wage hasn't been raised since 2009. As a result, many states have taken steps to increase their own minimum-wage requirements, causing uncertainty for multi-state self-storage operators as to the proper wage for employees. It's essential to confirm you're paying above the minimum at each facility location.

More than 27 states have increased their minimum wage since 2014. Many of those states have even created an "index" for annual inflation, thereby increasing the wage automatically each year over the next few years. In addition, more than 44 localities (cities and counties) have increased minimum wage above the state minimum.

One of the most difficult issues for self-storage owners is exemption. Many pay their facility managers an hourly wage rather than an annual salary. This means staff are non-exempt and must be paid for overtime. In general, they're entitled to time and a half for hours over 40 worked per week. You must know your wage requirements for the states in which you operate and track your staff hours to ensure proper compensation.

Resident Management

An ongoing challenge in the self-storage industry is how to address hours worked

by managers who live on site. Although the practice of hiring of resident managers has continued to diminish, there are still many properties with manager apartments.

The initial idea behind resident management was to offer customers (and owners) a sense of security and a higher level of service. But with the "live where you work" approach comes the risk that employers and employees have a different understanding of "work hours." This issue isn't unique to self-storage and has been addressed by the U.S. Department of Labor (DOL). It also arises with apartment managers, firefighters and other positions in which the employee resides at the workplace.

The DOL has relied on the law found in the Code of Federal Regulations (CFR), specifically 29 CFR 785.23, titled "Employees residing on employer's premises or working at home." Based on this rule, storage owners can set guidelines with their employees to hopefully avoid

any later dispute over hours to be worked and work to be performed. Unfortunately, those arguments tend to simmer until there's a resignation or termination, and the uncertainty over unpaid overtime for "working at night or on weekends" can lead to significant wage-and-hour claims and lawsuits.

Federal Immigration Regulations

Immigration is a hot topic in Washington, D.C., and compliance with immigration laws is getting greater attention as a result. Under the U.S. Immigration Reform Act, all employers must have a valid and complete Form I-9, Employment Eligibility Verification, for each employee, citizen or noncitizen. The employee must attest to and provide proof of his identity, though the documentation to prove it can vary. There's a list of acceptable documents on the form, and an employer can't limit what he'll accept as proof.

Employees must complete their I-9 no later than their first day of work. Employers must complete their part of the form no later than the employee's third day of work. They must then retain all forms until the later of three years after the employee began work or one year after he was terminated. The documents can be stored electronically and needn't be kept in the original format.

An employer can be found to have violated immigration laws if he fails to verify the identity and eligibility of a new employee through the use of an I-9. Fines for violations, depending on the number of employees involved, can range into tens of thousands of dollars, especially for those who knowingly fail to obtain the forms as required. Criminal prosecution is also possible for repeat and flagrant offenders. U.S. Immigration and Customs Enforcement can consider its penalties based on the size of the business, the good faith effort to comply, the seriousness of the violation, whether the violation involved undocumented workers, and the history of previous violations.

Women in the Workplace

Unique changes in employment laws in California, Illinois and New York provide guidance as to women's rights in the workplace. As of April, all employers with 15 or more employees in New York City are required to conduct annual anti-sexual-harassment training for all staff. This city law follows an earlier state law, enacted in 2018, that applied to certain employers. It provides for education on the issue of sexual harassment, the obligation to

Two recent topics have led business operators to update their employee handbooks. The first is the use of social media; the second is driving while using a cellphone.

provide a complaint process in the workplace for sexual harassment, and a method for verifying that training has been completed.

Similarly, California has amended its state law to require all employers with more than five employees to provide anti-harassment training to staff, with additional training for all supervisors. Though there had been a previous law for employers with 50 or more employees, this amended law applies to employers with just the requisite minimum of five.

Additionally, the California law was amended to disallow any settlement agreements that would prohibit the disclosure of the underlying sexual-harassment claim. In other words, the law would void any agreement where a person was required to forfeit his rights to disclose the unlawful acts that occurred in the workplace.

Sexual Harassment

Sexual harassment is a form of sex discrimination as outlined under Title VII of the Civil Rights Act of 1964. There are two recognized forms. The first is a type of "quid pro quo" scenario in which a supervisor demands a subordinate tolerate harassment as a condition of keeping his job (or tenancy). The second is the existence of a hostile or abusive work environment where conduct can be verbal or physical, is frequent, and is improperly tolerated.

From a legal perspective, the discussion should be about workplace education and training as well as proper procedures for reporting claims and managing the investigation and discipline regarding such claims. The business liability exposure is such that the company as well as the perpetrator can be liable, depending on what the company knew about the conduct and what it did to stop the harassment.

Companies must have a sexual-harassment policy in place, no matter their size. Though only companies with 15 or more employees are subject to the federal laws for Title VII claims, smaller companies may still be held liable under applicable state laws. There must be sufficient training related to

sexual harassment, so employees can be educated about proper behavior in the workplace as well as the procedures in place in case an incident occurs.

Company Policy

Two recent topics have led business operators to update their employee handbooks. The first is the use of social media; the second is driving while using a cellphone.

Employers are subject to potential liability if their employees, acting under the scope of their employment, post negative social media statements against other employees, customers or the company itself. Certainly, employers can be even held liable if their employees, to impact competition, post false or fake reviews to impact business. To combat these risks, employers should update their policy handbooks to address employee behavior on social media. These policies should outline how staff are to conduct themselves online and the risk of discipline and possible termination for the violation of these rules.

Similarly, employers can be held liable for injuries that arise as a result of the employee's violation of the law while driving and using a mobile phone during working hours. Now that more states have enacted "hands-free" laws, an employee must understand the applicable laws and recognize they're subject to discipline if not termination for any infractions while driving within the scope of work (visiting customers, running facility errands, etc.).

One of the trickiest arts of running a business is having staff. These days, you not only must worry about federal laws that impact employee rights, many states and municipalities have their own laws. As a self-storage owner, it's imperative to stay informed on these ever-changing regulations. Employment liability can be significant in terms of cost to defend and financial exposure to the business. **ISS**

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YOUR ONLINE Terms AND Conditions

With so many self-storage companies now offering online rentals and, therefore, using online leases, it's becoming increasingly important to ensure that once a tenant accepts the agreement, there's no room for him to later claim, "I didn't know the rules" or "I didn't agree to that." For this reason, a facility's terms and conditions should be presented on its website in such a way that they're easy to access and understand, so they're enforceable.

There are two methods for presenting lease terms and conditions online: browsewrap and clickwrap. Let's look at the difference between them and what it means for your self-storage operation.

Browsewrap Agreement

In a browsewrap system, the customer is directed via a link from the lease to a page on your website where he can review (browse through) the terms and conditions. The website then provides a notice that reads, "Your use of our site constitutes your acceptance of the terms and conditions provided."

As you might imagine, most customers never take the time to click on the terms and conditions link before agreeing to the transaction. There's also no way for the business to assert the customer did in fact review them, since there's no actionable "assent" required as part of the review. As a result, a browsewrap is commonly disfavored in comparison to the clickwrap agreement.

Clickwrap Agreement

With a clickwrap agreement, the customer must toggle through the terms and conditions before reaching a place where he must agree to them by clicking a checkbox. The clear difference between

the browsewrap and clickwrap is prior to providing assent, there's a physical act of scrolling through and checking a box to agree. As such, clickwrap terms and conditions are a stronger way to confirm the approval of an agreement by a tenant and, therefore, a stronger way to enforce those provisions.

In legal cases that have dealt with clickwrap agreements, the courts have equated the act of scrolling through the text with the act of a customer reading though the provisions of a multi-page contract. Once the agreement is signed, it's considered by the court to have been read and understood by the customer. There have been multiple cases that have addressed these issues and found clickwrap agreements enforceable including *DeJohn v. The TV Corp.*, *I.Lan Systems v. Netscout*, *Nguyen v. Barnes & Noble*, *Scherillo v. Dun & Bradstreet*, and *Zaltz v. JDate*.

Common Elements

Whichever method you use, there are common elements you should include

in your online lease to enhance its enforceability. Consider:

- Using a check box, so there's a place where the tenant must click to agree to the terms and conditions. Include clear notice language that reads, "By clicking in this box, you're stating that you've read and agree to all the terms and conditions provided."
- Adding functionality to confirm that if the tenant doesn't assent to the terms and conditions, he can't complete the transaction to enter the lease.
- Providing the terms and conditions in a scroll box so the tenant must affirmatively move through the document before he can agree to it.
- Presenting the terms and conditions in a font size that can be easily read by the user, at least 12 points. In some states, the terms must exceed 12 points; for example, North Carolina and Nevada use a 14-point font for certain provisions.
- Providing a mechanism by which the terms and conditions (or a copy of the executed contract) are viewable and printable by the tenant after he has accepted them.

If you offer or are considering online rentals and lease agreements, it's vital to make your terms and conditions clear to customers. Using a browsewrap vs. clickwrap approach can make a huge difference in the effectiveness of your contract. **ISS**

Note: This article was originally published in the author's "Legal Monthly Minute" Newsletter

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The Importance of Website Accessibility

People everywhere use the Internet as a primary source of information, but for those with disabilities, common barriers make much of the content inaccessible. Videos without captions or transcripts, the inability to adjust text colors and sizes, and images without alternative text all make online browsing difficult.

Website accessibility is critical for all businesses, including those in the self-storage industry. If your website isn't accessible for everyone, it can lead to legal issues. In fact, according to a recent blog from law firm Seyfarth Shaw LLP, the number of website-accessibility lawsuits filed in federal court under Title III of the American With Disabilities Act (ADA) skyrocketed to 2,250 in 2018, an increase of 177 percent from the previous year.

Self-storage operators can provide a more inclusive user experience, reach more prospects and potentially avoid legal trouble by ensuring their websites are up-to-date with the latest accessibility laws practices.

What Is Website Accessibility?

Website accessibility refers to development and design best practices that allow all users, regardless of their ability, to perceive, understand, navigate and interact with a website. The most widely accepted standards are the Web Content Accessibility Guidelines (WCAG), which provide procedures for creating websites that accommodate users who rely on assistive devices, adding a layer of usability and improving the experience for all.

Assistive devices such as screen readers allow people with visual impairments

to understand images and other visual content on a website. Accessible websites include features that improve usability with these devices.

Clearing Up a Common Misconception

Although there are no enforceable legal standards to follow for website accessibility, a lawsuit may still be filed against your company. Most lawsuits filed against businesses for allegedly having inaccessible websites do so under Title III of the ADA:

Title III prohibits discrimination on the basis of disability in the activities of places of public accommodations (businesses that are generally open to the public and that fall into one of 12 categories listed in the ADA, such as restaurants, movie theaters, schools, day care facilities, recreation facilities, and doctors' offices) and requires newly constructed or altered places of public accommodation—as well as commercial facilities (privately owned, nonresidential facilities such as factories, warehouses, or office buildings)—to comply with the ADA Standards.

When the law was originally written, companies didn't conduct business online the same way they do today. No language in the law identifies websites specifically, though plaintiffs assert that websites are a "public accommodation."

Why Compliance Is Important

Self-storage operators need to make website-accessibility compliance a priority to mitigate legal risks and do their part in making the Internet a better place for all users. Consider the following when updating your website for accessibility:

- **Reduce risk.** Get ahead of possible litigation by addressing accessibility issues, maintaining an accessibility statement, and providing options for users to contact you when they encounter issues on your website.
- **Improve website performance.** General accessibility updates can have a positive impact on overall website performance, including usability and search engine optimization.
- **Reach a wider audience.** Following website-accessibility best practices ensures all visitors can have a good user experience and can easily access information about your facility.
- **Stand out from your competition.** If a user can't understand the content on your website, he'll likely move on to another. Ensuring your website meets accessibility guidelines can help your facility stand out from the competition.
- **Show customers you care.** Communicate to your customers that you care by taking steps to make your website more accessible. An accessible website conveys that your company focuses on providing a positive experience for all.

Factors to Address

The World Wide Web Consortium's WCAG documents explain how to make Web content more accessible to people with disabilities and impairments. "Web content" generally refers to the information on a Web page or application, including user-facing information such as text, images and sounds, and code or markup that defines structure, presentation, etc. Following the WCAG principles helps you



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address factors to make your website more accessible for everyone.

Perceivable. Information and use-interface components on a website or Web application must be presented to users in a way they can perceive. For example, text alternatives should be available for any non-text elements (photos, video). Use color, contrast and text size to make it easier for users to distinguish content on the page. Information should be presented in different ways without losing meaning.

Operable. Navigation and user-interface components must be operable. For example, all website functionality should be operable through the keyboard. Pages display content titles, section headers and labels to ensure navigability—and in a way that can be read without time limits. Make sure content on your website doesn't cause seizures or physical reactions due to things like flashing.

Understandable. User-interface components and navigation must be understandable. For example, pages should be written in a readable language, not computer code or symbols. Labels or instructions are provided when content requires user input and navigational mechanisms are repeated on multiple Web pages.

Robust. Content on your website must be robust enough to be interpreted reliably by a wide variety of user agents, including

assistive technology. Elements should have start and end tags and shouldn't contain duplicate attributes.

Website-Accessibility FAQs

Below are frequently asked questions and corresponding answers many self-storage operators often have about website accessibility.

Will making sure my website meets WCAG mean that I won't be sued?

No, meeting these principles doesn't guarantee you won't be sued. If you have legal concerns, I recommend consulting an attorney with experience in this field. However, by not addressing website accessibility, you put your business at greater risk.

How frequently do I need to check my website to ensure it's WCAG-compliant?

Once your website has been updated to meet WCAG standards, minor updates could affect whether your site still meets those standards. It's a good idea to check that you're still in compliance every time you make a change to your website.

Does my online leasing software conform to WCAG requirements? Most online-leasing platforms can be used with assistive devices, though the experience may be cumbersome. Consider providing a phone number to the facility office for customers with disabilities who need more assistance.

Should I include an accessibility statement on my website? Yes. An accessibility statement provides guidance for users in case they encounter a usability issue with your website. It indicates that your business takes accessibility seriously and you're working to provide a good user experience for all customers. The statement should include an assistance phone number that can be used during or after hours.

Make Compliance a Priority

As an innovative self-storage operator, you have the opportunity to contribute to a more inclusive user online experience, reach more prospects and mitigate legal issues by making website accessibility a priority. Following WCAG standards and updating your website to be perceivable, operable, understandable and robust helps make it more accessible to everyone, including users on assistive devices.

A better user experience and more accessible website helps you reach a wider audience, improve performance, stand out from your competition and show customers you care. With a rise in accessibility litigation, it's essential to ensure your website is compliant. **ISS**

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KEY INSURANCE COVERAGES TO CONSIDER

Note: This article was reprinted with permission by the Texas Self Storage Association.

Most people have a love-hate relationship with insurance. They hate paying the monthly premiums but love having the coverage when something happens and they need it.

When it comes down to it, insurance is about managing risk and cash flow. Here are some important coverages self-storage operators should consider when buying insurance, some of which you may not have heard of or considered.

Customer Goods Legal Liability

Most storage operators assume they're protected from anything related to the

goods stored in their facility. This isn't necessarily true. The customer can always sue, and there are legal costs incurred by the facility owner when this happens. There are also plenty of scenarios in which it can be argued the owner was "negligent," causing the business to incur a loss.

For example, let's say you're doing some work on the property lighting. You're halfway way done with the project and decide to call it a day. That night, the electricity to the half-finished lights is turned on, sparking a fire that burns a section of the facility and destroys customers' goods. In this case, operator negligence can be argued, leaving the business exposed. Customer goods legal liability can help limit that risk.

Employee Theft

When employee theft occurs, more than 60 percent of the time, the amount stolen exceeds \$100,000. Employee-theft coverage applies to money, securities or other property. It can be included in a commercial package or business owner's policy, but the standard limits for these policies are typically less than \$100,000. Buying a standalone policy or increasing your limits would be beneficial.

Business-Interruption Insurance

Natural disasters, such as a hurricane or tornado, can cripple a business. You might feel confident that your property is covered and even have a plan to rebuild; but contractors can be hard to come by in an affected region, making



the timeline to rebuild much longer than anticipated.

So, what do you do about the loss of revenue during this time? It's strongly suggested to carry business-interruption insurance. This can cover lost revenue, rent or lease payments as well as relocation, employee wages, taxes, loans, etc.

Flood Insurance

Even if you're not in a flood-prone area, you should still purchase it. Just because you aren't required to have it doesn't mean floods can't occur. Also, if there is flooding in your area, it's highly likely to be catastrophic. The premium is a minimal cost for a potentially devastating event.

Cyber Insurance

Your self-storage business is at risk online. You might think, "But I'm too small to worry about a cyberattack, right?" Unfortunately, no. In fact, a recent report by Keeper Security, which offers a cybersecurity platform, and research firm The Ponemon Institute revealed:

- More than half of all malware attacks in 2017 were perpetrated against small- or mid-sized businesses.
- The average cyberattack victim spent \$879,582 on repairing damage and recovering from the theft of information-technology assets alone. Add in the average operational-disruption cost of \$955,429, and the importance of cybersecurity comes into sharp focus.

If you use e-mail to conduct business, you could already be a victim. Whether you're the founder of a Silicon Valley startup or own a small self-storage facility in Weatherford, Texas, every business owner shares the same risks.

What's Right for Your Business?

The insurance you purchase shouldn't really be dependent on the size of your self-storage facility. What's more important are your business operation (liability) and the assets you hold (property). The standard liability coverages you need are based on your business operation. Facility size should only determine the *amount* of insurance to purchase, not whether to purchase it. You also need property insurance to cover the buildings and any business-personal property, such as office equipment. If you own a vehicle, you need an auto policy.

You should calculate your limits on these coverages by the cost it would be to replace the items/property in the event of a total disaster. Understand that prices in event of a natural disaster can surge up to 50 percent.

It's also beneficial to know the structure of your business. If it's incorporated and

you obey all the rules of running it as a corporation, you can probably get away with buying insurance with lower limits. In the event you're sued and lose, only the assets of the corporation might be seized to satisfy a judgment. On the other hand, if you're a sole proprietorship, you generally need more liability insurance because you can be held personally responsible for judgments against your business. Knowing your operation means accurately assessing how likely it is that you, someone else or someone else's property could be damaged in the routine course of your operation.

A Word on Deductibles

Deductibles are used by insurance companies to adjust the cost of the premium. A larger deductible allows you to self-insure smaller claims and, more than likely, pay a lesser premium. It also allows you to carry insurance limits that might be required by a third party, such as a lender, without overwhelming your cash flow. However, a large deductible may also cripple your cash reserves in the event of a significant loss. Really, it's a matter of cash on hand vs perceived liability. If you can handle the cost of a high deductible, it may be cost-effective.

At the end of the day, the unexpected is always right around the corner, and it's difficult to predict the future. Knowing your options and protecting yourself and your business from unforeseen loss and risk is always a smart move. **ISS**

Contributor: Michael Seymour, Tomins, www.tomins.com



The ADVANTAGES of an INSURANCE BOP

All business owners should have appropriate insurance to provide coverage for the unexpected. However, not all businesses are alike. Self-storage operations have unique insurance needs and face different risks than discount stores, restaurants and many other ventures.

A business owner policy (BOP) is a package of commonly needed insurance. It's convenient and typically easy to customize compared to larger plans. A basic BOP consists of three primary coverages:

- **Property:** This provides protection for property owned, leased or rented by a business, including buildings, equipment, inventory, furniture and fixtures, as well

as loss of accounts-receivable and valuable papers and records. Most BOPs also cover business-owned items and those owned by a third party but kept temporarily in the care, custody or control of the business or its owner.

- **General liability (GL):** This covers a company's legal responsibility for the harm it may cause to others (bodily injury or property damage) because of

negligence. This includes costs related to litigation and court judgments if a customer or other third party files suit against a business or its employees.

- **Business interruption:** This helps replace lost net income that normally would have been earned when an event causes a temporary shutdown. It can be a critical factor in the ability to recover from a catastrophe and continue operation.

Most business owners understand the importance of having the right GL insurance but may not understand that a GL policy isn't all-inclusive and doesn't provide protection for losses associated with business personal property and other critical coverages. A BOP is an affordable option for businesses that need liability

and property insurance. Compared with standalone coverages or larger commercial-package policies, it offers advantages for smaller operations:

- **Convenience:** By bundling property and liability coverages, the insurance process is simplified, resulting in a single policy and premium. It can also streamline the process of filing and resolving a claim.
- **Affordability:** In many cases, purchasing various standalone lines of insurance or going with a larger commercial package policy is less affordable than a BOP.
- **Customization:** Just like businesses, BOPs come in all shapes and sizes. They can be customized for particular industries including self-storage. The coverages included can be modified to

meet your specific insurance needs. This flexibility means a BOP can grow and change with your business.

As a self-storage operator, it's important for you to work with your insurance agent to identify a BOP that will address relevant exposures while offering flexibility and customization. It's also important to identify a policy that offers specialty coverages designed specifically for the storage industry, such as customer goods legal liability and sale-and-disposal liability. **ISS**

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Properly Insuring Your Development Project



Congratulations, you've decided to embark upon a self-storage development project! You've secured the financing and contractors, completed the site planning, and chosen a design. But what about insurance? In this litigious society, it's important to protect yourself from the hazardous exposures of a construction site.

While many owners and developers might have a false sense of security by relying on contracts and insurance certificates from their general contractor (GC), it's vital to ensure you're covered. There are several insurance products on the market for this purpose. To help decide which policy is best for you and your project, here are a few of the most common options, from the most limited coverage to the broadest.

Additional Insured on the General Contractor's Policy

Even with additional-insured status and hold-harmless agreements in favor of

the project owner, this option has some drawbacks. When you rely on the GC's policy, there are no dedicated insurance limits specific to your project. The GC's limits could be exhausted on another development, leaving no coverage for the entirety of your own. In addition, the owner's sole negligence likely isn't covered. Depending on the state or circumstance, contributory negligence may not be covered.

When you rely solely on a certificate of insurance from your GC, you have no control over the policy status, coverage limits or exclusions. In short, this option isn't recommended.

Claim scenario: *An owner contracts with a GC to build a ground-up self-storage facility. He obtains a certificate of insurance from his GC naming the owner as additional insured, with primary and non-contributory wording and waiver of subrogation. The owner feels confident that he's protected by the GC's policy. Unbeknownst to him, however, the GC*

had a crane accident at another jobsite during the same policy period. The incident amounted to \$3 million. The GC's liability limits were exhausted, leaving no coverage for the storage owner's project.

Owners and Contractors Protective

An owners and contractors protective (OCP) liability policy provides dedicated insurance limits to the project owner and is usually bought by the GC on the owner's behalf. This type of policy is intended to cover the owner in the event of GC negligence.

An OCP policy should be written in conjunction with the GC's general-liability policy. This option is relatively inexpensive and, therefore, may seem attractive. However, there's no coverage for sole negligence of the owner. In addition, there's no contractual liability and it may not cover contributory negligence. Finally, there's no option to add completed operations coverage.

Claims scenario: A GC purchases an OCP policy on behalf of the project owner. An ice storm created slippery conditions, causing a pedestrian to slip and fall on the sidewalk. As a result, the pedestrian suffered significant physical injuries and sued for \$60,000. The OCP underwriter denied the claim because it wasn't related to the construction project. The owner was then responsible for the medical bills, lost wages and legal fees associated with the lawsuit.

Owner's Interest Liability Insurance Policy

For the broadest coverage, a project owner can purchase a full commercial general-liability policy, typically referred to as owner's interest liability insurance. This type of policy is usually written specific to each project and allows for dedicated

insurance limits, including premises and contractual liability.

In addition, products and (extended) completed operations coverage may be available. An owner's interest policy provides primary coverage for sole negligence of the owner. It would be excess coverage over the GC for vicarious liability. The option to add extended products and completed operations is important if you're selling the building within the statute of limitations.

Claims scenario: A developer builds a \$5 million self-storage facility in 2010 and sells it in 2013. In 2014, a construction defect caused water intrusion to part of the building. The water damage amounted to \$120,000. In this state, the statute of limitations is seven years. The developer was sued by the buyer, and the GC is no longer in business. With extended products

and completed operations coverage, this claim could be covered by the project-specific owner's interest policy the developer purchased during construction.

Protected From Start to Finish

All self-storage owners know they need insurance to cover their business operation, but not all realize how important it is to be protected during the construction phase of a project. Don't let the above claims scenarios happen to you! Knowing your insurance options and allowing a specialized agent to walk you through the process will help you make an informed decision and safeguard your development. **ISS**

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Choosing Between TENANT INSURANCE and PROTECTION

Self-storage owners often wonder, "How can I earn more money and also protect my investment without additional overhead?" The answer is to offer tenant insurance or a tenant-protection plan. These products are quite different, however. How do you decide between them?

There are several critical areas to examine, which should help you make a fair comparison between these unique offerings. No matter which plan you choose, it's imperative to understand your customers' attachment to their "valuables" and their pain if these possessions are lost or damaged.

Benefits

In the rental agreement, many self-storage operators insist the tenant assume full risk for damage or loss to his stored goods and be responsible for his own insurance coverage. While this approach may be seen as "playing it safe" when it comes to liability for a loss, it's becoming increasingly difficult to defend in court and may ultimately prove costly if a major loss occurs. A court defense

and the negative impact to your business reputation are expensive and potentially damaging to future earnings.

There's a better way. With a well-crafted lease and addendum, you can transfer or assume the risk for tenants' property in exchange for a monthly premium or fee. Self-storage tenant insurance or protection plans help you in several ways:

- They provide protection for tenants stored belongings without the added cost or hassle of dealing with a homeowner's or renter's insurance policy.
- There's profit to be had. With a tenant-insurance plan, it's a commission; with a tenant-protection plan, it's an "administration fee." Either way, it's cash flow.
- These products bring a new level of service to customers and help reduce your general liability.
- The importance of reputation management is at an all-time high. One negative review could be detrimental to a company. These products help ensure customer satisfaction in the event of a tenant loss.

Qualifications

Whichever program you offer, it's important to be familiar with all its facets, particularly regulatory compliance, and how it works from an operator's and customer's perspective. Here's a quick overview.

Tenant insurance is the transfer of risk from your tenant to an insurance provider/cARRIER in exchange for payment. This is a two-party contract. The company must provide the tenant with a contract (policy) that outlines the terms of coverage and his rights therein.

Selling tenant insurance requires an agent or producer license representing one of two classifications in all 50 states. A special limited license is available for self-storage operators in about 34 states, with legislation pending in a few others. The limited license simplifies the licensing process for facility employees. There are fees associated with it, and staff training is sometimes required.

States without a special limited license require a "full" property and casualty license to represent an insurance product at the counter. Self-storage

“ If your state doesn’t have a licensing law, you can’t legally sell insurance without an insurance producer or agent license for each person offering the program.

owners and managers would need to fulfill the obligations required by their state’s insurance commission. Errors and omissions insurance is usually required.

In California and other states, the courts have ruled that a **tenant-protection plan** is *not* insurance. It’s essentially a three-party contract. The tenant and facility operator are the first and second parties. The tenant contracts with the operator as part of the conditions of the lease agreement, via a signed addendum. In consideration of the payment of an additional fee per month, the operator will protect the tenant from property damage. The plan’s limits are indicated in the addendum.

The third party of this protection plan is added when the self-storage owner purchases a contractual liability-insurance policy that assumes any liability to the tenant on his behalf. This is a “reinsurance” agreement. The owner becomes legally responsible only if he’s negligent or breaches some other duty to the tenant *and* the tenant suffers a loss. The provider receives a portion of the administrative fees. In this case, the storage operator isn’t required to be licensed. It’s the agent selling the contractual liability-insurance policy who must be licensed.

The first factor in deciding on a program is whether your state is one that requires limited licensing for self-storage tenant insurance. If your state doesn’t have a licensing law, you can’t legally sell insurance without an insurance producer or agent license for each person offering the program. In this case, your option is to offer a protection plan. Call or visit your state’s insurance department if you’re unsure about the licensing requirement. If considering a protection plan, make sure the agent offering your policy is licensed for property and casualty.

Pricing

When setting rates or commissions, a tenant-insurance carrier must follow

each state’s guidelines. Rates can’t be arbitrarily adjusted by the facility operator, who’s now an insurance agent. Your carrier must submit any changes to the state’s insurance department for review and approval.

Note: Any insurer, agent or producer who gives or offers some benefit other than those specified in the policy to induce a customer to buy insurance is considered “rebating.” This is illegal in most states. Most tenant-insurance plans will pay actual cash value. This is a depreciation-based model.

Self-storage operators who offer a tenant-protection plan set their own administrative fees and share the profit with the policy provider in an agreed split. Some plans require a “self-insured” fund to underwrite a specified number of claims. This pool is usually paid to the protection program. Other plans are looking for a minimum amount of participation and paid month by month, depending upon the plans sold. Rates and fees aren’t set by the state’s department of insurance, and most tenant-protection plans pay replacement cost.

Note: Neither program will provide a “gain” via a claim for one’s contents or items. This is against insurance regulations.

Sales

It’s an absolute must to establish ongoing communication with tenants. This communication should start with the sales presentation at the counter.

To encourage participation in a tenant-insurance or -protection program:

- Share examples of tenants who suffered a loss and had “peace of mind” because they were protected by a plan.
- Convey that a loss reported to one’s homeowner’s insurance provider won’t get the same treatment as one reported through a tenant-insurance or -protection plan.

- Explain that the deductible for most homeowner’s policies starts at \$500, while for most tenant-insurance or -protection plans it’s \$0 to \$100.
- Finally, communicate that the premium on a homeowner’s or renter’s insurance almost always increases after a claim, which isn’t the case with a tenant-insurance or -protection plan.

It really isn’t a hard decision. These plans are good for your customer. They also serve your profit, protection and reputation-management needs much better than having nothing at all!

Customer Service

Paramount in your decision of whether to offer tenant insurance or a protection plan and which provider to choose is whether a company is customer-oriented and will respond quickly to your customers. Remember, it’s your facility’s reputation on the line. Tenants want their claims handled quickly and fairly, so make sure you understand the provider’s claims process and how efficiently the client is served.

Research each provider’s claims-paying record and financial strength. You can easily do a Google search or check with fellow operators you trust. With tenant insurance, always get a copy of the policy terms and conditions so you’ll understand how it affects your tenants. With a protection plan, get a copy of the lease addendum. In both cases, read the fine print!

Here are some other important considerations:

- Which company will provide the best training and support for your employees?
- Which offers the best marketing and addendum materials?
- Does the provider offer tenant forms that clearly lay out the terms and conditions for each party?

In his book, “Life, the Truth, and Being Free,” Steve Maraboli said, “A lack of clarity could put the brakes on any journey to success.” Keep this mind, and you’ll be in great shape with whichever product you decide makes the most sense for you and your self-storage business. **ISS**

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Selling Products That Cover Tenant Goods

There have been a few lawsuits involving tenant insurance and protection plans in the self-storage industry in recent years. You might remember reading about *Heckart v. A-1 Self Storage Inc.* and *Perez v. Public Storage Inc.*

In the A-1 case, the plaintiff alleged a tenant-protection plan is a form of insurance. The court found in favor of the self-storage operator, determining the two aren't same. In the Public Storage case, the plaintiff claimed the facility operator forced customers to purchase its tenant insurance and failed to communicate that renters had insurance options. The court ruled in favor of the defendant, finding the plaintiffs had no evidence of "systemic violations" or "uniform misleading statements" made by self-storage employees.

Though our industry emerged victorious in these cases, they're a reminder to all facility operators who offer tenant insurance or protection that they need to understand what they're selling. These two products are completely different. All employees must be thoroughly trained on these offerings, and there

must be written internal procedures to guide these transactions. All staff need to know exactly what's stated in the lease agreement as well as what's being modified when they sell a tenant-insurance or tenant-protection policy.

Dos and Don'ts

Let's examine some important best practices when it comes to selling these products to customers:

- Require customers to insure their stored goods.
- Offer a protection plan or tenant insurance to customers at the time of move-in.
- Notify customers they have options other than the product you're selling.
- Limit your liability by stating a maximum value limit of stored goods per unit as part of your lease.
- Don't force customers to purchase your product; it must be **optional**.
- Don't refer to protection plans as insurance; know the product you're selling.
- Don't overcharge customers for the service you provide.

- Don't discuss insurance coverage with customers if you aren't an insurance agent.

Remember, while you can require your customers to insure their stored goods, you can't force them to purchase your product. Homeowner's or renter's insurance policies can often cover offsite stored goods, though the limits may be low and deductibles high. These are legitimate issues managers can point out to customers and direct them to discuss with their insurance agent. Typically, a tenant-insurance policy or protection plan will provide better coverage with a lower or even no deductible. This service is for customers' benefit, so let them know that! Ensuring employees are well-trained in offering tenant insurance and protection plans is the best way to avoid a related lawsuit. Write procedures and ensure staff follow them. In our litigious society, everything you can do to prevent a legal situation will help sustain your self-storage business. **ISS**

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Hiring and Retaining **FACILITY MANAGERS**



In today's self-storage landscape, keeping your facility staffed with well-trained, competent and positive managers can leave you feeling starved instead of sated. The employment market tends to be feast or famine, and right now, prospective employees are dining at a huge buffet of job options, while employers are left deprived. This is largely due to the low unemployment rate, which makes finding and keeping good talent difficult. Right now, attractive management candidates have an abundance of opportunities across numerous fields.

Savvy employers can improve their staffing success by implementing a few best practices. Here are some considerations for recruiting, training and retaining self-storage managers when the market feels like a job-seekers' smorgasbord.

Streamline the Recruitment Process

Hiring has always been a slow process. A winning recipe requires many ingredients: posting ads, screening resumes, and scheduling and conducting interviews. The goal is to find the perfect hire and making an offer before your competitor snatches him like the last hot biscuit.

Streamline the process by having your team work on different parts like

an assembly line. An applicant-tracking system can also help shorten each step. You don't lose out on a great candidate because you didn't get to him fast enough.

Communicate With Candidates

When you're at a restaurant and your food takes longer than expected to arrive, don't you feel more assured if your server stops by with frequent updates? Much like a guest enjoying a fine-dining experience, today's job candidates expect more from companies than simply submitting their resume and waiting. Communication from the beginning is crucial, and leaves potential employees feeling informed and valued.

To keep prospects engaged, research and implement ways to improve communication, from receipt of the resume, to the interview, to onboarding, training and beyond. This improves the candidate experience and employee relations with your company throughout their tenure. If you don't keep good candidates engaged, you may lose them to someone who makes them feel more important.

Speed Up Your Onboarding

Onboarding can be a long, clunky and tedious process. With so much paperwork required, a new hire can get

lost in the shuffle, or worse, give up before he gets settled. "Ghosting" has become rampant in recent months due to the many opportunities available. To avoid issues, many companies opt to use a professional employer organization (PEO) to handle HR-related tasks like payroll and onboarding.

A great PEO can offer options, such as online paperwork and employee-information portals, that will help your HR taskmaster stay ahead of the rush and remain aware of each candidate's position in line, similar to a well-prepared and efficient *maître d'* monitoring waitstaff. Having these resources means new hires are able to easily complete their paperwork in a timely manner, without any hassle.

Training Essentials

Often, new hires are given too little guidance once they're in the door. Frustration can cost you a wonderful employee, restarting the hiring cycle. Who has time for that? Implement training to give new staff the foundation and resources they need to be knowledgeable and successful, and then continue to refine and strengthen your program.

To keep employees excited and engaged during their first few weeks, we recommend a four-phase training program:

- Phase 1 should cover the basics of self-storage, vital business functions and daily duties.
- Phase 2 should branch into more advanced skills, such as budgeting functions, revenue management and other duties.
- Phase 3 can cover all aspects of marketing.
- Phase 4 focuses on self-storage lien laws and auction procedures.

A phased approach allows new hires to be introduced to all job functions at a slow but steady pace and helps ensure they don't get overwhelmed on day one by something as daunting as rate increases or delinquency letters. The last thing you want to do is scare away your newest team members!

Once training is complete, assign each new employee a mentor he can reach out to with questions. For multi-site operations, the mentor should be in addition to an area manager and any training-department support, so your hire isn't left floundering alone.

It's a good idea to periodically gather employees to discuss any pertinent

updates, news and training on new processes. You can also use these meetings to celebrate birthdays, work anniversaries, and commemorative life events like births and weddings. Large operations can accomplish the same thing by holding virtual meetings online. Even if you have locations spread across the nation, this approach can actively foster team unity and camaraderie, and helps employees feel they're part of the greater good and larger corporate family.

Another strategy is to bring all employees together for annual training and awards. Consider making it a weekend event, with day one a half-day of training, followed by an awards banquet and celebration. The second day can be reserved for a full day of training and team-building exercises. This helps get everyone onto the same page with a

positive outlook and reminds staff they have the full support of the company.

Employee Checkups

To retain valued team members, it's important to regularly perform employee-satisfaction surveys. Much like a good food server checking on patrons several times during a dining experience, a good employer should ensure staff are thriving and enjoying themselves. Consider conducting an anonymous survey annually and use the feedback to gauge how employees are doing and feeling, as well as to assess what you can do to enrich their work lives and ensure their continued success.

Survey questions should be geared toward evaluating your company as a whole, covering performance expectations, policies and procedures, and growth

opportunities. Ask about job factors like workload balance, if the work is meaningful, and if employees have enough autonomy to perform duties successfully and independently. By surveying staff, you'll learn a lot about what is and isn't working, and gain insight to making improvements.

Attracting and retaining good employees is vital to the health of any self-storage operation. By implementing the above tactics, you can help offset the overabundant opportunities candidates now have. Taking the time to properly recruit, onboard and train employees is a worthwhile investment that can lead to lower turnover, higher retention and better satisfaction. **ISS**

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Considering Compensation

How do you determine compensation for your self-storage employees, especially your facility and district managers? The saying "You get what you pay for" is true when it comes to staffing.

If you have a solid team with low turnover and are already hitting company goals, you likely know how to attract and retain good people. Congratulations! If that isn't the case, you may want to reconsider your compensation package and retention plan. Here are some tips to help you do things more successfully.

Offer a Competitive Salary

Many companies go about setting salaries the wrong way, especially if it's for a new position or one that's been plagued by turnover. Before determining salary for a position, create a list of the skills and experience you need. Find candidates who match those requirements, have stable career histories and a list of accomplishments. Then, create a compensation package that includes a competitive base salary and bonus program to attract those contenders.

Will you have to stretch beyond what you've paid in the past? Maybe. Will finding someone who can achieve your goals, who doesn't change jobs every year, save or make you money? Absolutely.

Let me share a story. There once was a woman who was relocating and used the

services of a gated self-storage facility. One sunny afternoon, she was organizing items in her indoor, climate-controlled unit. When she went out to get some things from her vehicle, she saw it speeding around the corner, driven by a man with a bandana over his face!

The facility manager, who lived onsite, said he had noticed a bunch of unfamiliar people on the property at night. But he didn't do anything about it. After some investigating, it was discovered those

visitors were using a tenant's code to get through the gate. A little proactivity could have prevented the incident.

So, ask yourself: Is it worth spending a few extra dollars every month to have a good employee, one who pays attention to what happens on the property and cares about tenant safety? (I really miss that Jeep of mine, by the way.)

If you must stretch from a compensation standpoint, get creative so you don't



exceed your budget. For example, a strong property manager could oversee two sites with dependable assistants at each. A talented district manager could handle 10 locations instead of six. The focus should always be on maintaining a solid core team. Competitive salaries not only *attract* good employees, they *keep* them.

Provide Bonuses

Bonus programs are vital to successful staffing, and they must be *measurable*. Employees should know what they need to accomplish to earn a bonus and what the reward will be. Nobody likes “discretionary” bonuses. The word means “optional” and that’s what employees hear ... They may or may not get a bonus and, if they do, they have no idea how much. Would that make you work harder?

Here are a few considerations for your bonus plan:

- Think about what you’d be willing to pay. If an employee achieves X, you’d be happy to pay Y.
- Bonuses are typically based on monthly, quarterly and annual goals and paid out on a matching schedule.
- Consider setting a standard goal and a *stretch* goal. Perhaps you can create a formula based on sales percentages.

- Other incentives, especially at the site-manager level, might include contests offering smaller rewards such as restaurant gift certificates or an extra day of vacation time.
- You don’t need to wait until employees hit goals before you recognize them. If you have someone who’s dedicated, hard-working and performing well, hand him a thank-you card containing \$50 or \$100. That kind of appreciation goes a long way!

Offer Benefits

Benefits are important and can serve as a great enticement or retention tool for top talent. It’s common for large companies pay a portion of the employee’s premium for medical insurance, though the days of employers paying 100 percent for plans are long gone. Some offer a 401K retirement plan with some type of matching. Other benefits might include:

- Company-paid life and disability insurance
- Stock or equity options
- Company vehicle or car allowance
- Educational reimbursement
- Paid vacation
- Flex time
- Apartment or housing discount

Every self-storage operation is different. You might not be able to offer all or even most of these things, but be aware of what competing companies provide. If you expect to attract the best employees, these benefits will factor into the equation.

Support Your Staff

The work environment you create is important when it comes to attracting and retaining staff. Provide the tools they need to succeed. A manager can’t fix a deteriorating property if the owner won’t invest in capital improvements. Employees can’t market the property to increase revenue if the owner won’t spend on advertising campaigns.

Take care of good employees. Reward, recognize and promote them. Pay competitive salaries and provide them with opportunities to advance. Be personable and encouraging. Be a *great* leader and gain respect. Create a culture in which people can thrive, where they enjoy what they do. In return, your team will meet or even exceed your goals. Be the company about which everyone says, “Wow, I’d love to work there. They treat their employees so well!” **ISS**

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7 WAYS to Avoid Costly Staffing Mistakes



As the self-storage industry thrives and competition tightens, your facility-management staff becomes more valuable by the day. As such, assembling an A-team is crucial to business success.

Human resource (HR) mistakes can be costly to your operation, but sadly, they’re also inevitable. The idea is to minimize the damage. Here are a few staffing lessons I’ve learned along the way and seven ways to do better.

Don’t Hire Cheap

I barely paid my first few self-storage managers. I’m not proud of it, but I was opening a new facility and tried to cut costs. Huge mistake. I wound up with a staff that needed a ton of training, and I experienced huge turnover and even some theft.

Managing a storage property seems so easy on the surface that we sometimes assume anyone can do it. If you break down the job, though, the facility-manager role requires many skills: sales, people, math, computer, technology, maintenance, critical thinking and more. After learning a harsh lesson, I now like to hire competent employees who can make decisions as I would and think seriously about how those decisions affect asset value. To find that person, look for someone who’s at a station in life in which he needs more than low-end pay.

Trust me, hiring on the low end of the pay scale cost me much more than what I could have saved by spending a few more dollars per hour. Do yourself a favor and pay a little more to find (and keep!) an A-team player. I’ve since raised my hourly pay and provide commissions for hitting certain goals.

Give a Little Extra

With as little as I paid my first employees, I also didn't give anything extra. They got paid for their work, and I thought that was enough. I was very wrong.

Including things like paid time off (PTO) and paid holidays shows you care about your staff as people and value their contributions to the company. It's a small price to pay to build loyalty. Going a step above and offering a commission or bonus structure based on hitting milestones helps align the team's goals with your own. Incentivize staff by clearly defining the metrics for which they're responsible and how they can hit their targets.

Buying your staff lunch or handing out gift cards for a job well done helps build a bond and lets your team know you appreciate them. Everyone innately craves positive feedback. When someone on your staff exceeds expectations, write a nice note with a gift card as a simple way to show your appreciation.

Something else to consider is offering a PTO-emergency fund for all employees. This is reserved for truly unexpected situations like hospitalizations, accidents or major surgeries. If someone on my team is in a car accident, I don't want him worrying about missing a day of work to pay the light bill.

Clarify the Rules

When a company is small, writing HR policies is the last thing you want to do. I've been guilty of this and seen it over and over again. Yes, everything else is important, and you can communicate if there's a problem; but if an employee doesn't remember the policy, he should be able to look it up without asking you. It's only fair.

Once you decide on your pay structure, PTO, paid holidays and all the other HR items, write it down. Define it. Give the details to your team so they know the rules. When you're a small-business owner and have less than 10 employees, it's easy to be relaxed about this. Don't fall into the trap of thinking that since you told someone the rules when you hired him that you don't need to write them down. It's simple: People forget or misunderstand. Documenting your policies eliminates misunderstandings before they occur.

Setting pay, deciding on benefits and documenting policies is table stake for any employer. Keep in mind these are things you should be doing anyway to stay compliant and run a good business.



Don't Expect Staff to Read Your Mind

To avoid staffing mistakes, you have to communicate. A lot. All job expectations should be documented and defined. Your team should be able to read their job descriptions and have all the training manuals necessary to perform job duties. If someone isn't performing to your expectations, you owe it to him to have a conversation about it right away.

This is incredibly hard for most people. To avoid having a tough discussion, some owners simply hire more bodies to compensate for employee weaknesses, especially if the non-performers are well-liked. I've also seen owners redefine their organizational structure to work around someone's failings. I've even found myself performing a manager's job, more than once, because he wasn't doing it correctly.

Being able to hold hard conversations is what makes you a leader. No one can read your mind. The right employee will be better for the constructive feedback, while the wrong one will quit, generally leaving you with a giant sense of relief.

Decide Once

I'm a mind-changer. I like blue one day and green the next. This is awful for my team because my expectations aren't always clear. When this happens, people will make up what they think is right.

When you have a decision to make, decide once, document it, distribute it and move on. Your operations manual should be a living, breathing document. The latest scenarios should be addressed, and the team should know

to check the manual before they ask you any questions.

Making your expectations clear is being kind to your team. When everyone's on the same page, they can all pitch in and move the ship in the right direction.

Pay Attention

I find many self-storage owners either pay too much attention or not enough. They tend to micromanage every aspect of the day or abdicate all responsibility to the employee. Either way is awful and can be dangerous.

Micromanaging will make your team bitter, annoyed and ultimately disengaged. The worst employee you can have is one who's disengaged! On the other side, abdicating your owner role to staff leaves you vulnerable to theft, bad decisions and a host of other issues you'll never know about because your head is in the sand.

Delegating responsibility to the team, staying plugged in and motivating them to the next step is where you want to be. Some people are naturally better at this than others. If you need some help walking the balance, read "How to Be a Great Boss" by Gino Wickman.

Create Well-Rounded Employees

Finally, a big mistake many owners make is ignoring the fact that employees have more needs than trading time for a paycheck. Emphasize financial literacy, good habits, planning skills and more. I want my team to be well-rounded. Empower staff with books, articles, classes and education in areas outside of answering the phone and taking payments.

When your team makes smart financial decisions in their personal lives, they'll also be good stewards of your money. When they can plan their day and week to hit personal goals, they'll also partner with you to hit your goals. When they develop good domino habits, they make better decisions, think more critically and tend to have a more enjoyable life. This will help them care for customers and be pleasant to be around.

Empower your team to make good, healthy choices. Talk to them about money, habits and how to improve in every aspect of their lives. We all need support from others, so don't neglect your responsibility to be the leader for your team. **ISS**

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5 SIMPLE STEPS TO TRAINING NEW STAFF



Most new self-storage managers don't receive proper training. This allows them to go astray of the operation's established systems, making mistakes. It also leads to lower employee satisfaction and higher turnover.

Some owners and supervisors claim they don't have the time, resources or experience to properly train their staff. However, with a solid program, a little patience and regular follow-up, the process can be completed in five simple steps.

1. Offer 30 Days of Initial Training

Don't shortchange your new self-storage managers. You need to provide more than a few days of training if you expect them to properly operate your business. Your one-on-one guidance for the first 30 days should include:

- Employee handbook, including a thorough review of company policies and procedures
- Office and emergency contacts
- Facility layout, unit sizes and locations
- Open and close procedures
- Vendors contacts
- The rental agreement
- Management software
- Cash-draw and petty-cash reconciliation
- Daily and weekly lock checks
- Merchandise and tenant insurance or protection plans
- Collections
- Facility maintenance
- Lien sales
- Marketing and online reviews

Because it isn't easy to remember everything, ongoing training is essential.

Once the first 30 days is complete, choose an area of focus each month during the first year and review it with your new employee. This will help him retain the information.

2. Provide a Detailed Manual

In the first month on the job (assuming you're offering 30 days of initial training), your staff is going to be introduced to so much new information that it'll be impossible for them to remember everything. To help them absorb and reaffirm what they've learned, they'll need a detailed manual on operational policies and procedures, covering everything from how to open the office to how to handle marketing. Following the manual should be mandatory. Instruct them to study it regularly until they completely understand it all. The best employees know exactly what's required of them because the manual explains it in full.

When a facility doesn't provide a manual—or the manual isn't followed—efficiency and rentals will be lower than optimal, and you'll hand significant profit to your competition. It's a shame to spend time and money to attract potential renters only to lose them because a manager didn't know or follow procedures.

3. Provide Rental Scripts

How to close a rental is a critical aspect to self-storage operation that doesn't always get proper focus during training. There often isn't enough emphasis on using scripts. A proper sales presentation is the most important part of the manager's job, and yet it sometimes gets the least attention.

To properly train employees in sales, you must create written scripts for

phone, in person and online, and include step-by-step instructions. Scripts should be followed word-by-word until staff are knowledgeable and comfortable enough to present the information in their own way. They must memorize these scripts as well as the correct responses to objections potential renters often have when renting a unit, such as price.

The best way to teach sales scripts is through role-playing a few hours per day for at least a week. Start by reading the scripts, taking turns being the renter and manager. Then ask the employee to hand-write each script (for retention) and practice some more. Next, transfer the scripts to note cards and continue role-playing. A laminated copy of the scripts at the front desk is a must.

4. Explain Rental Paperwork

A lot more happens during the lease signing than just the unit rental. Many add-on sales, Google reviews and referrals are secured during the paperwork process. If your team doesn't have a written process to follow or they aren't required to follow it every time, you won't sell boxes or locks, collect administration fees, gain referrals, get renters on autopay, or sell insurance like a pro should.

Every moment of the lease signing should be choreographed, from the first to the last word. The manager might start with something like, "If you have your driver's license, I can start the paperwork and get that unit in your name." The presentation might end with, "Thank you for choosing us. We promise to earn your business every day. As you know, we're a hometown facility and have to compete on the Internet. Would you do me a favor and give us a five-star Google review? Great! Would you like to do it now on our tablet, or would you like me to send you a link via text or e-mail?"

5. Hold Staff Accountable

Employees should understand that following your policies is mandatory. They cannot "wing it" or do things their own way. Most good management-software programs include a host of reports and systems to help managers and owners/supervisors confirm that procedures are being followed. For example, the program can be used to track all sales leads and follow-ups, and to

record calls with customers. This allows you to confirm scripts are being used.

Once a new employee is ready to be on his own, perform a secret shop in person and over the phone. You can hire a third-party shopper or do it yourself. Following his initial 30 days of training, your new hire should be ready for this test. Employees should have a checklist of everything covered in this assessment. They should also know what's considered pass or fail, and the consequences of failing.

- To bolster accountability, require your new manager to send you an end-of-day e-mail, every day. It should include key items such as:

- How many calls, online inquiries and visits were received that day
- How many people rented and how many require follow-up
- How many Google reviews were received
- What marketing tasks were completed
- Any customer-service issues that need to be addressed
- Any maintenance items that need attention

This is a simple way to confirm you and your manager are on the same page and that he understands the policies and systems in place.

It's also important to schedule regular meetings with staff. These could be weekly one-on-one site visits or simply regular

phone calls. These provide an opportunity to address any concerns you have about the property, share information with employees, praise them for reaching goals, or discuss upcoming projects or tasks. It'll also allow your team to provide feedback and bring up any problems that need your attention.

While training new employees can be time-consuming, it's critical to ensure your storage business operates in the manner you desire. A lack of guidance sets up your team and property for failure. In the long run, proper training benefits you and your business. **ISS**

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The Importance of the Manager Mindset

The most important success factor in any self-storage business is the mindset of the management team.

Your facility can boast the best technology and flashiest curb appeal, but if your staff is haunted with negativity, they won't produce results. Conversely, your property might not be in the best location or have all the bells and whistles, but if your managers are unwavering in their positivity and have a goal-oriented outlook, it can outperform in the market and set the standard for competition. It all comes down to attitude.

As a self-storage operations manager, I travel to different facilities each week, spending time with the various managers. I have the unique opportunity of seeing employees in their own element. Each has his own strengths and weaknesses. My goal is to play up the former and help them overcome the latter so they can be as successful as possible in their role and professional life.

One of the most interesting things I witness when visiting each location is the culture and mindset of the team, particularly the lead manager—the store “captain.” He may have rules to follow, goals to achieve and standard processes in place, but his outlook determines the overall success of the facility and affects

the general ethos there. Some of the conflicting mentalities I see are:

- Positive (can-do) vs. Negative Nancy
- No excuses vs. full of excuses
- Opportunistic vs. defeated
- Servant-minded vs. self-interested
- Goal-oriented vs. unstructured

Some of these temperaments are obviously more desirable than others. Sadly, while you can often teach your team skills, you can't teach attitude. That must come from within.

Producing Positivity

So, how do you create a positive mindset and culture at your self-storage facilities? Your first step is to hire for positive characteristics and recruit candidates who have a proven track record for leadership. You want someone with experience who can maintain a positive outlook in the face of adversity—and demonstrate it.

Positivity is easy when everything is going well, but we really want to see how a person reacts when the going gets tough. This is where true leadership shows. When you interview candidates, look for relevant examples on their résumés and ask them

to present scenarios or tell a story about their experience. Your goal should be to get them to open up about how they behaved in a time of difficulty.

Lead by Example

Leading by example will help those you hire understand how to act. One of the biggest mistakes an owner/leader can make is to expect one attitude/behavior from staff but exemplify the exact opposite in his own demeanor. If you want staff to model positivity, you must lead them with it and foster an environment that breeds it in others.

To implement the right culture, lead by example, coach the traits you desire and demand that people follow. If you're showing employees how you want them to act and asking them to duplicate your conduct, you'll instill an environment that fosters natural leadership.

Create Accountability and Incentive

Establish a policy of “no excuses” at your self-storage facilities. You want your team to understand there's no room for passing on responsibility.

Accountability starts and stops with your designated leader. If he has a habit of blaming others or making excuses

when bad things happen, you have a problem. No one is perfect and even the best leaders make mistakes, but you want your managers to own their errors and acknowledge the areas in which they can improve. This creates an open space where employees can grow and learn together as a team.

Holding performance reviews with your team leaders and encouraging them to conduct them with subordinates is also critical. Schedule regular reviews to keep your people on track and ensure they're growing in their role and abilities. Creating this constructive relationship will also establish a model for how you want them to lead. Performance reviews can be a great tool for offering praise and constructive criticism in a way that creates actionable feedback.

It's also wise to implement a system of rewards. Providing small bonuses for employees who get five-star customer reviews, for example, is one way to promote a positive work environment.

Watch for Red Flags

What should you do if you see trouble signs in your lead manager? Addressing red flags quickly is a must. If you see difficulty brewing, privately confront the issue with your team member and let him know his actions or behavior aren't aligned with the company's values, vision or goals. Provide feedback to change and adapt.

If you don't quickly see improvement, it may be time to explore an alternate position for that person, perhaps a non-leadership role. It might even be time to terminate employment. The key is to address the issue swiftly and not let it create a disruption of your company culture.

If you notice an employee has potential but is having trouble finding direction, it might be beneficial to implement a performance-improvement plan (PIP). This can outline where the person can improve, steps to take, resources to use and when certain tasks should be complete. A PIP can provide team members with the structure and guidance they need

to improve their skills. It'll also provide accountability. Our employees are our No. 1 asset, and we need people who want to grow professionally.

Move in the Right Direction

Again, manager mindset is the biggest success factor in any self-storage business. You can get most things wrong, but if your manager is a rock star, you'll still probably do well. Alternatively, you can have an amazing facility, but if your team is lacking in core values, vision, purpose and positivity, your organization will struggle.

Whether you're an owner or supervisor, spend time evaluating your team and your own leadership style and skills. Identify a few areas to improve and define those where you and your staff are strong. Seek feedback from your team for support, too. It's never too late to make a move in the right direction. It all starts with your mindset! **ISS**

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Fostering Employee Engagement

Self-storage competition is growing, markets are saturating and rates are dropping. What are you going to do? Polish your doors? Increase your marketing spend? Sit back and let life happen to you?

One of the fundamentals to self-storage success—one many owners and supervisors ignore until it's too late—is employee engagement. But creating an engaged team takes effort. If you aren't willing to work and get out of your comfort zone, please stop reading this article. However, if you want to start growing your business, read on. I'll give you four steps to avoid "work zombies" and instead create enthusiasts.

Lack of Engagement

No system or fancy gadget can grow your self-storage operation more than engaged employees. The single best investment you'll ever make is to devote time and effort to your staff. When team members are engaged, they'll always strive to be better, and everything around them will improve.

That said, engagement isn't a well-stocked break room or annual holiday party. These are just pacifiers that'll lull your C-level employees, bore your B-level staff and anger your A-level team (assuming you have one).



According to a 2017 survey by advisory firm Gallup Inc., 44 percent of employees feel stuck in their role, 50 percent feel their employer takes them for granted and 35 percent feel work directly affects their ability to be happy. What's more, 40 percent believe their job has a negative impact on their life, and 70 percent aren't engaged in what they're doing.

While those numbers might seem shocking, think of your own work history. Has your career always been unicorns and rainbows? What jobs have you had that were engaging, made you happy to come to work or drove you to improve? Once you consider it, those statistics make perfect sense.

Improving Lives

As a young boy, I often went camping in the mountains of Yellowstone National Park. I lived by one motto, "Leave it better than you found it." That creed has followed me through the years into my business life. As a self-storage owner or leader, you have a responsibility to better the lives of the people you manage, leaving them better than when you found them.

Engaged workers believe in the job they do. They've bought into your vision and are emotionally attached to their work. They perform with drive and passion and are willing to go the extra mile. They pull on their oars and do everything they can to move your business forward.

Directly contrasting that are employees who aren't engaged. They range from "seat warmers" to those who actively work against your business. They bring others down, monopolize a supervisor's time, drive away customers and do things that aren't productive to the workplace. They're *work zombies*. Not good.

The Path to Engagement

So, how do you create a more engaged team? Start with these four steps.

Be a better leader. You can bet your sweet patootie that any change you want to

see in your operation needs to come from the top. You must know the personality of your employees and play to their strengths. The same issues staff struggle with outside the office come into the workplace. By knowing your people's beliefs, values, goals and challenges, you'll be able to interact with them in the best possible way.

Improve the work environment. Your employees spend more waking moments at work than they do at home, with their loved ones and in areas in which they're most comfortable. The place they come to every day needs to be one they like! Look around your work environment. When's the last time you moved things around? Is there something you can do to make it different? Change things up once in a while. Not only does this help prevent burnout, it'll increase creativity.

Give every person an opportunity to grow. There's been a shift in what employees want out of their jobs. To some degree, it's changed from *paycheck* to *purpose*. It's also evolved from satisfaction to development, boss to coach, weakness to strength and, finally, job to life. If you aren't spending equal time developing your people as you are driving your new Ducati motorcycle, they won't be your employees much longer. If they stay, they'll only remain at the B- or C-level and you'll never reap the rewards of having a truly engaged team.

Much of the growth you want to see in employees comes from continual

conversations and coaching. These discussions should focus on their strengths, not their weaknesses. Almost every feedback session I ever had with a supervisor focused on what I'm doing *wrong*. While there's a place for that, these conversations should be about what the employee is doing *right*. If you're to help your staff grow, it isn't by correcting vulnerabilities; it's by growing assets.

We're all trained to focus feedback on the negative. Think about the last time someone asked for your input on something. Did you focus on the positive? Most likely, you made a list of the bad. We're wired to receive positive feedback, so why aren't we giving it?

Recognize people for a job well done. Overwhelmingly, the best tool to encourage employees is recognition. Think of a time you worked hard on a project and finished it. It was your baby, and your blood, sweat and tears went into it. Did it ever happen that after it was finished, the person above you didn't recognize your effort or even offer a half-hearted thank-you? It's happened to me, and it changed the way I worked. Have you been guilty of doing it yourself?

It doesn't cost anything to praise someone. When done right, it'll make a greater impact than any financial bonus. Send people a handwritten thank-you note instead of an e-mail. Since you know your employees (or should), send them a personal gift related to their favorite hobby or sports team.

The Value of Engagement

- Increased safety
- Better health
- Greater happiness
- Greater satisfaction
- Better home life
- Lower absenteeism
- Greater loyalty
- Higher retention
- Better customer service
- Better quality work
- Greater productivity
- Higher sales
- Higher profitability
- Higher stock price

Source: The Quantum Workplace, "14 Benefits of Employee Engagement"

These steps all require "doing." You must make them happen. Rain "just happens," employee engagement does not. Your role is critical to the success and confidence of your staff. Make sure team is engaged and actively working toward a common purpose and outcome. By so doing, you'll harvest the rewards and your business will grow. **ISS**

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How to Establish a POSITIVE WORK ENVIRONMENT

As a self-storage operator, you may find it challenging to create and maintain a positive work environment, but there are real benefits to doing so. Businesses that focus on positivity outperform others. Employee engagement and retention is higher. Customer retention and average lifetime value are also higher.

On the other hand, a negative workplace is terrible to work in and operate. It can even breed hostility. Customers don't want to do business with a place like that. Think of movies like "Horrible Bosses" or "Little." A sour work environment may

be fodder for great comedy, but they certainly don't breed staff productivity or customer satisfaction.

The question is, if a positive workplace is more pleasant and profitable, why don't more owners and supervisors strive for it? If your goal is to crank up the positivity of your self-storage operation, here's some guidance.

How Positive Are You?

Before we get into how to create and maintain a more positive self-storage workplace, let's first determine where your business falls on the positive/negative

spectrum. You know you have a positive workplace when:

- You look forward to going to work and feel good when you're there. You find it a refuge from the worries in your life. You're glad to see employees as well as customers.
- Your four- and five-star online reviews mention your staff. Customers feel well-treated, cared for and valued.
- You have a hard time relating to and understanding other owners and supervisors who complain about how much they dislike their employees.

You know you have a negative workplace when:

- You feel bad when you're there. You find it stressful, and you avoid going into work.
- Your one- and two-star reviews are about your employees. Rude, unempathetic staff are a sign your workplace is negative or the reason it is.
- You're the owner or supervisor whining about how you wish you didn't have employees.

Don't make the mistake of believing your workplace is fine just because you haven't been sued for harassment. Harassment is a severe situation. You might still have a negative or even a hostile work environment in the absence of formal charges.

Pay attention to your employees. People who feel degraded, disrespected, unsupported and confused will often show physical and emotional symptoms. If you have people calling in sick a lot, you see employees becoming visibly upset, or you see staff bicker with each other, you have a problem.

How to Make and Keep Things Positive

Even if you fall into the positive category, are there areas where you fall a little short of ideal? Think about how you might be able to improve your work culture and atmosphere. Here are eight ways to cultivate and accentuate the positive.

1. Be clear. Have clear expectations and work rules. Short of a complete list of do's and don'ts, every employee should at least know the five things one must *never* do and the those that are always great to do. For example, don't just tell your staff to "Keep the front door clean." Be specific: "You must clean the front door and ensure the glass clean and free of hand prints and smudges by noon each day."

2. Continuously develop your employees. Every day is an opportunity for training and encouragement. Be a *cheerleader* and a *coach* for your employees. Praise them when they make good decisions. Praise them even when they make questionable decisions if their reasoning was sound. If they make a poor decision, as long it isn't on a "never do" list, use it as teaching moment and help them learn. Nearly every mistake is fixable and a learning opportunity. Your employees should become more confident and capable every week. Be as specific in your praise as you are in your corrections.



3. Demonstrate value. Tell your employees, "It was nice to see you today," "It was good working with you today," or "I'll be glad to see you when I come by again next week." Little gestures like this indicates you value them as people, and being valued as a person is one of the best experiences anyone can have during a workday. Of course, for this kind of behavior to have a positive impact, you have to mean it honestly.

4. Have social time. If it's slow in the workplace for a while, announce, "OK, let's put our work aside and visit for 15 minutes." Socializing is super important. It helps reduce stress and increases staff rapport.

Consider scheduling social time. This isn't a break—it's on the clock. If you don't make it clear that you want staff to socialize, and you don't make time for them to do so, you'll force them to do it on the sly. One of the easiest ways to destroy a positive environment is to tell people who are socializing to "Get back to work." Instead, if you say, "Hey, it's slow. Let's take 15 minutes to visit before the next rush," you'll have a very different work culture.

5. Lead by example. Be kind to employees. Be kind to customers. Be helpful and supportive. Offer encouragement. (Note that I didn't say to be a pushover.) When you have clear rules and procedures, you don't have to stress. You're free to show empathy and compassion to people with whom you work and who make you money.

6. Show backbone. Support employees when a customer is clearly wrong. Make it clear that you know customers aren't always right. If a tenant

is out of line, rude or abusive, support the employee. Correct or fire the customer. Back your employee 100 percent if he was following the rules.

By the same token, never allow employees to talk disrespectfully to or about customers. Correct that behavior quickly and forcefully. When an incident occurs, create a success story about customer engagement to share with others.

7. Fire employees with bad attitudes. Encourage your self-storage staff to be honest with you and call you out when you're in the wrong. They should have a vested interest in protecting your interests and helping others be better at their jobs. They should also "train" customers to behave correctly. Of course, all this must be done respectfully and with kindness. If you have an employee who's quick to lash out, acts disrespectful or is always causing tension, release that employee from his duties and do it now.

8. Check yourself. What are you complaining about? If you're a self-storage owner or supervisor, you're probably viewed as successful and accomplished by almost everyone you meet. So, get happy about that and don't let the pressure of day-to-day business hassles bring you down. Take a walk. Go jump in a lake. Play with your dog. These distractions will help you reset your attitude and go about building a positive workplace for yourself, your staff and your customers. **ISS**

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Embracing *Employee Diversity*



What comes to mind when you think of employee diversity? More than likely, you think of hiring people of various ages, creeds, ethnicities and genders. Why hire people who are so different from each other? What are the benefits? There are many reasons, and all can be good for your self-storage business.

Diversity gives you access to a greater range of talent. It also provides insight to the multi-faceted needs of your tenants and the communities in which you work. In fact, researchers have found it makes your organization more effective, successful and profitable!

But how do you achieve a diverse workforce? Here's some advice.

Define Your Goals

Workplace diversity is great in theory, but it isn't always achievable. What looks great on paper can fall short in practice.

Workplace Diversity: A Definition

Understanding, accepting and valuing differences between people of various races, ethnicities, genders, ages, religions, disabilities and sexual orientations. Also, embracing differences in personalities, skill sets, experiences and knowledge bases.

Source: *Ideal, "6 Best Workplace-Diversity Trends For 2019"*

Saying you're going to embrace diversity isn't enough. You must clearly identify your goals. Some organizations establish policies to ensure certain groups of people are represented in supervisory positions, for example.

Every company is unique, so your diversity goals will be, too. You can't copy/paste what one organization is doing or even borrow what's working at a sister store in a different part of the country. A diversity program at the corporate level might not work at each individual facility. For it to work, each team must have the tools, capability and motivation to implement it. You must define reasons for the program and help everyone understand what the benefits are for everyone. Otherwise, it'll fail.

It Starts With the Hire

Creating a diverse workforce begins with hiring. Hiring based on skills alone is easy, but finding the right people with the right attitude, who are open-minded and represent different ways of thinking, is the key. It's much easier to teach someone new skills than it is to change their mindset!

Though we all share things in common, each of us brings something unique to a job. Hiring people with different personalities and talents, at various stages of their careers, adds a range of perspectives and ideas that can help your company grow creatively. Employees will also bring crossover skills from other fields, which can be beneficial to other staff.

By working with people of varied backgrounds and working styles,

inspiration is born. Your team members can bounce ideas and experiences off one another, allowing them to learn new techniques and skills. Offering feedback to each other also helps them grow as employees and helps your business thrive.

By embracing diversity in your workplace, you'll attract a wider range of talent, which makes hiring easier. It might even help with employee retention. People generally like to work in an environment where all backgrounds are accepted and employee equality is promoted. They're more likely to feel comfortable and happy in a culture when inclusivity is a priority. It helps your team grow and feel confident in their abilities. The higher their morale, the more productive they'll be!

Managing a Diverse Staff

Now that you've gathered a diverse workforce, you must manage these employees. You need to value each individual and respect what he brings to the table. Celebrate differences, don't just tolerate them! You must learn to work with various personalities and establish a cohesive team. This takes time and energy.

Make sure all employees feel valued and included in your business strategy. Those who feel appreciated are more likely to contribute and care about the company's success. The person behind the counter is your frontline defense and can make or break a self-storage facility. Much depends on how he's treated. So, get to know each of your employees, right down to the relief staff.

Here are some general tips for managing your diverse team:

- Recognize each person’s unique talents and abilities, and assign tasks to those best suited to each job.
- Communicate with every employee, providing constructive feedback on a regular basis.
- Treat each employee fairly and equally and give them all the opportunity to shine.
- Make sure all employees are participating equally. Meetings should involve everyone. Just because your relief manager only works two days a week doesn’t mean he doesn’t have something of value to contribute to the success of your store.
- Create an open and safe work environment in which employees feel comfortable offering opinions and suggestions. No one should be bullied, belittled or ridiculed.
- Be aware of any tensions among your team and step in immediately to handle such situations.
- Don’t play favorites. Find out what each person brings to the table and use those talents to help the employee grow and be more productive. Some people are better at marketing or collections or cleaning. Figure out what they’re best at and put them in that role.
- Give positive feedback whenever possible. Employees need to know how they’re doing, so they can continue on or correct themselves. Meetings can be conducted in person, or by phone or video conferencing to keep staff motivated.
- Finally, always have an open-door policy, as not all employees will feel comfortable saying things in an open

forum. Let them know they can come to you at any time and you’ll listen to their concerns and suggestions.

Addressing Conflict

Remember, with a diverse workforce, you’re dealing with various backgrounds, ages, cultural experiences, etc., and conflict will occasionally arise. Create policies so employees understand what they to expect if there’s an issue. Create a company manual and keep it updated as laws change.

If there’s a conflict, address it in person. E-mails might be the norm for communication today, but sometimes the tone can be misunderstood. It shouldn’t be used to discuss complex issues as they may get lost in translation, so to speak. Pick up the phone and talk directly to the person or schedule a face-to-face meeting to address key issues that shouldn’t be covered in e-mail.

Maintaining Best Practices

Maintaining a diverse team of professionals doesn’t just happen. It takes work—sometimes a lot of work.

Again, it’s important to value each person’s individuality and be open to the new ideas he brings to the table. Your team’s behaviors and beliefs might be different from yours, so be proactive and ask for feedback to understand their viewpoints. In exchange, help your employees see the big picture. They need to know how their role and responsibilities fit into the overall success of the self-storage facility and your company.

Choose your words carefully and never make harmful comments. Pay attention to your body language, too. Ask others what they think and what they would do in any given situation and then *listen*. You may discover what really excites them about their work and how to motivate them to excel. This will lead to an increase in productivity and profit.

Treat your employees like you want them to treat your customers—with respect and kindness. Yes, the Golden Rule works in the workplace as well as in life! Remember to “walk the walk,” and do what you say when you say it. Also, hold yourself to higher standards and let your employees know that if you don’t, they should.

Finally, never, ever tolerate unacceptable behavior! Being open-minded doesn’t mean your workplace is a free-for-all, so address poor performance immediately. If issues are ignored, resentment builds, and bad behavior soon becomes the norm. Remember, employees do what you do or what you allow them to get away with! Your leadership is what guides your business, so it’s critical that you provide a work environment where creativity can flourish.

By creating a diverse workforce, you and your organization will benefit from the various talents and ideas, from those at the top level to everyone behind the counter. It’ll be a win-win situation for everyone, including your tenants! **ISS**

Contributor: Pamela Alton, Mini-Management Services, www.mini-management.com



Performing Staff EVALUATIONS

Here’s something to think about: When there’s no consequence for *poor* work ethic and no reward for *good* work ethic, there’s no motivation for your self-storage staff. An employee-performance review is a formal assessment of work performance. It fosters open communication between supervisors and team members and, hopefully, improves employees’ work going forward.

The fact is, hourly workers are the backbone of our self-storage

organizations, but they’re often the most neglected staffers on the payroll and often overlooked when it comes to training and professional development. I once heard an owner say that giving performance reviews to hourly employees is a colossal waste of time and resources. In reality, every member of your team is valuable and does his part to enhance the company.

What’s your current practice? Do you review all employees, hourly and salaried alike? Do you evaluate employees after 90 days and never again? Maybe once per

year? It's important to engage all workers who are at the front line of your customer experience. A good way to do this is with consistent performance evaluations.

The High Cost of Low Retention

Hourly workers typically represent the highest turnover in any company, and turnover is costly. The Center for American Progress, a public policy research and advocacy organization, puts the cost of replacing an employee who earns less than \$30,000 per year at 16 percent of his annual earnings. In other words, to replace a \$10-per-hour worker will cost you more than \$3,000.

Workplace policies that address the concerns of hourly employees can help reduce turnover. Some states have mandated predictive scheduling laws for these staffers, while other states (and some companies) are increasing their minimum wage. In addition to financial security, these employees want to be valued in the workplace and know their employer is aware of the contributions they make in maintaining market share and customer satisfaction.

The Benefits of Evaluating Staff

Performance evaluations can be key to retention and engagement for staff, particularly those with lower financial incentive. Employees want to know how they're doing, and reviewing performance is a way to keep an open line of communication, which is key not only when things are going poorly, but when the site is achieving great success.

If an employee is taken by surprise at something revealed to him in a review, his supervisor isn't doing his job effectively. Reviews don't just clarify goals and reinforce positive behaviors, they help adjust behaviors that aren't so positive. They assist in building the employee-manager relationship. They also serve as the foundation for career development. That recognition can turn into engagement and retention.

Skipping a performance review, or being late with one, sends a negative message, even if that wasn't the supervisor's intention. The time a supervisor spends with each employee is meaningful and could make the difference between the team member staying and thriving with an organization or becoming dissatisfied and perhaps even walking away.

According to analytics and advisory firm Gallup, companies that implement



regular employee feedback have turnover rates of up to 15 percent lower than those that don't. Productive employees who do good work want their work to be evaluated, so they can be recognized. In addition to raising engagement and customer satisfaction, what begins with simple recognition can develop into savings and positive outcomes for the employee and the company in the short- and long-term.

Performance reviews serve many purposes. The top ones are:

- They give staff members a sense of belonging.
- They recognize people who put in extra effort and acknowledge them for a job well done. Demonstrating a person's value to the organization will lead to them value the organization, making them less likely to leave. The length of time a employee stays in his job is often an indication of how engaged his—how much he cares about his job and puts effort into his work.
- They provide guidance when work isn't meeting expectations, identifying any areas for improvement, training and possible advancement.
- They're a good opportunity to summarize adherence to time and attendance policies. Show employees how often they arrived late, left early, took long lunches or unpaid days off, and how much sick time they've used.

Preparation

The first step in conducting a successful employee review is preparation. You should establish a system and process and follow it consistently. It might include things like:

- Having a copy of the employee's personnel file with you
- Having documentation from previous reviews, including goals and objectives discussed
- Having any forms or reports you need to fill out ready to go
- Having copies of recommendations (or complaints) from managers, coworkers or customers
- Having performance data (sales, productivity, etc.) relevant to the type of review you're conducting
- Going over all data, comments and documentation, and making notes of possible questions to ask
- Telling the employee the date and time of the review and giving him adequate time to prepare

Note: Performance reviews should be separate from any discussion about promotions or pay increases. When employees think the conversation will affect their pay, they may speak more cautiously and avoid sharing information to protect themselves. Consider a

performance review a place to encourage professional development, and create a separate review for promotions and raises, even if the latter is held just a few days later.

Tactful Communication

During each review, use thoughtful communication that'll build the employee up, not tear him down. Performance evaluations shouldn't be all negative or all positive. Being overcritical will likely demotivate the employee, and yet there's almost always something that could be improved. Tactfully sharing positive attributes alongside the items that need work will help the conversation feel more balanced and ensure employees don't feel attacked.

It's also helpful to provide concrete examples for both achievements and areas of improvement. Share them throughout the review. Being able to cite specific instances of behavior to employees proves you've truly done your homework as a supervisor. This type of communication is much more effective than simply saying what your team member has done right or wrong. It shows you've been paying attention and gives your feedback more credibility.

Clear Expectations

Your company handbook should be clear about how your employee-review program works and what's expected of each team member regarding performance, attitude, attendance, sales and so on. It should explain

- What your review process is and the timeline on which it occurs
- Any benchmarks you'll cover in a review and expect employees to meet
- What supervisors and managers expect of employees and what employees should expect in return
- What leads to an employee being fired instantly and what would lead to a written warning being placed in a personnel file before the danger of termination is real
- What the end result of a review might be, such as issuing a warning or talking about a possible pay increase

It's important to lay out your entire program in the handbook and go over it with each new hire. Making this clear reduces fear and dread. It also helps protect you legally, which is why you should work with your legal counsel when developing policies relating to employee termination.

The Impact of Reviews

Look back on the goals you established for your employee-performance reviews. Ask yourself:

- Does performance get better afterward or is it hampered?
- Do employees seem more confident or are they hesitant?
- Has morale increased or decreased?
- Are the changes you suggested for improvement happening in a positive way or at all?

If your evaluations leave things worse than when you started, it's time to change your process.

Employee-performance reviews aren't there to weed out "bad" employees. Instead, they're critical to determining wage increases, promotions, corrections and an overall sense of what's happening in your workforce. By providing regular reviews, you'll treat your employees as what they really are—your most valuable asset—and encourage and engage all of them. **ISS**

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A Fresh Approach to **STAFF DISCIPLINE**

Discipline in the workplace is tricky. Traditionally, there's a scale of consequences for poor performance or bad behavior, starting with verbal and written warnings and leading up to termination.

Of course, there's acute behavior that should never be tolerated in the workplace and must be dealt with accordingly. For less serious offenses, the problem I have with punishment is it rarely solves the issue at hand. It simply generates fear and does little to help the individual improve. And let's face it: Most of the time, disciplinary write-ups are just stepping stones to justify a termination of employment, not an attempt to fix a situation. Talk about setting up your team for success!

Perhaps there's a better way. Let's "be kind and rewind" to some employment fundamentals and see what we can do to avoid the need for discipline in the first place, and how to handle it in a more productive way when we can't.

Provide Ongoing Policy Training

A professionally crafted company handbook is a great thing. However, after the employee receives it, it's often tossed into a drawer (or worse), never to be seen again. Then an issue comes up, and he's responsible for knowing everything in the book because he signed it eight years ago.

Is that fair? No. A company needs to provide ongoing training in all its policies and procedures, from sales to sexual harassment. You wouldn't provide sales training on the first

day of a new hire's employment and never speak of it again, would you?

Create the Right Culture

When an employee violates a rule or isn't pulling his weight, look to the pillars of your workplace culture to help him. For example, you might have a conversation about how one cornerstone of your company culture is collaboration, and how his specific behavior works against it. The goal is a positive conversation in which you talk about how other people in the organization worth through their difficulties, and he can, too.

Focus on Fixing the Problem

I know you've heard this before: You need to document all disciplinary action. Every

Immediate Termination

There are some employee actions that are so egregious that immediate termination is appropriate. These include:

- Theft of company property or funds
- Coming to work under the influence of alcohol or another substance
- Violent actions toward co-workers or customers

In these instances, you must immediately remove the employee from the property. In other cases, taking a measured approach can help correct the misstep and re-establish the foundation you set prior to employment.

Source: *insideselfstorage.com*, “No Unpleasant Surprises! How to Minimize Employee Disciplinary Action and Termination,” by Cindy Ashby

issue should be carefully recorded, and then dated and signed by the employee and his supervisor. Why? Because we’ve been trained to believe we’ll need this information in five years to fire that person!

Rather than just focus on documentation, figure out how you’re going to help the employee with whatever occurred. Work on fixing the root of the issue rather than building a case for termination. Instead of acting like a parent scolding a child, work together with the common goal to solve the trouble. An employee can’t learn to change unless he takes ownership of the problem *and* the solution.

Come up with a professional-development plan to help the employee get back on track. Then, you must both commit to a solution and follow through. This shows the employee you’re serious about the change in his behavior and you advocate his growth. Any lack of follow-through will only allow the situation to worsen or occur again. It’ll also show how little importance you place on company rules.

Of course, all this assumes there was no egregious activity on behalf of the employee. If a team member does something illegal, threatens the safety of others or engages in a serious breach of policy, these are grounds for immediate termination.

Communicate Fairly and Openly

We’re all adults. While you might sometimes feel like the only adult in the room, it’s essential to continue behaving like one. In any situation where there’s a dispute or bad behavior, always take the high road.

Part of this is ensuring the employee has a chance to tell his side of the story. Let him express how he feels and try to put yourself in his shoes. You don’t need

to have empathy for his behavior, but you do need to respect the process of getting to the bottom of it. Make sure that process is fair for all parties, and don’t let your personal feelings cloud your judgment. This can be difficult if yours is a small company, as emotions can run deep. Remember, you have an obligation to investigate and understand the root of the problem.

Then? Schedule coaching sessions with the employee to help him understand what happened and how to improve. Be clear about the purpose of the sessions. He needs to know his behavior violated a company guideline and how he can correct his behavior. You have to clearly deliver the message: This is inappropriate, but here’s how we’re going to fix it.

Be Prepared to Terminate

Even with all the coaching in the world, there are times when an employee’s behavior doesn’t improve. Then it’s time for him to go.

When terminating a team member, it’s essential to be respectful and do it in a way that aligns with your culture. Think it

through and be prepared. When the time comes, have all the employee’s information available, including any problems that occurred and the actions that were taken. Keep this interaction short, as it’s tense and emotional for everyone involved. The meeting should be no more than 10 minutes. Anything longer and emotions might get heated.

Don’t start the discussion with small talk or in a light-hearted manner. Call the employee in and say, “This isn’t going to be a good meeting.” That sets the tone for the severe nature of the conversation. State the reason he’s being terminated. This isn’t a time to talk about everything; it’s like ripping off band-aid—do it quick! Provide any information the employee needs to know, such as when he’ll receive his final paycheck. Allow him to collect his personal belongings and say your good-byes. Once he’s left the property, change the locks.

Embrace the Responsibility

As a company leader, you hold an enormous responsibility for your team. You control their livelihood! It can be a lot to bear.

The goal is to guide every employee to success from the start, so you can avoid poor performance or bad behavior from ever occurring. If you do need to engage in a formal disciplinary action, it should never be a surprise. If you’re regularly coaching and talking about issues as they come along, it won’t be. Finally, when a situation evolves to the point of termination and you have done your job, the employee will be leaving better off than when he started, and you’ll have learned some important lessons, too. **ISS**

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Detecting and Preventing EMPLOYEE THEFT



When a thief is inside your self-storage property, standing behind the management counter, securing your revenue is difficult. We're fortunate in our industry to have a limited number of employees at each site; however, that can pose another issue, as having few staff members leaves the property even more vulnerable to embezzlement.

Theft is rampant in the self-storage industry, but most owners don't want anyone to know about it. Even when they have employee-dishonesty insurance, they don't want to file a claim. Sometimes it's because they have a business partner, family trust or board of directors they don't want to tell, or they simply don't want the community to find out. Often, they're embarrassed they missed the signs and a person they liked or loved (sometimes a relative) deceived them so significantly.

Keep in mind that embezzlement is different than larceny. Embezzlement is the misappropriation of money or items with which a person has been entrusted. It differs from larceny in that the perpetrator comes in possession of the money or property legally but fraudulently assumes the rights to it.

Many employees take something from their employer without thinking it's theft, such as pens, paper or bathroom supplies for personal use. In fact, any kind of misuse, abuse or theft of business assets counts as embezzlement. It isn't just about "borrowing" from the cash drawer. Obviously, it does include money, which is the most commonly stolen asset and what typically comes to mind. However, there are other things that can be stolen. When employees take home reams of copy paper, they've stolen from you. The same applies when they take your office laptop or computer and claim it as their own.

How It Happens

According to the "Fraud Triangle" theory developed by criminologist Donald R. Cressey, there are three elements that must all be present for an employee to be motivated to steal:

- **Pressure:** There must be some sort of financial need.
- **Opportunity:** There must be a chance to commit theft.
- **Rationalization:** This is the act of justifying the theft to ease the feeling of guilt the employee might feel about committing it.

Maybe the employee was too embarrassed to ask for an advance on his paycheck, or he has some kind of financial need he doesn't wish to disclose to you or coworkers. If he can't find another money source, such as a loan, he may give in to temptation. Perhaps some cash was readily available, presenting an opportunity. The money or merchandise typically comes available due to lack of oversight by upper management or lack of internal controls.

In self-storage, site managers are by far the largest perpetrators of employee theft and usually the ones with the greatest opportunity. There are several factors that make this industry more vulnerable to theft than other businesses:

- **Managers and relief employees are generally unsupervised.**

- **The ability for employees (especially husband-and-wife teams) to conspire makes the business ripe for embezzlement.**
- **We accept cash, which is easier to steal than checks or credit cards (though employees can steal with customer credit cards, too).**
- **Most management-software programs don't have sufficient reports to help detect theft.**
- **There are few internal controls (policies and procedures) on giving credits and concessions, handling cash payments, and depositing funds.**
- **Managers and employees are given more authority than necessary in the management software and operation of the property.**

Embezzling Techniques

In addition to our industry's inherent vulnerability to employee theft, it's getting much harder to catch staff who steal. They have time and, typically, a much better knowledge of the facility's management software, and can manipulate the data without the owner or management company knowing. Here are some examples.

Mystery units. A unit will have a customer lock yet show as vacant in the management software, which could mean the tenant is paying in cash that's being pocketed by the manager. This is easy to detect, but you must walk the property and compare the information in the software against all the doors. Sometimes a customer simply moves into the wrong space because the manager didn't overlook vacant units. It's critical to investigate these situations. If a customer is in the wrong unit, it's a procedural training issue.

Units deleted from the software. On a recent audit, I found eight occupied spaces that were missing from the inventory. An employee had deleted them from the software three years prior. On the same day, he added eight *new* spaces in the program, labeling them as "stair units." However, the facility didn't have any such spaces.

“In self-storage, site managers are by far the largest perpetrators of employee theft and usually the ones with the greatest opportunity.”

The employee thought the owner might notice the square footage on the monthly reports had changed if he simply deleted the spaces, so he added fake units to keep the square footage the same. The eight customers who were renting the deleted units didn't always pay in cash, but the employee simply swapped the payment method and applied it to another customer who had paid with cash. Then would credit the cash-payer's account.

On one space, 32 credit cards had been used over three years. When I contacted the customer, she said she always paid in cash and didn't even own a credit card. It was a clever scam that would never have been discovered without a complete physical inventory, verified tenant ledgers and confirmed trail of payments and credits.

Complimentary spaces. An employee can make a space free in the software even just for one month if a customer pays in cash, then change it back to the standard rent after accepting payment. For this reason, complimentary spaces should be reviewed monthly.

Rent concessions, fees and waivers. All credits, concessions, referral fees and waived late fees that are credited on a cash payment should be signed by the customer. It's a good practice to add a signature line to cash-payment receipts and keep them in the tenant's file.

Work time. Employees can also steal time. I once received several complaints about a California store that displayed an open sign every morning, yet the managers were nowhere to be found. One morning, I staked it out. My employees, a husband and wife, came out of the apartment. He was in his storage uniform, but the wife wore a waitress outfit. I followed them to a local diner where he

dropped her off. He then returned to the storage property and opened the site—an hour late. Turns out she was working five days a week at the diner yet still clocking in at storage facility.

This is just one example of time theft I've witnessed over the years. In other cases, employees left the office for an appointment and didn't clock out, or employees clocked each other in or out. One wife was punching in and covering for her husband every weekend while he was searching for his adult daughter who had run away from home. The husband even took \$200 from petty cash for his travel expenses!

Warning Signs

Though it can be difficult to detect employee theft, here are some potential red flags:

- Managers who give a lot discounts and concessions to customers throughout their tenancy, especially if the customer pays in cash
- Stores that have a 7 percent or greater difference between physical and economic occupancy
- A high number of non-expiring discounts or variances from the standard rent
- Spaces made unrentable or complimentary in the software with no explanation
- Actual occupied unit rates are higher than gross occupied unit rates (data manipulation)
- Managers who frequent gambling places
- Managers who delay bank deposits
- Petty cash or cash drawers with missing money or receipts
- Deleted payments, charges and units
- Backdated payments and charges
- Excessively high delinquencies (more than 7 percent)
- Managers who fail to overlock delinquent tenants
- Employees who make a lot of errors in the management software
- Managers who don't allow assistants to contact delinquent tenants
- Suspicious expenditures in petty cash
- Managers who spend more lavishly than their salary permits
- Check payments are applied to the wrong unit or don't match the name of the customer

Preventing Theft

While employee embezzlement could happen at any self-storage business,

there are steps you can take to prevent it from happening. You can't eliminate the possibility of theft completely, but you can go a long way in reducing it.

Take your time hiring. Perform background checks, check references, mandate drug tests and complete extensive interviews. With reference checks, remember to ask if the person is eligible to rehire. If not, no other questions are necessary. Move on to the next candidate.

Strengthen the organization structure. One employee should never have too much power. There should always be a system of checks and balances that ensure authorization is a joint effort rather than an individual one. Listen to your accounting people when they tell you something isn't right. Make sure someone in upper management knows how to use the facility software.

Nurture good relationships with your staff. Many employees who commit theft have no remorse because they feel their employer has no concern for their well-being. Get to know the people you work with and nurture healthy relationships with them. Show them you're invested in their interests and you want to help them grow. Pay them according to the law!

Install camera surveillance in the office. Employees are less likely to steal if they know they're being watched. Ensure that not just anyone has access to the security systems, to prevent the possibility that footage can be manipulated.

Don't skimp on internal controls. Document everything in your business in a clear, accurate way and regularly audit the internal operations of the company.

Lead by example. Your employees will often take their cue from you, so lead by example. Show them you're not the kind to steal and act ethically in all your dealings. There's no way you can prevent all theft. People who are smart or have a lot of time on their hands can easily steal. Be diligent in understanding your software reports, conduct physical inventories, hire an expert to audit regularly, and purchase employee-dishonesty insurance coverage. Taking these proactive measures can help deter would-be thieves from targeting your business. **ISS**

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Advice for Resolving Workplace Conflict

Some time ago in a business meeting, I got into an argument with a co-worker. We were both offended at an imagined slight. The meeting went off course, and a loud, heated conversation ensued. It wasn't the finest hour for anyone involved. Neither party accepted responsibility for his actions, and many in the room let it become a wedge that would forever change the dynamic of the company.

Some conflict will occur in every relationship. How you deal with that conflict, particularly in the workplace, is what can set you apart from others. It can certainly impact your ability to meet your career goals.

How do you handle disagreements with your boss or co-workers at your self-storage company? Do you fight fire with fire? Eye for an eye? Plan intricate strategies to get your shots in first? No, of course not. Nor can you bury your head in the sand, or you could miss out on job opportunities. Rather, you need to face conflicts head on. Communicate about the problem and find a resolution.

Don't Make It Personal

People naturally avoid conflict, and yet they'll stew on an issue for months or even years. Fundamentally, we all feel the need to be "part of the pack." Through years of relationships we've developed coping mechanisms to use when there's a risk of upsetting that pack. However, most of those learned behaviors aren't healthy or productive, and our inability to recognize them often leads to bigger problems.

Looking back at my behavior during that out-of-control meeting, I've realized I took much of what was said personally, as



though someone were insulting my family honor. And I wasn't alone. As if part of some ancient knightly duel, we mounted our horses and brandished our lances! Henceforth, no man shalt insult our honor!

Pretty ridiculous, right? In reality, nothing that was said was a personal attack, but at the time it seemed so. Have you ever felt this way? When you do, there can be no productive communication or work accomplished. It's essential to work through the conflict to accomplish your personal and company goals.

So, the first step in preventing workplace conflict is: Don't make it personal. It's a concept much easier said than done; however, if you think about situations you've experienced, you'll begin to realize most conflict is self-imposed.

Learn to Communicate

Silence isn't communication. When a conflict occurs, don't sit back and hope time will heal all wounds. That's a copout, and you can do better.

After a cooldown period, be the bigger person and reach out to anyone involved in the disagreement. Send an e-mail or text to schedule a time to talk. This gives you a chance to collect your thoughts, and then you'll have an uninterrupted opportunity to discuss the problem. Here are a few tips to ensure all goes well:

- Prepare your thoughts; maybe even write them down so you can communicate better. The responsibility to start the

meeting right rests on your shoulders. What you choose to do will determine the course of discussion.

- Check your ego at the door. This isn't a high-stakes negotiation regarding the safety of mankind. You can have tremendous personal power when you lose the burden of your ego. Just think ... You might actually be wrong. Gasp!
- Exercise empathy and see the situation from the other person's point of view. I have difficulty with this; however, I can attest to the value of the principle and the power it brings in stressful conversations.
- Don't talk *at* the other person; talk *with* him. Even though you're leading the conversation, make sure it flows both ways. Each person's thoughts and opinions need to be heard.
- *How* you say something is as important as *what* you say. Avoid phrases such as "you always," "you never" or "every single time." These terms are over general, exaggerated and absolute. They're also inaccurate, and if you examine the situation more closely, you'll realize how untrue they are. They do nothing but make things worse.
- Use clear and responsible terms. Consider saying, "I feel _____ when you _____." Words are all we have, so it's important to make them count. When using statements like this, you identify how you feel and focus on the other person's *actions*, not his character. The ability to put a name on a feeling and action helps each party establish a clear, identifiable issue.

Hidden Costs of Employee Conflict

- Disengaged employees
- Reduced productivity
- Absenteeism
- Employee turnover
- Litigation
- Workplace violence
- Ineffective communication
- Poor performance
- Low morale

Recognize the Power of Silence

During your discussion, the conversation can go any number of ways. Now, it's good to recognize the power of silence. This is the time when it's OK to be quiet. Instead, *listen*. Resist the need to fill all the "dead space." Most of us don't truly listen when we're waiting for our turn to speak. Instead, we're thinking about what we're going to

say next. Your silence will create a space for the other person to talk, whether he wants to or not. Spend that time hearing what he has to say.

There will always be conflict in the workplace. The sad truth is some people will be jerks and may make your life miserable. But most people are good and have the same desires and goals you. If you're going

to spend a third of your life on the job, don't you want it to be as free from struggle as possible? Taking five minutes to talk seems a small price to pay considering the dividends you'll yield for years to come. **ISS**

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THE COST OF WORKPLACE VIOLENCE

Over the years, analysts have attempted to calculate the financial impact of violence in the workplace. Many of those statistics are based in the national aggregate, relying on reports from workers' compensation and law enforcement as well as numbers compiled by the U.S. Bureau of Labor Statistics. Such a methodology arrives at a minimum cost of many tens of billions of dollars per year for American industries, including self-storage.

While such information is important, most business leaders are keener on the question, "If a violent incident occurs at my workplace, what is the possible financial impact on *my* organization?" The answers are contingent on many variables, such as the size of the business, the nature of the incident, the type of industry, etc. However, it's possible to identify *types* of financial impact.

Hidden Costs Before the Fact

Before we examine potential financial effects of workplace violence, let's address an issue no one writes about in the context of this discussion, though it really should be a part of the conversation. Worker-on-worker violence doesn't happen in a vacuum or out of the blue. In nearly all cases, abusive supervisory styles, bullying and a sense of injustice have been part of the work culture. In turn, these elements are always associated with multiple hidden costs to the organization.

Actively disengaged workers are less productive, intentionally undermine morale, call in sick more often, can perpetrate acts of passive or active sabotage, and contribute to employee turnover. This is the point: By the time a violent incident occurs, your organization has already been paying the hidden costs of the circumstances that brought it about, often for years. It's been said, "A good workplace is much cheaper to run than a bad one." This is true.



The Costs of Workplace Violence

The differences between organizations and the violent incidents that occur make it difficult to estimate financial impact for every case. However, the categories below will be true across the board. Given the many variables, it isn't practical to suggest specific figures, but you can easily apply the following impacts to your storage business.

- **Critical incident debriefing for affected workers:** Survivors of violent events at work, even those with no physical injuries, often struggle to regain a sense of normalcy. Facilitating such an experience for employees isn't only a moral and ethical obligation, it's in the best interests of all concerned. In most cases, it'll require outside facilitators.
- **Temporary closure of the facility:** You can arrive at a ballpark figure for your organization by multiplying your estimated daily revenue by the number of days your facility will be closed. This could be anywhere from one day to perhaps three or four.

- **Revenue lost to decline in productivity:** Again, the magnitude of this impact is dictated by several things, including the nature of the violence, how many it affected and your organization's daily revenue. This impact is persistent and slow to resolve.
- **Cleanup and/or restoration of the site:** Of course, this is contingent on the nature of the violence and may require a cleaning service.
- **Rise in healthcare premiums triggered by a greater need of psychological services:** Even workers who aren't directly affected by the violent incident will often experience an increase in anxiety and other negative impacts.
- **Increase in workers' comp premiums:** These premiums are calculated based on the size of the workforce, the nature of jobs and your organization's claims history. Violent incidents with injuries will raise your claims-history index and result in an attending increase in premiums.
- **Litigation costs:** These costs have risen substantially in the last decade. Jury awards of several million dollars aren't uncommon.
- **Replacement costs for up to 10 percent turnover in the workforce:** Studies have shown that employee turnover spikes after violent incidents. Human-resources professionals tell us that the cost of turnover can be between two-thirds to twice the annual salary of the person being replaced.

There are other wildcard effects not listed above, such as a possible impact on shareholder value, a public-relations effort to counter negative publicity, etc. When you consider all the ways a violent incident at your workplace can impact your storage business' bottom line, prevention programs just make good sense. **ISS**

Contributor: Gary Sheely,
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Landing a New Management Position or Promotion

The self-storage job market has never been more competitive and those seeking positions need to be prepared. Whether you're new to the industry or looking to change roles or companies, follow the below advice to ensure you're an employer's top candidate.

The Résumé

Every month I review dozens of résumés from people seeking self-storage management positions. Some are impressive at first glance, while others look as if a child wrote them. Not everyone knows how to prepare a professional-looking résumé. For those who don't, an Internet search will yield numerous templates. There are also third-party companies that can prepare a quality résumé for a small fee. Keep in mind, you only have 15 to 20 seconds to make that first impression, so give it your best shot!

First you need to choose a style for your résumé: chronological or functional. Chronological is the most common. It lists your job titles and places of employment, along with dates, beginning with the current position first. These are usually listed on the left side of the page, with the job duties on the right. When listing duties, you don't need to specify each one. Rather, include bullet points of your achievements such as "increased annual income by X amount," "reduced delinquency by X amount," "increased occupancy levels by X amount" and so on. Just keep it simple.

The functional style is used when a person has either an abundance of similar experience or a lack of it. It can better the chance of a candidate whose experience may look weaker on a chronological résumé. It can also be useful for those amid a career change, such as when applying for a district-manager position from facility-manager spot. Again, list your achievements so the company sees your skills and mindset.

Whichever style you choose, include your name, address, phone number (including area code) and e-mail address centered at the top of the first page. These should be in a 14- or 16-point, easy-to-read font. Don't use script, fancy lettering or borders. You're trying to be professional.

Here are a few other tips:

- Make sure the margins are correct, bullet points are in the right place and everything looks professional.
- If you're sending a hard copy, use quality paper, but nothing with marble or a heavy texture.
- It's important to know your audience. Use the language of the self-storage industry.
- Use active words: achieved, expedited, managed, ability, capacity, leader, actively, substantially and effectively. Keep it positive.
- Finally, read your résumé several times and even have someone else proof it. While you should definitely use your spell-checker, be aware of homophones. There's a difference between *there*, *they're* and *their*. Your spell-checker won't tell you if these words are being used incorrectly.

The Cover Letter

Your cover letter is your introduction. It should highlight information about you that isn't in the résumé. For example, you might include a sentence or two explaining why you're looking for a change.

Be honest about why you're seeking new employment, especially if you were at a position for less than six months. If you left a position because of a clash in personalities, say it was due to "personal

reasons." Always be prepared to explain why you left a job or desire a new position; just don't dwell on the negative. Be positive. For example, you might say it was better that you left and found a position better suited to you.

References

When submitting your résumé, include a current list of references. Ask anyone you might consider for this list in advance if it's OK to include them. When possible, obtain letters of reference from employers before leaving a position.

Your references should be *business* acquaintances such as former employers or supervisors. No one wants to speak past tenants who'll say how great it was to store their belongings with you. Family, friends and other storage managers don't count as references, either. Potential employers need to know what kind of *employee* you are!

The Interview

A potential employer liked what he saw in your submitted package and reached out for an interview. Great! Make sure you're ready. Just as with a résumé, you never get a second chance to make a first impression. Whether you communicate with the company on the phone, via e-mail or in person, if you come off as disinterested, distracted or unprofessional, you'll never advance to the next step in the process.



“ Whether you communicate with the company on the phone, via e-mail or in person, if you come off as disinterested, distracted or unprofessional, you’ll never advance to the next step in the process.

On interview day, show up early, dress professionally and have a copy of your cover letter, résumé, references, etc. Be prepared to discuss your work experience and skills. Explain your achievements and your objective in seeking a change in employment. Put your best foot forward and be positive!

Also, consider what questions you might ask your interviewer. You want to get to know the company as much as he wants to learn about you. Here are a few questions you might ask as a self-storage employer.

- What are the work hours?
- Is this a resident position? If so, what’s the housing situation?

- What’s the compensation?
- Is there a bonus program?
- Does the facility have relief staff?
- Why did the last manager leave and how long was he with the company?
- How many facilities does the company operate?
- What’s the facility’s occupancy level?
- What’s the company culture like?
- What software and technology does the company use?
- Are there any opportunities for advancement within the company?

At the end of the interview, if you’re still interested in the position, say so! Ask what comes next. Then, follow up with

a phone call or e-mail at a minimum. A handwritten thank-you note makes a great impression and could set you apart from other applicants. If you aren’t ultimately chosen for the position, ask the employer to keep your résumé on file for the next opportunity.

Persistence Is Key

Finding a suitable position in the self-storage industry won’t always come easy. It takes research and preparation. Have a professional résumé. Include a cover letter and valid references. Include any certificates you’ve earned by attending seminars or training. If you get to the interview stage, be professional, honest, courteous and positive. Express your interest and ask questions.

After all this, you might not always get the job, even if you thought the interview went well. Don’t be discouraged. Keep trying. When the right job comes along, you’ll get hired! **ISS**

Contributor: Pamela Alton, Mini-Management Services, www.mini-management.com

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3 STEPS to Writing a Perfect Résumé

The perfect résumé will put you ahead of the game when it comes to landing your dream job in the self-storage industry. It's well worth taking the time to show off all your skills and get noticed by potential employers. Your abilities are as unique as you are, but if your writing lets you down, you won't get past the first look.

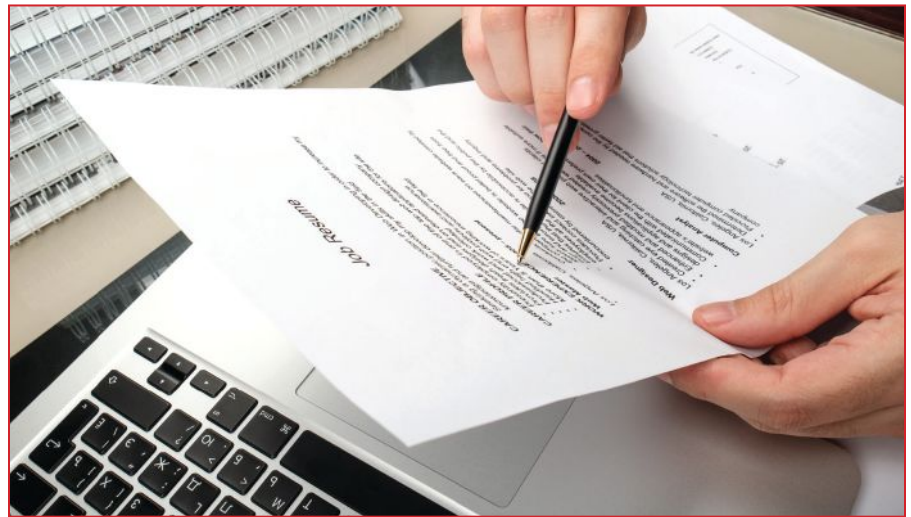
If you haven't created a résumé in a while, don't worry. The format may have changed over the years, but with the following handy tips on style and content, you won't miss a beat. Here's how to create a résumé that gets you seen and lands that job you've always wanted.

Consider Design

First, it's important you don't rush when creating your résumé. Set aside some time and choose a quiet place to get it just right. After all, it'll be the first thing viewed by an interviewer.

Appearance counts a great deal, and no matter how high-spec your content is, you're going to need a great template to show off your talent. There are quite a few websites that offer templates. Make sure the one you use is straightforward and easily adapted.

These days, résumés contain more than just basic details and qualifications; they provide a complete rundown of your skills. A well-designed document will tell a self-storage owner or hiring manager everything he needs to know about you—without forcing him to pick out



key information. "Don't make a potential employee work too hard to understand your résumé. A clear, eye-catching design and easy-to-read structure will say everything you need about you and show that you understand how to present yourself well," says Elena Costas, a résumé writer for Big Assignments, an Australian assignment-writing service.

Next, choose your font wisely. It should be a simple serif or sans-serif font, never script, which is difficult to read and might even come off as unprofessional. The only place where script might be appropriate is on your name. Even then, you need to ensure it's legible.

The text should be black or dark blue, on a white to beige background. Never

use colorful backgrounds as it makes the content unreadable and inelegant. Stick to neutral tones.

As for your personal information, no one needs your home address, marital status or anything similar. Include your e-mail address and phone number (just in case) and that's pretty much it. Don't add your picture unless asked.

Your summary or objective should be short, describing you in up to five sentences. It's an overview of your career and your chance to grab the recruiter's attention by telling him how you can help improve the company's efficiency, productivity and so on.

Finally, incorporate keywords from the job advertisement. That's what the company's software program will be looking for when filtering through résumés. Don't overdo it, but make sure they're all there.

Show Your Soft Skills

Traditional résumés highlight your list of hard skills. They should cover the specifications set out in the job posting and show how proficient you are in all aspects of the job. These days, however, showing off your soft skills—those slightly more intangible elements of your personality—is how you stand out. These might include problem-solving, negotiation skills or being highly organized. Provide examples of these skills and how they've benefited your employers.

The Cover Letter

In addition to a résumé, some job applications will require a cover letter, which provides additional information on your skills and experience. It should complement, not duplicate, your résumé, and be tailored to the position to which you're applying. It should address:

- The job for which you're applying. Include the job title in your opening paragraph.
- How you learned about the job and a referral, if you have one.
- Why you're qualified for the job. Be specific.
- What you have to offer the employer, and why you want to work for this specific company. It's important to match your skills to the job description, so read up on the organization's mission, values and goals.
- A "thank you" for being considered.

Source: *The Balance Careers*, "How to Write a Cover Letter"

Focus on Language and Tone

Once you have your template at its best, it's time to get your words just right. Everything you say counts. Don't fill in just for the sake of a word count. You don't need long and complicated language. Instead, provide clear, example-driven content. Of course, dates should be accurate and the whole résumé should be free of spelling and punctuation errors.

If you're stuck for ideas and need pointers, these online tools will help:

- **Résumention** offers general tips and writing assistance. Use this resource to get your language and overall appearance just right.

- **Via Writing and Studydemic** are useful resources to help you avoid grammatical howlers and spelling errors. The sites also offer tips on how to correctly phrase your résumé.
- **OxEssays and PhD Writers** can help with online proofreading.
- **State of Writing and My Writing Way** are blogs that go in depth about careers and all things work-related.
- **Essay Roo and Boom Essays** will help you hone and edit your résumé as well as check your writing style.
- **Writing Populist and Let's Go and Learn** are popular tools that'll help you plan and craft your content via helpful writing guides.

Self-storage management is a competitive field with many experienced candidates vying for positions. Just having a long list of qualifications and job experiences is no longer enough. Employers are spoiled for choice, so how you present yourself and your abilities is critical.

Land at the top of the hiring pile by making use of these hacks. See how far a great résumé will take you! You're more than just dates, qualifications and positions on a piece of paper, so let your résumé show what makes you the perfect asset for a self-storage business. **ISS**

Contributor: Grace Carter, Academized, www.academized.com

Rights for Resident Managers

We've all heard that self-storage resident managers are a thing of the past. That may be true with some new facilities being built today, but not all. There are still owners and developers incorporating residences into their plans, and managers who still seek this employment arrangement. In addition, there are scores of properties that still operate in this manner.

When you live onsite, it brings a new dynamic to the employee-employer relationship. Not only is the owner your boss, he's your landlord. You need to ensure you're protected if your employment ends, no matter the reason.

Sign a Lease

When applying for a resident-manager position, you need to think about the end of the job in the beginning. This means asking about the parameters and any rules of onsite living during the job interview. There's nothing wrong with inquiring about this aspect of the job.

Your employer should have a resident manager's apartment lease as part of its employment package. It should be signed and dated before you move any personal items into the home. The contract should include verbiage like the following:

Rent term: *As long as lessee(s) remains in the employ of lessor, the apartment will be leased to the lessee(s) on a week-to-week basis at no charge. Upon termination of employment with lessor, lessee(s) agree to vacate the apartment within seven (7) days or*

commence paying rent as outlined under holding over/termination.

Seven days is a reasonable period for anyone to pack up, get a moving truck and vacate the home. This might be as few as five days; however, it's unreasonable to ask a manager to vacate immediately! The lease should also include:

Holding over/termination: *Upon termination of lessee(s) employment with lessor, lessee(s) agrees to immediately vacate the premises and leave the premises in the same condition as when this agreement commenced, less normal wear and tear. Any damage beyond normal wear and tear will be reimbursed*

to lessor by lessee(s). If the lessee(s) fails to vacate, lessor may bring legal action to oust lessee(s). In addition, lessee(s) will be charged rent and utilities at a rate of \$50 per day if lessee(s) elects to hold over.

There must be a timeframe to vacate and consequences for not doing so. If your employment ends, you probably don't want to hang around the property anyway! By having a signed lease, you have legal paperwork to cover you, so the employer doesn't just show up with the locksmith and change the locks on the home you've been occupying.

Remember, the lease protects you as well as the owner. It ensures everyone is



on the same page as to what happens when employment ends. This is the best protection a manager and owner can have.

If the company doesn't have a resident manager's lease, suggest it create one. A letter of employment can also be designed to cover items such as residing in the apartment. It should stipulate terms such as: You'll live rent-free as long as you're employed at the facility; it'll be your residence; and you won't rent it out without approval from the company.

Be Courteous

We've all heard horror stories of a fired manager who refused to leave the residence, or who damaged the home. For example, some let their pets do their "business" all over the place. How about the story of the manager who stood in the

window and "mooned" people? You don't want to be that person, do you?

When your position ends, clean the home and leave it in better condition than you found it. Being a resident is part of your employment and can therefore affect the reference for your next position. When it comes time to look for a new job, you want your references to be able to say you were a respectful tenant as well as a good employee!

Be Prepared

As a resident manager, you likely don't pay rent or utilities. Hopefully, you also receive a decent wage. It's important to plan for your future by saving some of your wages from the very beginning. If your company offers a 401K plan, great! If it doesn't, open a savings account and

stash away 15 percent or more of your monthly earnings.

Think about what you'd do if the property was suddenly sold and you were expected to move out. Would you have the money to do so? Let's face it, nothing lasts forever. Planning means you won't be stuck and stressed if your employment ends unexpectedly. Rather, you'll have the funds to move on to the next chapter in your life.

Do the best job you can, take pride in your work and communicate with your company in a professional manner. If things aren't going well, be prepared to find another opportunity that's better suited for you. **ISS**

Contributor: Pamela Alton, Mini-Management Services, mini-management.com

A Personal Improvement Plan for Facility Managers



Dream big. Strive for excellence. Reach for the stars. Together everyone accomplishes more, or TEAM. To get to the top of the mountain, it takes many small steps.

As self-storage managers, we've all heard motivational quotes and phrases meant to encourage us to set goals and achieve success. Unfortunately, not everyone knows how to set personal-improvement

ambitions. You need to take a critical look at your skills, abilities and motivations, and then determine where enhancements can be made.

Have the Desire

Self-storage managers are typically given objectives to meet by their owners or supervisors. These might include reaching specific occupancy levels, exceeding a monthly sales goal or keeping expenses

below budget. These are clear business aims we can strive to achieve.

But when was the last time you set a *personal* goal? On-the-job training teaches the basic duties and requirements of the manager position, but these programs can't teach you motivation, or a strong will to do an excellent job. A healthy work ethic needs to be an inherent trait of yours if you expect to continue improving. If you have a desire to learn and grow, it's just a question of *how* to do it.

Get Schooled

Do you need to learn a second language to better serve your customer base? Do you struggle with the latest computer programs? Do you need to improve your communication skills? There are many opportunities for personal and professional growth.

In the self-storage industry, places to learn include trade magazines, e-newsletters, forums, webinars and more. You can also learn from experts at industry meetings and conferences. These events give you the opportunity to make contacts and participate in workshops and seminars. Organizations such as **Inside Self-Storage (ISS)**, the national Self Storage Association (SSA) and the many state associations offer

free and paid training resources. ISS offers a wealth of information through its website, monthly magazine, online community (Self-Storage Talk) and online store. The SSA offers a Certified Self Storage Manager Certification, which requires online courses and exams to ensure you have the skills and knowledge to be a leader in your field.

To pursue more general business knowledge such as website design, search engine optimization, social media, accounting, computers or other business fundamentals, consider taking local college courses. Marketing is a great area of focus, as expanding those skills can really benefit your operation. Consider:

- Do you know how to write a press release?
- Have you submitted an article about your facility to the local paper?
- Do you have a graphic-design program to create ads?
- Do you use Facebook, Instagram, Twitter and other social media platforms? Are you using them personally and professionally? These websites can help spread the word about your business. They can also be used as an educational platform for potential customers.

Here are some additional options for expanding your horizons:

- Many states offer property-management classes. You can even get licensed.
- If you need to improve your computer aptitude, some programs offer their own certifications.
- SkillPath, a provider of training solutions, offers professional-development seminars, conferences, webinars and onsite training.
- Pryor Learning Solutions provides online training and webinars on a variety of topics.
- Regional events and courses offer opportunities to expand your management, marketing, accounting and leadership skills. Some of these might count as continuing education credits.

You can also get involved with your local chamber of commerce and network in your community. This may provide an opportunity to hear presentations or attend seminars from local business leaders. Are there impressive owners who intrigue you? Do some excel in areas in which you'd like to improve? Reach out to them and introduce yourself! E-mail and ask if they have time to talk. Let them know you'd like



to learn more about their area of expertise to help you improve your skills. Many leaders have been mentored by others and welcome the opportunity to pay it forward.

Even old-school techniques can help you improve your skills. Sign up for business and economic newsletters; read books, newspapers and magazines; and study successful business leaders from the past. Inspiration, great ideas or helpful suggestions can come from so many places!

Take on More Responsibility

When you become an expert in your field, it gives you an opportunity to share your knowledge and experience with others. Offer to help train new employees or assist with opening new sites. This can build leadership, mentoring, training and communication skills. If there are other managers within your company who can help you improve, contact them for guidance. When we share our expertise, the company becomes stronger because each member is setting higher goals.

As you expand your skills and improve your performance, you become more valuable to the company, which could lead to more compensation. It also can make you more attractive to other owners or management companies. You never know when you might be recruited by a larger company or have an opportunity for advancement to district or regional positions.

Broadening your skills will also enhance your résumé in the event you change careers.

Set Your Goals

We all want a high credit score, great job, nice place to live, dependable transportation, money in the bank and a good reputation. How do we get those things? By setting goals! The same can be done when improving job skills. Identify the areas in which you want to advance, and then set objectives to achieve.

Setting high aims for yourself can be challenging. However, you must remain realistic and patient. Focus on your timeline. We can't change overnight. Most new habits take at least 30 days to form. Classes may take weeks or months to complete. Having a mentor could be a lengthy process. As long as you're committed to making your goals a reality, you can achieve so much more than you previously thought possible.

One last thought: Never settle for average, good enough or OK. Doing the bare minimum just to collect your paycheck won't help your career. When you set a high standard for yourself, it'll help you achieve more. Once you reach your goals, set new ones and dream even bigger. You never know where it may lead! **ISS**

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6 Tips for an Effective MARKETING BUDGET

Every self-storage operator knows (or should know) it's necessary to have an effective marketing plan to be successful. Though you may have a wealth of ideas about potential campaigns and promotions, one of the biggest mistakes you can make is marketing without a clear budget, which can result in making snap decisions and spending more than you need to or should. Here are six tips to help you craft a productive, affordable strategy.

Know What You Want to Accomplish

To begin, consider what you want to achieve with your marketing plan. Every self-storage business is different, so no one can tell you exactly what your goals should be. Make a list to clarify your objectives. This will help you plan strategically.

Know What You're Willing to Spend

There's no shortage of information on how to build a budget, but everyone seems to have a different theory on how it should be done. Should you start with a flat amount? Is it best to make a list of all desired items and then whittle it to a comfortable number? Is there an advantage to working with a variable amount, such as a percentage of revenue?

My best results have come from blending approaches: using a flat number and a wish list to build a campaign within reason. In this case, you'll wind up with a solid list of backup ideas to try if something in your original plan fails. Similarly, if one of your initial strategies is wildly successful, you can always invest in one of those secondary campaigns.

Consider Campaign Details

The biggest mistake I've seen self-storage operators make with their marketing budgets is broad-brush guessing. You can't reliably estimate without research. Each marketing activity must be planned from the ground up so you're well-aware of potential costs. Far too often, people budget for a campaign based only on what they think it'll cost, but you need to consider every detail.

For example, let's say you want to create a campaign that targets college students who need storage space during the summer. A local university will allow

you to set up a table at the student union for one day during lunch hours. Don't just estimate what you'll spend on this activity. To determine the actual cost, list everything involved. This might include:

- 6-foot table: \$50
- Table skirt: \$100
- Fliers: \$100
- Branded koozies: \$100
- Additional staff time: \$50

This puts your costs at \$400, but round up to \$450 to give yourself a little cushion for unexpected expenses.

By going through this exercise with each budget line item, you'll eliminate surprises down the road. Developing an initial, itemized plan will give you the freedom to move and shift items as you evaluate your plan throughout the year. This may be the most important factor in being able to adhere to a budget.



Try Something New

I believe firmly in going to the wells that work, but be mindful that wells eventually dry up. It's always wise to allocate some funds to try new strategies. This'll help you keep ahead of the curve—and the competition—once your tried-and-true methods stop working.

There's always an element of risk when experimenting with new marketing channels or strategies. It's OK to fail, just learn from what did and didn't work. All risk should be calculated.

Measure Your Results

To determine whether a campaign should continue or expand, you need to

know how it's performing. Measure results against your originally stated goals, which may have included a specific return on investment (ROI), number of leads, number of new tenants, etc. By comparing results to objectives, you'll know what you should change, add or delete going forward. If you don't know where to start, that's OK. Sometimes you need to create benchmarks for future success.

To form the truest picture, it's crucial to evaluate marketing performance from the aggregate as well as the campaign level. For example, you could hit your goal at the aggregate level, but if a few campaigns underperform while others exceed expectations, the successful ones will mask the failures if you only look at the whole.

Finally, don't rely only on the numbers. Marketing is equal parts art and science. Don't be too quick to abandon a campaign based on metrics alone. If something underperformed, dive in to determine if it was the wrong tactic or just needs an adjustment.

Be Flexible

In sports, every game plan works in theory until you see the defense. Your marketing budget is no different. Sometimes you have to adjust. Challenge yourself to stick to the bottom-line number but be flexible within the various components. If you discover that Facebook ads are performing much better than normal, cut something else and invest more to leverage the hot campaign.

The most important thing is to spend every dollar in the best way possible. This means you might have to do things differently than you planned. Stick to the number you originally set, but allow some wiggle room in the details for changing dynamics.

Planning and sticking to a marketing budget can feel daunting. By following these six recommendations, you'll develop a strategy that clearly defines what needs to be executed to drive the best possible ROI. **ISS**

Contributor: Alex Ball, storEDGE, www.storedge.com



Generating Local Buzz With **GRASSROOTS MARKETING**

The days of the Yellow Pages may be long gone, but that doesn't mean every marketing campaign you launch for your self-storage facility has to prioritize digital strategies. Grassroots marketing can create local buzz around your business and solidify your role in the community. This leads to name recognition and more customers.

What exactly is grassroots marketing? It's a community-level approach to target a small, specific group of potential renters. It works to spread your message naturally and has the side benefit of being a great way to better understand your market. For self-storage operators, the most attractive benefit is cost. This affordable approach eschews Facebook campaigns, billboards and magazine ads in favor of direct action, saving you serious money.

Since you're targeting a specific audience, you want to give that group exactly what it wants. For example, let's say you want to attract college students. Instead of generic ads designed to attract a large audience, create pointed messages about student discounts, free-pizza Fridays at your facility or deals on summer storage. The goal is to create advertising and content that's relevant to the demographic you want to reach.

Finding Your Market

First, you need to determine who you're trying to target. The answer isn't the same for every storage location. Identify the best customer base to reach by looking at your community. Do you have a large military population? A college nearby? Lots of retirees? Many small-business owners? You should know who the longtime residents in the community are and which major groups comprise it.

Next, think about big events and festivals that take place in your area. Might they rely on self-storage? Go to your local bureau of tourism and chamber of commerce to learn about events where you might reach your audience. This can mean everything from networking for young professionals to street fairs for the whole town.

Finally, like Facebook pages and Instagram accounts associated with your audience. For example, if you're in an "outdoorsy" town and are hoping to reach hikers, rock-climbers and backpackers who may want to store their gear with you, keep an eye on local clubs and small businesses that serve and host events for these groups.

Building Partnerships, Hosting Events

After you've thoroughly researched your target demographic, it's time to connect with your community! Building partnerships with local businesses and charities is the perfect first step to establishing your facility as part of the neighborhood.

One of the best ways to build relationships is to host an event at your property or participate in another local happening. Here are a few simple ideas:

- Host a toy drive during the winter holidays, or a clothing or food drive to benefit the homeless or local veterans.
- If you're hoping to attract members of a certain job field, consider a networking event.
- Set up a booth at a community event, such as a farmer's market or school-spirit day.
- Host a wine-tasting to attract wine-storage users, or a carwash to lure in vehicle-storage customers.

If your budget allows, *sponsor* a community event. For example, All Storage in Fort Worth, Texas, sponsors the Galactic Swag Expo for collectors of comic books, costumes and figurines. By doing so, it reaches these potential customers and gains brand awareness.

Whatever you choose, it's essential to plan. You want your event to be successful but safe. Consider the following:

- Know the capacity of your venue and don't exceed it.
- Make sure your space is accessible to individuals with disabilities.
- Be clear about whether children and pets are allowed.
- Ensure there's plenty of parking, seating and shade.
- Do a facility walk-through to address any maintenance issues.
- Make sure your restrooms are clean, working and well-stocked.
- If your event will be outside, check the weather and have a plan for what you'll do if it rains, snows, etc.
- If you're serving food, clearly mark items and point out ingredients for guests with allergies or preferences.
- Make sure any alarms are working.
- Have a first-aid kit handy.
- Have a plan in place for emergency evacuation.

Promoting Your Event

Whether you host an event at your facility or participate in a larger community showcase, keep your advertising efforts local. Place tear-off fliers at nearby libraries, coffeeshops and community boards. Contact local newspapers and magazines that regularly publish event calendars and ask to be included. Create a Facebook event

as well; post about it and boost that post with the correct location and age range in mind.

Whatever you do, keep your message consistent and stick to your planned budget. Always make sure your advertisements are where your desired market will look. In other words, if you're hoping to attract young families, don't post all your fliers at a bar.

Finally, when promoting your events, make it clear the public is welcome. You don't want people to think that only tenants can participate.

Sharing Your Story

Because grassroots marketing is personalized and community-based, it's

an effective way to connect with potential customers. You're already doing that by marketing with locals in mind, but you can take it one step further by considering the story you're trying to tell. Customers connect to narratives, so let your marketing tell one. For example, collect pet supplies for a local animal shelter and showcase photos of adoptable pets in your office.

Focus on emotions—themes of charity, community and holiday spirit are a good place to start—and create associated content. For example, write a blog post about an event at which you'll have a booth or share photos on social media from a

barbecue you hosted. Try to include quotes from people involved. If you partnered with a local business or group, encourage it to share your posts.

Grassroots marketing can be an ongoing effort. Don't be dismayed if your first foray into community-based advertising doesn't triple your occupancy. Because it's a low-budget strategy aimed at a small group, you can try it again and again until you've tapped into your most reliable customer base. **ISS**

Contributor: Krista Diamond, StorageFront, www.storagefront.com

10 Guerrilla Marketing TECHNIQUES

Guerrilla marketing is an advertising strategy that requires little money and is often carried out in public spaces. It uses innovative, unconventional tactics aimed at garnering maximum exposure and relies on personal interaction with the target audience.

Creativity is what makes guerrilla marketing stand out. When done correctly, it can create a lot of publicity, website traffic and profit for a self-storage business. Here are 10 low-cost yet effective techniques that'll inspire you in promoting your brand.

Cultural Trends

By staying current with cultural trends, you can quickly get your self-storage brand to go viral. For example, in 2017, a small bakery named Clearly Cookies capitalized on the height of the fidget-spinner craze by baking fidget-spinner cookies and posting a video of them online. This quickly went viral and brought both media attention and website traffic to the company, which was featured on several relevant platforms including the Food Network.

Street Art

While it might be costly to advertise on public-facing space such as a billboard, street art is free and engaging. As long

as the art isn't permanent, it's perfectly legal, so why not use some colored chalk to create an eye-catching, free advertisement? Design something bright and thought-provoking, such as an elaborate drawing or inspiring quote. This is sure to be noticed by passers-by and will start conversations about your brand.

Seasonal Events

One way to stay relevant is to focus your marketing on seasonal events and holidays. Incorporate the spirit of the celebration into your brand, much like Google does with its themed logos. This will show your company is up-to-date with current events and encourage traffic to your website.

Social Media

There's no doubt social media is one of the most influential platforms in our society, so it would be foolish not to use it as part of your campaign. More online followers means more potential customers. In addition, platforms such as Facebook, Instagram and YouTube are free to join.

You can easily attract followers by sharing popular content and hosting online competitions. Creating a social media audience will provide you with an easily accessible demographic that's already shown interest in your brand.

Local Events

In a world dominated by advertising, it's easy for your target audience to ignore ads. Getting face-to-face with your demographic by attending local events will help you stand out and make a real impression on those with whom you engage.

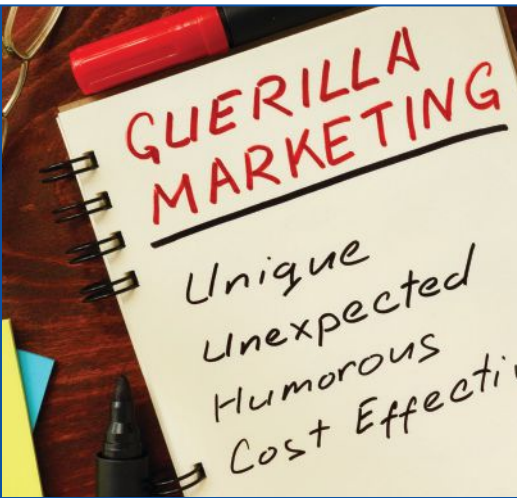
When the dating app Tinder first launched, its creators attended college parties to convince people to join. This quickly tripled the userbase. Tinder is now a well-known and profitable brand.

Fliers

This is one of the oldest guerrilla-marketing techniques, but it's still very effective. By handing out a physical advertisement, you're creating a street presence and increasing your brand visibility. Fliers can be designed for reasonable prices on several online platforms such as Fiverr.com.

Business Partnerships

By collaborating with local businesses, you piggyback off the success of an already established brand. For example, if you provide boat and RV storage, consider partnering with a dealer or mechanic for mutual referrals. You can also strike up an alliance with a realtor or offer a discount to residents of a nearby apartment complex.



This can quickly yield loyal customers and improve your business relationships.

Community Engagement

The public is used to being targeted by ads. If you want to stand out, instead

of promoting at your customers, create ads that engage them. This can be done through an online contest or survey.

A large-scale example is a McDonald's campaign that featured a video billboard. The display showed several items scrolling across the screen, including an ice-cream sundae. Anyone who captured a picture of the sundae was eligible to receive a free one at the restaurant. This encouraged people to pay attention to the ad and visit the business.

Charity Work

Giving to charity is always popular, so consider partnering with a local organization. Your self-storage business could donate a percentage of its profit from a set period. In return, you can ask the charity to promote your brand at its events, through e-mail correspondence and newsletters, or via a banner at its headquarters.

Consider lending your branded moving truck to a charity to transport items, set

up a donation box in your lobby to collect canned goods or clothing for a local shelter, or host an animal-adoption event at your property. Get the word out in all your marketing efforts.

Freebies

Freebies are typically small and cheap to produce. When designing yours, find something useful, such as a pen or water bottle, as this ensures people are likely to use it, keeping your brand top-of-mind and encouraging them to promote it to others.

Guerrilla marketing is incredibly useful in the early days of a new business as well as to keep your brand in the spotlight. By mastering it, you'll ensure success in future marketing campaigns. **ISS**

Contributor: Adelina Benson, *Origin Writings*, www.originwritings.com

The Power of OFFLINE MARKETING

Put on your Chuck Taylors and leave your SEO alone for a moment.

Right now, we're going to kick it old-school and talk about the importance of *offline* marketing in self-storage.

Historically, the challenge with offline strategies has been the time and effort they require. It takes commitment to develop and implement these methods. Coupling long-term planning with little immediate payoff means doing a lot of follow-up—it isn't just giving away promotional beer koozies and screwdriver-pens. That said, offline marketing still has an important role to play in the success of a self-storage operation. Done right, it can expand awareness of your brand and build customer loyalty. Here are some ways to make it work!

Plant Seeds

The key to successful offline marketing is planning for the long term. Storage is a

business of need, but people don't always need it right away. So, sometimes you're just "planting seeds."

For example, if part of your offline plan involves visiting all the apartment managers in your area once per month to help generate referrals, make sure those face-to-face meetings make an impression and provide real value. Every time you go, bring a \$5 Starbucks gift card for the manager or some branded pens he can distribute in his office. *Every. Single. Time.* Eventually, these little investments will reward your efforts and grow into valuable referrals.

Over time, you'll start to see that some labors pay off more than others. Once you find an offline method that produces greater results, invest even more effort into it. This is why it's so important to track your efforts. Just keep in mind that even if you don't see immediate payoff, it doesn't mean you aren't increasing brand recognition. Seeds take time to sprout.

Seize Live Opportunities

Grassroots is a popular offline marketing strategy, and there are many networking events and activities in which you can participate to promote your self-storage business. For example, you can enroll in your local chamber of commerce and attend its business mixers and events. Exhibit in local expos. Host a charity or community event at your facility. The options are nearly limitless!

Sometimes your best opportunity will be unexpected. Once, when a canal overflowed near a storage facility I was managing, flooding basements and damaging homes, we immediately distributed coupons offering three months of free storage to those affected. We did this for a few reasons. First, because we were members of the community and wanted to support our neighbors. Second, it gave people an answer to a question they didn't yet know they had. Third, many of

What Is Offline Marketing?

Offline marketing refers to promotional methods and channels that aren't directly reliant on the Internet. They include:

- Radio and TV advertising
- Print advertising (ads, billboards, signage, etc.)
- Print collateral (brochures, business cards, etc.)
- Direct mail and door hangers
- Participating in the chamber of commerce
- Hosting or participating in local events
- Donating gift certificates or products for raffles, contests, etc.
- Sponsoring a local event or organization
- Public and media relations
- Collaborating with local businesses for referrals
- Telemarketing
- More!

those who used the coupon stayed with us longer than three months. Even better, when we passed out the coupons, people told their friends, which further increased the reach of our brand!

In whatever events you participate, have printed business cards to hand out. They're so affordable now, you can even customize them to each occasion. Always include some kind of unique, trackable promotion on the back. This is a strong way to stand out to new contacts. They'll get to know you and, hopefully, do business with you in the future.

Remember Existing Tenants

Yes, offline marketing is about building brand awareness, but that doesn't mean you should overlook your existing tenant base! There are contests and promotions you can offer current renters to further strengthen your brand and customer loyalty.

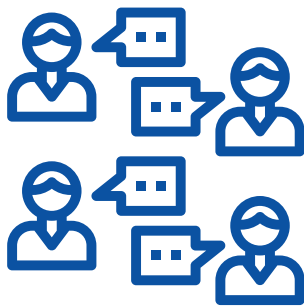
Here's something I like to do: Create branded decals with your facility information on them (roughly business-card size). Make sure the design really pops because these will serve several purposes. Of course, you can hand them out to

customers at your facility and outside events. You can also do things like apply them to bottles of water. Then, on a hot day, walk around and hand them out to people who are moving in or out; or put a bottle in each newly rented unit as a thank-you. The right giveaway at the right moment has tremendous impact.

Another great way to build brand loyalty is to host customer contests. Consider announcing one quarterly. You can give away a free month's rent, gift cards or other promotional items. The trick is to get people excited and talking about you. Perhaps reward the tenant who sends you the most referrals!

With the explosion of digital marketing options diverting many marketers' attention, other initiatives often get pushed aside. Fortunately, you don't have to choose between offline and online strategies. Using both is more powerful! Create a long-term plan, plant your seeds and track results. Invest more effort on methods that work well. Then sit back and watch your effort grow into meaningful new revenue for your self-storage business! **ISS**

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Talk Triggers: WORD-OF-MOUTH MARKETING

If you've ever stayed at a DoubleTree hotel, the warm, gooey cookie handed out during check-in probably stands out in your mind. At Five Guys eateries, you know to order a small batch of fries because they always overload you with extra. The experience at The Cheesecake Factory is always unique due to the massive menu. All these are examples of business "talk triggers."

When it comes to digital marketing, many self-storage operations have a social media strategy, a local business strategy and a Google-review strategy. However,

when it comes to word-of-mouth, they come up short. We tend to trust that if we provide good enough customer service, tenants will surely talk about our facility with others. At least, that's what we hope.

And there's a good reason to want this kind of promotion. According to a 2018 study by data and analytics firm Engagement Labs, 19 percent of purchases are caused by word-of-mouth and almost 90 percent are at least influenced by it. Marketing firm Convince & Convert found that recommendations from friends or family members rank third

in consumers' decision-making process, coming in behind only personal experience or familiarity with a brand. The same study found that 83 percent of consumers have given at least one word-of-mouth recommendation at some time.

As self-storage operators, we all care about word-of-mouth marketing but don't seem to know what to do about it. Enter the talk trigger.

How Does It Work?

The phrase "talk trigger" was coined by social media expert Jay Baer as a

“strategic operational differentiator that compels word-of-mouth.” A good trigger isn’t based on something *any* business can do (provide good customer service, give out company keychains, offer discounts, etc.) but on something *no one else* is doing.

Once you’ve identified the talk trigger for your self-storage operation, the trick is to repeat it with every customer, every time. In his book “Talk Triggers: The Complete Guide to Creating Customers with Word of Mouth,” Baer writes that in addition to being *repeatable*, a trigger must be *relevant* to your business and its customers, *realistic* and *remarkable*. Customers tend to ignore what is average and “same” but will discuss what is different.

Baer identifies five types of “talkable” triggers: empathy, usefulness, generosity, speed and attitude. The point is to focus on one and not try to promote multiple triggers at once. If a trigger runs its course, a new one can be implemented. Here are some examples from Baer’s book:

- **Empathy:** You do something more human and empathetic than customers expect, like the Clinton, N.J., oral surgeon who calls each new patient before his appointment to see if the person has any questions or concerns.
- **Usefulness:** You do something useful for customers that they don’t expect, like the locksmith who oils every lock in every home he visits, not just the ones he fixes.

- **Generosity:** You give your customer something extra, like Five Guys does with its fries.
- **Speed:** You respond to customers quickly, like sandwich chain Jimmy John’s, which delivers super-fast.
- **Attitude:** Your company attitude is unique, in a good way, like conference-call service UberConference, which uses super-funny on-hold music.

Talk Triggers in Storage

“The core element of a talk trigger is the story it creates,” Baer writes. It’s different from a unique selling point (USP). For example, a popular USP in self-storage is the first-month-free discount. While that might stir conversation, it’s temporary and there are typically restrictions on who qualifies. Conversely, a talk trigger is an act or item that’s given to every customer every time.

As self-storage becomes more customer-centric, we need to seriously consider word-of-mouth marketing and talk triggers. Customers are no longer mainly focused on price as a differentiator between one facility and the next. The emphasis is more on the experience they have with a brand. A talk trigger could greatly enhance that experience.

Finding Your Talk Trigger

When implementing any word-of-mouth strategy, it’s wise to listen to your

customers. They may have ideas for things you could offer. Also, ask your managers suggestions and others involved in the day-to-day operation of your self-storage facility. Like DoubleTree, your talk trigger might be a free cookie or similar item. It might be that for every rental, you give a percentage of rent to a local nonprofit. You might create a loyalty program that not only comes with discounts every so often but a “loyal tenant breakfast” or other neat perks.

The point of word-of-mouth is to stand out, to be exceptional. No one tells his friends about an average experience, but he’ll go out of his way to talk about the experiences that are remarkable. What kind of story do you want customers telling about your business?

As self-storage continues to grow exponentially, operators must be intentional and strategic in all marketing avenues, including word-of-mouth. It isn’t enough to have the lowest prices, cleanest units and nicest staff. We’ve relied too heavily on our customers to talk to their friends and family based on those ordinary qualities. Developing a talk trigger for your company may be just what’s needed. It’s time to find your own “warm cookie” idea. **ISS**

Contributor: Steven Jeffers, Bee Safe Storage and Wine Cellar, www.beesafe.com



Developing Your Media-Relations Strategy

With marketing today trending heavily toward digital strategies, do self-storage operators still need to focus on building relationships with the media? Yes! These outlets can still be influential in creating a positive image for your facility. If you’re a smaller business, it can help build brand awareness in your community. If you’re a larger operator, it can help spread your message across bigger audiences, making yours a well-known brand.

It’s imperative that your marketing plan include brand-awareness strategies. You want your facility to be the first that comes to mind when a person needs storage, and for your name to be recognized during online search. Forming media relations and building relationships with key contacts can ensure your brand has a positive image locally and even nationally.

Like other businesses, journalism has evolved in the digital age. Reporters are on Facebook, Instagram and Twitter, discovering

and sharing news. They push their articles out in these avenues, which can give your business more traction for telling its story. The reach from these outlets can positively impact your operation, so let’s discuss how to build your media-relations strategy.

Define Your Audience

The first step is to define your audience. Who do you want to reach via local media? For most self-storage facilities, you’re looking at a 10-mile radius around each location.

Examine your tenant base to determine your customer personas. Use your management software to look at your current demographics. During the rental process, you should be tracking why people store with you, their age range, their gender, how many miles they live from the facility, etc. This information will help you target your marketing and media content.

Develop Content

Once you know your audience, the next step is to create press content. You want to be selective and compelling with releases and stories you pitch to the media. The headline should be attention-grabbing, and the information relevant and appealing. You want to submit interesting news people will want to read. It should explain who you are and why this is exciting for them and your business.

When writing, think of the story from an outside perspective. Would this headline and content make you want to read further? Remember your audience. What type of news do they read? Content is the most important piece of your media-relations strategy. If your story isn't fascinating, it won't reach far. Just remember that it also needs to be factual and credible.

Build a Contact List

Using your defined audience, you can start to build a list of publications that would serve your target market. Think of where your release or story should be placed. For example, if you find your customers are coming from a neighboring town, include reporters from media outlets in that area in your distribution list.

Finding the right contacts at each news outlet is key. You can often find a "Contact us" page on the company's website. It's OK to include a generic e-mail for press releases if you find one but also dig deeper to find additional contacts. Reporters typically include their e-mail with their article bylines.

The local or business section of your city's newspaper is probably a good place to run any stories you want to promote. Seek out the writers of these sections and include their contact info in your distribution list. Having these e-mails along with general addresses will give you more exposure. Save your list and update it regularly, checking to see if there are new reporters in these positions.

Distribute Your News

Now that you know your audience, have a great story and know who to contact

What to Promote

If your self-storage business is doing any of the following, make sure you distribute a press release to your media contacts and promote it to the community!

- Hosting a community event or participating in someone else's event
- Running a donation drive (food, clothing, toys, etc.)
- Donating to charity (storage space, money, volunteer time, etc.)
- Sponsoring a local club, sports team, etc.
- Adding new features or services (automated kiosks, a new storage type, new security tools or equipment, etc.)
- Expanding or renovating
- Opening a new location
- Allowing law enforcement to train on the property

to help you spread the word, it's time to disseminate your news. Here are some best practices for distributing your story:

- If you're submitting via e-mail, blind copy your distribution list to protect your contacts and keep them private.
- Include your attention-grabbing headline along with an alert such as "Media Alert" or "For Immediate Release" in the e-mail subject line.
- Paste the story in the body of the e-mail. Also attach it as a PDF or Word doc along with any corresponding photos or videos. This helps the journalist read the story in the format that's easiest for him or to forward it to other contacts if necessary.
- Only send newsworthy articles. Overloading your contacts with stories will take away the urgency and interest. You want reporters to be compelled to open your e-mail, not delete it or being annoyed when they see your name in their inbox.
- Provide your contact information, including your phone number. This allows people to reach you if they need more information.

To extend the reach of your story, you can also consider using one or more public-relations (PR) services. When choosing a service, read the reviews and make sure it's a credible source. Ask to view examples of its distribution lists and make sure the firm understands your audience. PR could get your story to more people, but this doesn't do much good if those readers aren't in your target market.

Be Available for Follow-Up

Now that you've distributed your news release, you can't just sit back and watch it "go viral." You need to be accessible to

reporters. If the story is of interest, they may reach out with questions. Be available at the contacts you provided and ready to answer inquiries.

By being available, you begin to develop a relationship. Strengthening it is key in getting your content published. A reporter will remember his interaction the next time he needs an expert to weigh in on an article or thinks about publishing a story from you. The more amenable you are, the more likely your news will be covered.

That doesn't mean you should shorten your distribution list to only contacts with whom you've been friendly, however. Continue to research and send your information to all applicable contacts. Once you develop a good relationship, you could give certain contacts early access to your information to bolster it.

Create Some Buzz

When it comes to spreading the word, don't just rely on media. You can create excitement around your story on your own! Share it on your website, social media, and internal and external e-mail lists. Creating this buzz could attract reporters and compel them to publish it as well.

When creating a media-relations strategy, the first step is to understand your goal: building brand awareness. Your content, headlines and distribution list should all reflect this. After disseminating your story, be available to reporters. This fosters a relationship that builds trust and will help your content get published. The time spent developing your media contacts can pay off big when the extra brand reach brings in more rentals. **ISS**

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Creating a Hyper-Personal Digital Experience for Customers

The self-storage buyer's journey has changed. Data shows that customers now consult more than 20 online sources before making a rental decision. To make your business more competitive and zero in on the best potential renters, you need to show up at every touchpoint along that journey. After all, the key to an effective marketing strategy is delivering the right message to the right person at the right time.

By understanding the following touchpoints, you can accurately tailor your messaging to the buyer's needs, creating a hyper-personal digital experience. This leads to measurable and actionable results that drive the most qualified leads.

The Touchpoints

Search engine optimization (SEO).

If you haven't optimized your website for search engines, you could be missing out on qualified traffic. SEO helps you show up in organic searches. Start with foundational SEO, and keep your on- and off-page SEO elements current.

Digital advertising. This is one of the most effective methods for lead generation with a more immediate impact. Appearing at the top of search results

with digital advertising helps increase brand awareness and greets people where they are online. You'll also need display, remarketing and social advertising to move prospects along the path to leasing.

Mobile-first website. Google recommends companies design their websites to be "mobile-first," as mobile devices now account for more than 50 percent of overall Web traffic. A mobile-first site focuses on page speed and a clean design that displays correctly on small, vertical screens. Your website should load fast and tell your brand story.

Google My Business (GMB) listing.

GMB is the most important tool for managing how your company information displays in maps and searches. Having a GMB listing allows you to maintain accurate name, address, phone number and website links on Google, which is essential for attracting new leads. It's also important to maintain other online business listings, or citations, as they account for 11 percent of local pack-ranking factors.

Reputation. More than 90 percent of people say online reviews affect their purchase decisions. If you want buyers to trust your company, you need to respond

appropriately to positive and negative reviews. Search engines also use customer reviews in their ranking algorithms.

Social media. Being involved in relevant conversations on social networks, whether as a participant or quiet observer, provides insight to the buyer experience. Directly communicating with your audience builds trust, encourages engagement and can lead to more qualified leads. By taking the reins on your online reputation and social presence, you can control what's being said to and about your brand.

Make an Impact

The self-storage buyer's journey has changed, and you need to be present at each touchpoint along that journey to make an impact. With consumers viewing an abundance of content every day, they may only pay attention to hyper-personalized, timely and relevant information. Once you understand how and when your audience moves through the buying cycle, you'll be able to provide the digital experience they expect, leading to more leases. **ISS**

Contributor: Celena Canode, G5, www.getg5.com

A GUIDE to SEM, SEO and ONLINE VISIBILITY

When you're trying to obtain online exposure for your self-storage operation, maximizing your Internet presence is key. Over the next decade, the importance of Web visibility will only continue to increase.

Search engine marketing (SEM) and search engine optimization (SEO) are

changing the way self-storage operators gain traction on the Web. In fact, SEO has become the main component to online presence, regardless of business size. It's important that you understand these strategies and the reasons behind them. Let's take a closer look at both and why they matter for the growth of your business.

Understanding SEM

SEM is Internet-based marketing that promotes websites and increases their online visibility with paid or organic traffic referrals from search engines. You've probably heard of and are somewhat familiar with SEO? Well, SEO is simply one component of SEM. Other components include paid search,

such as pay-per-click (PPC) advertising, and social media marketing.

Many companies use SEM to meet marketing goals, understand their customer base and increase website traffic. By effectively using all the components of SEM, it's possible for a growing business to get ahead of the competition.

Understanding SEO

SEO is the practice of increasing the quantity and quality of traffic to your website by way of organic search results. While that sounds basic, it isn't. Everything hinges on your website. Without a decent one, the rest of your efforts will be less effective. For starters, it's critical to understand that mobile devices are driving online traffic. This means your website had better be mobile-friendly.

Layout, image tags and even the code your website uses will also affect how Google ranks your website. This should be left to professionals, as incorrectly editing your website can have a negative impact on search rankings. Something you can do yourself, though, is ensure you have high-quality, relevant content.

Have you ever landed on a website only to realize it was completely different from what you were looking for, so you left and found a better website on the search engine results page? Google tracks these "bounces" and uses them to refine its results over time. If your website contains content that's irrelevant, outdated or inaccurate, it'll damage your online reputation and hurt your rankings.

An easy way to make sure your website doesn't fall into this trap is to blog or update content regularly with accurate information about your self-storage facility. Content is a great way to build Web traffic, increase brand awareness and help with customer acquisition. Blogging not only improves your SEO but educates potential tenants! You can brand your company as the local experts in storage, packing and moving while also helping your Internet rankings.

When you're composing a blog post, include keywords for which you want to rank in search results. Include those keywords in your page's title tag as well as other places within the blog. This is important! Writing a smart title that captures searchers' attention and entices clicks is a great way to get traffic. In fact, better content can attract traffic to a blog by up to 2,000 percent, according to SEO Tribunal, a website dedicated to helping businesses find professional SEO companies.



Keeping Up With Google

Google can shake things up in the SEO world in a heartbeat! From announcing big changes to implementing new rules, the search engine has us all at its mercy. As of April 2019, Google continued to dominate the search engine market, commanding 88.47 percent of traffic. It isn't going anywhere anytime soon.

As much as keeping up with algorithm updates is a must, keeping up with Google trends is equally important. While there have been many recent trends in SEO, here are the three most impactful:

- **Invest in technical SEO.** This includes website speed, compliance with the Americans With Disabilities Act and the implementation of Progressive Web Apps.
- **Be ready for voice search.** This is the year of mobile, and though you may not talk to your phone, 82 percent of users do, so be prepared.
- **Create exceptional content.** As previously noted, content is king. Keep it the main priority.

Outsource vs. DIY

So, now we know that SEM and SEO are crucial to success in the digital age. Whether your self-storage facility is seeking more tenants or greater brand awareness, ranking higher on Google is a springboard for success. While Bing, Yahoo and other search engines also carry significance, Google is the overwhelming end-user favorite, so it demands your attention.

To maximize your efforts, find a provider that really understands the self-storage industry. Some will try to upsell their services and then secretly pass off the work to cheaper third parties. This often

results in a lower-quality product and poor results, so make sure your provider is actually performing the work.

Similarly, some providers make false promises, claiming they can "guarantee" the top-ranking spot on Google. Nobody can promise this outcome. While hard work greatly increases the chance your facility may take the top spot, a guarantee of such success should be acknowledged as a red flag.

Now, you may be wondering if SEM and SEO are strategies you can handle on your own. You can, but it isn't advisable. It's like designing a modern website. Sure, you can do it yourself, but the quality, results and effectiveness can be greatly enhanced when you hire a trained professional. Knowing if your SEM/SEO tactics are working is the key to quantifying success and justifying the service. A professional can show you increases in traffic stemming from these tactics. The proof will be in the results.

Whether you're blogging or optimizing your website for keywords, content should be at the forefront of your Internet-marketing strategy. Remember, SEM is mainly used to convert visitors into customers, which increases your return on investment. Tailoring content for the audience you're trying to capture will help immensely.

The Internet has more than 4.33 billion active users. This encompasses more than 56 percent of the global population, and that number is expected to grow! However you drive traffic to your self-storage facility, be sure you have an effective online presence to maximize results. **ISS**

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How to Regain or Bolster Your **SEO Edge**

Two years ago, my company dominated page one of Google search results whenever someone searched for “Cleveland TN self-storage.” In fact, our three locations were displayed up to four times in search queries. We appeared at the top of the page with a pay-per-click (PPC) ad and on Google Maps as the first self-storage provider. We also had one or two organic links to our website. Since 90 percent of users don’t scroll past the first page, it’s important to be seen there.

Now, fast forward to earlier this year and a customer would’ve been lucky to find my businesses anywhere on page one. Somehow, we lost our SEO (search engine optimization) edge!

What Happened?

How did we go from being the company that showed up everywhere when storage customers searched online to not even showing up on Google’s first page? Two things happened.

First, we moved our business office, which caused a couple issues with Google algorithms and penalized us in search results. While I updated the physical address on our website, Google Business page and a few other places, we didn’t update *all* the online directories that aggregate key information about local businesses, e.g., Better Business Bureau, Manta, Yellowpages.com and Yelp. (Marketing firm HubSpot offers a comprehensive list of directories so you can add your business and improve your SEO.)

When Google sees that a company’s physical addresses doesn’t match up with multiple Web sources, it hurts the business’

page ranking. So, it’s important to make sure the addresses, phone numbers, etc., on these directories are accurate.

The second thing that happened was I got lazy. I was doing great and dominating my local online market, so I became complacent and put that marketing on autopilot. Below are a few specific areas where laziness had a direct impact on our search position.

Website SEO. I stopped focusing on it. I was no longer checking to ensure our website was optimized for keywords, working, and continually being improved with information useful to potential tenants.

There was a period when I wasn’t regularly checking the website at all. When I finally did, I realized it wasn’t even online. I called the website provider and was told the company didn’t host my site. I had to remind the representative I was paying \$97 a month for the service. He quickly apologized and reinstated the hosting package. It just goes to show: It’s important to check on your website periodically to ensure it’s working and providing the user experience you expect.

Creating content to get backlinks. In the past, I wrote articles for my company blog and various trade publications that included backlinks, which is when another website includes a hyperlink to a page on your website. Google reviews backlinks to help determine website ranking. I had stopped focusing on this.

PPC campaigns. Two years ago, no other storage providers in my town of 100,000 people were using Google AdWords. This was great! Ads were cheap and competition was slim. Now, however, my competitors are using PPC advertising.

When I went back into my AdWords account and reviewed my ads, keywords and landing pages for PPC ads, it was apparent things were stale and sloppy. The landing pages weren’t easy to navigate, and it wasn’t easy to find information without having to click in several places. Users expect to get what they need in one place. They don’t like having to view multiple pages to get the decision-making information they need.

I could get by with all this in the past because I was the only storage facility in my area that had a Web presence. But by this year, others had caught up and had simpler, more intuitive landing pages for their users to learn about unit sizes, rates and sign-up information. The effects of my complacency weren’t immediate, but they did catch up with me, and Google moved us below page one on search queries.

Fixing It

OK, enough about what I did wrong. Let’s talk about what I’ve been doing to fix things and regain the No. 1 online position in my market!

Reviewed and updated website. I’ve made sure our website contains accurate information and works correctly, and that the Google Snippets provide a clear picture of what each page offers (these are the summaries that appear under each search result). After several updates made over the years by my website provider, some of the content had been altered. It no longer enticed a user to click. I’ve since updated and corrected information and added useful Q&As users will want to read when they search for a storage unit.

Updating online directories. My team has taken the previously mentioned list of free online directories and made sure our business is on each. More important, we're ensuring all business information (address, phone number, etc.) is correct and matches what's listed on our website. Over time, Google will crawl these directories and determine the information is consistent. Our website will again be considered reliable for users who are searching for self-storage, which will result in a higher page ranking.

Creating content. I've begun writing articles and blogs and posting useful information on our business Facebook page, and creating articles for other publications and websites. This is a win-win for both parties, as the recipient gets free content its users will enjoy, and I get a backlink to my website and exposure as a subject-matter expert.

Google's page-rank algorithms will also notice the number of quality websites linking to my website and that my website is providing interesting content. As such, we should rank higher when users search for self-storage in our market. The best part about this technique is it's free! Writing content takes time, but there's no out-of-pocket expense.

AdWords campaign update. During the last two years, Google AdWords has updated the features advertisers can use in PPC ads. It now allows multiple headlines, extensions and longer descriptions. I've updated my stale ads with these features, so my ads provide more information about my facilities and take up more screen space. This increases the likelihood that someone will click on my ad and rent a unit, and I'll be able to spend less on PPC.

Staying current on SEO trends. It's important to focus on doing SEO the

right way and not try to game the system using "black hat" techniques. Don't go on Fiverr.com and pay someone \$20 to get 100 backlinks to your website. Eventually, Google will catch on and you'll be severely penalized.

The resources below do SEO the right way. The best part is you can get most of the information they offer for free just by watching their YouTube channels or following them on Facebook. I use all of them and have no affiliation nor receive any compensation if you use their services.

- **Moz Whiteboard Friday video series:** Co-Founder Rand Fishkin produces SEO videos each week. He consistently hammers home the key lesson to getting Google to rank your website higher on searches: Create awesome content that users love! Then keep it clean and optimize it so Google can find and share it with users.
- **Carrot blog:** Trevor Mauch and his team have a ton of awesome content about SEO that discusses online marketing in detail. The blog and podcasts are free.
- **AdWords Nerds:** Dan Barrett has a blog, podcast and Facebook page that discusses SEO and Google AdWords optimization for real estate investors, who are his primary clients. The lessons and techniques discussed apply well to self-storage marketing.

Using Facebook and Google My Business. I'll continue to grow our Facebook business page following by encouraging users to "like" it. I'll also post tips and tricks related to self-storage on our Google My Business page so there's more engagement. As I post tips, tricks and updates, there'll be an emphasis on video. Internet users like watching video and it helps drive engagement with your brand;

so, whenever possible, I'll include both a text article and a video.

Monitoring traffic on Google Analytics.

This is a free application that allows website owners to learn how users are interacting with their site. It requires that you add a small piece of HTML code to your website. If you aren't tech-savvy, I recommend you get a website professional to set it up.

Once it's established, you'll be able to see how many people are visiting your website each day, if they're viewing it from a mobile phone or desktop computer, how long they're on your site, and which pages they visit the most. It's helpful to know which Web pages users are going to and interacting with as well as when they immediately leave the page.

Google wants users to be engaged with your website and for the site to answer questions for customers. If users are consistently going to my website and then bouncing back to Google to look for another storage provider, eventually, my page rank will decrease. However, if Google consistently sees that users click on my website, search around and find answers to their questions, I'll rank higher. It's important to monitor and update your pages so they're always performing well.

I've learned a valuable lesson about not getting complacent with local online marketing. Leadership is an action, not a position. If you stop working on it, it's only a matter of time before your competitors catch up and pass you. Going forward, I plan to push myself, continuously create content and monitor my results so I can regain the top spot in my local market. **ISS**

Contributor: Michael Rogers, Chandler Properties, www.chandler-property.com

A Digital-Marketing Roadmap

December and January are the perfect time to plan your self-storage marketing roadmap for the new year. Whether you're a small operator with a single facility or a larger one with a big portfolio, great marketing levels the playing field in our industry. Even without a big team, an amazing marketing program is possible for all, thanks to the plucky strategies in this article.

Below, you'll find three options that'll add great value to your new plan. All are related to organic website traffic. They're initiatives that can be executed for free or a limited budget and are accessible to companies of all sizes.

Strategy 1: Align Your Efforts Around Seasonal Initiatives

The self-storage business is seasonal in nature. This time of year (January), we

have a lot of customers looking to store and manage their holiday decorations. In early summer, local college students store their belongings for the break. In the peak of the summer, many new customers are moving into or out of a home. There are so many cycles that drive our customers and business.

The best marketing roadmap leverages this seasonality. Think of the events that align closely with your company's core



values and brand persona. Perhaps your organization is really big on charity and giving, so Thanksgiving will be a huge event on your calendar. Or perhaps your team really enjoys landscaping and your facility sports an impressive garden. Why not create a big initiative in the spring and promote your drive-up units to landscape professionals? Brainstorm and form your marketing calendar now so you're prepared well in advance.

With endless promotional opportunities available, it's important to be realistic. If you're a large company, perhaps you can tackle a new seasonal milestone each month. If you're a smaller operator with lean resources, you might focus on one milestone for the entire year. Regardless of your size and scale, approach your seasonal marketing with heart and depth. At a minimum, I suggest the following for each item on your calendar:

- Offer specials/coupons to celebrate the event.
- Write a blog post discussing the topic. (You have a blog on your website, right?)
- Share your passion for the season via social media including Facebook, Instagram, Twitter and other networks.
- Incorporate some in-store marketing collateral into the mix. Consider brochures, pamphlets and posters. If you offer use of a moving truck, consider a seasonal truck wrap.

Involve your entire team in the process so everyone is aligned around a common goal.

Bonus tip: Consider placing a financial objective around the initiative. For example, perhaps you want to acquire 10 new customers from each milestone.

Strategy 2: Rewrite Old Content

Many self-storage companies adopted a digital marketing strategy in the early days of the Internet. Their websites have

been through various iterations over the years. During all these updates, however, the articles (content) were sometimes forgotten. I noticed this with my own company's website. Some of our core articles, which are displayed prominently on our homepage, hadn't been updated for years. For example, the one on packing tips for customers lacked images and depth.

I decided I would rewrite one piece of content every six months. I set the bar at a reasonable level, so I'd be destined to succeed. After all, my team is lean and our time is limited.

I helped a freelancer rewrite the packing-tips piece and engaged our digital-marketing partner to craft custom images that match our brand persona. By tackling content one piece at a time, I was able to turn this article into one of the best packing guides on the Internet (in my humble opinion).

As you think about your marketing in 2019, audit your website. Even if it looks amazing and just underwent a major redesign, consider your content. Are there any pieces that need a revamp? Why not just pick one or two to tackle this year? You can also outsource to gain scale. Set deadlines for project completion and mark them in your calendar.

Bonus tip: Consider auditing your "About Us" page. It's often highly visited, yet most of us forget to invest time in making it the best possible resource.

Strategy 3: Film and Upload One Video

Did you know that behind Google, YouTube is the second largest search engine on the Internet? YouTube videos also display in Google search results.

In the modern world, we're all so busy. We want to save customers time and make their self-storage experience incredible. Video is an amazing resource for educating and delighting prospects and tenants! It can take many shapes and forms: drone

property overviews, manager interviews, guides and tips, and more.

This year, put video on your roadmap. While this may seem overwhelming, you can break it into these simple steps:

- If you don't have one already, create a YouTube channel for your storage facility.
- Determine the type of video you want to film. For a first-timer, a drone property overview is great. If you don't have the budget for a drone videographer, you can film a standard property walk-through on your smartphone. Keep it simple.
- Brainstorm with your team and develop a creative script and strategy.
- Film the video.
- Edit the video. (For first-timers, Apple's iMovie is great.)
- Upload the video to YouTube.
- Promote the video on your social media profiles.
- Embed the video on your website. Your facility homepage and blog make great places for this. YouTube makes it super easy to accomplish.

With video, you want to put your best foot forward; yet you don't want to delay out of fear that your content won't be good enough. In the age of social media, I've found customers truly appreciate a "home-brewed" approach. It's OK if your video isn't perfect. People want to see your brand persona shine through.

At the end of the day, we're blessed in our industry to have physical locations. Let them stand out on your website and social media through the power of video.

Bonus tip: Did you know you can embed a facility video tour on your Yelp profile page? There are file-size requirements (your video will have to be less than 200 MB), and you'll need to work with your Yelp representative to get on the package/plan that offers video.

Putting It All Together

At right is what a sample roadmap might look like, incorporating all three strategies. This one prioritizes strategy 1, then 2, then 3. Choose an order that fits most naturally with your company's skillset and interests.

Now, it's time to take action. I invite you to sit down and start planning your 2019 marketing. Of course, your roadmap will contain a variety of initiatives, but incorporating these three will add lasting content and value to your website and attract new customers. These actions are accessible to organizations of all sizes and require little or even no spend. Even small teams can execute them! **ISS**

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Month	Milestone
January	Launch a seasonal initiative around "Making self-storage your new year's resolution!" Launch specials, a blog post, social media updates and in-store content. Measure how many new customers take advantage of the special program.
February	Time to get started with video. E-mail the entire company to find someone who's great with this medium.
March	Film an interview with one of your favorite customers. Get the tenant to sign a release so you can use his likeness in your marketing.
April	Create a YouTube account for your facility and upload your interview. Share the video on your homepage.
May/June	Take two months off to focus on other projects.
July	Poll everyone in the company about what should be on your website's "About Us" page. Get quotes from employees on why they love your company.
August	Rewrite your "About Us" page, leveraging feedback from the team.
September	Take team photos that can be used on your new "About Us" page. Make sure everyone signs a marketing release.
October	Upload your new "About Us" page.
November	Take a month off to work on other projects.
December	Start planning your marketing initiatives for 2020!

Digital Advertising: TYPES and STRATEGY



People spend a lot of time online doing everything from checking social media to buying things to finding the right self-storage unit. Whether they're on a mobile device or a laptop, they're switching between search engines, apps, social platforms and maps, and you must reach them wherever they are. This is why digital advertising is important. By harnessing its potential, you can connect with larger audiences in real time and nurture them through their journey toward renting with your self-storage facility.

According to marketing-research firm MarTech Advisor, digital advertising is "the practice of delivering promotional content to users through various online and digital channels. It leverages mediums such as social media, e-mail, search engines, mobile apps, affiliate programs and websites to show advertisements and messages to audiences." Whereas non-digital forms of promotion limit your ability to target and track interactions with

your content, digital allows you to pursue the audience that's most likely to rent from your business. You can also use digital ads to demonstrate what makes your property unique, such as security features or special unit types.

Digital advertising is universal, flexible and adaptable to the channels your buyers frequent. You can leverage it to nurture your prospects in a personal way until they decide to become customers.

Ad Types

Pay-per-click (PPC) ads often make up most of a company's digital-advertising spend. These ads, which display at the top and bottom of organic search results, provide context within a search. If someone is looking for "self-storage units in Palo Alto, CA," for example, he'll see facility ads as sponsored posts on the results page.

The PPC strategy for your business must include keywords you'd like to bid on

and ads optimized for those terms. Base it on your business goals, competition and opportunities for website traffic. You also want to be able to connect with users at the right place in their search. I suggest researching your competitors and their PPC strategy. The more ads that appear, the harder it may be to rise above them, and the more expensive each click may be for your company.

Display ads can be placed in a variety of places, from websites to social media. They can incorporate text, video, images and flash to connect visually with potential renters. Use display ads when you want to add diversity to your strategy. You can run them across multiple devices and channels or specifically target them to an individual website.

Your potential customers spend time on social media networks like Facebook, Instagram, LinkedIn, Twitter and YouTube. By advertising and engaging with them on these platforms, you can share valuable

content and highlight what makes your property unique. Social media ads allow you to access a large, active user base and connect with them on a more personal level. Research to find out where your audience spends most of its time. Facebook continues to get a large share of digital-advertising spend.

One of the most effective forms of digital advertising is **retargeting**, also known as **remarketing**, which keeps your brand in front of people even after they leave your website. It works by following prospects to the different websites they visit, displaying your ad to keep you top-of-mind. Not only is this great for brand awareness, it drives a lot of conversions, making it a powerful tactic in your advertising arsenal.

Ad Targeting

Ad targeting has always been critical to marketers, and digital advertising makes it easier than ever to communicate with the right audience at the right time with the right message. Targeting your digital ads allows you to segment your audience, test and optimize for improved metrics. For example, you can create separate campaigns to reach different groups. In self-storage, these might include students, people relocating to the area, boat

and RV owners, and homeowners who are downsizing.

Here are some other targeting methods:

- **Demographic targeting** shows ads to potential customers based on information such as age, gender and location.
- **Contextual targeting** allows you to deliver ads based on the content with which your customers engage.
- For PPC ads, **keyword and topic targeting** come into play.
- **Device targeting** allows you to specifically serve ads to potential customers based on their device (mobile, tablet or desktop).

Ad Strategy

Digital advertising is an effective way to increase conversions, generate brand awareness and expand your customer base. That said, your strategy must include clearly defined goals and success metrics to gauge whether a campaign is working. Common goals include customer acquisition, lead volume and brand awareness (social media followers and engagement).

Start by identifying your specific audience for these ads. Many self-storage operators begin by defining their ideal customer and the different reasons customers choose to rent a unit. Identify the renter's behavior as he travels through

the storage experience as well as the channels he frequents. You can create multiple ad strategies to cater to specific demographics and interests. If you don't know what they are, try different channels, measure your results and then adjust.

Digital advertising sometimes requires a qualified team of professionals to implement, as you might not have the bandwidth to actively monitor your campaigns. Depending on your needs and resources, outsourcing to a front-end marketing partner or digital marketing agency might be the best way to ensure your investment is providing the highest returns.

Digital advertising offers you more than a customer-acquisition channel. Use new technologies and tracking methods to create dynamic ad content targeted specifically to your ideal audience. Nurture buyers through the rental experience, beginning with an initial search. Digital advertising should be a holistic part of your overall marketing strategy in which you create a cohesive experience for renters across multiple platforms, channels and devices. It evolves quickly and has become indispensable to self-storage marketers and operators. **ISS**

Contributor: *Celena Canode, G5, www.getg5.com*



When to Create or Update Your Website

Whether you're opening a new self-storage facility or you've been in business for years, creating or redesigning a website can be intimidating. How should it look? What kind of information should it contain? One of the first questions to answer, however, is when to do it. There are a few times that are optimal for building or refreshing your virtual space. Let's see when they are.

Before You Open

If you're just getting ready to open your self-storage facility, I have good news for you. This is one of the absolute best times to build a website! With all the outreach and marketing you're already doing for your new place (or should be doing), it deserves to be represented with a great Web presence. You should view your website as an extension of your business,

and it's important to leave as much of good of an impression online as you do in person.

Your virtual visitors can be pretty impatient. If you don't communicate who you are and what you can do for them in 10 seconds or less, they'll likely move on, according to a blog from marketing firm Tyton Media. There are just a few things prospects want to know: where you are,

how to reach you and other significant property details such as unit sizes and rates. It's also wise to showcase your special features and amenities, especially if you offer conveniences such as an online rental portal or payment platform.

Before the Slow Season

If your facility has been open for a while, you know when your slow season is. For most operators, it's the winter when there's very little daylight and it's often cold and rainy. Turns out your potential customers don't like going out in dreary weather. Instead of driving around to visit facilities, they're bundling up on their couch and searching online instead.

If you're going to launch a new website or give your existing one a refurbishment, do it before the cold sets in. This is a great thing to put on your fall checklist because by the time the flow of customers slows, your website will be ready to do some of the heavy lifting.

Before the Busy Season

On the flip side, during your busy season, you likely have quite a few prospects visiting your facility. You may think, "Well, why would I need a website then?" Because the way people find self-storage is changing. According to a blog from marketing firm Bright Local,

consumers are increasingly turning to Google to find what they need. If you're not on the top list of results, you might as well not exist. So, how do you get there?

Of course, you need to claim your Google business listing and set it up on Google Maps, but your search ranking also directly correlates with the relevance and quality of information on your website. The better (more search engine optimized) your website is, the more Google will reward you with higher search results, which means more searchers will find you. If someone is searching for "self-storage" on Google, the search engine lists the top three local facilities at the top of the page. As you can imagine, showing up on that list is crucial, because many people don't ever look on the rest of the page.

It all starts with your website, but it isn't instantaneous. As with most search engine optimization (SEO), you should be looking at the long term. Having a site that engages visitors, gives them what they need, encourages extended visits, and increases conversions will be one of your best assets. Before the busy season starts, ask yourself: Are you capturing as many potential customers as you *could*?

Before You Lose More Customers

If you've been keeping an eye on your marketing data (and you always should

be), perhaps you've noticed a dip in your website visitors or conversions. If you're seeing a noticeable downturn in your numbers, it's probably time to give your website a facelift. Web-design trends evolve quickly, and it'll be clear to customers if your site is outdated.

Of course, it isn't just the style or design. It's also the features you offer. As business processes increasingly move online, are you following suit? Are you offering customers ways to rent, pay and manage their accounts online, or are you still requiring in-person visits? It's food for thought.

Adapting to the New Age

Your self-storage facility, like any other business, is subject to the changing times. The Internet may have shortened our attention spans to less than that of a goldfish, but it has also provided a lot of benefits, namely that the things we want and need are more accessible and easier to find. Instead of thinking of your website as a burden, see it as one of your best assets. The easier it is for customers to find and do business with you, the better your business will be. **ISS**

Contributor: Zac Sharp, *StoragePug*, <https://storagepug.com>

Improving Your WEBSITE EXPERIENCE

Rental downturns are being predicted for the self-storage industry, so the more marketing intelligence facility operators have, the better off they'll be. Increasing rentals begins with the user, i.e., your prospective tenant. If he has a bad experience with your website—he can't find what he's looking for, your specials are confusing, or you don't display rates online—he'll simply go elsewhere. All it takes is a jump back to Google to find another facility that provides what he wants.

For this reason, it's vital to ensure that every user who visits your website

gets the information he needs to make a rental decision. You must make his online experience effortless or risk losing the sale.

Mastering the Search

To start, consider the search engine results page (SERP). Most users will type in some combination of "self-storage" with their city or "near me." The results will display three to four ads, a pack of local businesses with a map, and organic results. While some people will confidently click on the first result they see, others do their shopping exclusively within the

Google's Local Pack. Still others will consciously avoid clicking ads or maps and scroll down to organic results.

What I've seen during my work in the industry is 85 percent of Google search traffic comes from three sections of the SERP: Ads account for 15 percent, brand keywords for 35 percent, and Google Maps for 35 percent. These are your best chances to get in front of users, so it's important to be as visible as possible in these areas.

For users who choose to shop and compare with Google Maps, your greatest priority should be how you stack up against

“ Self-storage prospects are primarily looking for a neat, organized landing page that prioritizes the information they need to make a rental decision. It could include prices, specials, unit sizes, features, office hours and location.

your nearest competitors, as these facilities will be listed beside yours when shoppers zoom in. They'll compare your site with others in terms of rates, unit sizes and other features that matter to them, which might include climate control, security and other amenities.

Self-storage customers tend to prioritize location and price, so it's important to analyze your competitors' rates and special offers. That's precisely what each user is doing. He's opening pages and hopping between websites to see who has the size he wants at the best price. This type of behavior is perceived by the search engine as "user signals. It uses these queues to help inform its ranking algorithm, deciding which landing pages are most valuable and should rank first.

The purpose of Google search is to provide the user with information necessary to complete an action easily. If people are looking for storage in your area and visit your page only to return to the SERP, it tells Google your page isn't relevant or valuable for those trying to complete this task. This would cause your website to rank lower in search results, which could precipitate fewer site visits and rentals. On the other hand, user signals can go in your favor when you prioritize the website experience and give the prospect the information he needs to make a quick decision.

Improving Your Conversion Rate

Even if your facility is nicer and cleaner than your competitors and your managers are friendlier, online users aren't likely to see this upon their first search. They're just comparing site to site, rate page to rate page. Self-storage prospects are primarily looking for a neat, organized landing page that prioritizes the information they need to make a rental decision. It could include prices, specials, unit sizes, features, office hours and location. What tips the scales in your favor might be something as simple

as your reservation calendar, so every detail counts.

So, how do you improve your online user experience to convert more prospects to customers? I like to refer to the LIFT Model developed by Chris Goward, author of "You Should Test That!" It outlines six factors to consider when evaluating your website landing pages: value proposition, urgency, relevance, clarity, distraction and anxiety. Let's look at what each of these means in relation to storage customers.

Your **value proposition** is what convinces people to rent. It's the most important of the six factors, the one that provides the potential for prospect-to-tenant conversion.

Urgency dictates how careful a user's search will be. If he's going through a life event and needs storage in the next few days, he's likely to choose quickly without much deliberation. If he's planning farther in advance, he'll be much more scrupulous, and the other landing-page factors will be much more important.

Relevance means a landing page properly fits the terms used in the search. For example, let's say a user is looking for "climate-controlled self-storage." If your facility is in his city and offers climate-controlled units, he's likely to find you over other storage businesses that don't offer this service.

Clarity relates to the quality of information. Is it clear where you're located, what unit sizes you offer, and what your rates and specials are? If the user has to work too hard to find these details, he's likely to bounce back to the SERP to find a business that clearly offers this information.

Distraction occurs when there's information on a page that doesn't relate to what the user is seeking. For example, if your rates page presents a large block of text about your company and its managers before displaying rates, you're distracting the user.

Causes of **anxiety** for prospective tenants are when they get a message that their browser is insecure, or if they get a demand somewhere on the page, such as a credit card being required for a reservation.

In sum, don't look at your website user through "this is what I would do" glasses, which can cost you dearly in revenue. Instead, take a fresh look at your landing pages. Can you easily find the most important information a prospect might seek? If not, it may be time to make some changes to your website. **ISS**

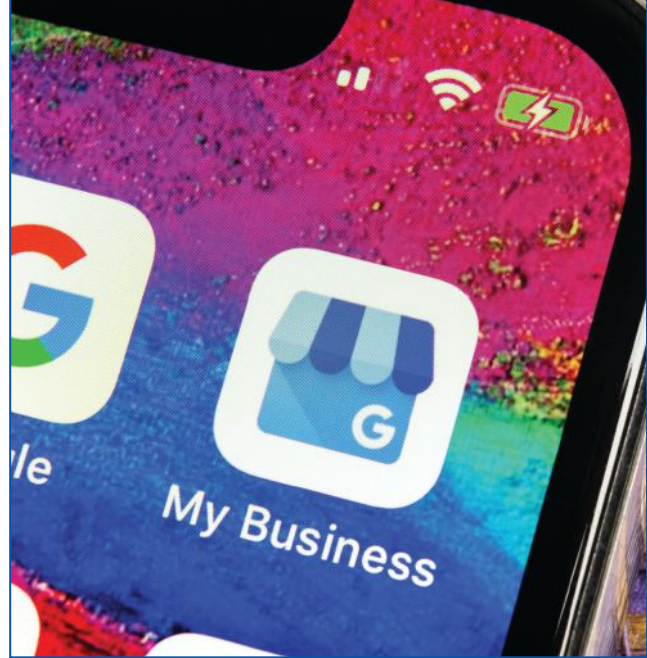
Contributor: Christopher Baird, Automati Inc., visit www.automati.net

The LIFT Model of Conversion Optimization

Value Proposition	This is the vehicle that provides the potential for your conversion rate. It's the most important of the six factors.
Relevance	Does your Web page deliver on what your prospects expect? Does it match their needs and feelings?
Clarity	How easily is your value proposition communicated? This includes eyeflow, imagery, copywriting and calls to action.
Urgency	How are you matching the visitor's internal urgency and creating external incentives?
Distraction	Is your website content diverting visitors away from your primary goal?
Anxiety	What elements on the page could be creating uncertainty for your prospects about taking action?

Source: WiderFunnel.com/lift-model

Your Google My Business Listing



The marketing approach for a newly opened self-storage facility is multi-faceted, but one of the first and most important things you need to do is create and verify your Google My Business (GMB) listing. Why? Because it's the online gateway for your business. With Google being the dominant force in local search, it's imperative that you show up in its searches and on its Maps. Below is some insight on how to set up your listing and some challenges you may encounter along the way.

Getting Started

Getting listed on GMB is fairly straightforward. First, make sure you have a Google account for your business. It's incredibly simple to create one at account.google.com. Log in, then visit business.google.com and click on the "Manage now" button. Follow the prompts and enter your information.

At the end of the process, Google will ask you to verify your listing via postcard, phone or e-mail. The postcard is the primary method for small businesses. Google will send one to your facility that contains a PIN, which you'll enter online. The card should take about five days to reach your site.

You've Got (No) Mail!

Snail mail is where things can go awry, especially if your new facility is on an equally new street. To establish mail delivery, you'll need to go to your nearest post office and speak with the postmaster or the person assigned to assist businesses with new service, referred to as the "growth manager." You can also send an e-mail to deliver.growth@usps.gov. Ask if your address has already been submitted by the city or county government. If not, ask them to add your business to the "edit book," aka

the "red book." You should also discuss the method of delivery, including appropriate mail receptacles for your business.

Here are a few other handy mail tips from Kevin Johnson, site manager of Kent Supreme Self Storage in Kent, Wash., which opened in May:

- Talk to the delivery carrier or post office about the placement of the mailbox. You want it installed in the correct location and at the right height for delivery.
- Install the mailbox before letting the post office know you're ready to accept mail.
- Gates or building obstructions can prevent mail delivery. Work with the construction foreman to ensure the mailbox is accessible.
- Stop by the post office to pick up any mail that may have been returned because of the above-mentioned issues.

The key is to start this process early—as soon as you've broken ground on a new facility. For our sites, we've sometimes had to visit the post office repeatedly to establish mail delivery, and we've frequently received conflicting information about what we need to do. So, the earlier you begin, the better chance you'll have of getting that Google postcard and verifying your GMB listing.

New Street, New Problems

Sometimes the obstacle to setting up or verifying your GMB listing is that your facility is on a new street that isn't yet listed on Google. This happened to View Pointe Self Storage in Edgewood, Wash., which was the first business to be built on a new road. While the city and county had the street on their planning maps, neither had a standard operating procedure for how to notify Google and other search providers.

Mail wasn't being delivered, including the Google postcard. After several conversations with the post office, View Pointe was finally able to receive mail.

Once this hurdle was jumped, there was another: Google verified the listing but changed the facility address to match an outdated map. It took many e-mail conversations with Google to add the new street to its map along with the correct address and placement of the storage business. The whole process, from the initial postcard request to correct listing, took four months!

If you're building your self-storage facility be on a new street, first reach out to your municipality to confirm its process for notifying Google. If it doesn't have a system, it may be incumbent on you to do the legwork and contact Google yourself. Be prepared to provide proof of the new street by linking to online county or city maps. The process may take some time, so start as early as you can.

The Open Date

Once you're verified in Google, set an opening date in your GMB listing so customers are alerted when you're ready for business. This also ensures they won't be tempted to visit prior to launch. This information will appear in your "Google Knowledge" graph.

With competition in the self-storage industry increasing every day, getting your new business established online early will be crucial to your success. Follow these guidelines to establish mail delivery and claim and verify your GMB listing. **ISS**

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MANAGING BUSINESS REPUTATION

Your personal reputation is something you should care about a great deal. Everyone wants to be seen in a good light, with pleasant thoughts and feelings associated with their name. Business reputations are similar. A positive public standing for your self-storage operation can be critical to whether it succeeds or fails. But with today's evolving consumer habits, it can be challenging to manage and cultivate a healthy brand image.

Online reviews are central to public perception and reputation management. They're a hot-button topic in the self-storage industry, so let's examine how to build an effective reputation online and how reviews can impact it.

Controlling the Narrative

There are three primary areas self-storage operators can leverage to directly impact their company's reputation: customer service, user experience, and

marketing and advertising. Here's why each is important.

Customer service is right at the core of your business. You should always strive to create enjoyable experiences for your tenants and prospects. Having a company philosophy that focuses on going the extra mile really makes an impression on tenants, which improves your company reputation and increases the likelihood of referrals, repeat business and positive reviews.

User experience encompasses a lot of business aspects, ranging from the online rental process to gate access and even pricing. The point is to create a user-friendly experience at as many touchpoints as possible. Focus on delivering an easy, hassle-free interaction. Every part of your business should have a core focus on making the rental and storing as simple as possible.

A Harvard Business School study found that the No. 1 factor in delivering a great customer experience isn't

delighting customers with an over-the-top presentation but "reducing their effort and establishing trust." This leads to more pleasant experiences with your tenants.

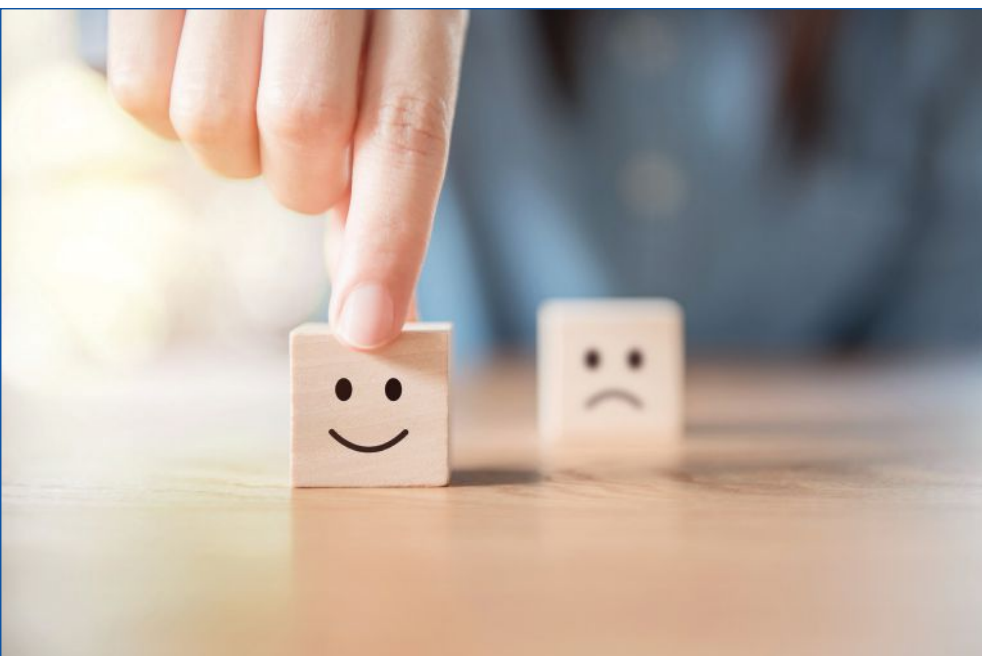
How you market and advertise your business is one of the most critical strategies to help control company reputation. The Internet has become the go-to for most consumers when they need a product or service. In fact, a recent Forbes study indicated 97 percent of consumers searched online for local businesses in 2017. Because of this, there's a huge need to market effectively online. Focus on having a well-designed and easy-to-use website; invest in search engine optimization (SEO) services; and enable online reviews on your Google My Business (GMB), Facebook and Yelp pages, among others.

Successfully applying these principles will improve how customers view your operation and create a more effective business reputation. While not all efforts should be focused on getting online reviews, everything you do for customers impacts the likelihood of them leaving a good review or referring someone to your facility.

How Reviews Shape Your Reputation

Now, let's discuss why you should take online reviews seriously and the impact they can have on your business. The notion of online customer reviews draws a lot of attention. Some owners believe they mean *everything* and you should focus all your marketing attention on them. On the other hand, there's a school of thought that reviews don't matter much because many can be faked, and people don't really rely on them. Well, they're both wrong!

Online reviews should be a big focal point of your marketing strategy, but not at the expense of other important factors like SEO, pay-per-click ads, traditional marketing, etc. Despite arguments that suggest reviews aren't important or are



easily falsified, you should know the majority are real and very helpful. They're also likely to gain in importance.

To get a firm understanding of just how important online reviews have become to businesses, consider these stats compiled from reputation-management firm Status Labs and the "Reach Local" blog:

- 91 percent of North American consumers read online reviews to learn about a business.
- 85 percent of consumers trust online reviews more than personal recommendations from family/friends.
- 87 percent of consumers won't consider a local business with low ratings.
- 49 percent of consumers need at least a four-star rating before they choose to use a business.
- Responding to reviews is important, with 30 percent of consumers indicating this is key when judging local businesses.
- 30 percent of consumers say they positively judge businesses that publicly respond to online reviews.
- 68 percent of consumers have left a review of a local business when asked, with 74 percent indicating they've been asked for their feedback.
- Consumers read an average of seven reviews before trusting a business, up from six the previous year.
- 62 percent of consumers won't use a business with less than a three-star rating.
- Going from a three- to a five-star rating delivers businesses greater than 25 percent more clicks from Google.
- 86 percent of people would pay more for services from companies with higher ratings and reviews.

Why Consumers Love Reviews

Today's consumers are more educated than ever. They usually know what they want and research several options before deciding. Online reviews are one of the most important factors because customers want to know how others feel about a business or product. Most have a natural fear of being taken advantage of or having buyer's remorse; to counter that feeling, they investigate over and over again, even for the most basic items. They rely on reviews because:

- They can get instant assurance and trust.
- They can identify potential problems people have had.

- They can get a sense of the company's customer service.
- They can get an overall snapshot of a company's reputation.

While customers will take time to research before deciding, they still want things done quickly. A self-storage prospect will perform a Google search and wind up with a list of local facilities. He's then likely to check their reviews and quickly determine a group of contenders, getting a feel for who has the best customer experience. He'll then pursue his top option by renting online or calling by phone. This is now common behavior. Facility operators should take it seriously and see how they stack up online.

Why Businesses Love Reviews

Self-storage owners who use an effective online strategy love reviews for many of the same reasons as consumers. They help service providers quickly build trust with customers, and the platform can provide prospects with great feedback on the business. Reviews also:

- Improve the likelihood of clicks and traffic to your website
- Improve your local SEO
- Provide social proof that your business is legitimate

Businesses that prioritize online marketing via SEO know how helpful online reviews can be on search engines, especially Google. Having positive reviews on your GMB page increases your local SEO. It can also improve your search ranking and help you be found by prospects much more easily. Reviews can even increase your click-through rate, the percentage of people clicking on your listing and going to your website.

GMB pages with positive feedback and a high quantity of reviews perform much better than those who don't. Consumers tend to click on those listings much more frequently.

Creating a Review Strategy

Once you're ready to leverage online reviews to help build brand reputation, you'll find there can be some challenges. Here are six steps in creating a consistent, effective review strategy.

1. **Identify the best sites on which to get reviews.** Before you start collecting reviews, give some thought to which websites and platforms will work best for

you. Google is the most effective search engine and review platform to pursue. It carries the majority of search engine traffic, and the posts are prominently shown when people search for storage-related phrases such as "self storage my town."

However, just because Google is the most important doesn't mean you should disregard others. Also get reviews on Bing, Yelp, Facebook, etc. A quick note: Though Facebook reviews can be a valuable part of social media strategy, they have less impact in self-storage. It's still a good idea to use them, but they won't make or break you like Google can.

2. Understand the policies for each site. Understanding the rules for Google, Yelp, Facebook and other review sites is very important. You don't want to violate policies and risk getting your listing removed or penalized. Study each site's review guidelines and stay aware of them as you move forward.

3. Create a simple online process. This is a critical step that can make or break your strategy. Make it easy for people to leave reviews quickly. They may want to give you good reviews but won't be inclined to do so if it takes too long. Cultivate a one- to three-step process. Usually this involves a link that takes the user to the exact location, so all he has to do is select the star rating, write his opinion and push submit.

To encourage participation, you may want to include the link in e-mailed or texted invoices or payment receipts. When tenants have a good experience, they can simply click the link.

4. Create printed handouts. These can be very helpful for some customers and can also act as reminders for those who may forget to leave a review in the

Today's consumers are more educated than ever. They usually know what they want and research several options before deciding.



moment. They should be simple and not too large, maybe a postcard or half a sheet of letter-size paper. Give it to tenants when they visit your office or interact with you.

5. Respond to reviews. Answering posts, especially negative ones, helps people see the full story and builds trust. Customers who leave bad reviews often do so for ridiculous reasons, such as being reminded to pay their overdue bill. They get upset with you and go online to lash

out at your business. Though you didn't do anything wrong, take the high road and respond professionally. Address the situation and offer help or solutions. Remember, 30 percent of consumers say they judge businesses positively that publicly respond to their online reviews. This can have a big impact on whether a prospect rents from you.

6. Be consistent. I can't stress this enough. Once you have a plan in place

and train staff to execute it, keep the strategy going and you'll continually add reviews. Google in particular will take notice. Remember, too, that 77 percent of consumers think reviews older than three months are no longer relevant. Adding just one to three new reviews per month will put you in a very good place with your online reputation. It's also the best way to counter negative reviews. You're essentially drowning them out with a consistent influx of positive feedback.

Find Your Balance

You want to create a balanced marketing strategy, with even just a portion dedicated to online reviews. No matter how small the effort may seem, it can make a significant difference to your reputation. Reviews are here to stay and will grow in importance.

Create an effective strategy that's efficient for you and your customers. If you're consistent and diligent with your efforts, positive results will come. **ISS**

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ONLINE REVIEWS: IMPACT AND GOALS



All online reviews—positive and negative—impact the success of your self-storage business. To ensure you're attracting and not repelling customers, and to maintain a high ranking in local search, you must be generating and responding to these posts. If your facility doesn't have any online reviews or your average star rating dips below four, you may be scaring away new tenants and under-ranking in search results.

The Impact of Reviews

Having positive reviews really makes a difference for local businesses like self-storage. Native reviews on your Google My Business page help you attract new renters because they reflect consumer trust, which is a key ranking factor. Think of reviews as the new word-of-mouth marketing. They affect the overall user experience and click-through rate.

Reviews stand as one of the most important touchpoints along the buyer's journey. According to a survey from marketing firm BrightLocal, 57 percent of consumers wouldn't use a business with an overall rating lower than four stars. They read an average of 10 reviews before trusting a business and definitely consult reviews before making a purchase decision.

Reviews also have a big impact on your local search ranking. In fact, review signals, including quality, velocity and diversity, account for 6.5 percent of localized organic search-ranking factors, according to Moz, a software firm that specializes in search

engine optimization (SEO). That percentage increases to 15.4 percent within Google's "Local Pack," a section of search results that shows local businesses.

Moz also cites the quality of native Google reviews as being the second most important factor when it comes to competitive difference-makers, even ranking ahead of the domain authority of your website. Reviews have jumped in importance when it comes to increasing visibility for results powered by Google's Knowledge Graph, a system that understands facts about people, places and things and how they're connected. Positive reviews also help your website's SEO, including keyword and category association, content creation, and link generation.

How Many Reviews Do You Need?

You may be wondering how many reviews you need to achieve your desired ranking in local search. According to key findings from BrightLocal, top-ranking local businesses have an average of 39 Google reviews. Storage companies specifically have an

average of 17. Seventy-four percent of local businesses and 74 percent of storage companies have at least one Google review.

In general, businesses appearing in the top three local positions have an average of 47 reviews. Companies in positions seven through 10 have an average of 38. Research shows a correlation between higher local rankings and the number of Google reviews a business has. The average star rating from all industries surveyed is 4.4, with the average for self-storage at 4.3.

At a minimum, you should have 10 Google reviews, but aim for 17 to 39. While the number of reviews you need to increase your search ranking varies, it's best to consider review generation an ongoing part of your SEO and reputation-management strategy.

Best Practices for Responding to Reviews

Before you start answering reviews, it's important to develop a reputation-management strategy so all team members know how and when to

“While the number of reviews you need to increase your search ranking varies, it's best to consider review generation an ongoing part of your SEO and reputation-management strategy.”

respond. Decide who'll be responsible. If you have more than one facility, determine if each location should manage its own reviews or a corporate office should handle it. Then follow these pointers.

Find your voice. Work with your team to create a tone and response style that fits your overall brand, image and location. Keep your posts personal and human. Own up to your mistakes, but don't go overboard. You want to be able to respond without being too transparent or apologetic. Stay consistent to make the process efficient and your brand strong.

Respond to negative reviews appropriately. Knowing how to respond to bad reviews can be tricky, but it's essential. First, apologize and thank the reviewer for his feedback. Be specific and professional. You may want to continue the conversation

offline if the person is especially agitated. Regardless of the issue, keep your response short and to the point.

Don't ignore positive reviews. Include guidelines for responding to positive reviews in your reputation-management strategy. Thank reviewers for their feedback and invite them to do business with you again. Don't use generic, scripted responses. Refer to their review and highlight specific details that stood out. Responding to positive reviews reinforces the good experience. Potential renters reading reviews and responses get a feel for the customer service they can expect at your property.

Analyze engagement. Reputation management does more than maximize the revenue impact of online reviews. This valuable tool can also be used to highlight areas that need improvement and provide

insight to how to increase your social media engagement. Reputation and social goals should align with your overall sales and revenue goals with clear definition and purpose.

Reviews can't be ignored if you want to attract new renters, increase engagement and encourage return business. In the past, renters asked friends for self-storage recommendations. Positive word-of-mouth brought in new renters. In the digital age, reviews are the new word-of-mouth. They also factor heavily in your local search ranking. By developing a review-management strategy, your self-storage business can attract and retain new business. **ISS**

Contributor: *Celena Canode, G5, www.getg5.com*

How to *Leverage* Your *Online Reviews*



When it comes to online reviews from customers, there are a few strategies your self-storage business should be using. First, keep in mind you're looking for the user's point of view: why he picked your facility, what he liked and maybe even what he didn't. Reviews tell you a lot about your operation, good or bad. The items and issues customers mention are what's important to them. Your opinion doesn't matter—their does! Whether positive or negative, customer feedback can provide insight to and direction for your business.

Another factor that makes reviews so critical is they improve your search ranking. Google has switched its algorithm to weight qualified reviews for better placement on its map pack. This should also provide better search results.

With these points in mind, here are several key tactics to follow when trying to leverage online reviews:

Respond. Whether a review is good or bad, always strive to respond within 24 hours. This shows a level of engagement customers want to see, especially if they're "blasting" you on Google or other platforms.

Use keywords in your responses. When marketing specific aspects of your business (24-hour access, climate-controlled units, rental trucks, etc.), incorporate them. This not only aids future Web searches, it can help prospects learn about amenities they might not otherwise notice.

Showcase your strengths. If customer reviews frequently and positively mention a particular facility manager, showcase that person at open houses, in company videos, etc. If people mention how clean your facility is, highlight that bright spot through photos and maybe even a 360-degree video tour.

Quality and quantity are key. Think about your tendencies. A 4.7 average rating with only three reviews isn't nearly as credible as an average 4.4 rating with 85 reviews.

Be careful about incentives. Never offer to compensate a reviewer to change or submit a review. If Google catches on, you'll hate life.

Harvest reviews. Collect the feedback you receive online and never underestimate its value, even if it's negative.

Address negative reviews head-on. While positive reviews are easy to address, how you deal with negative comments is

key. Interestingly, studies have shown that 30 percent of the negative reviews are submitted by competitors. Be ready for this. I trust that those reading this blog wouldn't stoop to this level. I believe in karma ... So should you!

If a review is categorically untrue and you can't confirm the reviewer was or is a tenant, say it (tactfully) in your response. For example: "Mr. Doe, we're sorry about your negative experience. We don't show a record of you ever being a tenant at our location. As you can see, we receive many great reviews about our property and services. Please give me a call at [number], so we can find out where you rented and perhaps convince you to do business with us." Either the person won't respond or he'll call, in which case you can soothe him over and perhaps get him to amend his review. Either way, it's a win-win!

Remember, whether positive or negative, your online customer reviews can be leveraged to strategically boost visibility, promote messaging and engage your audience. **ISS**

Contributor: *Brian Byrd, Landvest Management, www.landvestmgmt.com*

Choosing Your Social Media Platforms

The self-storage industry is doing well, and facility operators have a lot on their plates! In fact, many of you reading this likely wear multiple hats: accountant, maintenance person, marketer, customer-service representative and many others.

When it comes to marketing, you want to prioritize and spend your time, energy and money where you'll receive the greatest benefit. Otherwise, you might waste valuable resources on initiatives that are unlikely to drive meaningful results.

Social media platforms can be a cost-effective, efficient way to attract new customers to your business. Before you invest, however, it's vital to understand which will garner the best results.

Your Goals

First and foremost, it's important to set your goals as they pertain to social media. Are you interested in driving more leads, or do you want to increase your trust factor so you close more potential sales that already come through your website? Perhaps you want to leverage social media for business development and new-deal sourcing. It's OK if you have multiple goals; just understand that each requires a different approach.

Bonus tip: *Does your company already have corporate objectives for the year? If so, tie your social media initiatives into your overall that overall strategy.*

Your Data

Next, look at your online-marketing data. Leverage Google Analytics, a free Web-analytics platform that's super easy to use. You simply insert a little bit of HTML code on your website, and Google opens a world of data you can use to improve your marketing! For example, I like to regularly examine my company's user-acquisition report, which makes it easy to drill down into social media. Google Analytics tells me the percentage of traffic we're driving from each platform.

Before beginning any new social media initiatives, I always look at this information

to understand what's working for us *right now*. If I'm already getting a ton of traffic from a particular network, I know where our strengths are; and I'm a tremendous fan of doubling down on strengths. If something is already working in my social media campaigns, I'll find ways to focus on and build that traffic source.

Each self-storage operation is different. One operator might have a great presence on Yelp, while another may truly thrive on Twitter. Rather than focus too much on competition, focus on what makes your business unique.

Bonus tip: *If you don't have a lot of marketing data for your business during a specific date range, simply expand it. It's even acceptable to look at historical data to help draw conclusions.*

Facebook, Twitter and Yelp

After looking at your marketing data, you'll likely discover that Facebook, Twitter and Yelp are driving the bulk of your social media traffic. From a user-acquisition standpoint, these are the big ones. I like having a presence for our parent brand, Smart Self Storage, and for each individual property in the portfolio across all three networks. I also make sure our profiles are well-optimized and include:

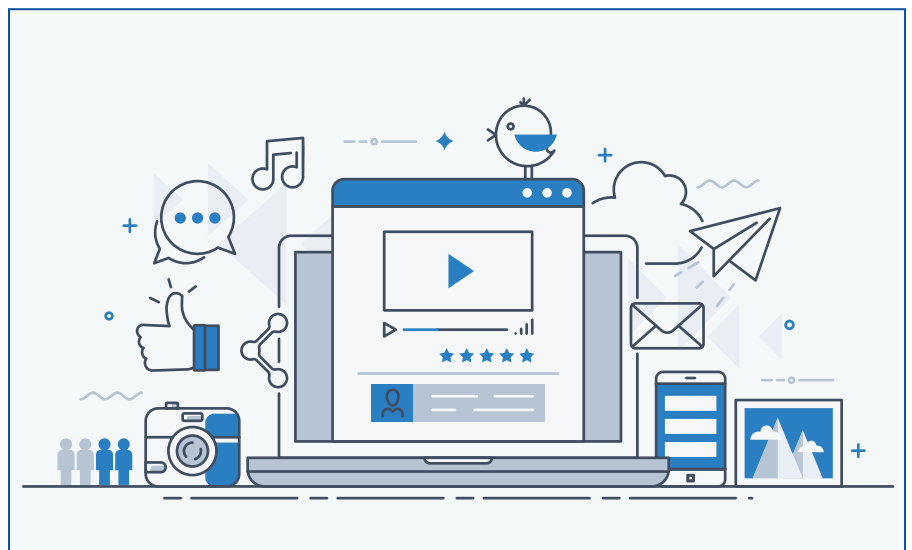
- Photo galleries with at least 20 images that express the look and feel of our facilities.
- Descriptive text that clearly outlines what our business is all about and how it's unique. Make sure you define your unique value proposition. It's should be different than others in the marketplace and leverage your distinctive offering.
- Regular, almost daily updates. On Yelp, we respond to reviews as they come in (positive and negative). On Facebook and Twitter, we leverage an application called "Buffer" to queue up and deploy content. Social media is real-time and must be managed that way.

Of course, you'll want to factor in your own data. If your business is super strong on Twitter, by all means double down there!

Bonus tip: *Yelp is incredible because it not only drives qualified leads but can increase your website conversion rate. These days, consumers are researching many competitors before making a purchase decision. Your prospects are checking your reviews before making their final choice, and great ones will help you close more sales.*

Instagram, Pinterest and Snapchat

If you work for a larger self-storage company—say, a real estate investment



trust or regional operator with 50-plus facilities—or you just love marketing and testing new concepts, it may be worthwhile to build a presence across Instagram, Pinterest and Snapchat. It really comes down to resources and passion. If you have a dedicated marketing team or social media staff, these platforms can totally make sense.

From my experience, they drive fewer leads but are growing rapidly. We've created Instagram and Pinterest profiles for some of our properties. That said, we're lean on resources, so we don't spend too much time on these platforms.

Bonus tip: *Social media can increase employee morale. The main reason we have a presence on Instagram is one of our staff members has a true passion and expert-level knowledge on this platform. We let him run with his ideas and build our strategy, which works out wonderfully. Sometimes, to truly empower, motivate and leverage your best employees, you'll want to venture into networks that offer a bit less upside. It's a great long-term marketing investment.*

YouTube

At my company, we've created a drone video for each of our facilities so

prospective customers can get a feel for our properties. We host these on YouTube for two reasons:

- It's the second-largest search engine behind Google. We get discovered via our videos!
- YouTube offers a cost-effective (free) way to embed video. Including videos on your own website is an amazing way to leverage social media while increasing your customer conversion rate.

Think about it from a consumer's point of view. If he's trying to decide between two self-storage facilities, the one with the helpful video may likely win!

Bonus tip: *When you upload videos to YouTube, craft a detailed description that contains all your facility contact information. Leverage YouTube's tags and custom thumbnails, too!*

LinkedIn

Let's say you're more on the business development side of things. You're interested in networking, finding land to build self-storage and doing deals. LinkedIn is the network for you.

Throughout my career, I've spent a tremendous amount of time on my

LinkedIn profile. I keep it up-to-date and upload items from my work portfolio. I've even written blog posts native to the platform. My hard work has always paid off handsomely. By marketing myself on this website, I'm more connected to the entire self-storage industry.

Bonus tip: *Only ask to connect with people you actually know. Be thoughtful and craft custom messages. That way, the recipients are more likely to remember who you are and accept your invitation.*

Bring It All Together

When it comes to social media, there are so many opportunities—even more than I was able to include in this article. I imagine some of you are already feeling a bit overwhelmed, so I want to conclude with a note on efficiency. If you have limited marketing resources, I suggest focusing on LinkedIn, Yelp and YouTube. With these three, you can cover user acquisitions, conversions and business development. I wish you tremendous success with your social media this year and beyond! **ISS**

Contributor: *Ian Lopuch, Carlo Development LLC/Smart Self Storage, www.smartselfstorage.com*

6 Steps to Social Media Success

Digital has become an integral part of every self-storage operator's modern marketing strategy. An important part of digital marketing is those all-important social media channels, with their incredible audience reach and diverse content driven across multiple platforms.

So, how do you manage your facility's social media accounts to maximize their benefits, namely communicating with your target audience and building your business? Consider these six steps.

1. Identify Your Audience, Choose Your Platforms

First, who is your audience and on what social media channels do they engage?

Make sure you're using the right mediums to connect with your target demographic.

Next, cut any channels that involve time and investment but don't have much reach in terms of your desired audience (more on how to know this below). Concentrate your efforts on the right platforms, and then you can proceed with your content strategy.

2. Build a Brand Persona

An important step in successful social media marketing is to build a brand persona, one that isn't always seeking to make a sale. Your goal is to build a relationship with your audience, and that requires actively engaging them through an authentic voice that truly speaks to their interests and needs.

This takes careful pre-planning and execution. Your brand persona must permeate all elements of your business. You can't afford to be inconsistent with your voice or message.

3. Involve Everybody

No one person or department is responsible for your social media success. Sure, the marketing team may have primary responsibility; but to have an effective online presence, you need buy-in and occasional contribution from everyone. Ensure tasks are divided through your workflow systems. This will be made considerably easier in the next step.

4. Use a Scheduling Tool

This makes social media marketing simpler because you can automate all your activities, ensuring you save precious time and resources. With a scheduling tool, you're able to map out your content for the week, which allows you to post automatically at the time you select. Not only does this save time, it brings consistency. You'll still need to respond to audience questions, but in terms of content creation and posting—even across multiple accounts—this can be the answer to your prayers.

5. Regularly Audit Your Practices

Perform regular reviews of your organization's social media practices and involve everyone who has a connection to your accounts. Also, think about expanding that base. You want a broad cross-section

of employees to play an active role on your social channels.

Find out what can be improved, and regularly check what your competitors are doing. Likewise, look at what's trending in the world at large and then link it to your business. This is an incredibly effective way of reaching out to an ever-wider audience.

6. Use Analytics Tools

Setting up your social media accounts and schedule, diversifying your content, reviewing your approach, and keeping tabs on the competition won't amount to much if you fail to analyze results. There are loads of tools at your disposal that can easily show how your intended audience is engaging with your digital marketing, particularly on social media channels.

How many engagements is your average post getting, and what content is getting the most attention? You can use this detailed information to make informed decisions about where to take your social media approach in the future and how to maximize your return. These results should be the basis of everything you do on social media, so don't neglect this essential element.

With savvy management of your social media content, your self-storage company will thrive long into the future. Just make sure you know your audience and to what they respond. Change with the times and always be aware of what's trending, especially within your industry. **ISS**

Contributor: Aimee Laurence, EssayRoo, <https://essayroo.com>



Making FRIENDS and FANS on SOCIAL PLATFORMS

So, you've created a Facebook, Instagram, Twitter or other social media account for your self-storage brand. Now what? How can you use these platforms to communicate with existing customers and entice new ones?

When it comes to getting our message across on social media, there are three rules of thumb. While you should keep these in mind, you can also tailor them to your brand's style, rules and regulations.

Rule 1: Say What You Mean and Mean What You Say

It's important to stand by your posts. To gain the public's respect (and following) you must mean what you say and say what you mean. This might seem like a simple task, but it requires a bit of foresight.

When writing a post, ask yourself: "Are there different ways this statement can be interpreted? Should the words or phrases be changed so there's less confusion?"

Read your posts as if you know nothing about your self-storage company or the services you provide. Be as specific as

possible when needed. And, if you make a mistake and it gets caught, honor it. You can update the post and make any adjustments after the fact. Which brings us to the next rule of thumb.

Rule 2: Never Argue

Everyone is entitled to his opinion, so let it be. We're human and we make mistakes. Admit when you've messed up, then update the content and move on. Don't try to hide or deny it. You never know if someone has a screenshot. The Internet can be an unforgiving place, so tread carefully when it comes to negativity.

If you do find yourself in an online battle, be polite. Try to steer the conversation offline by providing a phone number or e-mail and ask the person to contact you to further discuss the problem. Don't continue to engage online, as things tend to escalate quickly and you might find yourself in quicksand.

Rule 3: Proofread Your Content

Don't just slap something together and hope for the best. This includes

checking your posts for grammatical and spelling errors.

This is also true for images you plan to post. Take the time to edit, crop and adjust them so they look professional-ish. You don't have to spend hours removing every imperfection, but you should at least have crisp, clear images, cropped if necessary. If you don't have the funds for photo-editing software, look online. There are some free versions that might suit your needs. You can also find royalty-free images or even buy stock photos. A note of caution: Double check the usage licenses on images before you use them.

Remember, the Internet is a vast and wondrous place. Know who you are and how you want to be represented, and then go out and craft that post or image for the public. Tell them your story and why they should be a part of your inner circle. Making friends and fans online is pretty easy as long as you're honest and entertaining, remain professional, and *always* use spellcheck! **ISS**

Contributor: Mohala Johnson, Tellus Development LTD, www.tellusltd.com



Content-Marketing Mistakes to AVOID

Content plays an important role in the digital age. One look at Google's 164-page Search Quality Guidelines proves how closely connected it is to the search giant's rating and ranking system. If your content isn't pushing your self-storage company to the top of search results, you're likely losing many potential renters.

If you take time to catalog the amount of content on your website, in your social media posts and throughout your marketing materials, you'll notice it has its fingers in every piece of your company's digital pie. Make sure each all this content reaches its full potential by avoiding the following three common mistakes.

1. Failing to Know Your Audience

How can you produce quality content that resonates with your customers if you don't understand who they are, their interests and the questions they ask about self-storage? Creating relevant content that moves people through your sales funnel requires a deep understanding of your target demographics.

Some of the best resources for learning more about your audience are reports from Google Analytics, Facebook and the other social media platforms your company uses. These contain everything from your audience's average gender, age and habits on social networks to the knowledge they're seeking as they enter your website. Take time to comb through these reports and build personas for each of your target markets. That personalization will allow you to focus on specifics and create messaging and solutions you might not otherwise find.

2. Failing to Tailor Content to Your Sales Funnel

Adjust your content to each stage of your sales funnel. If you use pushy sales language too early, you'll likely lose

potential customers because they haven't had the opportunity to build trust in your operation. On the other hand, if you forego a clear, compelling call to action (CTA) until too late in the process, you'll likely lose renters due to confusion or lack of urgency. Consider the following:

Awareness. Content plays a vital part in the awareness stage because it acts like a digital billboard or a virtual handshake, welcoming consumers to your brand. This might come in the form of a catchy Facebook advertisement or a well-written meta description that perfectly fulfills a Google search. Your content at this stage should be all about brand awareness and capturing your audience's attention.

|||||

“ Creating relevant content that moves people through your sales funnel requires a deep understanding of your target demographics.

Interest. According to market-research firm Forrester, 82 percent of customers will view five or more pieces of content from a company before moving down the sales funnel. The interest stage is your time to shine as an expert in self-storage and related topics, not to sell your products. Anticipating intent and providing knowledge and help before the consumer knows he

needs it is a great starting place for content creation. For example, you might provide a checklist of essential moving supplies as a free download, or write a blog about how to store sentimental items safely in a storage unit. Content at this point should be engaging and educational.

Decision. Content marketing should be at its most compelling during this stage because the consumer is ready to rent and likely choosing between multiple options. You want your company to get the sale, so now's the time to strategize how to secure it through special offers, well-placed testimonials and reviews, and a clear CTA for consumers to rent, reserve or call.

Action and retention. Your educating, compelling content helped secure a new renter's business, so your marketing strategy is finished, right? Wrong! Content marketing is essential in the action stage because it furthers customer loyalty and retention. Your strategy going forward might include informative monthly newsletters to current customers, videos walking them through proper storage techniques, exclusive content and downloads, and more.

3. Failing to Invest in Specialized Support

Content marketers not only help you bring in new revenue but retain current renters to build a loyal customer base. If your company doesn't have the capacity to take on its own content marketing, consider investing in professional experts who have a deep understanding of the self-storage industry and its digital marketing strategies and trends. They can help you avoid these marketing mistakes and be a priceless resource in the future of your business. **ISS**

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The WHY and HOW of VIDEO MARKETING

In this digital age, it can be difficult to decide where to invest your time, money and focus regarding marketing tactics for your self-storage business. One avenue you're likely hearing a lot about is video, but perhaps you have questions. Will it really bring new revenue to your business? What type of video should you be making? How do you start using it, and where should you promote it? How do you know if your efforts are paying off?

If you're skeptical about video marketing, have no fear. Read answers to your burning questions below, including why you should embrace video and how best to use it.

Why It Matters

In video marketing, business operators create 30-second to 5-minute posts on specific topics. The content is uploaded to various video-sharing platforms for distribution and exposure, including YouTube, LinkedIn, Facebook and others. According to marketing firm Renderforest, nearly 80 percent of global Internet consumption this year will be video.

Video marketing is the ultimate connector! It can be used to build great relationships with potential customers and the community. It helps companies bridge the gap from being a faceless organization to a team of real people with feelings, passions and skills.

Have you ever Googled or driven by a business and wondered who works there or what the building looks like inside? Video marketing creates a visual that answers those types of questions. It can put you, your facility and your business story into a moving frame for people who can't physically be where you are.

Picture in your mind an open field that goes on for miles. It's early morning, and off in the distance are 100 hot-air balloons firing up to fly into the sky while the sun rises. Do you see it? I just transported you! Video marketing has the same kind of power. It allows you to capture and share a moment someone otherwise would have missed. It can connect your facility with tenants and bring them exactly where you are. Businesses that use it grow their revenue 49 percent faster than non-video users, Renderforest reports. Video marketing creates an experience for your potential renters, helping you build a new revenue stream.

Video Types

With so many options for video marketing, you might be wondering what will work best for your self-storage business. There are more than 15 types, according to Uscreen.tv, which offers a platform for creating on-demand video. Let's go over three basic ones with which you should start:

- **Awareness video:** Bringing awareness to your facility is the most valuable result of video marketing. Think of it as the heartbeat of your business. First and foremost, you must get on customers' radar. Typically, this type of video attracts the most people and gets the most views. An example would be a "Meet Our Team" video.
- **Engagement video:** This plays off viewers' emotions. Videos that engage your audience are typically the ones that get the likes, shares and comments. They might make your viewers laugh or even bring a tear.
- **Education video:** This should inform prospective tenants about what sets you apart from other facilities in the area. For example, it might explain how to store a one-bedroom apartment in a 10-by-15 unit or how to protect belongings while they're in storage.

Creating Quality Video

Now that you know the types of videos to create, let's discuss some aspects of production. First, keep in mind where your video will be seen. Content should be easy to watch and hold the viewer's attention. Self-storage is a life industry, so an example of a great video might be one that shows a tenant using your facility through all the stages of his life. This not only helps connect you with tenants, it helps them visualize themselves using your offering in various situations.

When it comes to length, shorter is better. The average adult attention span is about 12 seconds, according to communication firm Cision.com. Don't let declining concentration kill your video-marketing efforts! Keep your content short, engaging and to the point.

Now, let's talk about music. This is a powerful tool when it comes to video

“ Video marketing helps companies bridge the gap from being a faceless organization to a team of real people with feelings, passions and skills.

marketing. Many Fortune 500 companies use it to evoke emotion, hold customer engagement and even increase sales. When have you ever heard “Don’t Stop Believin’” by Journey and not sung along or smiled? Bottom line, music can take your video to the next level.

Finally, give your video an exciting, provoking title. This will make it more clickable, engage a broader audience and gain more exposure for your content.

Where to Promote

If your business isn’t using social media, it should be! These platforms can help any company succeed. Marketing firm Hootsuite reports 69 percent of U.S. adults use at least one social media site. That’s a huge piece of the pie you could be missing

if you don’t have a profile on sites such as Facebook, Instagram and Twitter.

More than 500 million hours of videos are watched on YouTube each day and 45 percent of people watch more than an hour of Facebook or YouTube video each week, according to advertising firm Wordstream.com. If your goal is to have your content be viewed, putting it on YouTube and Facebook is the way to go. You can also host live videos on these websites, bringing your tenants right into all the action!

Tracking Results

After all this hard work, you’ll want to make sure your video marketing is working, but how? There are a few helpful websites that make it easy to track results. For example, there’s a popular tool available

from social media-monitoring company Brandwatch that allows you to see what campaigns are adding value to your brand awareness in a meaningful way. Clicky Web Analytics is another tool you can use to track demographics and live activity.

Whenever you start something new like video marketing, practice makes perfect. Try a few styles, post them to your website and social media pages, and then track your results. Video is a proven way to boost online traffic, rank higher in online searches and bring in new customers. Make sure it’s a part of your self-storage marketing plan. **ISS**

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Using Video Content to Promote Your Business

Online video has quickly become a key component to online content strategy for businesses, and the trend is expected to continue. By 2021, videos are expected to comprise 82 percent of all Internet traffic, according to Cisco’s Visual Networking Index forecast.

With the prevalence of video content poised to increase, it makes sense for self-storage operators to leverage this content to connect with customers and promote their facilities. Let’s discuss the value of using video as part of your marketing strategy and how to make the most of it.

Video Value

Studies have shown the average Internet surfer spends 88 percent more time on websites that contain video, which is

probably why 51 percent of marketing professionals identify it as providing the best return on investment of all content types. Furthermore, Millennials—an ever-growing segment of the self-storage customer base—watch the most video. What facility operator wouldn’t want prospective tenants to spend more time on their website as they decide on a provider?

My company has witnessed firsthand the value video can provide. Since posting about 10 videos promoting our self-storage facilities in August 2018, we’ve received more than 2,000 views from Web visitors, some of whom have walked into our stores and mentioned that they watched the content online.

Deciding on Content

Before you start a video project, decide on your content goals. Think about your target audience and what action you want them to take after watching. There’s no limit to the types of video you can create to promote your self-storage facility, but most industry video falls into one of three categories:

- **Educational:** The goal here is to teach the viewer about aspects of your operation. Common examples include guidance on unit sizes or

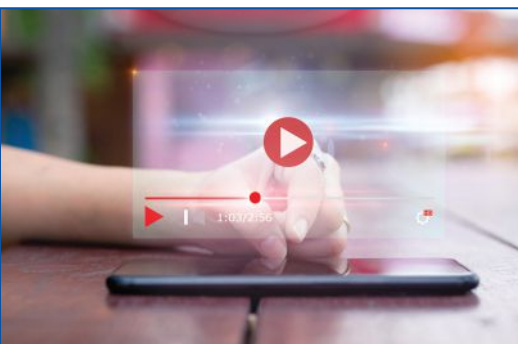
specialty services such as wine storage. Educational video should be directed toward potential customers who are just beginning their search for storage and may not yet be ready to rent.

- **Facility tours:** Discuss your facility’s features and benefits. These videos commonly include drone shots or a combination of drone and walking footage. A virtual tour really gives you the opportunity to show off what’s unique about your property. It should be aimed at potential customers who want to see your site before renting.
- **Customer testimonials:** Arrange to film current or former tenants discussing why they recommend your business. These videos help create trust with the viewer, so they should be directed toward prospects who may be on the fence about renting from you.

Each of these video types can help drive more tenants to your facility. They reach prospective customers at different stages in their decision-making.

Video Creation

When it comes time to make a video, you can either pay a company or freelancer to shoot and produce it for you, or you can



film it yourself. There are plenty of local production companies or professionals willing to come up with a concept, write the script, bring in their equipment and do the editing. Just bear in mind this comes at a price. The cost to have someone produce a video can run from \$300 to more than \$5,000, depending on the complexity and services required.

While producing video yourself is cheaper, the finished product likely won't be as polished than it would if you outsourced. It takes time to learn how to make a quality product, but you can

purchase basic camera equipment and a consumer drone for about \$500 to \$1,000. Once you own the gear, the videos will just cost your time to produce them. This savings can make doing it yourself an appealing option.

Where to Post

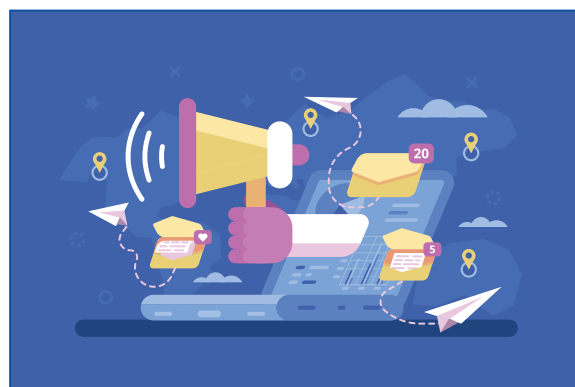
Once a video is created, you need it to be visible. Post it on your facility website, social media accounts, etc. If you have a Web page that discusses drive-up access to units, an educational video illustrating this feature would make a great fit. Facility

tours and customer testimonials make great additions to any Web page.

Watching videos online is continuing to grow in popularity, especially among Millennial shoppers. It makes sense to up your ante in trying to attract their attention, so have some fun and get visual with your online content. Follow these tips to take advantage of the opportunities video provides to promote your self-storage operation. **ISS**

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A Guide to E-Mail Marketing



E-mail marketing is everywhere. It's used in every industry to drive sales and build brand awareness. Eighty-five percent of U.S. Internet users have an e-mail address, according to data-marketing company Statista, making e-mail an ideal platform for communicating with your existing and future self-storage customers.

Lead generation and conversion are critical in any successful storage operation, and e-mail marketing is a great tool for this purpose. It allows you to gently remind people that you exist. Sending well-designed, mistake-free messages will create brand awareness and present your facility as professional, active and well-run.

If yours is a small operation with limited marketing resources, consider investing in e-mail marketing. E-mails are 40 times more effective than social media in helping a business acquire new customers, according to consulting firm McKinsey & Co. They're also a great way to target customers who aren't active on social media. Campaigns can even be accomplished for free or at a low cost through platforms such as AWeber, Constant Contact and MailChimp.

But what makes a good e-mail? How can you encourage tenants and prospects to open and read your messages? People respond to creative, well-planned campaigns. Let's talk about how to create an e-mail list, what your messages should include, when to reach out to customers and more.

Building Your Lists

Are you collecting e-mail addresses from all existing tenants? If not, start now. You can request them when new customers sign their rental agreements. If you're missing addresses for current customers, reach out via phone or mail to update their file. Compile the e-mails into a spreadsheet for easy organization, and update the list frequently, adding new addresses as necessary.

Create a separate e-mail list for *potential* customers. While it may seem more challenging to gather these contacts, it really isn't. There are many ways to get this valuable information. You can collect e-mails over the phone or through a "contact us" link on your website. When someone stops by the office or reaches out to you via social media, ask for an

e-mail address where you can send the information they seek. Again, keep the list updated. Move people from this one to "current tenants" when applicable.

Don't send the same e-mail to everyone whose address you've collected. Keep your list of prospects separate from renters to ensure you aren't bombarding anyone with irrelevant messaging. Failing to separate your lists can lead to opt-outs (people who unsubscribe), damaging the power of your marketing reach. You don't want your messages to be taken as spam.

Note: Always respect a person's request to be removed from your mailing list. Your recipients can unsubscribe any time and nobody is obligated to open your messages. Remove the address and don't re-add it without the customer's consent. Not only is it rude, in many cases, it's illegal.

Creating Effective Content

So, you've got your lists. Now the fun begins—writing and designing! Open your preferred e-mail platform and use a template. You can design your own messages, but templates are great for beginners. Add your logo and edit the content to match your facility branding.

First, having a clear message is key, and don't ever send an e-mail without a purpose. Timing is everything when it comes to e-mail marketing. Use it sparingly. Wait until you have something exciting, important or valuable to share. Are you running a new special? Hosting an event? Do you have a property feature, product or service to unveil? These are the perfect times to send a captivating message.

Second, don't fall prey to common beginner's mistakes. For example, don't send a message every day, which is too frequent, or even every holiday. Not everyone celebrates the same things. By sending holiday messages, you may unintentionally offend some recipients.

Next, consider your audience. We spoke earlier about separating your current and prospective customer lists. Within those might be smaller segments. Let's say your key market is college students. The kinds of messages in which they'd be interested will be different from those you would send to a community of retirees. You want to send offers and information to which they can relate, such as student discounts, or deals for referrals, or tips on how to

choose and pick the right unit for storing dorm-room contents during summer.

Once you've decided on the key intent of your message, make the gist clear in the e-mail subject line. You can get a bit cheeky, but don't get so creative that recipients don't understand what's in it for them. People are more likely to open e-mails that look like they provide services or information, whether it's a change in hours, a referral discount or something else entirely.

Finally, think beyond text. Multi-media content increases page views by almost 94 percent, according to communications company PRNews Group. Whether you have photos, videos or gifs, create an e-mail that engages readers and helps them understand your brand. Customers feel good about supporting small businesses and love seeing pictures of employees and community involvement.

Using Data

Earlier, I mentioned AWeber, Constant Contact and MailChimp, which are great, low-cost, easy-to-use e-mail platforms. Their analytics capability is huge reason why I recommended them. Most e-mail marketers

can track who opened your messages, how often and from where. This data can be invaluable as you develop your "voice" and learn what works best for you and your audience. Over time, these platforms will help define your audience segments and allow you to tailor e-mails to certain groups.

Don't be deterred by what you believe to be poor open rates. Every industry and market will be different. Across the real estate industry, the average e-mail open rate sits at about 20 percent. That's a decent goal. It may not seem like much, but getting 20 percent of an audience to open your e-mails means your content is working!

Do you feel ready to send a great e-mail announcing your longer operating hours, new security features or online rental tool? Go forth! Create a message, captivate customers and gain new business. Add your logo and brand colors to make it your own. When used effectively, e-mail marketing might just be the secret to filling your empty self-storage units. **ISS**

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Advanced Marketing Technology and Brand Position

Get ready ... We're at the top of the self-storage real estate cycle. As competition increases, we're starting to see markets soften, rents decline and advertising costs rise. Despite relatively steady demand, the surge in supply has left some facility operators struggling to turn a profit and surpass their competitors. To stay ahead, you'll need more efficient ways to acquire customers.

Now's the time to adopt new marketing technologies! You must turn your attention to building your brand, connecting with prospective renters and bringing them to your business. Luckily, you have immediate, front-row access to new customers through the Internet. Innovative technology is here, and blending it into your marketing can help you maximize SERP (search engine results pages) and SEO (search engine optimization), understand and directly target consumers, drive digital leads, integrate

data-tracking artificial intelligence (AI) and advertise dynamically.

These strategies will ultimately reach and convert more self-storage prospects, helping you outpace competitors and build a positive presence. Even better, it can be done at a lower cost than what you're paying to do now. Following are ways new marketing technology can help improve your brand positioning and increase marketshare.

Meet Customers on Their Terms

The buyer's journey has changed. With endless amounts of information available at the click of a button, consumers now only pay attention to relevant, hyper-personalized and accredited information. Seventy-three percent of clicks originate on mobile devices, giving brands just nanoseconds to make an impression. This makes dynamic advertising vital to

audience reach. Dynamic ads update and maintain campaigns in real time, customizing content for each user so he sees the most relevant ads first.

The self-storage audience is diverse. In the coming years, three demographics are expected to comprise a large portion of the industry customer base: Baby Boomers, Millennials and Generation Z. Baby Boomers are reaching retirement age and looking to downsize, while Gen Z is just graduating college and moving into trendy, urban living environments. With multiple generations seeking storage units, a one-size-fits-all marketing strategy just doesn't work.

Digital advertising solves this problem by tracking individual data and automatically pinpointing with specificity the channels and media that result in the most efficient marketing spend. This helps you target the most qualified leads and avoid investing in advertising that misses half the audience.

Build Your Brand, Protect Your Reputation

Occupancy tunnel vision often makes self-storage operators forget that marketing is also about creating demand and building a brand. A hyper-personalized digital experience is what customers want and expect. It serves their need for relevance and immediacy and adds lifetime value to a brand's online presence.

With mere micro-moments to appeal to a user's interest, local, targeted advertising again comes into play. SERP entries with local ties can have an impact. Company reviews can show up directly on your Google My Business listing, with prospects placing increased reliance and trust on others' experiences and opinions. Ninety-one percent of marketers agree that Google reviews have a major impact on local rank, with the power to destroy a brand's reputation. Monitoring and engaging in the conversation surrounding your company can help identify problem areas and prevent damage to your public standing.

Adjust Dynamically

By leveraging smart technologies, marketing campaigns can be efficiently managed based on inventory, market and

location in real time. According to 2018 Google research, more than 60 percent of consumers expect brands to provide them with the information they need when they need it. This starts with ensuring customers are always given the most up-to-date information. Outdated business listings result in a loss of trust, and old pricing quotes, if listed online, will mislead and ultimately frustrate prospects, resulting in lost business.

As the customer journey becomes more complex, AI and machine learning are expected to play a larger role in digital marketing. The use of such technologies provides the ability to efficiently connect and unify data from disparate sources, automate data models to scale and mature, and shrink optimization cycles.

However, even the most applicable, hyper-personalized information can be dismissed with slow page speed. A Web page that takes five or more seconds to load is 90 percent more likely to be abandoned compared to one that loads in a single second. Companies must create mobile-first websites that load quickly and scale across devices. Regardless of generation, location or price, consumers expect instant information, and marketers are constantly under pressure to speed



up website load time to reduce the risk of consumers bouncing to competitor sites.

Instead of mass producing and abandoning your digital advertising efforts, focus on meeting each customer in the mere micro-moments prior to click-through. To stay competitive in a market of unbalanced supply and demand, you need to be present at every touchpoint along the customer journey. Human efforts and interactions are no longer competing against advanced technologies for results. Instead, effective self-storage operators will focus on how to leverage next-generation tools to outpace competitors. **ISS**

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How to Track Your Marketing With ANALYTICS TOOLS



Are you interested in growing your self-storage business but aren't sure where you should be spending your marketing dollars? You aren't alone. Most owners struggle with getting a clear picture of the best way to allocate their budget.

At the end of the day, marketing best practices are evolving too quickly for most self-storage operators to keep up. It seems like every other week Google is pushing a new update that totally flips the industry on its head. What worked yesterday carries no guarantee of working today. Considering the countless directions in which you're pulled daily, finding the time to keep up with current marketing strategy can seem like an exercise in futility.

But it doesn't have to be. Unbeknownst to many, there are free and reasonably priced analytic tools available to help with decision-making. Following are important

considerations for tracking your marketing, and how to use the best tools to improve your return on investment (ROI).

Defining Success

The data you track is only as good as the value it adds to your business. In other words, it's important to clearly define your objectives before gathering information. For example, while new brands may value awareness over everything, more established brands are usually more concerned with lowering customer acquisition costs or increasing conversion rates. Defining the results that most directly benefit your business is a critical consideration in planning a marketing strategy.

When it comes to marketing, success can be measured in a variety of ways, including but certainly not limited to:

- Social media engagement
- Social media sharing
- Newsletter sign-ups
- Sales appointments
- Online reservations
- Website visits

It's easy to see why it's important to develop a clearly defined picture of achievement and the benchmarks along the way before you even start to track your marketing. After establishing what marketing success looks like for your storage operation, it's time to begin looking at ways to track progress. Two of the best free analytics tools are Google Analytics and Bing Webmaster Tools.

Google Analytics

If you're spending money on online ads or digital marketing and you don't have this

set up, get on it immediately. Even if you aren't running ads or campaigns, it's still the best free tool available for business owners looking to track the success of their efforts. Along with its sister platform, Google Search Console, Google Analytics offers insight into a website's:

- Organic search rankings
- Visitor demographics
- Peak browsing times
- Sources of traffic
- Conversion rate
- Traffic volume

As you can probably guess, tracking these metrics is the most important part of accurately measuring the success of your marketing strategy. Among many other things, information provided by Google Analytics can help you analyze the effectiveness of campaigns and ads in driving traffic to your website and the effectiveness of your website in converting that traffic to leads and customers.

Beyond anything else, tracking site traffic volume, traffic sources and visitor demographic information is the best way to measure the effectiveness of a marketing campaign. This data is available on your Google Analytics homepage. Looking for a visible spike in traffic during and after a marketing push is the best way to know if a strategy was successful. This is especially important for campaigns with any sort of paid promotion involved, such as a Google ad.

Beyond raw traffic volume, it's also important to track the demographics of your traffic to make sure your website is attracting your ideal target audience. This section of your Google Analytics account can be found in the "audience tab," on the left-hand navigation menu. It provides valuable demographic info including age, gender, interests, location and frequency of visits.

Along the same lines, it's also important to keep an eye on the sources of Web traffic. This information can be found on the main page of Google Analytics, with a more detailed version available upon clicking the link titled "acquisition report."

Google Analytics breaks down site traffic based on the platform that led visitors there (i.e., Bing, Facebook, etc.). Before equating a spike in traffic to a job well done, it's important to verify it's actually coming from the platform used to execute a specific campaign. If the majority of traffic isn't coming from that platform, it's time to adjust your strategy.

You can also use this data to plan future campaigns. Rather than shoot in the dark in hopes that a campaign will stick, it's better to look at current organic traffic sources and direct most of your marketing spend to that channel or platform. If you're interested in learning more about how Google Analytics can help you track your marketing efforts, Google offers a free introductory course. Look for it at <https://analytics.google.com>.

Bing Webmaster Tools

These are essentially Microsoft's version of Google Analytics. They offer the same great insights for traffic coming from Bing and Yahoo. While many business owners write Bing off as unimportant, this couldn't be further from the truth. A recent study by database company Statista estimates 25 percent of all search queries in the United States occur on Bing. The fact that many business owners aren't using Bing Webmaster Tools presents a great opportunity for those who do.

It's much easier to rank for a keyword on Bing than it is on Google. If you're ready to take your tracking to a new level, Bing offers a free guide to help you get started. Look for it at bing.com.

Additional Resources

Below are other useful websites you should consider for tracking your marketing efforts and planning your strategy. Some are completely free while others offer limited services at no cost, with expanded programs at various price points.

Mailchimp. If you're using e-mail marketing to promote your self-storage facility, you need this. Designed to automate e-mail marketing, MailChimp helps marketers efficiently send out mass messages. This platform also tracks performance and offers useful insights to the best time to send, subject lines winning the highest open rates and campaign conversion rates.

Facebook Blueprint and Instagram/Facebook Insights. These native tools are built directly into the social media platforms and are especially helpful for storage operators interested in executing paid ads. Not only do they offer some great insight to how campaigns are performing, their advanced targeting and A/B testing capabilities help users plan future strategy based on real data.

Hootsuite. This is another great free tool for operators engaging in social media marketing. In contrast to the paid-ad focus of the native Facebook and Instagram tools,

Hootsuite focuses more on benchmarking organic social media marketing. This platform can help users schedule automated posts at future dates, along with providing useful information into how posts and hashtags are performing, and ways to improve that performance in the future.

Console Rocket. This works in tandem with Google Search Console to provide a much more comprehensive picture of a storage facility's online visibility. It does this by finding and tracking all the keywords a site is ranking for on Google. This helps you steer your marketing strategy, both by benchmarking organic growth from current campaigns and identifying keywords to include in future blog content and site copy.

Ubersuggest. Like Console Rocket, Ubersuggest is designed to help business owners get a better picture into keywords driving their organic growth. Where this platform differs is in its ability to also track the progress of competitors, offering insight to their strategies and the keywords driving the most traffic to their sites.

Paid Tools

All it takes is a Google search for "marketing tracking tools" to realize the number of options available is overwhelming. That said, many of these options have overlapping functionality and only a few are truly worth the investment for a self-storage operation. In the interest of keeping things actionable, the following represents the best "one-size-fits" all solutions available today.

If you only have the budget for one paid tool, your best bet is probably SEMrush. Essentially an all-in-one marketing tool suite, it can help you track almost every imaginable digital-marketing activity, from paid ads to organic growth campaigns and social media campaigns. It also has a solid social media scheduling tool with built-in analytics and a number of other free tools designed to help track everything from the marketing strategy of your competition to technical issues negatively impacting your website's marketing reach.

A few other full-stack marketing suites with similar abilities to SEMrush include:

- Moz Pro
- Majestic SEO
- Ahrefs
- Spyfu

Despite there being hundreds of other options, any one of these tools should be more than enough to cover the tracking needs of most self-storage facilities.

Maximizing Your ROI

Now that you have a good understanding of the best tools for tracking your self-storage marketing, you can start using them to increase your ROI. The more you understands the effectiveness of various marketing strategies, the easier it becomes to identify the option with the best return.

As you can imagine, a business with a \$31 average customer acquisition cost using Facebook and a \$19 average customer acquisition cost on Google Ads should be spending most of its marketing budget on Google. Similarly, a website with the majority of traffic coming from organic sources would be better off investing

in new blog content, social posts or a site-copy overhaul. While there are many ways to market a self-storage facility, the key to success is finding the path that works best for your business. **ISS**

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3 Ways to *Freshen* Your Marketing Plan

If you've been having less than stellar success with your self-storage business advertising, now's a great time to freshen your marketing plan. Here are three ideas to ensure you're on track to reach your goals this year.

1. Start Tracking What You're Already Doing

If you're a spreadsheet nerd, then you're probably already nailing this. If not, get organized and start tracking all your marketing spending as well as its return on investment (ROI).

What gets measured, gets managed. If you're working with a small budget, it's even more important to track every dollar, lead and new customer coming in through your various marketing channels. If business is low overall, don't paint with a wide brush. Rather, try to find out *exactly* what marketing sources are down and dig into the different elements to see where you can make better decisions.

If you aren't already, one of the biggest things you should start tracking is customer lifetime value (CLV). This tells you the value of each tenant based on how long he rents from you and the price of his unit. For example, if he pays \$100 per month and rents for a year, his CLV would be \$1,200. CLV is extremely important because as it increases, so does your overall marketing ROI. You want to spend your marketing dollars on leads with the highest potential CLV and avoid filling your units with tenants who rent at a low rate—like a \$1 move-in special—for a short time.

2. Focus on Customer Reviews

It seems like online reviews just keep growing in their marketing power, and they're just as important as ever in 2019.

Never underestimate the power of online word-of-mouth on Google, Facebook and Yelp. During your busy season when you have many new rentals, focus on getting as many high-scoring reviews as possible. Then, during the slow winter season, focus on asking current tenants to for reviews, responding to negative ones and managing old review scores.

Bringing in more reviews is simple. Believe it or not, all you have to do is ask. Tenants feel most motivated to leave a review when they have a memorable experience (good or bad). It's harder to get one when they just had a mediocre experience. Your busy rental season is a great time to turn up your customer-service skills to 10 and ensure your facility is putting its best foot forward every day.

When responding to negative reviews, always be professional and polite, not defensive.

Since storage facilities are bought, sold and rebranded so often, it's possible your facility has some old reviews that stem from a past owner or manager. Reach out to these reviewers and let them know your business is now under new management and explain the ways in which you've improved upon the issue they had.

Make sure you ask tenants to leave reviews, and include a link at the bottom of every e-mail your customers receive. Online reviews are a free and extremely powerful marketing tool for your self-storage business, so make the most of them. Ask every customer and strive to make every new rental a five-star experience.

3. Try a Little Paid Marketing

In most cases, if you want to truly fill your storage facility without sacrificing

CLV, you'll need to reach a segment of customers who require more work. Reaching these sought-after prospects often necessitates the use of paid marketing tools such as self-storage aggregators and pay-per-click (PPC) ads as a way to supplement your more organic, foundational drivers. Your competitors aren't just waiting for tenants to contact them, they're targeting them with paid ads!

Get comfortable with the idea of aggregators and PPC. To rent your hard-to-fill units at a premium rate, try targeting specific search terms on Google AdWords or getting listed on an aggregator site. Paid search tools like AdWords are some of the most cost-effective ways for storage operators to attract new tenants.

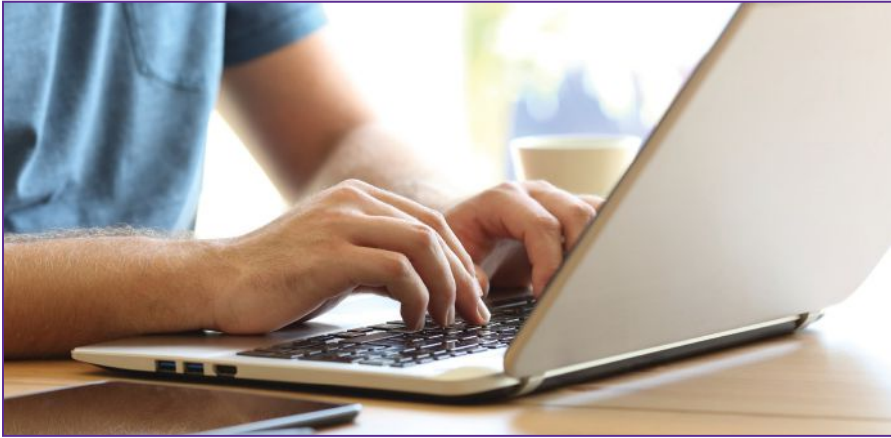
Test and Be Smart

Assemble a plan to test some new marketing options, understanding that part of the value of paid marketing is learning what *doesn't* work for your business. You might spend \$500 on an advertising channel that doesn't drive rentals, and that's OK. If you measure it properly, at least you'll know the channel doesn't work for you. Just make sure that when you try something, you put in enough time, money and effort to truly test its potential.

You don't have to spend a lot of money to effectively market your storage business; you just have to be smart about it! There's nothing wrong with spending money on advertising. In fact, it's one of the best ways to bring in high-paying tenants and fill premium-priced units. Just remember that some of the most powerful marketing tools—online reviews, word-of-mouth and customer referrals—are totally free. By tracking every ad dollar you spend and keeping tabs on every click, phone call, lead or customer your business gets from your various marketing sources, you'll be able to prevent wasted spending and maximize your marketing ROI. **ISS**

Contributor: Jana Haecherl, storEDGE, www.storedge.com

Technology *and the* CUSTOMER JOURNEY



Today's self-storage operators are well-oiled, unit-slinging machines capable of generating a powerful revenue flow with the touch of a button. Their customer service is inspiringly effective yet never lacks that personal touch, and they possess organizational skills that would put Martha Stewart to shame.

How did these self-storage masters perfect their craft? What sacred arts have been passed down through the generations? There's no mystifying trick; they simply take advantage of the technologies available to improve the customer experience.

While finding and renting a storage unit can take mere minutes for the end user, the processes that work together behind the scenes to streamline that experience are intricate and precise. The real magic lies in careful planning and efficient execution of modern technology. Let's look at a few key tools being used today.

SEO and SEM

According to a study by Forrester, a market-research company that advises on the existing and potential impact of technology, 71 percent of consumers start their buying journey with a Web search, and 74 percent use search engine information when purchasing. That means nearly three quarters of your potential customers are already making judgements about your business before they even see your website. To make a good impression, you must first get your business in front of them. Search engine optimization (SEO) and search engine

marketing (SEM) complement each other and become crucial points in your business plan, as they ensure your presence isn't lost in local search results.

SEO is an extremely broad subject with many aspects, but it focuses on the overall goal of reaching your desired audience through organic search. This includes but isn't limited to on-page SEO, such as unique content with naturally flowing keywords, image optimization, and all manner of meta data, and off-page SEO, which includes local listings, backlinks and anything that speaks to a website's quality and authority. Basically, if you don't know your way around some code and understand what factors are important in this area, it's probably a good idea to let a professional assist.

SEM, on the other hand, refers to paid advertising results within search engines on a pay-per-click design. The most commonly recognized form is Google AdWords. Usually the first three results from a Google search, these customized ads appear marked with a small "ad" tag. Implementation of these tools involves a forgiving setup process and isn't as expensive as you might think. They allow you to set budgets and bids at will for testing at an average cost per click between \$1 and \$2. In general, I consider SEM easy to learn but difficult to master. It's worth considering.

Website/Software Integration

So, now you have some tools in place to direct traffic to your website and you're ready to be found by future renters. This brings us to your website itself.

The most important thing to remember is you only have a few seconds to grab peoples' attention. In fact, Chartbeat, a content-intelligence company, looked at more than 2 billion visits across the Web and found that an astonishing 55 percent of searchers spent fewer than 15 seconds reading the pages on which they landed. This means you have an extremely short window in which to make an impression on your visitors and ensure any services you offer are readily available.

Integrating your website directly into your management software has become a standard within the self-storage industry and allows services tenants have come to expect. Luckily, most cloud-based software providers will manage this integration at little to no additional cost. These include online payments, reservations and rentals, all completed with an electronic signature. Once integrated, your software will update unit inventory and customer accounts in real time.

Because I'm a firm believer of providing consumers with as many options as possible, I strongly recommend you offer, at the least, a combination of online payments and reservations, or online payments and rentals, to give your visitors the opportunity to secure the unit they need quickly while avoiding the hassle of time-consuming, onsite data entry. Many studies have been done on the subject, and they've all shown today's customers expect these options. If you're reluctant to embrace them, you may be preventing your business from thriving.

Global Distribution System

Another fun acronym taking the self-storage industry by storm is GDS (global distribution system). This system of networks provides the end user with a series of services in a centralized location, allowing transactions to occur more easily. While seen often in other industries such as airlines and hospitality, GDS is quickly becoming a self-storage operator's best friend by simplifying many business steps for operators and renters. Here's an example:

- First, the GDS collects information on available storage units at your facility.
- Next, it distributes up-to-date information on this inventory across search engines and social media sites.
- At this point, customers who are looking for self-storage can search online and find the perfect storage unit at your facility.

- Once they've found what they're looking for, GDS incentivizes them to purchase any storage- and moving-related add-ons you offer.
- The lease is signed digitally and e-mailed to the facility and customer, while your management software is automatically updated with the new tenant's information.

The result? Increased profitability through higher occupancy with more upsells and a seamless customer experience. To further exemplify this, a 2017 study of the hotel industry showed GDS bookings increased by an astonishing 11.6 percent over the course of a year. They're on the rise in many industries

and will undoubtedly be prevalent in the increasingly technology-focused self-storage industry as well.

Electronic Locks

If you're looking to fully automate a storage facility or simply want to offer customers another level of convenience and security, electronic locks are another asset to consider. Not only do these battery-independent tools allow for the 24/7 sale of units with instant access, they continuously monitor the status of the unit door, giving you more visibility into tenant behavior patterns and overall facility security. Directly integrated with your management software, these locks

eliminate the need to manually overlock delinquent units and provide a truly automated solution for operators who like to work remotely.

From enhancing tenant conversion to driving operational efficiency, technology is helping self-storage operators rent units faster and bring in more revenue by keeping the customer journey within scope. While modern advancements continue to impact the storage industry, embracing the change will always lead to a beneficial outcome for you and your tenants. **ISS**

Contributor: Kevin Kerr,
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TECH IN ACTION:

Storage Operators Discuss Their Strategies

From kiosks to automated locks to online payment portals, self-storage operators are embracing technology to run more efficient properties while catering to customer demands for automation. **Inside Self-Storage** asked a few leading companies how they're employing tech tools at their facilities, challenges they face during implementation, and the training they provide to staff.

How do you use technology at your facility?

We use it in a variety of ways—first, to acquire the customers. We have a strong search engine optimization program in place, partnered with aggregators, and we really work our Google My Business (GMB) listings. We have some solid approaches deployed using GMB that have shown pretty significant results. We feel that's the beginning of the process. If you're not using technology to bring customers in, you eventually won't need a storage facility because they'll get "scooped up" by everyone else who is.

When we acquire the customer, we use a Web-based accounting software to enter his data. We use this information,

even after the move-in, to make other decisions such as pricing, expansion, etc. From there, our customers can use an app to open the gates and climate-controlled doors, and even access the elevators. From start to finish, technology has changed the self-storage game.

—Brian Byrd, Chief Operations Officer,
Landvest Management (oversees 37 facilities in Colorado, Florida, Georgia, Kansas and Texas)

From internal uses to customer-facing advances, technology is an integral part of daily operation at our properties. Implemented strategies using Microsoft's Outlook calendars to share appointments and meetings have aided in efficiency and effective internal communications. The recent theme of technology advancements in our industry creates many customer-facing improvement opportunities. Currently, we're testing Bluetooth capabilities.

—Scott Beatty, CEO, Absolute Storage Management (operates 116 properties in 14 states)

Each of our properties features a proprietary kiosk, state-of-the-art cameras and access controls. The kiosk

allows customers to make reservations and payments 24 hours a day, while the access controls allow them to access the facility 24 hours a day using unique gate codes. We're also rolling out a proprietary lock that will allow past-due customers to unlock their overlock as soon as they bring their account current. Overall, technology has allowed us to create a more seamless customer experience while enabling our staff to focus on high-level strategic initiatives.

—Seth Bent, Founder and CEO,
Red Dot Storage (owns and operates 135-plus properties)

We use technology to help our managers in their daily activities. We've distributed the Amazon Echo Dot to our facilities to take advantage of Alexa as a digital personal assistant. We chose Alexa as it integrates well with Google calendar for scheduling meetings and reminders. We take advantage of Alexa's integration with Todoist, our project-management application, which allows us to add actionable items to execute or order. We use Alexa to dial into conference calls, making it easy to be hands-free and take notes. One of our team members said he uses it to give himself reminders to smile

throughout the day to create a welcoming environment. Capturing everything by voice is fast and efficient, and reduces stress, as you don't need to walk around trying to remember that thing that you need to do.

—David Doget, District and Revenue Manager, SKS Management LLC (operates 20 facilities)

Fundamentally, ours is a data-driven company that uses data to make forward decisions rather than to report on its past. Our technology platform is vertically integrated so all respective applications—from marketing to accounting to operations—are working together so we can get the entire picture and status of our business in real time. This approach gives us many advantages in the competitive landscape because we're not only able to see what's happening in real time but can forecast and see trends ahead of the curve. To boot, our data is democratized and, therefore, we have no barriers between departments. This really helps us all work together and in the same direction.

—Jason Lopez, Chief Marketing Officer, US Storage Centers (operates 120-plus facilities)

We utilize technology in almost every aspect at the store level. The stores we manage deploy technology from gates to lead follow-up to internal communication to facility operation. For example, each facility has a tablet that can be used to do a move-in or walk-through lock audit, take payments, etc. This tablet can also be taken off site to marketing events to allow customers to rent away from the facility.

—Melissa Stiles, Director of Marketing, Storage Asset Management Inc. (oversees 150-plus properties along the East Coast)

What challenges have you faced when implementing new technology?

Primarily with manager buy-in at first. Technology is awesome, but the real chore is getting the entire team bought in. Our managers have realized that it's the only way to stay competitive.

—Brian Byrd, Chief Operations Officer, Landvest Management (oversees 37 facilities in Colorado, Florida, Georgia, Kansas and Texas)

Some of the challenges have been the learning curve when developing an application program interface for new products, taking over properties with

outdated technology, training process updates, and prioritizing technologies to test and implement.

—Jennifer Barnett, Chief Operations Officer, Absolute Storage Management (operates 116 properties in 14 states)

Because we're utilizing proprietary and third-party hardware and software, we're subject to an unlimited number of potential problems. We must regularly handle these problems and troubleshoot for potential issues. While this is difficult and can require high amounts of work, we believe the customer experience and operational capabilities are well worth it. We know that using technology is what has allowed us to run our business at the speed and scale we do.

—Seth Bent, Founder and CEO, Red Dot Storage (owns and operates 135-plus properties)

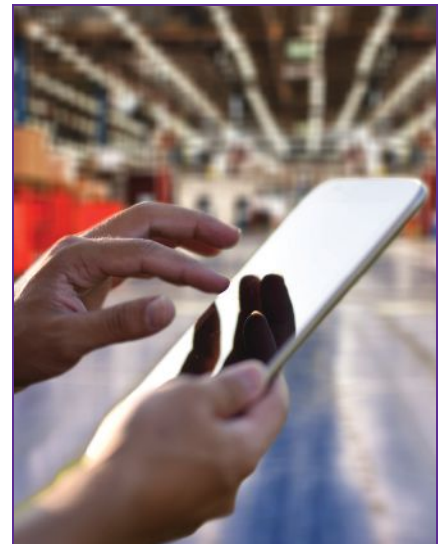
Everyone has some hesitation with new technology. To best roll it out, I partner with managers, from the Baby Boomer to the Gen Xer, to beta test the product so we can identify the challenges and brainstorm other beneficial uses. After a few months, our managers share their experiences of using the new technology in our monthly meeting. Having peer-to-peer discussions increases the adoption rate.

—David Doget, District and Revenue Manager, SKS Management LLC (operates 20 facilities)

While our technology platform provides us with countless benefits and advantages, we still run into the same issues most businesses do, given the sophistication of our platform. We can break the challenge down to a few simple categories: annual service and support with the core system, annual costs, and new development.

The new development is where it gets challenging and fun. For instance, some of our discovered opportunities may require introducing new technology into the mix and, therefore, creating a new implementation project and everything associated with it. We need to be mindful and diligent with our strategic planning and budgeting to ensure we don't develop technology for development's sake. It's a tricky balance to know when to introduce something because, in the end, we have to see a return on our investment.

—Jason Lopez, Chief Marketing Officer, US Storage Centers (operates 120-plus facilities)



There's always an aversion to change when implementing anything new. We try to conquer this challenge by utilizing a test group of facilities and making those store managers advocates for the technology. Those managers can demonstrate how the technology worked for them ... Showing how the technology can enhance and help them do their job more effectively and efficiently is key.

—Melissa Stiles, Director of Marketing, Storage Asset Management Inc. (oversees 150-plus properties along the East Coast)

What kind of training does staff receive when new tech is introduced at your business?

In-person and continuous. We also feel that when we launch something new, there's nothing like a good old-fashioned contest to get everyone bought in. We've all heard the adage, "What gets measured, gets done!"

—Brian Byrd, Chief Operations Officer, Landvest Management (oversees 37 facilities in Colorado, Florida, Georgia, Kansas and Texas)

Before we roll out any new technology to the entire company, we use live beta testing that allows a few employees to see the tech in action and spot potential issues or room for improvement. Live beta testing lets some staff get hands-on experience, influence improvements and changes, and guides other staff members through the process when we roll out the change company-wide. We then use recorded training videos, written instruction, presentations and hands-on training to educate the entire staff. We feel this mixed approach has served us well and creates a comfortable learning

environment while minimizing potential issues for the business.

—Seth Bent, Founder and CEO, Red Dot Storage (owns and operates 135-plus properties)

Training staff has evolved over the years. First, we created a repository of MP4 files in Dropbox called “Tech Tips” to which all our managers have access. We have videos covering multiple products from Alexa, Apple Apps, how to execute electronic contracts, G Suite products, Todoist and Workplace by Facebook. We also host training webinars through Google Meet, Zoom and occasionally a live broadcast with Workplace by Facebook.

Our deployment of training videos has changed over the past year since we started using Workplace by Facebook. Now we use YouTube to create our training videos and post them every week on

our announcements channel. We hope our “Tech Tip Tuesday” YouTube videos will grow our staff knowledge of the tools we use.

—David Doget, District and Revenue Manager, SKS Management LLC (operates 20 facilities)

We spend a lot of time on training because unless there is 100 percent adoption, even the most complex and expensive technology is useless. In addition, we tend to be in our vendors’ beta groups and user councils. This allows us to get an early look into what’s next and get up to speed on new features a bit faster than most. But making an investment in training is paramount to realize any benefits of any technology platform.

—Jason Lopez, Chief Marketing Officer, US Storage Centers (operates 120-plus facilities)

When introducing new technology, we test it at a set of stores first. We make sure these stores cover different demographics, geographic areas, etc. The corporate staff receives training from the vendor. Then the vendor and corporate staff liaison will roll out the technology either in person or through a webinar to test stores. After sufficient testing is done, the test stores and corporate staff will roll it out to new stores through webinars and one-on-ones, if necessary.

—Melissa Stiles, Director of Marketing, Storage Asset Management Inc. (oversees 150-plus properties along the East Coast)

It’s a combination of onsite and remote training for onsite team members to bring them up to speed and help aid in the transition to a new process.

—Grace Totty, Director of Marketing, Absolute Storage Management (operates 116 properties in 14 states) **ISS**

New Tech Tools: Helping Staff Adopt and Adapt

Technology can be a powerful ally and important lever in self-storage business performance. With an arsenal of tools available to extend operating hours,

automate manual tasks and improve the customer experience, it’s no wonder that many facility operators are executing a new technology strategy. However, not all team members may be on board at

first. Some will resist new resources. Here’s why.

When implementing new technology, the unknown triggers fear. Often, it isn’t the tool itself employees dread but the disruption to their routine. Those who are proficient in current methods might wonder, “If I don’t catch on to this new system quickly, how will it reflect on me?” Long-time staff might worry the company will hire younger workers who better understand the new tools. All these questions lead to anxiety.

The storage industry has become much more competitive in recent years, and we all must operate at a higher level of efficiency to outperform the facility next door. At the end of the day, we’re striving for more rentals and greater cash flow. Technology is a bridge to this goal, but change can be scary to even the most seasoned self-storage managers. To reduce resistance and drive adoption, you need to minimize the mystery and communicate openly. Let’s discuss how to help staff adapt.



Explain the Benefits

Technology provides the information we need to streamline operation and improve performance. For example, consider the importance of response time when dealing with self-storage prospects. Customers don't wait around if their messages go unanswered; they simply move on to the next facility on the list. Follow-up is crucial in converting inquiries to rentals. However, there's almost no way for an owner to know if, when and how follow-ups are happening without technology.

Some owners believe they have a high lead-to-rental conversion rate, yet upon review, they learn their managers don't report unconverted leads because they worry it'll reflect poorly on their performance. When you introduce technology to track those metrics, employees will understandably be concerned; but consider everything you can now measure, including:

- How many leads the store received
- How often and quickly staff followed up on inquiries
- Which methods they used to follow up
- What was communicated during follow-up
- What percentage of leads converted to rentals

To alleviate staff concerns about being watched and "graded," discuss the need

for the new tools and how they'll benefit your team, the business and customers. Help them see things through a new lens. In fact, technology will almost always make managers' job easier and can often replace repetitive tasks they dislike, like making collection calls. Once they understand the logic behind your decision, they'll be more invested in a successful implementation.

Managers need to understand that technology isn't being used to spy on or replace them. Instead, it's a force multiplier that'll allow them to do their jobs faster and more efficiently. It's essential to communicate with your team early and often on how technology is going to make their job easier.

Have a Plan

To succeed with new technology, adoption must come from the top down. Corporate needs to ensure everyone is on board, from c-level executives to district managers to facility staff. If the team isn't all "speaking the same language," the chance of failure increases. To circumvent this, prepare for the learning curve in advance and communicate the plan to your team.

If an owner just buys new technology and leaves it to staff to figure out, he'll almost certainly face resistance. Most implementation failures are due to lack of corporate buy-in and communication

of priorities rather than lack of staff ability. There are no results without top-to-bottom adoption. Prepare for the transition and its perceived impact on the business and address potential gaps in service that may occur during implementation and ramp-up.

Provide Training

To guarantee easy adoption, make sure your technology provider offers staff training and guides. Check in at 30-, 60- and 90-day intervals to audit progress and identify roadblocks. These opportunities will keep all teams accountable and on a path toward success.

When choosing a technology partner, vet its customer support. Instant support is incredibly important. The provider should be just as involved in the implementation and training process as the facility owner. This kind of true partnership is what it takes to succeed.

Initiating new technology in your self-storage business doesn't have to be a jarring experience for employees or customers. Communication, a solid implementation strategy and the right provider will ensure your team embraces the change and meets your business goals. **ISS**

Contributor: Holly Fiorello, CallPotential, www.callpotential.com

Embracing New Technology

Technology evolves so fast it isn't always easy to keep up. It seems like new tools are constantly surfacing to help self-storage operators save time and money while boosting productivity. The trick to making them work for your operation lies in successfully introducing them to staff. Proper implementation will rely upon their acceptance and use.

Not everyone will be at the same comfort level with technology or adopt it at the same speed. We can all relate to this. For example, when texting became popular, my father was a "finger-pointer texter." In every text, he wrote, "Hi, Jim, it's your dad" at the beginning and signed it "Love, Dad." It was endearing and funny. He's much better and faster at texting now, but it took him a while to become familiar with the technology.



There's a curve with anything we learn. Some of us need to read a manual or see how-to pictures while others would rather fumble through it and figure it out on our own. Similarly, each of us has our own way of absorbing technology. When

investing in tools for your self-storage business, the goal should be to ensure a smooth transition from the old way to the new for all team members. Consider the following five steps to help employees embrace technology, no matter their age or learning style.

Notify Staff

Who from your team will be affected by this change? Those people need to be informed from the start. They not only need to know it's coming, they need to know why, how it will affect them and what your expectations will be. Few people do well with change when they're blindsided, so try not to keep your team in the dark.

Highlight the Benefits

The process of learning something new can be daunting. To ensure buy-in from

your team, help them understand the decision to implement new technology. Identify the limitations of the current process and get them talking from the beginning. Help them see how technology could solve those problems and assist them in their day-to-day tasks.

Fear is normal in the face of change; however, we can't let it prevent us from making good decisions that benefit the company. Technology will make employees' jobs easier and allow them to be more productive. Staff may need help seeing past the short-term pain—the learning curve, new platform or system, etc.—to the long-term vision.

Find a Tech Champion

There are always people in a business who readily accept new technology. These are your “champions.” They can help convince other colleagues, especially reluctant ones. Get these power users engaged from the beginning. They'll have ideas on how to promote new technology to the rest of your team. Make them available to respond to questions and concerns as well as to help those who need it.

Some employees may need to see another staff member use the

technology before jumping on board. It's understandable that they'd like to see someone else have success in the platform before using it themselves. Your champion needs to ensure everyone works together and no one is left behind. Once an employee feels he's behind the group, it'll take longer for him to adapt. Finding your champion is vital to ensuring your team moves forward together.

If your team doesn't have a tech champion and you don't feel comfortable being one yourself, there are people in the self-storage industry who can help. These include your vendors, state associations, consultants and other resources. You can even reach out to other operators and ask for advice.

Ask for Feedback

Get true, honest and constructive feedback from your team. Listen to their ideas, concerns, frustrations and suggestions. Make them feel their voices are heard. Many technology solutions can be modified to suit your business needs. The more your team can express how they feel about the new technology, the readier they'll be to explore and try it.

Provide Ongoing Training

The simplest reason employees fail to embrace new technology is lack of training. When choosing a platform, consider what training tools are available from the vendor. What services are free? How will your team access them? Will there be in-person or online training available? Make sure the vendor will continue to assist you during the transition as well as beyond the initial implementation.

Everyone needs help when learning something new. Having learning tools at their disposal enables staff to become more comfortable with new technology and grow at their own pace. The key to successful implementation is to create a supportive environment with plenty of communication to ensure everyone feels included and empowered. Everyone must be on board and using the platform for the new tool to work effectively. Patience is probably the most important element, but you also need persistence and support to help staff commit to improving their environment. **ISS**

Contributor: *Jim Ferguson, Haviland Storage Services, www.havilandstorageservices.com*

A GUIDE TO CHOOSING MANAGEMENT SOFTWARE

There's no such thing as a software that's perfect for everyone. This is especially true in a diverse vertical market like self-storage. Originally born to simply manage units and track payments, facility-management software rapidly evolved into a central hub of operation that now goes far beyond basic processes. Advanced revenue management, tenant communication, marketing automation—there's an unbelievable number of features and integrations offered by these once modest systems.

Along with fancy features, however, can sometimes come unwanted change. The management software you fell in love with even a few years ago may now look, feel, function or even cost much different than what you originally purchased. Troublesome updates, company mergers and rising costs are problems that can afflict software consumers in any industry. Being prepared

to assess your operational needs and re-evaluate your options can save you months (or years) of headache down the line.

Whether you've become disenchanted with your current product or you're just a fresh face to self-storage, here are some important factors to consider when shopping for property-management software.

Platform: Cloud-Based or Standalone?

The most fundamental question in choosing a management software is how you'd like your system to operate. There are two main platforms: standalone and cloud-based.

Standalone software though Windows or even DOS was the original format and is still used today, though it's significantly less common. In a standalone system, your software and data are hosted locally on your computer. Backups are usually

done manually and stored on the local or external hard drive.

The reason for the decline in standalone use is in part due to its vulnerabilities to malicious online attacks and the potential loss of data in the case of natural disaster. But mostly, it's attributed to the ease and options available through the cloud.

Most industry software suppliers now offer a cloud-based product, as it has the greatest potential benefits for the end user. For example, providers host their data on proven, reliable data networks. This allows your data to be stored at a location near you, which provides for a fast, dependable software connection. It also allows your data to be duplicated on multiple servers, so it's safe in the event of corruption or disaster. Since the software is hosted online, it's also easier for partners to integrate their features, opening many options for users.

In the end, modern technology favors cloud software. However, in the case of an unreliable Internet connection or simple operational preferences, there are still providers that offer a standalone solution.

The Features You Need, Now and Tomorrow

You know better than anyone what you'll require in a software program. The product you choose should fit your current needs and future goals. As you make your choice, consider whether you'd might one day like to expand your business, automate operation or include any types of specialty storage such as vehicle or wine.

Multi-Facility Operation

If there's even a possibility that you'll operate more than one facility in the future, you need to evaluate each software's multi-site functionality. While some providers have adapted workarounds for their product to clumsily operate for several locations, keep looking until you find one that seamlessly transitions through your properties. This will not only help you train new employees at each location but also diminish the potential for human error due to an improvised user interface.

When operating multiple facilities, you may want to limit access to parts of the software from onsite management via administrative controls. Used to restrict vision from certain financial reporting or rate and discount manipulation, user permissions can be a great first step in protecting your business while your attention is spread thin.

Automation

Depending on the tools at his disposal, a facility manager has a lot to handle. Too often, repetition, waste and needless steps can slow a storage operation. If you're unwilling to look at the options available in today's management software to facilitate, you could be hindering your business potential. When considering a product's automation tools, we're well beyond simple gate integrations in 2019. Consider the following:

- Kiosks and online rental tools can streamline the sales process and improve the customer experience.
- Automated reputation management not only helps to boost local search engine optimization, it has a proven positive impact on rental conversions.
- Dynamic revenue management balances your online rates by



occupancy demand and can be used to automate future rate changes for existing customers by rental trends.

- Bluetooth-operated unit locks used with other rental tools provide a complete lead-to-lease rental solution with zero manager interaction.

Automation tools can be a powerful force in self-storage, so consider the options offered by the management software you choose.

Specialty Storage

Any self-storage management software should be able to handle the basic functions of renting traditional units or even selling retail merchandise like boxes and locks. But what if you wish to offer specialty types of storage? Take boat/RV storage, for example. Storing these vehicles can be an amazing revenue generator, but make sure the software you choose is up for the task.

Not all industry software is equipped to manage sales with variable pricing for items such as propane and electricity hookups, which are commonly offered alongside vehicle storage. The data you're able to gather and store within your software is also important. In addition to the usual information you collect from a renter, you need to know about vehicle-identification numbers, insurance and registration. You should also take and save photos of any vehicles stored.

Think beyond what your facility currently offers. Might you wish to explore other

profit centers down the road? There are many other ancillaries that work well with self-storage including wine storage, records storage, valet storage, truck rental, pack and ship centers, mobile storage, and others. You'll need a software that can manage any service you offer.

Ease of Use

When purchasing new management software, always expect at least some learning curve. That's why most providers offer a demo, so you can try it out. Doing so is the fastest way to tell if that curve is going to be a burden that'll force you to eventually go through the selection process again or if this will be the software right for you.

This doesn't mean you should be able to master the entire program over a weekend. Realistically, identify the five to 10 functions most expected of your software. As you're going through the demo, play out related scenarios to test whether the program makes sense to you. Also, consider what tools the vendor offers to better assist your future learning. These might include a knowledge base, training videos, live support and webinars.

Software Costs

Benjamin Franklin said, "The bitterness of poor quality remains long after the sweetness of low price is forgotten." You don't want to overpay for software, but I strongly caution against buying it solely on the merits of low price. When I see a prominent price difference between

competing products, I don't think, "Wow, what a great deal!" I think, "Is this missing something the others have? Does it include everything I'm going to need?" Most importantly, I wonder, "How long is it going to stay at this price?"

To get to the bottom on pricing, ask for a written quote from each vendor you're considering. Make sure it includes all the

features you're going to require and then compare. Hunt down any of those pesky asterisked sections and ask questions. Ask other users of the software if the company has a history of raising costs, too. While price should be the last consideration, it's still an important one.

The size of your business, the types of storage you offer and your overall business

goals are key to determining the right management software for you. While there may not be a one-size-fits-all solution, I hope this gives you a foundation to make an educated decision. **ISS**

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3 Essential Software Features

Management software is essential for running a self-storage facility effectively and efficiently. It should suit the individual needs of your business, whatever those may be; however, certain features will simplify and streamline your operation, regardless of its size and type. Following are three features your program should possess today. Let's see what they are and why they're important.

Online Rental Capabilities

At the very least, your management software should have online rental capabilities. In today's Internet-reliant world, the potential for business growth increases exponentially when your prospects can rent a unit online. This is because once someone is on your website, he's more likely to decide quickly. In fact, 97 percent of people agree that a website has some effect on their buying decisions, according to software developer HubSpot.

When someone goes to your website to rent a unit, a few things should happen. First, your software should keep track of your unit inventory and display—in real time—how many units are available and in

what sizes. Furthermore, your rates should be accurate, so your prospect knows what he should expect to pay.

Once the tenant has decided to rent, he should be able to complete the process online. This includes signing the lease agreement electronically. It's also imperative that your software accepts credit cards. A tenant shouldn't be able to use your unit without first making a payment. This process should be easy for the customer while providing you with all the information you need.

Access-Control Integration

The next feature your management software should possess is the ability to integrate with your access-control system. Most management-software companies offer integration with a few gate-operator software programs, so you can choose one based on the needs of your property. Often, a management-software company will have a preferred gate provider, which will give you the most power to control facility access.

For example, if you use the recommended gate provider, you may have the ability to open and close your

gate directly from your management software. It's always a good idea to discuss your access-control options with your management-software provider first to make sure integrations are available.

Rate Management

Your management software should also contain a rate-management tool. Managing your rental rates is a vital part of running a self-storage facility because it helps you increase your revenue. Without this tool, it's still possible to increase rates, but it'll take longer, especially if you have a lot of units. With rate management built into your software, you can effectively increase rates on a mass scale and set rules to remind you to update rates after a set time.

Getting Help

Regardless of what features your software offers, it's imperative to maintain a good relationship with your provider. Communicating with the people who develop your program can be extremely valuable. For example, if you need help navigating the software or finding a feature, your vendor should be more than willing to help. You can also ask for tips and tricks.

Choosing Software: Dos and Don'ts

Choosing self-storage management software can be a relatively quick decision, but the impact of your choice can ripple through your company for years. Follow these six guidelines to make the right choice for your business.

DO	DON'T
Understand software platforms.	Forget future needs.
Consider features.	Prioritize price over value.
Plan for the switch.	Forget the value of training.

Source: *Inside Self-Storage*, "6 Dos and Don'ts for Choosing Self-Storage Management Software," by Mark Smith



Most companies will answer questions and tell you whether the software can do certain things. They'll show you how to get the results you want.

Furthermore, you may have a fantastic idea of how the software could better suit the needs of self-storage operators. If you have a good relationship, the company is likely to consider your suggestion and determine if it's feasible.

Your management software is a vital piece of the self-storage success puzzle. Make your operation as effective and efficient as possible by choosing a program that best suits your business style. And don't be afraid to ask questions! **ISS**

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Harnessing the Power of SOFTWARE REPORTS

“With great power comes great responsibility.” For those of you who don't follow comics and superheroes, this often-repeated line comes from Uncle Ben, the character who helped raised Peter Parker, also known as Spider-Man.

The quote can also apply to reports generated from self-storage management software. What kind of power do they really give you? I'm sure you casually glance over your management summaries, rent rolls and possibly even daily deposits to ensure the numbers align and there's nothing fishy going on. But have you taken a deep dive into other reports?

Many people don't like to look at numbers all day long, while others (like me) love analytics and strategic planning. Truthfully, you don't have to like math to understand numbers and information about your company. However, as a self-storage operator, it's your responsibility to ensure your facility is running at peak performance. The power of reports can enhance your business and take it to the next level.

Management Summary

Your management summary is probably the most important report you have in your arsenal. It's an overview of your entire operation, all bundled into a simple, one- or two-page document that can help you make informed decisions about your business.

For example, consider your gross revenue potential if every unit is rented at street value vs. actual. Knowing that percentage may change what you do with rental-rate increases and can help you create a plan to fill empty units. Even if you're at 100 percent physical occupancy, you may not be at 100 percent economic occupancy.

Rent Roll

The rent roll is the most basic, informative report you have. It contains a list of occupied units with tenant information including paid-through dates, balance owed (if any), unit price and what the tenant is paying. You should be able to clearly see the variance between what is being paid and the current street rate.

Use the rent roll during your morning walk-through each day to ensure the units showing as occupied in the software have a tenant lock. Any vacant units should have a company lock. You don't want anything as simple as this to slip through the cracks, so double-check the report at least once per day.

Occupancy Statistics

Learning how to read an occupancy-statistics report is one of the best ways to improve your business. This report should give you an at-a-glance view of the number and percentage of occupied units as well as area rented, broken down by unit type for the entire site.

The most important figure that should stand out on this report is your economic occupancy, which is your actual occupancy vs. gross potential. If your economic occupancy is above 100 percent, you're doing great but may still want to investigate where you can make improvements. If it's between 90 percent and 100 percent, you need to take action now. Anything less than 90 percent is poor. In this case, hopefully, you've already started a plan to improve.

Insured Roll

Do you offer tenant insurance? The insured-roll report is similar to the rent-roll report in that it provides a list of tenants

who have insurance on their accounts. It displays coverage, premiums and the paid-through date for all tenants who are active policy-holders.

Merchandise Summary

If you sell merchandise such as locks and boxes, keeping track of it can be time-consuming. Counting inventory, making sure it's correct, and tracking what was used for display or anything that was damaged can be a pain. The merchandise-summary and merchandise-activity reports will give you better perspective and more control. What better way to track product than to have a report that tallies it for you?

Exceptions Report

Want to keep track of what your employees are up to and make sure they haven't made unwarranted changes in the software, or are giving out discounts or freebies? Use your exceptions report, which outlines what changes were made, by whom and when.

Power and Responsibility

Reports can give you great insight into your business trends, but only if you take the time to examine and fully understand them. Kudos to you if you're already doing what needs to be done, taking the deep dive and recognizing the value they hold. Understanding the reports in your self-storage management software gives you the power and responsibility to improve your business. Be your own superhero and take your operation to the next level! **ISS**

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Tech Support for Your Software

It never fails. You're having a slow day at your self-storage facility, and then BAM! Back-to-back tenants. What's worse is if your management software decides to act up. We've all been there. Now you have people waiting on you, and you're not able to get things done.

Management software is the backbone of a storage operation. You rely on it day in and day out to manage the most important business functions. You count on it to work properly, quickly and accurately. But what happens when you have a question or a problem? Where do you turn for solutions? Your vendor's technical support is there to help. Learn how to make the most of this valuable resource.

How Do I?

At my company, "How do I" questions account for approximately 82 percent of all software-support cases, and the most common resolution is customer education. Software is so fully featured these days that it's hard to know where to find everything. The general day-to-day stuff like taking payments and move-ins/move-outs are easy, but what if you need to do something less common? For example, you might wonder:

- How do I send a mass e-mail to all tenants in Building A?
- How do I customize a lease agreement to include our company logo?
- How do I change the wording on our receipts?
- How do I transfer a tenant to another unit?

In these cases, you just need guidance to get things done so you can move on with your day. Technical support can help. If your question relates to something the software doesn't yet do, your query becomes a feature request.

"How do I" questions are sometimes the result of a user error. Common issues are payment taken for the wrong amount, payment taken for cash instead of credit card, accidentally moving out the tenant, etc. In these cases, the facility manager made a mistake and needs help fixing it. This is where support technicians should take extra care to ensure they're only providing instructions for corrections to

which the manager should have access. For example, if the employee is requesting help with changing paid-to dates but doesn't have permission for that feature, support staff is required to direct him to a supervisor or owner who *does* have authorization.

Dealing With Bugs

Bugs happen with even the best software programs. You may have accidentally discovered that every time you hit CTRL+Y, the tenant account you're working on gets a \$10 credit when he shouldn't. Perhaps you figured out that if you give a refund for the security deposit and take a payment for the outstanding balance on the same move-out, your receipt balance is incorrect. It's important that all such glitches be reported to the software company for fixing.

Non-Software Issues

Some calls made to technical support are actually not related to your management software at all. Here are some things your vendor can't help with:

- Internet not working
- Printer not detected
- Phone lines down
- Installing or uninstalling an anti-virus program
- Third-party integration (for example, an access-control issue if that software is from a different company)

Before You Call

Before you call support, it's critical to arm yourself with as many details about your question or problem as possible. The quickest way for a support tech to address your issue is if you can clearly and accurately explain what's happening on your end. Some questions the agent might ask include:

- When did this start?
- How often does it happen?
- Is this happening for all tenants or only a specific tenant?
- What are the steps to recreate it?
- Did anything change on the computer (new anti-virus, new PC, etc)?
- Have you tried anything to fix it?

Often, being able to recreate or visualize the issue is key to resolving a support ticket quickly. With cloud software, providing the unit number and some screenshots can allow support to look at the issue before you even speak, which can lead to a quicker resolution. If there's a question about an amount or total on a report, circling it and sending the report along with your support request could help identify the issue before you even get on the phone.

Also, check the shared knowledge base or any support forums to which you have access. Most software providers have some form of online resource or help desk where you can find answers to commonly asked questions. Often, just checking these places can solve your problem before you ever have to reach out to support. Typically, these types of resources are free and available any time of day, regardless of time zone.

If you've checked the knowledge base and didn't find your answer, it helps to let support know that. Not only is it appreciated that you tried to resolve the issue, it helps them identify areas of their resource that can be improved.

Ways to Get Help

Most software vendors offers several ways to assist with tech problems. Some might be free while others have a fee.

- **Phone:** Depending on the severity or urgency of your issue, a phone call to your software company may be the best first step. For other issues or questions, consider e-mail as a better method.
- **E-mail:** This is a great way to contact tech support because it allows you to easily attach reports, screenshots or anything else you feel might be important for the technician to have.
- **Chat:** If your vendor offers online chat, take advantage of it. Often, simple questions can be quickly answered. More complex queries might require a support ticket. In either case, the real-time interaction allows you to reach out and get the process started right away.

Have Reasonable Expectations

Now that you've initiated contact with your software company, what should you

expect? Most customers feel every issue they report is a top priority because it affects their day. The vendor's goal is to get to each and every ticket as quickly as possible.

During times with heavy call volume, support tickets must be prioritized based on severity. It's important to realize that many storage facilities operate on a first-of-the-month schedule. This means all rental invoices are due on the first, and any tenant with auto-pay processes on the first. Because of this, management-software companies are often the busiest on the first few days of the month. This is when questions about auto-pay, credit card transactions, etc., occur most frequently.

Prevent Future Problems

Once the support department has successfully resolved your support ticket, there are several steps you can take to prevent future problems.

Write down the issue and solution.

Keep it handy on a document; maybe even print it out and put it in a binder. If the issue occurs again, you can easily look up the solution and attempt to resolve it. At the very least, you'll have more details to provide the support team about when it happened before and how it was resolved. This may help them find a better, more permanent solution if the issue has been recurring.

Avoid performing windows or other software updates during your busy time. If you're a first-of-the-month facility, that isn't a great time to change things. Work with your IT department to execute necessary updates toward the middle of the month whenever possible.

Ask your software company for a list of programs and services that need to be running for its program to work effectively. This way, you're better prepared to troubleshoot. Is your gate not getting information from the software?

Maybe the gate interface isn't running. Credit cards declining or erroring out? Is the Internet working?

Self-storage operators hope they never to have to talk to their software technical-support team. When you purchase or sign up for software, support is usually the last thing on your mind. It's a new product; it should just work. But there are many reasons why you might need support, and most vendors have online resources available 24/7.

When you do reach out, being prepared with some basic information will ensure you get help as quickly as possible. The goal is for you to be happy with your software and walk away from any tech-support call with more information and confidence in how your software works. **ISS**

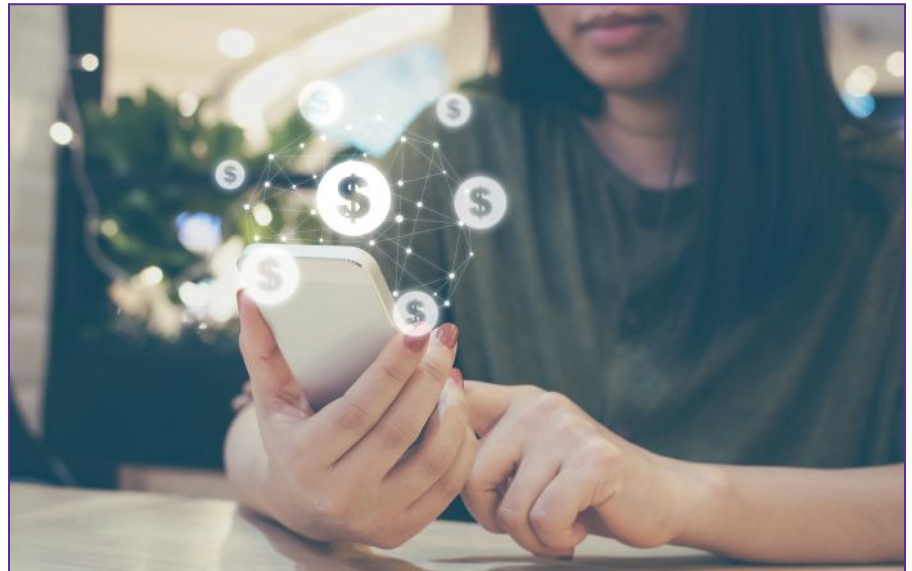
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How Mobile Technology Increases Revenue

Every day we hear about technology innovations that can transform the way we live, work and play. For many years, technology in the self-storage industry went largely unchanged. Then, seemingly overnight, a litany of products and services hit the market. Their quality and usefulness vary, but the purpose of this article isn't to determine which tools are worth implementing. It focuses on something much easier to digest: Pizza!

Yes, pizza. Just humor me and answer this question: When's the last time you called your favorite pizza joint and placed an order with a live human being? If you're like most U.S. consumers, it may have been a while. In 2018, Domino's and Papa John's reported that more than 60 percent of their orders came through their websites, social media or mobile apps, while more than half of Pizza Hut's orders were placed digitally.

This comes as little surprise. In addition to being fast and easy, mobile and online ordering provides conveniences that can't be achieved via a phone call. From viewing special offers, to preloading past orders, to automatically applying coupons, to saving payment methods, to tracking



order progress down to the location of the delivery person, digital platforms provide perks call-in ordering could never offer—at least not expediently or cost-effectively.

Of course, casual dining is a highly transactional business and unlike self-storage in many ways. However, there's still a lot facility operators can learn

from the world of pizza about consumer behavior and leveraging mobile technology to generate more revenue.

The Domino's Effect

Overall, the pizza market is thriving, seeing annual revenue increases of 12 percent in North America. While the entire



industry grew over the past year, there was one clear winner: Domino's.

The Domino's story is remarkable. In November 2008, investors could pick up company stock for around \$3 a share. Fast forward a decade, and the stock sits at \$268 per share. Domino's has also reported same-store revenue increases for 24 straight quarters. Plus, it's primed to dethrone the industry's longtime No.1: Pizza Hut.

Why is this important? The answer is simple: Domino's embraced mobile and digital technologies and left everyone else to play catchup. Now, like the large, multi-national chains, thousands of smaller, independent companies have begun offering online and mobile ordering.

What Storage Operators Can Learn

This isn't a story about appearing first in online search, though Domino's certainly does. Much has been written about search engine optimization and search engine marketing in self-storage. Today, most of the industry understands the importance of online placement and rankings. What storage operators can take away from the Domino's success story and the shifting landscape of the pizza industry can be boiled down to two things: customer convenience and the implementation of the right technology at the right time.

Think about the way we all want to interact with businesses today. Consider these questions:

- Would you rather renew your driver's license at the department of motor vehicles or online via computer or mobile device?

- To go to the airport, would you rather call a cab company or order an Uber from your phone?
- During the winter holidays, would you rather fight the crowds at the store or get the same deals, delivered right to your door, by shopping online?

Chances are, you'd pick the online or mobile option in at least one of these scenarios. With today's consumer, the money generally goes where the convenience lies. Often, we're even willing to pay a premium for it.

I haven't booked a hotel room or reserved a rental car with a phone call in years; I do it all via app. People of all ages are beginning to order groceries online to pick up curbside or deliver to their home. When my Amazon Prime subscription automatically renews each year, I don't think twice. Food-delivery fees and tips don't phase me either; in fact, they feel like a small price to pay for the time and energy saved. If this is the way most consumers think and behave—and companies like Airbnb, Amazon and Uber prove time and again that it is—then why should self-storage operate any differently?

Leveraging Tech Tools

What Domino's did to outpace its competition seems so intuitive now, but it was risky at the time. The company spent a lot of time and resources to implement technology that allows customers to Tweet an emoji and order a pizza, or order pizza from a mobile app in five clicks. Domino's moved toward its

customers rather than making customers come to them.

Self-storage operators have a similar opportunity to eliminate inconvenience in the rental and payment processes by leveraging mobile technology. For years, even if a tenant rented or reserved a unit online, he still needed to see a manager for his gate code or to have the lock removed from his unit. With new access-control solutions, rental to move-in can be accomplished from a mobile phone.

Now, storage operators can meet their customers where they are and provide a heightened level of unit security and facility monitoring with Bluetooth smart-locking technology. A customer simply rents online, receives a text confirmation and uses his mobile phone to do the rest, from gate and door entry, to unit entry, to billpay.

When tenants can enter gates and open doors with their mobile device, you're not only eliminating the hassle of remembering key codes, you cut down on your call-center volume.

According to one facility operator, as many as 60 percent of his calls were related to the gate—from forgotten access codes to past-due payments to general keypad malfunctions. When customers can view their account and pay their balance from their mobile device, you're providing a more convenient solution for them while minimizing the labor-intensive process of restoring facility access.

Moreover, with modern smart-entry systems, tenants can share digital keys with movers, family, coworkers and friends, providing a hassle-free experience for tenants and improving data for self-storage owners. With digital keys, the technology ties the guest user's mobile device directly to the tenant, providing a better audit trail in the event of arson or vandalism.

As in the pizza world, mobile technology is ultimately changing the self-storage landscape. If customers are using mobile apps to pay for everything from pizza to car rentals, isn't it time to meet them where they are and offer a similar experience? Just as Domino's realized the telephone might become a deterrent to ordering food, we could be discouraging customers with necessary office visits, gate codes and padlocks. **ISS**

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Text Messaging for BETTER TENANT COMMUNICATION

With 2019 underway, many self-storage operators are wondering, “What’s next?” We’re already meeting our customers’ needs, even in this Age of the Consumer. We’re talking their language and meeting them on all their preferred channels: e-mail, phone, live chat, social media and others. We’ve learned to adapt to how, when and where they want our products and services. So ... What’s next?

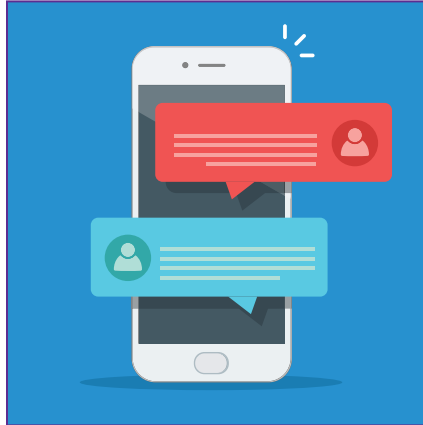
Today’s consumers can hail a ride or operate their home appliances from their smartphone, order a pizza by pushing a button on their shoe, and rent a storage unit online without ever speaking a word to anyone. The future isn’t coming, folks. It. Is. Here.

The Many to the One

Multi-channel communication allows you to converse with customers through as many channels as your company supports. For most self-storage operators, this means in person at the store, via e-mail and on the phone. Some operators also use live website chat and one-way text messaging. Bonus points if you run your social media in-house and have a “responsive” badge on your profiles!

Text messaging has proven to be one of the most effective channels, with a 98 percent read rate within two minutes. Some operators think this mode of communication is too informal for business correspondence, but consumers disagree. When Twilio, a cloud-communications platform, surveyed 6,000 consumers worldwide, 89 percent said they’d like to use text messaging to communicate with companies. So, why are some storage operators still struggling with whether use text messaging?

Unfortunately, many feel a bit frazzled and disconnected in a multi-channel world, which can hinder their adoption of a new channel regardless of how effective it may be. Companies around the world have felt the same growing pains. However, operating in siloed programs is dysfunctional to a customer-service



organization. When notes from calls, e-mails, in-person visits, etc., are kept separately, it creates confusion and frustration for employees and, worse, clients. One of the top complaints of customers is they must repeat themselves over and over as they’re handed from one service representative to the next.

The brightest organizations have solved issue by switching to an omnichannel platform. Omnichannel communication integrates all channels into a single program and interface. A customer can send a message through Facebook Messenger, another through text message and even an e-mail through his mail client of choice, and the facility manager can respond through the client’s preferred channel, never interrupting the conversation. All correspondence is logged, recorded and tied to that customer within the property-management software.

Headaches be gone; all channels are united! Omnichannel communication unifies every channel so as not to disrupt the customer’s journey. We have the tools. Now, let’s use them.

Texting Your Customers

Now that we’ve addressed the concern of juggling multiple channels by unifying them in an omnichannel platform, let’s identify some ways you can implement text messaging.

During the quote/interview process.

During a live call or even a live chat, if the prospect isn’t yet ready to rent, ask if you can send him a text message with the information you just discussed. Now he has the unit rate, suggested size, and potentially even the directions to your facility immediately available on his phone. If he needs to consult another decision-maker, the details are on hand.

During follow-up. The prospect said she was going to move in on Thursday but was a no-show. Sending a quick text, either manually or as part of a pre-designed follow-up workflow, is an easy way to check in. Try something as simple as, “Hey, Judy, I was just checking in to see if you still need that 10-by-10? I can hold it for you if you think you can make it in today.” This is a lot better than making a phone call and stumbling through small talk.

After move-in. Think you rocked the move-in process? Pre-templated text messages can be automatically scheduled to thank your new tenant and request a review on the channel of your choice. Include a direct URL to the review portal and watch the positive feedback fly in!

When rent is past-due. One of the most effective uses of texting is sending automated rent reminders. A message that automatically goes when an account is delinquent, including a pay-bill link, will dramatically reduce your past-due rent and number of units that go into lien status. If a tenant hasn’t paid, it’s usually because he forgot or doesn’t have the money. If he forgot, a quick text is a gentle reminder. If he’s short on funds, staying top-of-mind will ensure you receive payment as soon as possible.

During move-out. When the rental has come to an end, schedule a pre-formatted text message thanking your customer for his business and providing pertinent move-out info. Does he need to sweep his unit? Turn in his lock? A reminder about these things is always welcome.

Using text messages as part of an omnichannel communication strategy allows you to efficiently and effectively communicate with your tenants all through the customer journey. Scheduling messages ahead of time relieves stress for managers and tenants while also elevating your operation. **ISS**

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Voice-Enabled Devices

and the Customer Experience



The way we interact with computers changes approximately every 10 years. First, we used punch cards, then keyboards and monitors, then the mouse, which was followed by touch screens. Each of these changes meant learning new skills but ultimately improved the way we engage with technology.

The next user interface is voice-driven. Think of Alexa, Google Home and Siri. A voice-activated device can enable all kinds of hands-free functions at self-storage facilities, from opening gates or doors to answering data-specific questions such as, “Who was the last person who entered the property?” Enabling these types of abilities is like giving the manager an office assistant, allowing him to quickly perform actions and tasks.

Voice-enabled, artificially intelligent assistants are being rapidly adopted in the U.S. today. Software firm Pegasystems Inc. recently asked Americans whether they believed they had interacted with artificial intelligence (AI). Only one in three said yes, when in fact, almost 85 percent had done so. AI is touching more facets of our lives, and we need to start thinking about how it can improve the self-storage industry and our customers’ experience.

AI for Business

While voice interactions with AI assistants are fast becoming commonplace in the home, Amazon is looking to bring the same benefits to the commercial sector

with Alexa for Business. The service has three main components: management tools, an application program interface to integrate with existing applications and infrastructure, and Echo devices, which can be configured for individual tasks or used in shared locations such as conference rooms or lobbies.

Alexa devices open a vast array of features and functionality. Some of the skills that are useful for businesses include:

- [E-mail management, which allows you to read, reply and manage e-mails](#)
- [Website monitoring, which allows you to learn the status of your websites](#)
- [Schedule management, which allows you to set reminders and confirm completion for tasks such as self-storage facility maintenance](#)

Because these devices are cloud-based, they can easily be enhanced and expanded. Cloud-based systems allow for easy improvements without the high cost of upgrading older PC-based technology. Self-storage operators who are using antiquated tools should investigate newer platforms that allow for additional functionality, increased security and lower cost of ownership. Some are already experiencing multiple benefits by employing voice-enabled devices at their locations.

“We’ve seen numerous times where overcoming a language barrier sealed the

deal in securing a rental,” says Natolie Ochi, president of SKS Management, which operates 23 self-storage properties in California. “We see future benefits of voice-driven functions at our properties, from having Alexa open our gates to giving the manager a daily briefing report, setting reminders, and so much more.”

Common Uses

Here are some common ways to use voice-enabled devices and platforms at your self-storage locations:

Language translation. If a customer who doesn’t speak English enters your facility, you can ask the device to translate your speech into the customer’s language and vice versa, omitting the language barrier and facilitating a unit rental. It vastly improves the customer experience for non-English speakers.

Control other facility devices. Voice technology can also be used to control thermostats, gates, doors and more. For example, you can simply say, “Open the front gate.” There’s no need to stop what you’re doing to find the clicker or open the access software to perform this simple function.

You can even ask the AI to begin the work day, which might include turning on lights, starting the coffee-maker, telling you the weather or breaking news, or relaying the number of rentals the facility had via the self-serve kiosk or online reservation system during the night.

Obtain information. Instead of having to look up information on the facility computer, you can simply ask the device, “Who was the last tenant on site?” or “How many tenants are on the property?” If you run daily reports on occupancy, rental rates and other key metrics, the technology can provide data that will help you better operate and manage the site. You could even set this up as part of your morning briefing.

Security Concerns

Data security and privacy are significant concerns today with all this new technology. Amazon and Google say their assistants only start recording information

after they've heard the wake phrases "Alexa" or "Hey Google." Users can delete any information that was stored.

The attack vector for smart speakers is small, meaning a hacker would have to access Amazon or Google or your physical device. Your laptop and Web browser, which store more critical information, are much more open to cyber-threats than a voice-controlled device.

Adapting to Demand

"Amazon, Apple and Google are investing billions to make voice recognition the main way we communicate with the Internet. We need to take proactive steps

to ensure we're part of this new shift in user experience," says Robert A. Chiti, CEO and president of OpenTech Alliance, a provider of self-storage kiosks, call-center services and other technology.

Investigate the benefits of incorporating voice-enabled devices into your day-to-day operation, including how people use them and how they can enhance the customer experience. As with any new technology, it's important to choose an open platform that allows for integrations with many devices as opposed to a closed, end-to-end solution.

Just as Web and mobile search displaced the Yellow Pages in how

customers find and use self-storage, voice-enabled devices can drive even greater change. As consumers use these platforms, the more functionality they'll expect. Potential self-storage users will ask their device for the closest facility, then to reserve a unit, pay their rent, schedule a move-out or perform other functions. Facility operators should think about how they'll use this new technology to stay competitive in a quickly evolving industry. **ISS**

Contributor: *Jon Loftin, OpenTech Alliance Inc., www.opentechalliance.com*

Understanding Progressive Web Apps



With the evolution of technology, Internet users expect to visit clean, engaging and reliable websites. At the same time, app technology has taken the world by storm in the last decade, accounting for 89 percent of all mobile media time.

So, what if there was a way to combine the convenience of an app with the speed and search engine optimization (SEO) abilities of a responsive website? That's where a Progressive Web App (PWA) comes in. A PWA is a new technology by Google that combines the best features of traditional apps and websites into a single, low-data website optimized for mobile and desktop users. By 2020, these all-encompassing platforms will have replaced 50 percent of general-purpose

consumer-facing apps, according to Gartner Research, a global research and advisory firm.

Let's look at some PWA benefits and drawbacks, and how to get started using one in your self-storage operation.

The Benefits

There are dozens of benefits to adopting a PWA, from fast loading, to low data and battery use, to safety and security, to automatic background updates. Here are a few highlights:

- According to Google, 53 percent of Internet users will leave a website or app if it takes longer than three seconds to load. For that reason, the search engine giant gives strong preference to websites

that are fast and efficient. It's often inclined to rank a fast-loading PWA above a slower, non-responsive website.

- PWAs require 70 percent less data to load, which is great for users on data-restricted cell-phone plans.
- An interactive PWA experience allows customers to engage from any digital medium in any location. This means your self-storage tenants can access your information from anywhere with unparalleled speed.
- PWAs offer push notifications, which are great for reminding tenants about rent, upcoming auctions, maintenance projects or office closures.
- HTTPS, which is used for secure websites, is a requirement for PWAs and can play a role in improving your website ranking. Search engines and your tenants value security, so it makes sense that Google and other search engines do as well.
- With traditional apps, users must download from the store. A PWA, on the other hand, can be easily added to a phone's home screen with the click of a button. It offers an enhanced mobile experience with an app-like feel. Not only is this great for increasing conversions, it decreases bounce rates and improves SEO.
- Traditional apps must be repeatedly updated. With a PWA, the developer can update the program in the background to ensure users always have the most recent release. With offline abilities as well, cached versions of the PWA are available so users can check information quickly, even when they don't have Internet service.

Faster, integrated and engaging, a PWA allows your business to reach a larger audience than ever before; however, it isn't a perfect solution to engaging customers. It's a relatively new technology, and many people are struggling to use them to their fullest potential. From a self-storage operator's standpoint, it can be difficult to convey the usefulness of a PWA to a customer. This may require a campaign to teach tenants. In the long term, though, proper adoption can prove extremely beneficial.

Trumping Traditional Apps

While a PWA may be a foreign concept to you, most major companies now have one, including Instagram and Uber. In recent months, studies have shown that most smartphone users are hesitant to download new apps and are averaging zero (yes, zero!) per month, making traditional apps an extremely expensive and ineffective option.

Traditional apps also aren't designed for easy sharing among peers, but with PWAs, users are always one click away from being able to share a page. If someone has a relative in college, for example, being able

to quickly share your self-storage website with them via e-mail, text or social media can help start a conversation among potential tenants about renting from your facility.

When West Elm, a home-decor company in Brooklyn, N.Y., added a PWA to its website, it experienced a 15 percent increase in the amount of time users spent on its site. With so much local competition for storage facilities, boosting the length of time users spend on your site will help create business and return visits. A lot of this success is because PWAs are optimized for mobile and desktop users, regardless of operating system or Internet browser.

Getting Started

If you search online for PWAs, you may be overwhelmed by the information at your fingertips, and that's OK! As with all great things, there's a lot to consider.

For the average self-storage facility, developing a PWA may be out of reach. You could try to build one on your own, but there are many companies that specialize in PWA development. Google provides a wealth of knowledge for software

developers who produce these technical programs. Whether you develop a PWA or partner on one, remember it's often better to keep things simple.

When trying to create a more profitable online presence, it can be beneficial to use the services of a proven digital marketing agency that can ensure your website makes the transition without a hitch. After all, having a website that's difficult to use or maintain may cause more damage than benefits.

Don't forget to optimize your website for SEO. While there are other ways to help your rankings, such as completing Google My Business listings and gathering online reviews, having a fast website filled with relevant, genuine keywords will benefit your organic rankings.

Part of staying relevant in the digital age is ensuring your website and online presence are modern and engaging. PWAs can help create a meaningful presence that's optimized for mobile, desktop and tablet users. **ISS**

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Creating a Smart-Connected Facility

The Internet of Things (IoT) is transforming the way we live and work. Experts predict that by 2025, there will be more than 64 billion active IoT devices worldwide—a number that's likely to grow exponentially as consumers and businesses expand their application of smart devices to everyday tasks.

In the self-storage industry, IoT has the potential to deliver significant opportunities for improved revenue and efficiency. But to achieve those benefits, your operation needs to move beyond basic IoT device management and centralized reporting. This article will help you understand how to effectively leverage a smart-connected facility and develop an achievement plan. If you want to stay ahead of the competition, you need to get started *now*.

Smart Products, Connected Facilities

The IoT ecosystem, populated with smart devices, connects an impressive range of physical products to the Internet. These products can capture and share a



tremendous amount of data. They range from home-based devices like washing machines and light bulbs to the security and energy devices found in today's leading self-storage operations.

The applications for smart products in self-storage are virtually limitless. Any physical device that performs a clearly defined task at your facility could be a candidate for smart technology—if not now, then at some point soon. Our industry is a natural fit for the smart-connected concept because it allows facility operators to take advantage of massive amounts of data generated at their properties every day, such as video, customer behavior and site conditions (temperature, air quality, etc.).

A smart-connected facility uses the data captured from its devices to improve business insight and generate operational efficiency. However, it involves more than just a network of smart products; it requires a centralized platform to visualize and ensure those products work seamlessly together. A robust, smart network makes it possible for devices to operationalize routine activities.

Leveraged data and unparalleled connectivity will help self-storage operators take a more proactive approach to facility management, resulting in lower costs, better security and an improved tenant experience. For example, you can quickly notice rising air temperatures and address an issue with the HVAC system or close a door that's been propped open, rather than wait for a customer to complain or investigate an issue prompted by an unusually high electric bill.

Unpacking the Benefits

Smart-connected facilities can radically transform self-storage for operators and tenants. Many of the challenges and pain points that have historically plagued the storage industry are solvable with a network of smart devices. Let's look at some of the primary benefits.

Customer acquisition and retention.

Smart devices drive revenue gains by improving your ability to acquire and retain customers. With a smart-connected facility, you gain visibility to data-driven insights about customer behaviors and preferences, allowing you to improve the customer experience based on facts, not speculation.

A smart-connected facility also creates opportunities to perform activities that increase customer engagement. For example, site staff often spend several hours a day away from the management

office, performing security checks, handling maintenance tasks, etc. By monitoring the operation in real time, a smart network can reduce walkthrough time in a 1,000-unit facility by three or more hours per day. Employees can reallocate a sizable portion of their time to interactions with prospective customers and existing tenants.

Operational efficiency. Efficiency separates successful self-storage operations from the rest of the pack, and smart technology improves it. Although there are myriad ways a smart-connected does this, energy-related activities are obvious targets. By monitoring door activity



“Many of the challenges and pain points that have historically plagued the storage industry are solvable with a network of smart devices.”

and quickly notifying staff when doors had been left open, one 10,000-square-foot, climate-controlled facility in Arizona was able to reduce its energy spend by 15 percent, preventing \$8,000 in excess energy costs—*each month!*

Safety and security. Self-storage customers value security, and facility operators with a strong security setup have a shot at capturing the most loyal, highest-paying tenants in the marketplace. Moreover, those who can *efficiently* provide first-rate security are further ahead of the game.

Smart-connected facilities strengthen and streamline security through the integration and networking of door-level security, surveillance cameras, unit alarms and other devices. The centralization and automation of security activities improves response times and operational efficiency. It also leads to a better customer experience, resulting in additional revenue opportunities.

The Journey to Success

Every technology implementation presents a unique mix of challenges and

opportunities. Your smart-connected facility begins with a clear understanding of why you're implementing the technology and the pain points you aim to relieve. It's essential that everyone understands the goals behind the initiative. Here are a few tips to help ensure a seamless process:

- **Choose a central platform.** You'll need a solution to serve as the “brain” for your network of smart devices. This'll ensure you get the most out of your setup and determine how devices will be connected across your site.
- **Determine the right number of smart products to implement.** Although it's possible to convert nearly all devices into smart ones, they're not all good candidates for an IoT makeover. Unless you can articulate a pain point the connected device will solve, resist the temptation to add it to your network.
- **Consult a trusted expert for help.** Installing smart devices is easy but creating a highly integrated smart-connected facility is not. Consult a trusted expert with experience in self-storage to increase the likelihood of success.
- **Secure buy-in across your organization.** The journey to a smart-connected facility requires the commitment of your entire team. Solicit buy-in from employees at every level of your organization and communicate with tenants and vendors to avoid hidden snafus.
- **Leverage the data you collect.** This is the most important step! Smart-connected facilities capture a tremendous amount of data; but a mountain of information can't benefit your operation until it's transformed into actionable insight. Select a core platform with advanced analytics to help convert the data you collect to real-world improvements.

The age of IoT is here. For self-storage operators, the cost of doing nothing far outweighs the challenges of planning and implementing a smart-connected facility. If the process still sounds intimidating, consider that the right IoT platform mitigates risk while improving site security and efficiency. It creates an overall better customer experience, which leads to greater revenue opportunities. Trust me—you and your tenants will welcome the change. **ISS**

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Using IoT Technology and Predictive Analytics

Advancements in technology are changing the way we live and forcing companies to adapt to the needs and customs of the modern-day consumer. This is especially true in self-storage, where they directly impact productivity and the customer experience.

Technological improvements in self-storage (for example, in site security), have proven to be competitive advantages for facility operators who want to differentiate themselves in the marketplace. However, the industry is just starting to unlock the true potential of IoT (Internet of Things) technology.

In a nutshell, IoT is the extension of Internet connectivity into everyday objects—referred to as “smart devices”—that collect, transmit and store data. These devices communicate and interact with one another to form a network. Almost any type of equipment can be connected to this network using an API (application programming interface). In a self-storage environment, you might connect your video surveillance, intercoms, lighting, smart locks, HVAC and so on. Once a device is connected, it can be monitored and controlled remotely.

Predictive Analytics

IoT technology is empowering self-storage operators to proactively

oversee their facilities, leveraging the data collected by their smart devices to stay ahead of competition and drive innovation within their markets. This information can be used to prevent and react to problems, such as a security breach or equipment failure.

This level of insight, known as **predictive analytics**, allows you to listen to and learn from your smart devices. Collected data is centralized, analyzed, and then returned in a digestible format. A predictive-analytics tool provides an unparalleled level of visibility into your self-storage operation. It's capable of identifying any existing or future performance issues early and gives valuable insight to the best possible solution. As it gathers and returns data, you and your network become smarter, which leads to better decision-making.

For example, a climate-controlled self-storage facility in Arizona was spending more than \$8,000 per month on electricity before the operators discovered certain doors were being propped open in the heat of the summer. To prevent this from happening again, they implemented an IoT platform and integrated it with door strikes. They then customized the settings to notify staff if any facility door was held open for more than 30 seconds.

The implementation of IoT technology provided real-time visibility into the HVAC system, ensuring occupants were comfortable, energy consumption was efficient, and the moisture caused by humidity in each building was under control. As a result, the facility was able to prevent waste and reduce its energy bill by 15 percent.

A Competitive Advantage

IoT technology can be leveraged to meet the specific needs of your self-storage business and improve operational efficiency. The extent of its benefits depends on implementation, but it provides immediate access to data about facility systems and a greater ability to make positive changes as a result. Early adopters who begin leveraging IoT will be more likely to gain a competitive advantage through cost-savings and an enhanced customer experience.

Before you make the jump to this technology, however, it's essential to get buy-in from your organization. Consult an industry expert to help determine the best way to go about building out a smart-connected facility. **ISS**

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Kiosks as a Self-Service Solution

With kiosks being used in every market—on the streets as guides, in airports, hotels, retail stores, banks, restaurant chains and many other places—self-service alternatives are no longer a “nice to have” option for most businesses. For a lot of consumers, they’re the preferred option for engaging with a company, even at a self-storage facility!

According to “The Real Self-Service Economy” by Steven Van Belleghem, 40 percent of consumers prefer self-service to human contact, and 70 percent expect a company to offer a self-service option. This trend is particularly relevant to younger generations that already account for nearly one-third of self-storage consumers. As greater numbers of Millennial and Generation Z customers seek our product, they’ll continue to drive this requirement.

“Born with devices in their hands, Millennials and Generation Zs view the world as a highly connected ecosystem,” writes customer-service expert Shep Hyken in the article, “The Future of Service and How to Amaze Millennials and Generation Z.” This is what he has to say about how these consumers are changing the future of service:

Millennials and Generation Z expect companies to be available at any channel of their choice at any time. These generations are looking for instant information and instant service connection. They are not going to be the ones who sit on hold on the telephone. They would probably not even make a phone call in the first place. So, companies need to offer service options that are instantaneous. In that sense, easy and intuitive self-service solutions can make a good fit.

While several strategies can and should play a role in providing easy, accessible self-storage—online rental options, live chat, Web-based applications and others—no self-service option offers a one-stop, full-service alternative for the industry like a kiosk. A kiosk offers all the features and functionality of a person (without the need to talk to one), while providing greater convenience, a better overall experience, and a drastic reduction in costs and risk.

An Extension of Your Office and Staff

Kiosks have been an integral part of self-storage operation for the last 16 years. From manned to unmanned, rural to



urban and every facility in between, many have enjoyed success with self-service. Statistics from my company show that in the last two and half years alone, our kiosk models have captured 605,000 payment transactions amounting to \$65 million; 19,466 reservations amounting to \$2.1 million; and 88,000 new rentals amounting to \$9 million in new revenue. When implemented properly, a kiosk acts as an extension of your office and staff to offer proven value in the way of increased revenue and customer satisfaction.

Kiosks also free up time so you can address the many challenges of day-to-day facility operation. A manager’s job is a busy one, and his attention can be pulled in many directions. He’s responsible for helping customers, renting units, checking locks, cleaning and maintaining the property, making bank deposits, managing auctions, collecting past-due rent, marketing, and much more. With a kiosk in place, these things can be accomplished without negatively impacting new sales that walk in the door. Staff become more effective and their hours can be repurposed to most effectively serve customers and the organization.

Kiosks are a true alternative to a live person, providing customers with a full rental experience. They can:

- Integrate with facility-management software to provide real-time updates on unit pricing and availability
- Accept payments 24/7 and automatically apply them within your management software
- Allow tenants to select a unit and see where it’s located on a site map

- Allow customers to sign and receive a copy of a lease
- Sell tenant insurance and locks
- Accept credit card, cash and check payments
- Grant tenants immediate access to your facility per your security and gate policies
- Capture a digital recording of each transaction
- Photograph the customer and take a copy of his driver’s license for comparison
- Offer two-way live customer support
- Serve bilingual customers

Each step of the kiosk rental process is designed to safeguard your facility against risk, aiming to avoid human error, dodge bad checks, dissuade renters with corrupt intentions, and more. These safeguards can be used even with a customer who desires more personal service. It’s simply a question of the manager walking him through the kiosk process. He’ll be there to assist, but the customer will still enter his own information, use the digital captures, etc.

Kiosks Models

There are a variety of kiosk models to meet the unique needs of your self-storage facility. When evaluating which is the right fit, consider the physical needs and limitations of your space, your budget, and the features, functionality and customization options that are important to your operation. Model options include standalone, pedestal-mount, wall-mount and through-the-wall. You can also choose from tablet and countertop models. Other options to consider include indoor vs. outdoor and PC vs. cloud-based.

When it comes to choosing features and functionality, consider whether you want the following:

- Lock dispenser
- Credit card reader
- Bill acceptor
- Automated clearinghouse capture
- PCI (Payment Card Industry) compliance
- Digital signature capture
- Driver’s license scanner
- Small or full-size printer
- E-mailed receipts
- Built-in digital camera

- Tenant-insurance sales
- Integration with management software
- Live customer support
- Electronic lease
- Built-in security and gate policies
- Facility maps and unique features
- Unit size, availability and special promotions in real time
- Branded external wrap

In general, kiosks range from \$1,500 for smaller, countertop express-payment stations, to robust, full-featured models at \$18,500.

Do the Math

Kiosks continue to play an invaluable role in optimizing self-storage operation. These payment and rental stations give customers the freedom to conduct transactions at any time of day, even when the manager is busy or the facility is closed.

Monitoring after-hours transactions has given us unique insight to consumer behavior. My company conducted a study of kiosk use from January 2017 to April 2019. It showed that 45 percent of customers chose to rent a storage outside of normal office hours and 51 percent chose to make payments after hours. Even when the office is open, 55 percent of move-ins and 49 percent of payments occur at the kiosk.

Kiosk Activity	During Office Hours	Outside Office Hours
Move-Ins	48,840 (55%)	39,627 (45%)
Payments	300,121 (49%)	303,907 (51%)

Consider the revenue you could be leaving on the table without a kiosk. Let's say three customers per month rent outside your office hours and your average customer lifetime value is \$1,100. That's \$39,600 in incremental revenue you would have missed.

Also, with the cost of employees on the rise, implementing a self-service solution makes more sense than ever. When kiosks first came on the market in 2004, hourly wages were 25 percent to 50 percent lower. Today, the average wage for an entry-level, non-technical customer-service representative is \$17 per hour, according to Glassdoor, a job and recruiting website.

Consider supplementing your staff with a kiosk, even if it's just part-time or after hours when facility traffic doesn't justify an onsite person. It would easily pay for itself in approximately 35 weeks (multiply \$17 per hour by 25 hours per week by 35 weeks, for a total of \$14,875). This doesn't even consider what you would save on staff payroll taxes, training costs, etc.

The Advantages

Kiosks offer many advantages for self-storage operators, from

reduced operational costs and risk to enhanced revenue and overall customer experience. Kiosks act as a competitive differentiator, giving you a marketing and brand advantage. They allow you to interact with customers in the way they desire and cater to those who prefer to engage with technology rather than a person. They also remove discomfort for late-payers, who can now avoid paying in person.

Today's kiosks are technological marvels designed with the latest in hardware and cloud-based software for enhanced data security and reliability, and a transformed touchscreen and intuitive user experience. They can withstand frequent use while retaining an elegant, modern feel, and serve as an enhancement to your brand and facility. Set up is generally simple, straightforward and supported by a live onboarding team to ensure you're getting your technology up and running and serving customers as soon as possible. **ISS**

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Successful Automation: A Case Study

At 10 Federal, our focus is on operating unmanned, autonomous self-storage facilities. Over the past four years, we've tried numerous technologies and methods to refine the process, and I'm pleased to report the model is succeeding. Properties that have been on our platform for a minimum of six months have increased net operating income an average of 18 percent. With our debt leverage, this equates to a 52 percent increase in the value of equity invested!

What's important to recognize is technology is replacing labor. It doesn't matter what industry you're in—there are more machines, computers and robots than ever performing work that used to be done by people, and productivity is increasing tremendously through technology use. For example, we have one property manager who oversees all 15 of our locations. That's pretty efficient!





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Our goal is to find the maximum point on the curve where one axis is customer satisfaction and the other is cost. Effectively, we're looking for the best tenant experience at the lowest rate. We'll look at any technology that can improve convergence. However, the tools we employ can be used by any self-storage operator. Pick one or all. Any will increase the efficiency of your operation and save you time, money or both.

Before I dive into the details of the technology we use, I want to emphasize that the following is not a definitive list. Our industry is full of great vendors who are constantly refining and improving their products. This is simply what we're using for our current model. I'll distill items into three categories: sales, operation and monitoring. I'll also share challenges we faced to implement new technology and the effect it's had on our customers.

Sales

Our sales revolve around a leasing-enabled website and kiosk as well as a call center. A leasing-enabled website allows a prospective renter to create an account, select a unit, enter payment information, create a gate code, electronically sign the lease and move into the unit all on his own. Twenty-four percent of our tenants rent through our website without ever talking to us. Not only is this optimal efficiency, it gives us a big advantage. We can lease 24 hours a day, whereas our competition can only rent during business hours. We average three to five leases per facility per month through after-hours leasing.

A leasing-enabled kiosk performs all the same functions as the website. Though only 6 percent of our leases originate through this tool, I still recommend having one. The use is enough to justify the investment, and the kiosk doubles as a pay station and information terminal for customers. Further, it establishes an "office" where renters begin their onsite journey.

Another critical item you need if you're operating an unmanned facility is a model unit, since after price, the next most common question from customers is, "What size unit do I need?" We either convert an existing office or buy a 10-by-20 portable-storage unit to use as the model. We mark the smaller unit sizes on the floor using colored tape. Placing this near the kiosk allows customers to visualize the space they'll need.

The call center is the final and most critical sales channel. Seventy percent of our leases originate here. Units are rented over the phone, or the customer can complete the lease at the kiosk or website. You can't escape having a call center if you go unmanned. We established our own, as unmanned sites were pretty specialized when we started. Now, there are many great call-center options.

None of the above is relevant, however, if the customer doesn't know about your

store, so it's critical to have an online presence. Start with getting a Google My Business Listing, then supplement with Google AdWords. I love this advertising channel because you can turn it on and off as needed.

Operation

For payments, we only accept electronic—no cash or checks. We lose 10 percent of customers when we acquire a facility and enforce this requirement, but

Please Scan Here

10 Federal locations feature this unique retail display at the back of the unit model to show people everything they might need to store, including boxes, blankets, tape and gloves. To order, the customer simply uses his phone to scan the UPC code and purchase items through the Amazon or Lowe's apps.



we recover that loss quickly and the system is very efficient.

Next is the overlock challenge, specifically how to release an overlocked renter if there's no manager onsite. We use a lock system we developed ourselves, but there are other automated lock options in the industry. Even if your facility is staffed, an overlock system will help with efficiency, as the manager won't have to spend time removing overlocks, and locks can be removed even after hours. It's a better customer experience.

Our auctions are all online. It's rare that we don't sell a unit, and we're relieved of having to haul off junk, as that burden falls to the auction winner.

We do employ part-time maintenance techs who invest an average of 10 to 20 hours per facility per month. That's still far better than 160 hours per month for a full-time manager. A maintenance tech mows, blows, cleans, overlocks units, takes auction photos and handles other routine tasks. We're experimenting with 360-degree cameras and virtual-reality headsets that will allow our maintenance director to be "present" with the tech to do things such as walk-throughs or troubleshooting a gate.

Monitoring

We rely heavily on our camera system and are experimenting with analytics

cameras. A legacy system records what has occurred on site, but an analytics system can be trained to recognize if a door or vehicle gate is stuck open. Plus, the cameras can see thermally, so they can recognize if a climate-controlled building's temperature is outside of its target range or there's water on the floor, indicating a leak. Our goal this year is to make the analytics cameras our central nervous system to monitor all aspects of the facility and actively notify us of exceptions.

Challenges

We have experienced some challenges when introducing technology at our properties, and they can be divided into two categories. The first we've defined as "the incident of failure rate" and the second is simplicity.

With unmanned operations, we have no one on site to deal with things that fail or break; hence, our goal is to get the frequency of something not working as close to zero as possible. There are a lot of amazing whiz-bang technologies out there, but if they're not extremely reliable, they aren't a good fit for unmanned sites.

Also, when you're unmanned, there's no one on site to explain how anything works. Every process must be as simple as possible so anyone without prior self-storage experience can jump right in and execute.

We work hard to get tenants onboard with our technology. When we acquire a facility and implement new tools, we lose 10 percent of the rent roll, on average. That may sound bad, but that same technology allows us to quickly recover those lost tenants. And, by the way, those are our "least efficient" customers—the ones who insist on paying by cash or check—so we're not exactly sad to see them go.

Most tenants are remarkably comfortable with our technology, as we try to keep it in the vein of interfaces they're already used to, such as a website, kiosk or combination lock. It's all familiar to them thanks to online shopping, Redbox and ATMs.

Whether you're thinking of going unmanned or just looking to find new efficiencies, I encourage you to attend industry tradeshows and see the technologies firsthand. Consider things that are easy to implement, such as connecting your gate to your website and management software. Chances are, everything is already in place, you just need your software provider to flip that switch. Then you can rent units 24 /7! This is just one way you can better serve customers and lower your operating costs. **ISS**

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Using Advanced Video Analytics

Today's self-storage customers expect technology-rich, around-the-clock security to protect their property and ensure their personal safety. Traditional video surveillance offers an important line of defense against theft, vandalism and other crimes, but it isn't an ideal solution for your facility's security challenges.

Why? Because traditional surveillance technology suffers from a fatal flaw. You either pay for someone to continuously monitor video feeds or view footage after the damage is done. Either way, you're looking at additional costs to your operation.

Video analytics changes everything. Leveraging artificial intelligence (AI), it brings efficient, proactive response capabilities to your existing surveillance

system. With video analytics, you no longer have to choose between saving money and preventing criminal events. Video surveillance and analytics solutions are about more than improving site security. They're an investment that improves operational efficiency and grows the bottom line.

Using Cutting-Edge AI

AI, or machine intelligence, has come a long way in a relatively short period. Once the stuff of science fiction, practical applications of AI technology are popping up across a range of industries and transforming processes for improved efficiency and performance.

For years, security professionals have wanted to incorporate AI into video-surveillance technology,

but hardware limitations and other technological challenges made it impossible. The emergence of video analytics bridges the gap between existing hardware and AI by allowing surveillance systems to act more like living, breathing employees.

With video analytics, surveillance systems learn to detect abnormal activities in real time. The system identifies security threats or other targeted events, then immediately notifies the appropriate parties (owners, managers, police or security personnel). Without investing in continuous human monitoring, you can respond to events before they occur.

AI-enabled analytics platforms are built to optimize your existing video surveillance. Using your CCTV or IP (Internet protocol) camera system and an integrated



end-to-end solution dashboard, you receive instant notifications about security events as they happen. Interchangeable AI architecture delivers the optimal framework based on use case, allowing you to establish custom parameters and tailor the technology to your operation's unique needs. The combination of an end-to-end platform and AI technology equips your operation with a customizable, comprehensive video tool tailored to your facility's most urgent security and operational challenges.

Improving Security and Efficiency

Your tenants expect you to protect their property and ensure their personal safety, especially after hours. As a self-storage operator, safety and security are clear priorities; but efficiency is important, too. Technologies that drive cost-savings and operational improvement contribute to financial performance and give your business a competitive advantage. AI-powered technology helps in the following important ways:

Machine learning means better security at a lower cost. Edge-based computing enables autonomous cognition, meaning the system can “think” and “learn” without human intervention. By independently identifying security threats or other events and automatically triggering the appropriate response, the integration reduces your facility's dependence on human staff while providing continuous coverage.

Video analytics facilitate the creation of “sterile” areas. Video-surveillance systems with AI capabilities allow you to

define areas where any unusual movement is treated as a triggered event with a wimple point and click of a mouse. When the system identifies an event, it notifies anyone monitoring the platform and other appropriate parties through an e-mail or text message. To reduce false alarms, the technology references custom parameters to recognize and ignore movement originating from trees, wildlife or other non-threatening sources.

AI-powered video analytics results in better system performance. The human brain is hardwired to alternate between periods of attention and distraction. As a result, even highly trained security professionals can misidentify or overlook threats captured by cameras. Video analytics provides constant, error-free monitoring of your facility's defined surveillance areas.

Technology helps you monitor the activities of managers, staff and customers. To improve operational performance and efficiency, the most powerful AI-enabled solutions offer FILO (first in, last out) monitoring of management staff and tenants. Self-storage owners receive notifications when each manager arrives at and leaves the office. Similarly, video analytics monitor customer activity and traffic areas to optimize staffing levels and study tenant behavior throughout the facility.

Zero-delay response times are the new normal. Every second counts when security and safety are on the line, but delayed response times are inevitable with traditional video surveillance. Even live video monitoring requires time for security

staff to identify the nature of a threat and determine an appropriate response. AI incident management eliminates delays by facilitating pro-active response in real time. When an event occurs, it triggers an instant notification to the facility owner, operator, police or security personnel.

Choosing a Solution

Advanced video analytics present an excellent opportunity for improving security and operational efficiency at your self-storage facility. Although many video-surveillance solutions promise the world, few offer the features and benefits you need to leverage AI for meaningful business improvement.

An end-to-end platform with video-analytics integration is designed to help you maximize the impact of AI and machine learning. Additionally, the combination addresses key issues you must consider when choosing a solution:

- **Upfront and ongoing costs:** Decisions about video-surveillance technology hinge on cost. An AI-powered solution that works with your current cameras will require no upfront investment in additional hardware. Going forward, the combined capabilities of industry technology generate significant savings by reducing or eliminating the need for live video monitoring.
- **Compatibility with existing systems:** The integration ensures compatibility with your current IT infrastructure. Designed to function as a plug-and-play solution, the program seamlessly integrates with your existing analog or IP-based video system.
- **Cloud-based architecture:** This extends the functionality of the AI-powered solution by providing anytime, anywhere access to the security status of your facility. Featuring a single, centralized view of video feeds and security alerts, you can sleep easier knowing you're constantly connected to your operation.

Going forward, self-storage operations will face even more pressure to improve security and operational efficiency through intelligent technologies. By understanding your options and investing in the right video surveillance and analytics platform, you can lay the groundwork for significantly better business outcomes in the months and years ahead. **ISS**

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Finding **SUCCESS** With **SERVICE OUTSOURCING**

You've heard the phrase before: Work smarter, not harder. In the self-storage industry, this approach could include outsourcing. If you aren't farming out any of your operational tasks, you might be working harder than you should.

Outsourcing can mean a lot of things. You can hand off a single task, or hire out an entire set of responsibilities to a local, national or global provider. Available services include site maintenance, such as landscaping or paving; administration, including staff hiring and training; and creative solutions, like marketing. According to a 2018 survey of company executives conducted by Deloitte, outsourcing is increasingly becoming "the new normal." It's seen as a way for businesses to gain a competitive advantage and streamline operation.

Consider your life as a self-storage operator and identify the tasks that monopolize your focus, energy and time. What bigger-picture goals could you better accomplish if you outsourced some responsibilities?

Benefits

Outsourcing can do a lot more than just free up time, though that's certainly one of the most attractive benefits. It can also reduce overhead costs. When you outsource, you don't have to hire employees for part-time or seasonal tasks. It can also eliminate the need to purchase equipment, as vendors will generally provide their own tools.

Another benefit is access to experts in niche fields. Outsourcing allows you to draw from a larger pool of talent than you might find within the self-storage community.

The greatest advantage, however, is outsourcing allows you to focus on the heart of your business without getting caught up in minutiae. When you farm out tasks, you maintain control of your facility, and you're able to bring all your energy to your primary goals every day.

Consider this scenario: Pete is a self-storage operator who wants to get better at responding to messages from potential customers on social media

platforms. The problem is, he's so busy renting units and maintaining the property that by the time he gets around to this task, his prospects have already rented elsewhere. Worse, they've left negative reviews on Google about his slow response time.

What if Pete outsourced some responsibilities? He could hire a maintenance crew, which would free him up to focus on marketing. Or, he could seek the assistance of a social media support team or reputation-management company to respond to online messages and reviews.

There are many services you can outsource in self-storage. Whatever you need help with, there's probably a company that can manage it for you. Common functions to consider include human resources, accounting, marketing, Web design, maintenance, customer support and others. Let's look at a few of those.

Human Resources

What does it mean to outsource human resources (HR) in self-storage? Typically, it means partnering with a professional employer organization (PEO). If you find yourself spending an inordinate amount of time handling payroll, answering questions about health insurance and performing other administrative tasks, you could probably benefit from a PEO.

In addition to handling organizational functions, a PEO provides staff training on topics such as safety and sexual harassment and offers legal advice on HR-related issues. Partnering with a PEO can even get you access to better insurance options. It's a great resource to have when employees have questions about benefits, tax forms and other issues. You maintain control over day-to-day operation, but the PEO handles the behind-the-scenes stuff.

Marketing

The marketing landscape is constantly changing. Keeping up with trends including search engine optimization (SEO), pay-per-click, content marketing, social media, branding and others can be a full-time job.

Outsourcing allows you to gain insight from marketing experts and firms dedicated to studying analytics. Even if they aren't physically in your market, they have data that allows them to understand it in ways you can't. They invest in technology to automate tasks like social media and e-mail. They can build content strategies and campaigns that appeal to your audience. Outsourcing can improve your online search ranking and bring you more customers.

Maintenance

Performing site maintenance on your own can be risky. For example, an inexperienced



employee tasked with fixing a broken gate could damage it further, or worse, get hurt in the process. Outsourcing allows staff to focus on customers. It also helps boost curb appeal.

You can hire vendors to handle many things, such as painting, paving, landscaping, HVAC repairs and snow removal. Investing in quality contractors creates the kind of place where customers want to store and employees want to work. Always hire companies that are insured, and look for seasonal contractors several months before you need them.

Customer Calls

Using a modern call center with self-storage expertise can help you capture leads during non-business hours, answer rollover calls that occur when employees are busy, and even offer other forms of customer acquisition you might not have at your disposal. This includes social media support and integrated text messaging that follows up with tenants who are late on rent. Outsourcing can help you rent units when your office is closed and even allow you to reduce office hours.

Reputation Management

Your business' online reputation is everything. Customers—especially that elusive Millennial market—increasingly make buying decisions based on reviews. If you don't have the time to respond to every online review, increase positive reviews and push glowing reviews to your social

media platforms, a reputation-management company can help.

These firms can ensure your business information is correct and up-to-date on Google. They also respond to reviews in a way that's consistent and reflective of your brand's voice and get you more reviews through text message and e-mail campaigns. They can especially be an asset if you're dealing with a tricky situation, such as a string of fake reviews that are decreasing your overall rating.

Vetting Providers, Negotiating Contracts

Once you've identified the services you'd like to outsource, it's time to go shopping. For some vendors, such as landscapers, look locally. Browse online reviews and ask other business owners in the community for their recommendations and insight.

For other providers, such as digital-marketing specialists, you have a national or even global pool from which to draw. Again, look at reviews and testimonials and narrow your search to a few options. When vetting each company, make sure it understands the self-storage industry. Have questions ready to confirm it does. Ask to see a list of services offered. Inquire about who the point of contact will be, and when and how you can reach them.

Once you've chosen a company, understand the terms of the contract. Is this a blanket contract it offers to all businesses or is there room for customization? Is it project-specific or will services be ongoing?

When negotiating, be up front about your budget as well as your brand and goals. Remember, an outside provider may be handling some of your responsibilities, but ultimately, you're in control.

Further Considerations

Whether you're a small self-storage operator who hopes to grow or a larger one in command of many facilities, outsourcing can benefit you. Just don't offload all your tasks at once. Take it slow. Farm out something you need help with and then pause to evaluate where else you could use a fresh perspective. Outsourcing may require you to deal with individuals who aren't in the same time zone or who use different methods of communication, so be willing to make some accommodations.

Also, outsourcing doesn't diminish the importance of facility employees. Loyal staff should be reminded that they're valued, and outsourcing certain tasks is designed to empower them to focus on the roles for which they were hired.

If you're growing and always busy, outsourcing can seem like a great advantage; but if you're comfortable where you are and on top of industry trends, it can feel like too many cooks in the kitchen. Know what's best for the needs of your self-storage operation and management style, and then focus on making your business even better. **ISS**

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Should You Use THIRD-PARTY MANAGEMENT?

so much that goes into successfully managing a storage site that owners can easily feel overwhelmed.

The industry is also filled with investors who have no interest in handling the daily minutia of operation. They may have other careers or several additional assets and just don't have the time. There are also owners who'd like to open a second or third facility but lack the bandwidth to manage the existing site and pursue new ventures. For all these scenarios, there's a solution: third-party management.

Services and Fees

Some self-storage management firms offer a menu of services from which you can select the areas you want covered, while others offer a complete package that includes everything: staffing, payroll, accounting, maintenance, marketing, software, etc. A full-service provider does everything except file your taxes!

Owners and investors who manage their own storage sites often pay themselves for their time and effort. When you bring in a third party, you'll typically pay

It takes a lot to manage a self-storage property in 2019. Twenty years ago, you just needed to keep the place clean, collect rent, manage your Yellow Pages ad and engage in a bit of community involvement. Now, a facility operator must be a data analyst, marketing wizard and yield-management pro, on top of many other things. There's

Available 3PM Services

- Marketing
- Staff hiring, training and evaluations
- Property maintenance
- Revenue management
- Payroll and employee benefits
- Facility auditing
- Accounting and financial reporting
- Daily operations and customer relations
- IT support
- Rental-agreement review and lien-sale execution
- Vendor negotiations and management
- Call center
- Policies and procedures

\$2,000 to \$3,000 a month, or 6 percent of gross revenue, depending on property size. Some firms also require a monthly minimum. Many owners find that spending \$30,000 or \$50,000 a year to ensure their property is well-run and efficient is more than worth the money.

It's important to note that having a management company doesn't necessarily change the site-level expenses. You must still pay the electric bill and real estate taxes. However, when a third-party firm takes over, it often finds new efficiencies and other ways to increase revenue. In general, it can pay for itself by bringing in more money, helping control expenses and making the operation more efficient. How long it takes to reach this breakeven point can vary quite a bit and will depend on the individual property and market.

The Search

How do you find management candidates? To begin, see which companies are out there promoting themselves. Do an online search for "self-storage management companies" or visit the online buyer's guide at

insideselfstorage.com (you'll find it under "Directories" in the top navigation bar). Ask members of your state storage association for recommendations or see which firms are involved with that group. Search LinkedIn or other social media to see which companies are active. Ask industry acquaintances and other operators in your area for their suggestions.

There are many firms available, including local, regional and national companies. You can choose from very large companies like the real estate investment trusts or much smaller firms that manage only a few properties. A lot fall somewhere in the middle.

Mid-size management companies typically oversee 15 to 25 properties. They generally have a solid infrastructure with engaged leadership and can customize their services for a specific market or offer special add-on services to respond to market conditions. Many owners find an advantage in dealing with firms of this size, as they receive more individual attention than with larger companies but still benefit from some economies of scale.

Some providers manage other kinds of commercial properties in addition to self-storage, for example, multi-family or office. Just bear in mind that if you use a company that manages many types of real estate, it may lack the breadth and depth of self-storage knowledge necessary to handle all opportunities and challenges.

Choosing a Provider

Take your time when interviewing management firms. A good prospective partner should:

- Listen to your needs and want to learn about your specific property and market
- Have experience in the self-storage industry and understand the business inside and out
- Be familiar with your area, type of store and situation

- Visit your site and meet you in person (Note: Some will charge for this.)

Here are a few important questions to ask:

- What is your management fee and what does it include?
- Are your travel fees and costs folded into the standard management fee, or are they charged separately?
- Which facility-management software do you use? If mine is different, will I be expected to change?
- Will you keep my existing onsite staff?
- How do you handle branding? Will we have to rebrand to your identity or can we keep our own? Is there a co-branding option? What provides the strongest marketing?

Perhaps the most important question to ask is whether your facility is a good fit for the company and its services. Not every site will fall into its "sweet spot." Also, do you feel comfortable with the company's mission and how it conducts business? Once you've narrowed your list of candidates to two or three you'd be interested in working with, get to know them and become familiar with their ways of doing things.

Onboarding and Oversight

Once you hire a management firm, it could take 60 to 90 days before your facility has completed the onboarding process. There's a good deal of setup involved when taking over daily operation of a property.

The company will generally assign a team to your site that might include district or regional managers, vice presidents, or managing partners who'll have some involvement in finances, operations and maintenance. These members will conduct periodic visits to your property to do inspections, audits and employee evaluations. In addition to ensuring everything is running smoothly, they'll seek ways to increase revenue and control expenses.

Hopefully, I've given you some insight to what to expect and helpful tips on how to choose the right third-party management company for your business. Good luck! **ISS**

Perhaps the most important question to ask is whether your facility is a good fit for the company and its services. Not every site will fall into its "sweet spot."

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Working With Pros on

SITE MAINTENANCE

Whether your self-storage business operates one facility or dozens, management requires dedication, planning and organization. Among the many responsibilities, you need to keep the grounds clean and perform routine maintenance. This might include fixing broken unit doors, planting seasonal flowers and cleaning office windows. Doing all this on top of daily operation can be challenging.

In addition to time constraints, you and your team might lack the expertise to handle all tasks. Maintenance includes more than janitorial work. Consider the wide range of potential repairs, from electrical issues to graffiti to cracked pavement. It might make sense to outsource to a third party. Here are some of the benefits and what to look for when you hire maintenance support.



Less Headache, More Skills

If you're the self-storage owner, you're responsible for providing wages and benefits to your in-house employees. You not only fund paychecks, you ensure the right taxes are withheld and sent to the government. You may offer a retirement plan and medical benefits. You're required to provide a certain amount of paid vacation and sick time each year.

When you outsource maintenance, you simply pay the contracting company. It

sends workers to your facility, but they're not your employees. It not only costs less than hiring full- or part-time staff, it makes your job easier, as you don't have to deal with human resources issues. You're simply a client. All personnel functions, including discipline, are handled by the provider.

Of course, you can instruct the company on what you need done and make requests regarding method. Just keep in mind it may have a certain way it prefers or needs to do things for worker safety. Before you sign a contract, ask if the provider has any rules or restrictions for its employees of which you should be aware.

When you outsource maintenance work, you get employees who know what they're doing. You don't have to do any training. The provider ensures its team has the skills necessary to complete the job. On occasion, you may have to wait a while if you need a highly specialized service; however, it'll still be much faster than if you had to train a member of your own staff to do the work. In general, you'll experience much less downtime when you outsource.

A Balanced Approach

Do you have to either hire dedicated in-house maintenance staff or outsource to a provider? Of course not. You can use a combination of both for a balanced approach that yields the best results.

Perhaps you'll train your team to handle simple, routine tasks and hire out for more difficult or specialized needs. Unexpected issues such as broken gates or leaking roofs often require professional attention. Some tasks are simply better handled by specialists such as pest control and security-system maintenance. These often require expertise your in-house workers don't have and shouldn't need.

Choosing a Provider

When you need a maintenance company, you'll want to take several steps to find a good one. First, search "maintenance company near me" on Google. Visit each

company's website. Read their reviews on Yelp or Google. You may even find additional companies this way. If you want to go deeper, visit the Better Business Bureau website, which allows you to compare company ratings. You can also ask other self-storage operators in the area what contractors they like.

Narrow the list of possibilities to the few that seem the best. Give them a call. Ask what they can tell you about their business, what specialties they have and so on. Request references. Once you've found one you like, carefully read the service contract before you sign, then get a copy.

Ultimately, you'll need to figure out what works best for your self-storage business, balancing cost and results. It may take time and experience to refine the balance. Done right, you'll have reliable, loyal employees to handle most of the maintenance load, with helpful contractors coming in to take care of jobs that require more specific skills. **ISS**

Contributor: *Jonathan Fesmire, Storagefront, www.storagefront.com*

Maintenance Items to Consider Outsourcing

- Landscaping
- Pest control
- Snow removal
- Office/restroom cleaning
- Gutter and roof maintenance and repair
- Unit-door repair or replacement
- Electrical and lighting repair or upgrades
- HVAC maintenance
- Interior and exterior painting
- Parking-lot striping and resurfacing
- Security-system testing and maintenance

Outsourcing Staff Needs to a PEO



- Life insurance
- Flexible-spending and health-savings accounts

It's expensive to offer and maintain these benefits. Packages that include them are commonly provided by larger companies due to the costs involved. PEOs serve as a market aggregator, giving each client the purchasing power of a large corporation. When you work with a PEO, you have access to insurance products and other ancillary services that can retain top talent at a fraction of the price it would cost to obtain them on your own.

Stay in Compliance

One of the biggest challenges for businesses is staying compliant with the complex federal, state and local laws regarding employee recruiting and hiring. There are regulations that govern what questions can be asked on an application, whether you can require arbitration of disputes as a condition of employment, drug-testing requirements, hiring notices, etc. Keeping track of these laws and the changes that take place each year can be difficult.

Working with a PEO can take the headache out of compliance. By using a PEO as your external human resources (HR) department, it'll help you stay abreast of legal changes, notify you when there are modifications on the horizon, and help you update forms and practices to limit exposure to a lawsuit or claim.

A PEO can help a small business reduce the cost of recruiting, fill positions faster, offer strong benefits packages and assist with HR compliance. Let one help alleviate the stress and burden that comes with running your self-storage operation. **ISS**

Contributor: Jeniece Henson, AlphaStaff, www.alphastaff.com

Hiring is a task most self-storage companies start out doing on their own. Jobs are posted manually, résumés are reviewed in detail, applicants are personally interviewed, and references are checked. For businesses that are growing, however, this hands-on approach can become overwhelming. It can be difficult for the owner or upper management to search for new hires and handle the interviewing and onboarding processes. And hiring is just the beginning, as employers must take then steps to train, evaluate and retain skilled talent.

Recruiting and hiring are two of the many areas in which a professional employer organization (PEO) can help. Rather than spend valuable time on finding new employees, you can rely on a team of outside experts to attract people who are capable, dedicated and prepared for the work ahead. Following are four ways a PEO can help your self-storage business.

Reduce Costs

Recruiting can use up a lot of overhead, both in calculable revenue and your valuable time. Posting positions on job boards, sorting through résumés and interviewing can impact the thin profit margin and productivity of a growing business.

When working with a PEO, you can rely on innovative technology and efficient experts to find acceptable candidates and handle most of the initial recruiting phases. A PEO can provide a neatly stacked pile of résumés and a short list of valuable, available candidates to choose from with minimal cost and zero time wasted.

Fill Positions Faster

Empty positions can pose extreme hardship to a business. Whether you need a new full-time employee or seasonal help, outsourcing to a PEO can be an effective solution for identifying candidates quickly. PEOs specialize in connecting candidates to employers. No matter what kind of position you need to fill, they have the technology, resources, connections and skills to source a great selection of candidates.

Offer Fortune 500 Level Benefits

Employee benefits are consistently ranked as one of the most important company criteria to a job seeker. However, assembling an attractive, competitive package can be daunting for a small business. Robust benefits packages ordinarily include:

- 401(k) or other retirement plan
- Health, dental and vision insurance
- Pet insurance

Support to Help Train Up Staff

So, you've just hired the perfect employee to run your self-storage property. You know this person will quickly stabilize occupancy and increase revenue while protecting your investment. The only problem is he's never operated a storage facility on a day-to-day basis, and you

have little to no experience in staff training. You understand that every person has a different learning style, but what do you teach him? When and how?

No worries. These days you can outsource training to a company that specializes in bringing self-storage initiates up to speed on the latest policies, sales

tactics, delinquency procedures and so much more.

Benefits

Outsourced training is usually geared toward smaller storage operations, as the larger operators typically have their own in-house resources. If you're

just entering the storage business or have never participated in a facility's day-to-day operation, you likely don't have the expertise to share with staff that a seasoned industry professional can impart.

Also, hiring and training new staff can quickly eat up an owner's most valuable resource: time. "The first reason for outsourcing training is so you don't have to remake the wheel. Let someone who has already created a successful system save you from having to go through the headache of creating your own system through trial and error," says Matthew Van Horn, co-founder of 3 Mile Domination Self-Storage Services, which specializes in self-storage management, marketing, feasibility studies and consulting.

Program

If you outsource, you want to review and approve the training program before lessons begin to ensure the trainer's practices align with your own and won't conflict with your policies and procedures. In short, you should know exactly what staff will be learning.

The best training usually encompasses every aspect of day-to-day management and attempts to address the "oddball" events that can occur on a storage property. Here are some essential topics that should be covered:

- Facility opening and closing procedures
- Daily cleaning
- Routine/ongoing maintenance
- Unit inventories
- Occupancy types (physical, economic)

- Payments
- Management-software reports (obtaining, reviewing)
- Market/competition surveys
- Revenue management
- Gate operation
- Basic marketing
- Sales techniques
- Rental agreements
- Delinquency and lien law
- Unit conversions

As you can see, it can be comprehensive. Managers who oversee properties with specialty storage, such as wine or vehicle, will have additional tasks. The best program is one that's tailored to your site and responsibilities.

Method

The best training is performed in person by a seasoned self-storage professional who has first-hand experience in day-to-day property management. However, technology now allows for phone-based and online training. For example, webinars are common. Applications like TeamViewer allow for remote control, desktop sharing, online meetings, web conferencing and file transfer. There are many options available.

These types of tools are also great for follow-ups. A good trainer should be available to answer questions even after the initial training is complete. Though there's really no substitute for face-to-face, one-on-one training, phone and Internet-based options can be a solution if that isn't affordable or practical.

Choosing a Trainer

Hiring a third-party trainer can be tricky and expensive. You can expect to pay upward of \$3,000, so you want to make sure you're getting your money's worth. There are several good self-storage consulting and management companies around the country. I recommend choosing one as close to you as possible to minimize the cost of the trainer's travel expenses.

Keep in mind there's no substitute for an excellent manager. The best ones can take an investment to its peak and enjoy doing it. Outsourced training can give staff the confidence they need to tackle day-to-day operation in the most profitable manner.

"Managers who are trained well will rent up a facility faster and, in most cases, more profitably than a manager who's still learning through trial and error," Van Horn says. "If the facility is meeting its financial obligations, it's positive not only for the manager but also the owners, investors, and financial institutions that have interest in the facility."

Good managers are mostly self-sufficient. In an industry where most cover their work shifts single-handedly, there'll always be an element of "throwing them to the wolves." Offering the right training will minimize this feeling and bolster the investment. As our industry continues to grow and become more competitive, the real question is not whether you can afford to outsource your training, but rather, how can you afford not to? **ISS**

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Hiring Experts to Build and Maintain Your Website

You know your self-storage business needs a good website to succeed, so you want it to have all the functionality and features it should. To cover all bases, consider outsourcing the creation and ongoing maintenance of your digital storefront to professionals.

There are many reasons to hire a third party. Perhaps you're no longer happy with the drag-and-drop template you originally created—at midnight, in your pajamas—or you're sick of fighting your

way through WordPress. Perhaps you're hitting a wall in your growth. If your customer conversions are low, you're struggling to manage your time, or you simply want the website experience to be handled by someone with expertise, outsourcing is the answer.

The question is what type of website do you need and how much will it cost? Every self-storage operator has different needs, but hopefully this article will serve as a guide to help you plan.

Nontechnical vs. Technical

Your website serves as the base for your Web presence and improves your approachability and trust with customers. The first question to answer is whether you want it to be nontechnical or technical. A nontechnical website will include just the basics: a landing page, an "about me" page and a contact page. This is the bare minimum for most storage businesses. It's simple but doesn't have to be boring. You have almost unlimited style

choices and can have it designed to fit your brand and style.

A technical website will include more. One option is to incorporate online payments. If you work with any creditors who don't accept these, you know how annoying it is, so don't put your customers through this hassle. Integrate a payment-management system into your website to ensure customer convenience and loyalty.

Other options possible with a technical website are online reservations and rentals. With reservations, you have the benefit of securing renters before units are even open. Online rentals are the future, allowing customers to complete the rental process the way they're already used to accomplishing many of other day-to-day transactions. It also allows for future integration with lease e-signing. Online rentals take the customer off the market!

A nontechnical site will cost much less to create and maintain; however, you won't stand out from the competition. In fact, you'll all stand together back in 2009. The technical site will cost more to bring to life, but every dollar you spend on providing a user-friendly experience for customers will go a long way, as many shoppers value convenience over pretty much everything else.

Website Costs

When it comes to creating a new website, there are four things for which you'll pay: onboarding (website creation), recurring costs, ongoing maintenance and updates. Of course, the more complex and technical your website is, the more it'll cost. You can pay as much or as little as you want, depending on your desired features and capabilities.

When it comes to choosing a designer/developer, you have three main options from which to choose. The following have tradeoffs when it comes to quality, time spent on the project and expertise.

- **Local freelance designer:** This'll be your cheapest option, depending on the provider's professional history. It likely won't have any experience in the self-storage industry, but if you can communicate exactly what you want, it should be able to make it happen.
- **Industry-experienced designer:** This'll be more expensive but comes with the advantage of design that's highly curated and tested within the storage sector. It'll likely involve different people within an agency working on the design, Web



development and customer-support aspects of your site.

- **High-end designer:** If you want your dream actualized, this is where to go—and it'll cost you. A high-end designer can customize your website exactly the way you want it, bells and whistles included.

Among recurring costs, the most common is website hosting, which might already be included with whatever platform your designer decides to use. You'll also need to pay for your domain name. This yearly cost is generally inexpensive, at about \$12 per year.

Finally, you have ongoing maintenance and updates. If you have a simple site, it likely won't need too much support. A complex site will need more, as is expected. At a minimum, you'll want to ensure your design stays modern, the site is search engine optimized (those standards change over time and often!) and your information is up-to-date. Depending on what you need and how often, you can either contract out the work periodically as necessary, purchase an ongoing maintenance package, or hire someone on retainer who can provide a set number of billable hours each month.

Just a Facelift, Please

You may be thinking, "This is an awful lot of work. Is it really necessary?" Yes. You

must have website, and the better it is, the more your business will succeed.

If you have an existing website and developing a new one seems like too much, consider giving it a revamp. Maybe it just needs some simple updates. Any developer will charge for changes, so do an analysis on how much a facelift would cost compared to new development. Think about what you want and what will be the best fit for your needs.

You and your customers should like using your website. Think about why people use it in the first place. Do they need your contact information? Are they trying to figure out where you are? Do they want to see photos and unit descriptions? Are they looking for rental rates? Do they just want to rent a unit and pay you now? Knowing why customers visit your website will tell you what you need to provide.

Your website isn't a commodity; it's your virtual storefront. You should put just as much care and effort into it as you do your physical facilities. It should align with your overall business objectives and be a good representation of who you are and what you have to offer customers. **ISS**

Contributor: Tommy Nguyen, StoragePug, <https://storagepug.com>

OUTSOURCING Your **DIGITAL** MARKETING



It isn't a secret: If you want to run an effective self-storage business, you must have an effective online presence. To get there, you need to invest in a solid marketing strategy. There's a lot to consider, including whether to outsource certain tasks.

Some facility operators have had bad experiences with marketing agencies that promise the world and under deliver, so it's understandable why they might steer clear of subcontracting. But can you implement an up-to-date, successful strategy on your own? Chances are you need assistance with at least a portion of your planning and implementation. Let's discuss the types of digital marketing tasks that should be handled by a third party, the benefits to outsourcing, and what to expect from the company you hire.

Items to Get Off Your Plate

Operating a self-storage business requires time, money and effort. By outsourcing your online marketing, you can clear tasks from your daily list to concentrate on more pressing items. Digital marketing is much more than maintaining a website. Here are some crucial areas that can be leveraged by qualified professionals:

Search engine optimization (SEO). This is one of the most important online-marketing strategies. SEO helps your website rank higher for important keyword searches on engines such as Google. It's such a key tactic that if you aren't implementing it well on your website, you're most likely losing large amounts of Web traffic and potential tenants.

Despite its importance, SEO is often neglected and left out of operators' marketing plans because no one on staff has the expertise to implement it correctly. This is all the more reason to hire a professional who can properly get this critical marketing piece in play for your business.

Pay-per-click advertising (PPC). PPC is a cost-per-click model in which

an advertiser pays a fee each time a user clicks on one of his ads. You set targeted ads to be shown only to people you deem fit to rent units from your facility. Google Ads is another important piece to marketing that can help fill up units quickly.

A productive online strategy will focus on SEO and supplement with a healthy PPC approach to generate website visits while your search-engine ranking builds. Essentially, it's a way to buy visits to your website rather than attempting to "earn" them organically.

Social media management. Though social media has become a vital way to build website traffic in many industries, it isn't as important in self-storage. Since ours is an as-needed service, it isn't sought out on social media channels nearly as often as on Google. It can still aid your overall marketing strategy, but it won't generate rentals at the same rate as SEO and PPC. That said, social media can help with customer retention and communication. It can certainly be outsourced, but depending on your level of investment, might be preferable to manage in-house.

Reputation management. This is the practice of facilitating consistent reviews across multiple platforms such as Google, Facebook, Yelp, etc. It's become all the rage in the online-marketing world and for good reason: It takes the experience of actual customers into consideration.

Today's consumers are well-informed and take the time to base decisions on levels of comfort. They consider price, location, features and convenience, but above all, they factor in reviews. Think about the last time you purchased a product on Amazon. It's probably safe to say you scanned reviews to ensure you were purchasing a product with a high rating. Prospective self-storage tenants shop similarly.

Reputation management is a critical piece of your online-marketing strategy. It should be outsourced to a digital-marketing agency that can make

it easy for tenants to leave reviews and provide the tools to track success.

How It Helps

There are many ways a third-party marketer can benefit your self-storage operation.

Beat your competition. Successful self-storage operators have realized the importance of digital marketing and are investing in it to grow their business. Most can't afford the time or money it takes to create an in-house team. No matter the size of your operation, you can find an agency capable of creating and implementing an online strategy that will give your business an edge.

Expertise. You may be a great businessperson with an array of skills, but chances are you don't have the expertise to create and implement a consistently effective online-marketing strategy. Outsourcing to an agency lets you use highly skilled and educated marketing professionals without having to hire a full-time employee or assemble an in-house team.

Fresh viewpoint. There's always something that can be learned from a fresh perspective. Outsourcing allows well-informed professionals to "peek under the hood" and help identify areas in which your business may lack. A strong agency can figure out what brings visitors to your website and optimize your presence to facilitate growth.

Evolve with trends. Online marketing is constantly changing behind new trends, rules, ranking updates, etc., that can impact your efforts. Marketing experts have to stay current, learn new skills, and continually improve techniques and strategies. Staying up-to-date with trends gives you a clear advantage over most competitors and can be the difference in ranking higher on Google, increasing Web traffic and converting more rentals.

Better insight. Again, a digital marketing agency has to keep abreast of the latest

technology, trends, industry updates and case studies. It should be equipped to monitor efforts and determine what combinations of tactics are working and which aren't. A good agency will offer consistent reporting and live status updates, so you can see the results of your efforts and ensure money is being spent effectively.

What to Expect

Online marketing isn't easy, though some agencies will try to make things sound simple. Effective marketing takes time to build, so don't expect overnight results. Be realistic and understanding, but feel free to communicate concerns about how tasks are being accomplished.

Expect to pay anywhere from \$200 to more than \$1,000 per month depending on the strategies being implemented and

the work required. A good agency should be using conversion tracking and be able to quantify your customer value in simple, identifiable metrics. This'll let you know what kind of return on investment you're achieving.

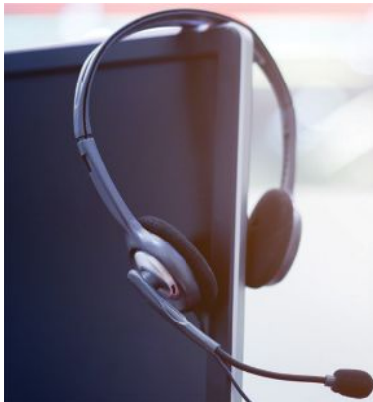
You should feel like you're being taken care of and that outsourcing is a positive move for your business. You should feel a sense of balance between your goals and achievement. Look for a partner that will be honest with you, has skills and can add value to your business. The two most important factors in hiring an agency are expertise and trust. Here are some key considerations:

- Does this agency have the skills, credentials and knowledge to help my business succeed?
- Is it up-to-date with effective marketing trends?

- Does this agency treat me with respect and has it tried to understand my situation?
- Does it give clear and reasonable expectations?
- Has it been honest with me about what it will take to be effective?

Even if you've had a past negative experience, don't let that deter you. There are many reputable agencies that can help build your online presence. Find one that fits your criteria and fosters trust. The payoff is staying ahead of your competition and reaping the benefits, including increases in website visits, phone calls and rentals. The right outsourcing partner can keep you flourishing in the modern marketing landscape. **ISS**

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The Advantages and Logistics of Employing a Call Center

Customers call your self-storage facility every day, at all hours. Is someone answering, and if so, what quality of service are they receiving?

According to a 2017 Demand Study conducted by the national Self Storage Association, 34 percent of all first contacts to self-storage businesses occur via the phone, and nearly 60 percent of all customers rent from the first facility they're able to reach. It may be more shocking to learn that, per the study, approximately 40 percent of calls to storage properties go unanswered! In an industry dependent on the ability to capture and retain rentals, it's imperative to ensure your phones are covered.

These statistics help make a case for the use of a third-party call center to manage your inbound and outbound calls. It's important to consider if outsourcing is right for your business. The following will help you identify the advantages of using a call

center, provide insight to how it works, and explain how to choose a partner. You'll also read about service types and tools available.

The Advantages

As a self-storage operator, you have three primary options to manage your inbound call flow: handle all incoming calls at the facility level using onsite staff, leverage existing tools and software to establish and manage your own internal call center, or outsource your calls to a third-party vendor. Third-party call centers offer numerous advantages:

- **Reduced staffing cost:** Typically, you'll pay only for the call-center staff time you use. Standard overhead costs are shared among all clients, reducing typical labor costs for each.
- **Scalability:** An outsourced call center will have greater flexibility to ramp up and down based on your business needs, so

you're not paying for downtime. During the self-storage busy season (May to September), call volume increases 20 percent to 40 percent.

- **Specialized knowledge:** Call centers, particularly those specific to one industry, handle tens of millions of calls and develop strategies from working with thousands of clients each year. You get the benefit of their consultative knowledge.
- **Exceptional brand representation:** Call-center agents are trained to handle various scenarios while maintaining a high level of customer satisfaction, completing hundreds of sales presentations each day and offering additional services such as bilingual agents.
- **Data analytics:** With each call, you'll learn something about your customers and business. A call center should have the tools to capture and unlock actionable insights to help transform your processes and customer relationships.

- **Cost management:** The business model for most call-center providers is based on costs per transaction, meaning they're skilled at managing cost per call. Additional rental income can make a huge difference in property valuation. To gauge return on investment for outsourcing, ask yourself how much 10 to 20 additional rentals per month would add to your site's total value.
- **Service levels:** Call centers make it easy for customers to rent a unit or reach out with questions 24/7, whether by phone, Web chat or texting, creating an enhanced experience.
- **Access to advanced technology:** The internal costs associated with creating, maintaining and adding integrated telephony platforms with multi/omnichannel capabilities are extremely expensive. Purchasing a fully integrated call-center solution can easily cost six to seven figures for just the one-time hardware and software fees, not including labor or software licenses. Outsourcing gives you access to the technology at a much lower cost. It's also more practical for a service provider with multiple clients to keep pace with the rapid technological change than an in-house operation.
- **Quality control:** A good call-center partner will have established key performance indicators to monitor results for all clients. It's extremely difficult for in-house centers to track these critical measures of quality. An exceptional partner ensures prioritization of high-quality performance at every interval.

Today's digital consumers expect to interact with a live representative at any time on the channel of their preference. Outsourcing to a call center allows your onsite managers to service their customers with less disruption and can reduce the need for management hours when combined with other customer-automation tools.

How It Works

Self-storage operators spend sizably to get their phones to ring, and every call is vital. Third-party call centers provide agile, affordable coverage to ensure you never miss another call.

The call center you select should have systems in place that integrate with your property-management software. This'll ensure agents have immediate access to your real-time inventory, pricing and facility details, including benefits, pictures,

directions, specials, promotions and more. Your partner should work with your managers from day one to ensure they're educated on the service offered, how the call center operates and how to best leverage it to rent more units and improve facility operation.

Choosing a Partner

Here are some useful criteria for choosing your third-party call-center provider:

- Come to the conversation with each vendor prepared with your average monthly sales volume and details of what you need the center to do to meet your business needs.
- To achieve the best integration with your business, ensure your provider has a direct API (application programming interface) with your facility-management software.
- Look for a provider that offers multiple channels including VOIP (Voice over Internet Protocol), e-mail, SMS (short-message service) text, Web chat and social media engagement.
- Seek a company that tracks and is transparent with metrics related to call volume and quality assurance, from standard call-completion and refusal rates to more focused metrics like

average speed of answering, average handle time and customer patience (more on this below).

- Get quotes from at least three companies and compare their terms and conditions.
- Evaluate company reputation. Read reviews and customer testimonials to see who other storage operators are using.

Available Services

You'll benefit most from a call center that offers customizable solutions based on your business needs. Make sure the vendor you choose can accommodate your expected growth and is prepared to grow with you. Whether you're looking to outsource your calls to a third party or leverage existing tools to run your own call center, there are a variety of service options available. See the accompanying table for a breakout.

Customer Patience: A Final Case

How many rings are you willing to wait when trying to call a business? Customer patience refers to the amount of time people will pause before abandoning their contact session (in the case of the phone, hanging up). My company did a study of more than 1.4 million self-storage calls received in 2018 and analyzed

Outsource to a Third Party	
Full service	All calls made to your facility are handled by your call center.
Rollover service	Managers have the first opportunity to answer incoming calls. After a set number of rings, calls roll over to your call center.
After-hours service	Provides pre-scheduled night, weekend and special-hour coverage to extend your facility hours.
Run Your Own Center	
Existing cloud-based software	Using this saves on costly upfront software and development fees to get your call center up and running fast.
Third-party agent	Add an agent to back up your in-house call center during peak months when relief is needed.
Third-party phone system	Available for license, this integrates with your management software to create the ultimate in-house workstation.
Additional Services to Consider	
Voicemail	A third-party voice-messaging system can e-mail each message to the facility and provides insight into call volumes and missed rental opportunities.
Multiple communication channels	Using chat on your website, text messaging and e-mail enhances customer prospecting.
Collections	Automated, self-service payment-collection tools assists in reducing call volume.
IVR (interactive voice response)	Services can be supplied with an IVR front end, which directs the caller to the appropriate person or the service he wishes to use.

customers' level of patience by queue. The following shows the average amount of time, or approximate number of rings, people waited.

- **Sales/reservation:** 19 seconds or three rings
- **Service:** 22 seconds or three rings
- **Payment:** 41 seconds or seven rings
- **Spanish-speaking:** 46 seconds or seven rings

Customers need service fast in this industry or they'll call the competition. Remember, 60 percent rent from the first facility they reach. How many new rentals and opportunities for increased revenue have you missed because another task prevented your staff from answering the phone?

If you're not responding to your prospective customer within seconds, you're losing revenue, net operating

income, valuation and customer loyalty. Consider outsourcing to a call center to ensure that every time the phone rings at your facility it's answered promptly, professionally and consistently in the manner you expect. **ISS**

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3 Factors to Choosing a Call Center

Call centers have become increasingly popular in self-storage. Not only are they able to handle heavy call volume, they're often the most cost-effective, efficient way to supplement or replace facility employees. The challenge for many owners lies in believing call-center agents will handle calls as well as (or better than) onsite staff. While a call center likely won't be *better* than your managers, it can be more available; and availability is critical in securing rentals.

Though answering a phone is a simple concept, it's amazing how complex the systems are that allow a call center to be an efficient extension of your business. When considering the use of a call center, it's important to know what features to seek. Here are three key elements to keep in mind: integration, automation and reporting.

Integration

When shopping around, one of the most important aspects to consider is whether the call center can integrate with your management software. This is important because it allows agents to see your unit pricing and availability in real time. If they can't view this information, they'll only be taking messages, which isn't much better than voicemail. It's good if they can process payments and better still if they can perform a full rental.

Phone calls are leads and should be treated like gold. The most effective time to solidify a sale is right when the customer is on the phone ready to buy. If the call center is required to forward a lead or reservation to the facility manager for follow-up, there's a good chance it'll be too late by the time

the prospect is reached. A trained agent who can process a rental over the phone is an asset to your business.

Automation

Though self-storage tenants are increasingly comfortable with paying bills online or via autopay, some still prefer to call the facility to pay their bill. One call-center feature that can help minimize costs and increase convenience is an interactive voice response (IVR) payment system, which allows tenants to pay by phone.

The IVR system will need to integrate with your management software so it knows the tenant's balance and can authenticate his account. The tenant can then pay using his phone keypad at any time of day, without having to speak to a person. Once the payment has processed, it'll be reflected in the tenant's account and any reports you run. This level of automation increases customer convenience and comfort without sacrificing functionality.

Reporting

The reporting capabilities of a self-storage call center are significant. If you're going to use a call center, find out which specific metrics it tracks. Here are some it might measure:

- Average caller wait time
- Abandoned call percentage
- Service level
- Number of rentals
- Number of payments
- Current tenant callers vs. new customers
- Spam calls

The No. 1 goal is for each call to be answered in a timely manner, so understanding your average caller wait time is key. It's also important to know the types of calls your facility receives. There's a perception that most calls to established storage facilities are new customers trying to rent, but data indicates that 70 percent to 80 percent are from existing tenants. Getting new business may be your top priority, but a close second should be taking care of current customers and keeping them happy. A good call center will provide key phone metrics specific to your facility, so you know when and where to focus marketing efforts and other resources.

Learning to Trust

Trusting a call center to help your business may be a little nerve-wracking at first. That's completely understandable. Talk to industry peers to see how they like the service and which features have helped them the most.

You'll likely discover that each call center offers something unique that sets it apart. Look for one that suits your business and the way you like to run things. Some centers will be flexible about what they can do for you, while others won't offer as many options. Either way, a reputable partner should provide the technology and features to help you cut costs, increase efficiency and enhance the overall customer experience. **ISS**

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Choosing the Right ADD-ONS for Your Business

Imagine this: You're in line at your local post office, waiting to send this month's lien notices. You glance around and notice the rack of shipping boxes. Then your eye catches a new display of gift cards being sold. Then you see someone browsing a greeting-card stand. You wonder, why would the post office sell this stuff? The U.S. Postal Service has figured out how these and other products can boost income at its locations.

A profit center is any product or service that generates additional revenue at a business. In self-storage, this would be anything you offer beyond basic unit rentals.

While offering one or more profit centers can make financial sense, determining which ones to add to your operation can be overwhelming. Let's look at some common and niche ancillaries being used in the industry today and some factors to decision-making. I'll also touch on how to manage and market the add-ons you choose.

Why Have Profit Centers?

The easiest answer is to add another revenue stream. Every little bit adds up and can help a facility gain year-on-year profit. For example, one property I managed made roughly \$40,000 per year in profit-center revenue from vehicle storage, retail sales, truck rentals, tenant insurance and propane sales.

In addition to adding more income, a profit center helps you create a synergistic

customer experience. A 2018 article in the "Harvard Business Review" stated that the No. 1 factor for a customer in choosing a product of service is not price but how effortless the buying experience is for him. Providing one or more profit centers at your facility makes things easy and convenient, which creates satisfaction.

Profit centers can also attract a brand-new customer base you may not have considered. For example, a site that rents out a conference room can build rapport with small business owners and entrepreneurs, who might in turn become new renters. Refilling propane tanks may lure in one type of customer, but when he eventually needs storage, he knows where to go without hesitating.

Common Profit Centers

There are a few profit centers that are frequently offered in the self-storage industry. These are essential to boosting and sustaining facility revenue.

Retail merchandise. This includes the sale of boxes, locks, and other packing and moving supplies customers may need. This is a benefit to the tenant because now he won't have to leave your facility to purchase a lock, a few extra boxes or that mattress cover you just convinced him he needs. It increases revenue and the overall customer experience.

Tenant insurance or protection plans. Offering these products ensures customers' belongings are covered if

disaster strikes, and many underwriting companies offer substantial commission plans to self-storage operators. It's becoming so customary for facilities to offer this service that it's really becoming an industry-wide standard.

Truck rentals. There are a few different ways to offer the use of moving trucks. Your facility can become part of a dealer network of a much larger company, or you can purchase or lease a box or sprinter truck of your own. You can then use the vehicle how you see fit. Each option has advantages and drawbacks. It'll be up to you to weigh the options.

Vehicle storage. A lot of facilities offer this, particularly for RVs and boats. Even in tertiary markets, homeowners often must store their large vehicles, as local covenants don't allow them to be parked in the street, driveway or yard. This type of storage can also benefit business owners who use vehicles as part of their operation such as landscapers. There are many levels of vehicle storage, but at the most basic (outdoor parking), it's an easy way to generate revenue on unused land, particularly for the owner who has room to expand but isn't yet ready to build.

Niche Profit Centers

In addition to the above offerings, there are many other options for creating ancillary revenue. A good way to help your business stand out in an ever-saturating market is to develop an innovative niche, or specialty, profit center determined by your specific demographics.

For example, wine storage has become a viable add-on for facilities in the right market. Consider sites in California's Napa Valley, for example, or the Willamette Valley in the Pacific Northwest, where an abundance of wine is produced and sold. Restaurateurs and collectors all over the country could need storage for their inventory and valued collections.

Another good niche is records storage. Businesses with small offices often don't have the space to keep every document they need to save. Renting units to store these records could be a revenue-driving decision. You can even double down on profit from these customers by offering services such as records management, conference-room rentals, printing and shipping.

The key to a niche profit center is knowing your market and target audience. What could you offer that would create a one-stop-shopping experience for customers?

“ Profit centers can also attract a brand-new customer base you may not have considered.

Making a Decision

When deciding whether to add a profit center to your self-storage business, you must consider three factors: desirability, operational viability and financial feasibility. Ask yourself:

- **Do customers want it?** Perhaps you've received requests or suggestions from current tenants to add a particular product or service, or you've seen a need that isn't being met in the market.
- **Can the facility accommodate it?** Is there physical room at the property to offer this product or service? Do you have the staff and other resources necessary to run it? Does your team have the time to market and manage it?
- **Is it affordable? Will it make money?** Do you have the capital to implement? Can you afford to offer it? Can customers afford to buy it? Putting a Redbox DVD kiosk outside the office might seem like a wonderful idea, but will it be in demand in the advent of streaming video? You must consider the financial forecast for your potential profit center.

If you can say "yes" to all these questions, the profit center may be a good fit. But there are still more factors to consider.

Business owners like to calculate the potential return on investment for any new venture before proceeding, but PricewaterhouseCoopers offers up a different metric. In its 2019 Global Consumer Insight Study, the company claims it's more beneficial to weigh the return on *experience* (ROX). Again, the goal isn't only to establish a new revenue stream but to create a synergistic customer experience. What could the ROX be if a profit center is added?

Still, you must be selective. There is such a thing as too many profit centers! While a self-storage facility needs diversification to survive, there's a limit to what a property and its team can handle. Here are some final questions to consider in your decision-making process:

- Is the profit center in line with your business vision and mission?
- Which profit centers can generate revenue and which, though popular, operate at a loss? It might be nice to have a propane tank-exchange center, but if it only makes money during the summer, it may have to go.
- Are there enough employees to operate the profit center, and are they trained to do so? One full-time manager and one part-time assistant can only do so much multi-tasking.
- Could the main focus of the business—renting storage units—suffer as a result of the profit center? If so, reconsider.

Managing Your Center

Ivan Misner, founder and CEO of Business Networking International said, "I don't do 1,000 things six times, I do six things 1,000 times." It's better to excel at one or two profit centers than to be mediocre at many. Identify a few your facility can do well and perfect them.

It's imperative that all employees to be knowledgeable and trained on each profit center. The assistant manager, manager, regional manager and even the owner should know how many boxes a customer may need when moving out of a two-bedroom house or what size mattress fits into a 5-by-8 enclosed trailer.

Learn from others who are doing well in the profit center already. It might not even be another self-storage operator. It could be local hardware store that always has a line for its propane-exchange center or the collaborative space down the road that rents conference rooms.

Marketing Your Center

As soon as you decide on a profit center and begins to implement, get the word out! Inform current and past tenants about the new product or service, and contact the local chamber of commerce to do a photo-op for its social media pages. Talk with local insurance agents about your new conference room and how they can use it for their "lunch and learn" events. Shake hands with people staying at the nearest campground and let them know about your RV storage and propane-refill station. Have a glass a drink at the newest wine bar in town and let the aficionados know where they can store their collection. Whatever your profit center may be, use all forms of marketing at your disposal to promote it.

Remember, a profit center can be anything that generates extra revenue for your self-storage facility. Be diligent in determining its desirability, operational viability and financial feasibility. Be knowledgeable and well-trained on the profit center, and re-evaluate it on a consistent basis to ensure continued success. Find a niche or become a one-stop-shop and your revenue stream will only increase. **ISS**

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Revamping Your Retail Program

As a self-storage operator, you have a captive audience when it comes to retail merchandise. Most people who enter your office are in the process of packing. Whether they're relocating, downsizing or using self-storage for a life change such as a divorce, death in the family or new baby, your customers are uniquely amenable to the idea of buying boxes, locks, tape and other moving-related items. If you're

looking to increase your ancillary profit stream, don't miss this opportunity to meet and capitalize on their needs!

But what if you don't know the first thing about operating a successful retail space? If you're already running a busy storage facility, designing a merchandise area, choosing inventory, determining prices, and selling and marketing new products can feel like an entirely new business. Don't worry! Retail doesn't have to be a massive

undertaking. Consider the following and start today.

Design

Before you start ordering products (we'll tackle that in a bit), look at your potential retail space. Most likely, it's part of your management office, and you need to work with what you've got. How much room can you devote to this profit center? It's important to use exact measurements, so

consult a blueprint or take them yourself. You'll use these to order your own displays or provide them to a retail-supply company, as it may be able to help with design.

What if your available space is quite small? No problem. You can still have a comprehensive inventory of moving and packing products. The solution is right under your nose: Use a storage unit! You can display a few key products in the office but keep the bulk of your inventory out of sight. You can even use a poster, digital display, or binder with photos and descriptions to show customers what's available. Once they've selected what they want, you simply gather their purchases from the unit. Even facilities with no office space can still operate a thriving store using this method.

Just remember that a successful store is visually appealing. Think about the last time you walked into a retail space. Was it well-lit and organized? Follow these simple tips to keep your store clean and inviting:

- Avoid harsh, fluorescent lighting.
- Keep all products in their proper place. Use downtime to organize any items that are out of order.
- Dust and sweep the area regularly.
- Make sure products are well-marked. A customer shouldn't have to ask how much something costs.
- Consider using digital signage to reduce paper clutter.
- Consider playing music over a speaker system, but choose something isn't polarizing or distracting.

Inventory

Use these two words your retail mantra: Start slow. No matter what your product supplier says, there's no need to offer all the bells and whistles right off the bat. At first, you only need basic items such as boxes, locks, tape, box cutters, bubble wrap, packing foam, labels and tape measures. Then track which items are popular and ask customers what other products they'd like to see. From there, you can determine what to order in bulk and what to add.

Once you're ready to expand your offerings, consider items that are related to your local market or other services you offer. For example, if you offer RV storage, you could sell levelers, holding-tank treatment and antifreeze. If you offer wine storage, you might sell bottle keys and stoppers or glass decanters.



A retail display wall at All Storage in White Settlement, Texas

Think about the last time you bought a pack of gum from the grocery store. You probably didn't go to the store with the intent of buying gum. You went to get things you needed and then, while waiting in the checkout line, you saw the package and thought, "Sure, why not?"

Quick-sale items are often referred to as "impulse buys," and you can certainly work them into your self-storage retail plan. Keep low-cost, enticing items by your register so customers can easily grab and add them to their order. They should be inexpensive, so customers can justify purchasing them. Options might include gum, candy, markers, packing tape and box labels.

Pricing

Pricing is all about balance. You need to strike an equilibrium between capitalizing on your captive audience and establishing fair, attractive prices. Yes, you can markup



“ The key to any profit center is to view it as an add-on rather than an essential. Your primary focus should always be your self-storage offerings.”

products by as much as 100 percent on the wholesale price—for example, if a lock costs you \$7, you can charge \$14—but don't get so carried away that you deter customers from buying. If you've ever forgone a drink at a concert because the bar was charging \$12 for a beer, you know where this line is. Anything over \$20 is going to start turning people off.

Sales

The key to any profit center is to view it as an add-on rather than an essential. Your primary focus should always be your self-storage offerings. With that in mind, don't be discouraged if your retail space doesn't generate a massive amount of revenue immediately.

To increase sales, incorporate your retail offerings into your self-storage sales presentation. Mention the items you sell to new and existing customers. You can also offer specials, such as a discounted lock to a new customer or a 20 percent coupon on retail purchases as a thank-you for a long-term tenant. This will put your retail space in customers' minds and make them more likely to purchase moving and packing supplies from you.

Customer service is also crucial to increasing sales. All employees should be trained to mention products during the leasing process and know the ins and outs of your retail offerings. For example, every team member should be able to explain the benefits of various locks and recommend products for storing certain items.

Marketing

The bulk of your retail revenue will come from tenants, but don't limit your customer base by neglecting to market to the community. Post signage outside your facility that clearly promotes your retail center to the public, letting them know you sell moving and packing supplies.

In addition to this curbside marketing, use social media. You can also write a blog on your facility's website related to retail products. For example, you might

create a post on how to store a mattress in which you mention that your facility sells mattress covers.

Lastly, if possible, put your logo on your retail products to increase brand awareness. Many retail suppliers are willing to assist with this.

When introducing merchandise at your storage facility, start slowly, stay aware of which products are popular in your market, and be proactive about getting the word out. Having retail space is a

great way to garner more revenue without dramatically increasing your overhead. It's also a smart way to increase the value of your self-storage business by upping your net operating income. Whether you go big with an expansive store with specialty products or stick with the essentials, it's easy to find success. **ISS**

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Driving Revenue With Vehicle Storage

As the self-storage landscape becomes ever more competitive, site operators are exploring all options for increasing business and market share, seeking ways to produce a better return on investment. One idea is to add the lucrative option of vehicle storage, namely for boats and RVs.

More than 355,000 RVs are sold each year in the United States, including travel trailers, motorhomes and folding-tent trailers. Boat sales are also on the rise. All these vehicles need a place to park, and many of their owners don't have the space to accommodate them at home, particularly as most homeowners' covenants and associations don't allow it. Often, the best and most secure option is self-storage.

Vehicle storage offers distinct advantages to self-storage owners:

- Being able to rent larger units ranging from 10-by-20 to as big as 15-by-50 can dramatically improve revenue, commanding anywhere from \$120 to \$500 per month.
- These renters tend to stay longer.
- Boat/RV owners often make great tenants. They have a lot invested in their vehicles and, as such, they typically take good care of the vehicle and storage unit. They can't afford to be delinquent on their payment and risk losing the vehicle to repossession or auction.
- Your facility can serve as a "one-stop shop" for those needing both vehicle and traditional storage. Robert Johnson and Dave Tsai, managers of North Plains RV and Self Storage in North Plains, Ore., say close to 20 percent of their boat/RV-storage clients also rent a standard unit.

Let's look at some other aspects of this add-on profit center to help you decide if this ancillary business could work at your self-storage facility.

Operational Considerations

With the addition of vehicle storage, your facility may see increased traffic. In the summer months, Safeguard Self Storage in Kent, Wash., often has 30 to 40 vehicles coming and going each day, according to facility manager Paul Pankow. This means facility staff needs to be extra vigilant for security issues and unit blocking.

Cleanliness should always be a focus at your storage site, but it'll become even more important once you add boat/RV storage. Why? High-end vehicle owners are likely to

be more scrupulous than the average tenant. Trash, oil spills, building disrepair and broken blacktop will cause them to worry about whether their vehicle is safe in their absence.

That said, it can be difficult to keep vehicle-storage spaces clean. Some renters attempt to store things like barbecue grills, bikes, coolers, etc., around their vehicles, which can get out of hand. To curb this behavior, provide specific instructions to each tenant regarding your facility policies and procedures.

It's also paramount to keep up-to-date, accurate paperwork for each of your vehicle tenants, according to Johnson and Tsai. Having proof of ownership and insurance documentation is critical should anything happen to the vehicle while in your care.



North Plains RV and Self Storage in Portland, Ore.

Additional Amenities

These days, it isn't enough to offer simple vehicle storage. Many customers want additional amenities to help care for their investment. For example, if you're renting to RV owners, consider offering a dump station. A campground might charge \$30 to \$50 per dump, so this can be a really nice selling feature and make the difference between a customer storing with you or at the facility down the road.

Water access is also important. Pankow's facility brings in fresh city water, allowing RV and boat owners to fill their on-board tanks and wash their vehicles.

Sentinel Self Storage in Sherwood, Ore., offers a propane and diesel fill-up station so customers can gas up on the spot rather than visit a gas station. The facility also features electric roll-up doors and electrical hookups in its fully enclosed spaces.

High-end customers typically expect a boat/RV-storage facility to offer 24-hour access because they often start their trips in the middle of the night or early morning. They also demand a higher level of security. Sentinel has 15-foot-high walls around the entire property in addition to its numerous video cameras and LED lighting, which give vehicle owners peace of mind.

The Drawbacks

While this profit center has many positive aspects, there can be a few cons associated

with vehicle storage. If you're trying to maintain a certain price per square foot, boat/RV storage will likely bring down your average. These are big spaces, and trying to hold to the same price per square foot as your traditional self-storage units would put these out of reach of nearly all customers.

Additionally, these customers typically expect more individual attention. They pay a lot each month to store their toy with you, and they want you to cater to their needs. This can be a challenge for facilities that have inexperienced employees or a small staff.

Taking the Leap

If you're thinking about including vehicle storage as part of your unit mix, consider the following:

Space requirements. If you're going to offer the service, you need enough space to do it well, say Johnson and Tsai. You should have room to install a variety of options, whether it's pull-through spaces, angled parking or fully enclosed units, so you'll have a solution for every type of vehicle. Plus, you want to install wide drive aisles so renters feel comfortable maneuvering.

Unit size. Pankow recommends spaces in a variety of lengths including 20, 30, 35, 40 and 45 feet, plus a few 50-foot spots. His facility contains 170 units consisting of all these sizes, and he wishes he had more.

The minimum width should be 12 feet, he says, because many RV clients are older and seem to have difficulty navigating into tight spaces.

Unit type. A good vehicle-storage ratio consists of 75 percent covered units to 25 percent uncovered, Pankow says. The uncovered spaces are good for targeting the budget customer, whereas the covered spaces will cater to the average tenant. You may also want to add some fully enclosed spaces to target high-end customers who want to fully protect their vehicle. If you do this, Johnson and Tsai recommend 15-by-50 spaces for the large coaches and fifth-wheels, and 12-by-35 spaces for smaller RVs, boats and cars.

Partnerships. Consider partnering with RV dealers and offering a finder's fee to those who refer business to your facility, Pankow advises. Word-of-mouth is also very big in the RV community, he says. By keeping your customers happy and their vehicles safe and secure, word will spread quickly.

Vehicle storage can be a great addition to a new or existing facility. By considering the pros and cons, you can determine if it's the right solution for you. **ISS**

Contributor: *Derek Hines, West Coast Self-Storage, www.westcoastselfstorage.com*



Creating Brand Value With **Moving Services**

In the self-storage industry, we generally deal with customers who are going through some sort of moving process. Life is full of transitions, and we facility operators are often on the front line. To be of help, it's common for us to recommend local moving companies to our tenants. We hand them a business card or flier, wish them luck, and then the mover makes the money.

Why leave that ancillary revenue on the table? Perhaps it's time to consider the addition of moving services to your list of offerings. It can bring profit to your business, but it also adds value to your brand and customer experience.

Choosing a Method

If you're interested in providing moving services, there are two options to consider. You can either establish yourself as an agent who refers customers to a third party in exchange for part of the revenue, or you can launch your own moving company. There are pros and cons to each.

Partnering with a local mover is often cheaper than launching your own service. There are fewer regulations and less liability for your company. On the other hand, you have to share the income and won't have total control over the quality of service provided.

If you go this route, establish a proper operating agreement with the moving company. Identify the terms to which you should both abide, including simple stipulations for cancellation in case you decide to end the relationship. Don't get trapped in a partnership that doesn't work for you. A contract can decrease stress if issues arise between your company and the mover.

If you launch your own service, you must consider startup costs, insurance requirements, equipment, ongoing vehicle maintenance and staffing needs. You also need to properly establish your company and follow any federal and state protocols.

The reward is all the revenue stays in-house and you can control the operation.

No matter which method you choose, it's wise to contact your state department of transportation or the Federal Motor Carrier Safety Administration to learn about applicable laws governing agents or moving companies. If you partner with a mover, it's important to pick one that follows the rules.

Making Money

The profit from moving services can be substantial. If you partner with a mover, you easily earn revenue by referring qualified leads. Your staff doesn't need to know all the ins and outs of the business since they're only giving referrals. They help convert prospects to customers, sending the mover new business it might not otherwise have had. That said, it's up to the mover to close the deal. Let it handle the quoting process.

If you launch your own moving service, revenue will be dependent on several factors. These include how many vehicles you provide, how much staff you can commit to the operation, and monthly expenses such as insurance and truck maintenance.

Creating Value

A moving service creates great value for your customers, as they don't have to deal with multiple businesses to get all the assistance they need. When they have to use different companies for storage, packing supplies and moving services, it can quickly become a large chore. When you offer multiple services under one roof, it makes their life much easier. You'll relieve them of a lot of stress.

Your brand will also increase in value, not only because you've created a competitive advantage for your business, but because you've enhanced the customer experience. When you're able to satisfy more or all of your tenants' needs in one place, you bring more quality to the market.

Training Staff

Once you've established your moving service, you'll need to train your staff to sell it. Any time you create a new product, there'll be a learning curve. Having a proper training process, holding a company meeting, and creating a few call scripts or sales guides can help your team have productive conversations with prospects and turn them into qualified leads.



It's important to keep the sales process simple and easy to understand for staff and customers. If selling these services becomes too difficult, you may find yourself wasting time and resources.

Marketing

A marketing strategy is important to get the service off the ground. Create a few messages about your offering and add them to your overall campaign. This will help you develop a following and bring in new customers. A few tactics to consider include:

- Create pay-per-click ads.
- Add a new page or link on your website.
- Consider sending an e-mail to existing and past customers.
- Pass out fliers.
- Hang up bulletins in the office.
- Create ads or announcements on social media.

If you're partnering with a third party, it's important to create a method for tracking which leads come through your business so you get credit for these customers. An e-mail or online contact form is a perfect way to follow activity.

As with any new offering, you need time to let it grow roots. Be diligent with your mission but patient through the start-up process. You may not see an

immediate return on your efforts, but over time, customers will learn about the services you offer and come to your door for help.

Maintaining Quality

Once you've established your service and process, it's critical to maintain a high standard of quality. If you use a partner, you'll need to ensure customers receive top-notch service from the company. It's important that the mover live up to the quality of your own brand. If it doesn't share your values, it could be time to look for a new partner.

If you start your own moving company, you'll need to oversee and evaluate the level of service your employees provide. This means damages, timeliness and efficiency must be tightly controlled to ensure customers are getting the best experience possible.

Whether you partner with a mover or do it yourself, moving services can create value for your bottom line, customers and brand. The more comprehensive your offerings become, the more you'll enhance the customer experience. Remember that your prospects are likely in the middle of some sort of transition. Why not give them a one-stop-shop for everything they need? **ISS**

Contributor: Joseph Biard,
U Storage, www.myustorage.com

STORAGE and TRUCK RENTALS



So, you want to attract more customers to your self-storage facility but don't have a lot of capital to pour into the operation? No problem.

You assume adding a truck-rental operation will require additional staff you can't afford? Repeat after me: No problem!

You heard truck rentals will boost your business, but you don't have the space to park a bunch of big trucks? Again, no problem!

There are so many benefits to adding truck rentals to self-storage. I'll even let you in on a little secret: It doesn't have to cost you a thing! All you need is a parking space or two and the staff you already have on the payroll.

One-Stop Shop

Perhaps the biggest benefit of adding truck rentals to your self-storage operation is you make your business a one-stop shop for customers. Just think how many trucks you see on your property every day, hauling tenants' things in and out. Now imagine how much extra revenue you could bring in if even a few of those people rented their truck from you!

Here's another way to look at it: Not only are you missing out on revenue that's easy to capture, you could be losing potential business. Say a prospect is planning to rent a self-storage unit from you but he needs to go elsewhere to rent a truck. If the truck-rental place also has storage units, he'll likely rent everything there because it's more convenient. Now you've lost a customer.

No Additional Staff Required

I know what you're thinking: "I don't have enough staff to handle a truck-rental

operation in addition to running my self-storage location." The good news is you can launch this new profit center with the employees you already have. With some vendors, you can even use your existing computer. On top of that, some companies provide unmanned rentals 24 hours per day, seven days a week. Customers can reserve a truck on their computer or smartphone, and then show up at your location to complete the process and pick up the keys (even when you're out of the office).

When you bring on truck rentals at your self-storage property, the total amount of training is about two to four hours before you're up and running. In addition to in-person education, some companies offer videos and online courses.

You Have the Space

One of the biggest concerns I hear from storage operators is they don't have enough room to park large moving trucks on site. Here's the thing: You don't need much space. In fact, if you have an extra parking spot, you can be in the truck-rental business!

You don't need to rent several vehicles. Many storage sites operate with just one. As to vehicle size, a lot of storage locations simply rent out a cargo van or smaller box truck that fits in a single parking space. Not only is this an efficient use of space, it avoids conflict with zoning regulations that don't allow for the parking of large trucks.

More Opportunities

When you add truck rentals to self-storage, you open yourself to business from customers who are moving in and out, adding convenience for them. Imagine the

sense of relief you can provide! Moving is stressful enough, so when you can save tenants a trip to another location to pick up a truck, you're making their life so much easier. Whether they're moving into a new home across town or across the country, customers love the convenience of renting a truck from the same location where their things are stored.

Also, having a truck onsite allows you to offer an incentive to prospective customers. You can allow them to use the truck for free to move into a storage unit or offer it to anyone who pre-pays for a certain number of months. However you use the truck, it's one more solution to set you apart from competition.

A moving truck could also be the thing that catches a potential customer's eye as he drives by your location or compares your business to others during an online search. When you partner with a well-known brand, your business will be listed on that company's website. That means your business will show up as a truck-rental service as well as a self-storage location when people search for moving services online.

Adding truck rentals to your self-storage operation creates a synergy between the two businesses, allowing you to offer another service and create a new revenue stream. Your customers benefit because it creates a one-stop shopping experience. It saves them time and the hassle, and that will be viewed as a positive selling point every time. **ISS**

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THE ADVANTAGES OF A TRUCK-RENTAL PROGRAM

About 10 miles northwest of San Antonio, near my office, is a business that's been around for more than 30 years. The Flagstop Café, which is also a convenience store and gas station, has become a local landmark. With "Flagstop" painted on its metal roof, facing the highway, everyone sees it and knows where it is. It has a competitive advantage!

Just like the Flagstop and every other business, a self-storage facility must differentiate itself to be noticed in a competitive market. Sometimes all it takes is a catchy name to get people to remember you, or maybe your business known in the community for your charity work or donations. Whatever it is that puts you on peoples' radar, you need to capitalize on it before someone else beats you to the punch.

A truck-rental program can give your self-storage facility a distinct marketing edge. When people rent storage, they're going to need a truck, moving pads and hand carts to move their items. If your competitors aren't offering rental trucks and you are, you'll stand out as a value-add provider. When you offer them a one-stop-shop, they'll appreciate it because you anticipated their needs while providing excellent customer service. Following are several other benefits a truck-rental program can yield.

Marketing

Imagine your rental truck, wrapped in your company's logo and other graphics, parked in front of your facility or rolling around town. This improves your brand presence in your community! Your "moving billboard" will be noticed as it moves down the road making 600 visual impressions per mile. If customers need to rent a truck, they might as well rent one from you, and it's an opportunity to market your brand.

Goodwill

If you love to give back to your community, why not do so while promoting your brand? Since most of your customers will likely move their items during evenings and weekends,

outside of regular work hours, your rental truck is likely to be available during the day. It's in your best interest to keep the truck moving down the road and seen.

Why not loan it out to local organizations like the chamber of commerce, churches and schools? They'd probably jump at the chance to use it to move tables and chairs, donations, or other goods. Maybe a local group is sponsoring a turkey drive for Thanksgiving. Why not let it use your truck to collect donations? It shows you care about your community, and you can't buy that kind of advertising.

Ad Revenue

Many real estate agents have their own branded moving trucks they loan to customers who just purchased or sold a home. Some even sell ad space on the truck's back door to their partners, such as bank lenders, title companies, staging companies, etc. You can do the same with your self-storage truck: Sell ad space to your bank, landscaper, attorney, etc. They'd likely be willing to pay \$150 to \$300 per month for an ad on your new shiny billboard!

That back door is prime advertising space. When a customer driving your truck stops at an intersection, the folks behind him will read the door. Advertisers know that. A couple hundred bucks per month for exposure like that is a drop in the bucket for a lot of companies. If you play your cards right, you could end up with a truck paid for by your advertisers. (Quick note: I suggest you have them purchase and pay annually so you don't have to collect monthly.)

Bartering

I'm a firm believer in a barter system. Consider bartering use of your rental truck for products and services you need. For example, offer a local mechanic ad space on your truck's back door in exchange for free oil changes and wiper blades. If you sometimes like to offer free pizza to tenants as they move in, consider a similar exchange with a local pizza parlor. These are fun ways to get the word out about you and your partners. Again, you're trying to stand out in the crowd, so anything you can do to stick in people's minds will give you an edge.

What You're Missing

Of course, the main reason to offer a truck-rental program is to generate more revenue and increase your facility value. The next time one of your customers asks if you have a truck he can use, think about all you could be missing: additional income, customer convenience and loyalty, community goodwill, better marketing, bartering opportunities, and more.

Our industry is becoming increasingly more competitive. Your self-storage facility may look like every other in your area, so you need to find your own special advantage that separates you from the crowd. A truck-rental program may be the answer. Aim to be the Flagstop in your market! **ISS**

Contributor: *Tim Moranz,*
On The Move Inc.,
www.onthemovetrucks.com

“Imagine your rental truck, wrapped in your company's logo and other graphics, parked in front of your facility or rolling around town.”

Is Your Facility Right for WINE STORAGE?

When Patrick Gilroy and his father began designing their third self-storage facility, The Stor-House in Bellevue, Wash., they were keeping their personal wine collection with a third party. Being unhappy with their experience at that business, the duo decided to add the service to their own development. The idea was to create an unparalleled wine-storage option where they'd be very happy to lodge their bottles.

After some research, they discovered the demographics surrounding their location were perfect for this type of high-end storage. "Woodinville, Wash., is only a short drive north and home to many of Washington state's premier wineries, so this generates a fair amount of local interest in wine," Gilroy says.

Nearly a decade later, Wine Storage Bellevue continues to flourish, proving the Gilroys' decision to be a good one. While not ideal for every self-storage business, this service can be a successful profit center for those in the right market.

The Right Spot

Though wine storage is still relatively rare in self-storage facilities, there's a bigger market for it than ever. "Wine consumption is on the rise, and people need a place to safely store their wine collections," says Roy Carroll II, CEO and president of The Carroll Cos., which operates 10 Bee Safe Storage and Wine Cellar facilities in the Carolinas.

While a wine-storage facility doesn't have to be near a large city or wineries to draw customers, location plays a key role. If there's no market for the service or it's already saturated, you'll wind up with empty lockers. When doing research, consider self-storage facilities and other types of businesses that cater to this niche.

"A good market has a lot to do with demographics and what local wine retailers can tell you about their customers," says Eric Blum, vice president of BMSGRP Self Storage Consulting, which consulted on the development of Sobe Wine & Self Storage in the historic Flamingo/Lummus neighborhood of Miami Beach, Fla. The area contains a high-end clientele known

for its affinity for wine. There are few businesses offering the kind of upscale wine storage Sobe proposed, Blum adds.

Another consideration is local weather. "The hotter the weather and the greater temperature swings from season to season will drive the need for temperature-controlled wine storage," Gilroy says. Wine collectors will seek a safe, secure alternative to storing their precious vino at home.

"We built our wine-storage room with the advanced wine consumer in mind—someone who loves and cares about wine but doesn't want to necessarily spend tens of thousands of dollars building a cellar in his own home," says Chase Davis, head of marketing and research for Citadel Self Storage, which opened Citadel Wine Storage last summer at its new location in St. Matthews, Ky., a suburb of Louisville.

Finally, find out if there are any state or federal regulations to which you must comply. "Determine if there are any regulatory agencies in your facility's marketplace, such as the local alcohol-control board, and whether or not they require a permit to operate in their jurisdiction," Gilroy says. "We sought and received a wine-storage permit early on, so we remained in the clear."

The Right Environment

Bear in mind that adding wine storage can be complex and expensive. Wine requires specific temperature and humidity. "The environment for proper wine storage is a delicate one. You need a place that'll remain cool with a good humidity; no direct light, vibrations or off odors; and the ability to keep the bottles resting on their sides," Davis says.

In general, wine needs to be stored at 55 degrees and relative humidity of about 65 percent. An improper temperature will cause the wine to age quicker, while incorrect humidity can affect a bottle's label and cork. The storage area must have a properly insulated and designed perimeter to prevent air movement and condensation, and a system to monitor temperature and moisture.

"Our biggest challenge was the overall construction of the wine-storage area since it's such a specialized room. Not many general contractors have experience building wine storage," Davis says. While designing Citadel, his company enlisted the expertise of a well-known master sommelier in the region.

For Sobe, the greatest hurdle was getting the insulation correct. "We installed six redundant fans, and a temperature and humidity sensor that can be controlled and monitored remotely," Blum says. The facility also has motion sensors to control the lighting. To help maintain the atmosphere, a vestibule was added. One door is prevented from opening until the first is closed.



The wine lockers at Bee Safe Storage

Higher RPSF

The rent per square foot (RPSF) is much greater on wine storage than on standard storage units, according to Patrick Gilroy, co-owner of The Stor-House Self Storage in Bellevue, Wash. Your average unit size is smaller and, in many cases, you have multiple units stacked on top of each other. All of that creates an RPSF that is **two to three times higher** than a standard storage project, he says.

The Right Security

Enhanced security is also a major factor in wine-storage design. Some facilities like Sobe require a fingerprint scan to access the wine room. Passcodes and keycards are also popular for restricting entry to wine-storage customers.

Entry to Wine Storage Bellevue is separate from the storage facility. The area has its own moving carts and a custom-designed wooden door straight off the parking lot. "Since access was a big concern, we connected the entry door to a keypad so customers carrying their wine only have to swipe their access card to get in. Plus, customers can get access to the storage area seven days a week, 365 days a year, including holidays when most facilities are closed," Gilroy says.

The Right Look

To create a relaxed, social setting, many operators will add a lounge or tasting room to their wine-storage area. Many customers of this upscale service may even expect such an amenity. An enchanting countryside mural can be displayed on the exterior to create a

unique look. Inside, the room might include wine-inspired décor.

"We designed the hallway to look like a Tuscan grotto to set the customer's mood before arriving at the storage area," Gilroy says. "Immediately adjacent to but separate from the storage area is our 1,000-square-foot private event space, available exclusively to Wine Storage Bellevue clients. Dubbed the 'Amoroso Room,' it's handsomely appointed with leather furnishings, a fireplace and a refectory table that seats up to 10 people. We provide glassware, decanters, and all the accoutrement for opening a bottle with friends or a fellow wine-storage customer."

The Right Marketing

Like any service, wine storage requires dedicated marketing to bring in customers. Your prospects may not actively be seeking a secure environment for their wine, but once they learn of the service, they'll consider it.

In addition to traditional efforts such as pay-per-click ads and social media posts, Blum encourages operators to meet with local wine vendors and restaurant

managers. "We also participate in the local food and wine events," he says.

Connecting with the community has been a key strategy for Bee Safe. "Our facilities are active members of networking groups and often reach out to local business operators like restaurants that use our wine-storage facilities for securing their valuable wines," Carroll says. Wine Storage Bellevue reaches out to wine-tasting rooms in the area and explains the facility's package-acceptance program. The company also focuses on educating customers about the benefits of storing their cherished bottles.

"We've become authorities on the subject of wine storage, which is necessary when educating the public on why it would be necessary," Gilroy says. "Most folks say, 'I just drink it too fast.' But what about that bottle you bought for your son or daughter's 21st birthday, or that bottle or two for other special occasions? Why not have a secure, temperature-controlled place to store it where it is out of sight and out of mind?"

While not as common as retail centers stocked with boxes and tape, or parking spots for boats and RVs, wine storage can be a lucrative profit center for self-storage operators in the right market. "Wine storage is definitely an offering worth exploring. It can give your facility a unique amenity guaranteed to set you apart from your competitors," Davis says. **ISS**

Contributor: Amy Campbell, *Inside Self-Storage*, www.insideselfstorage.com



Wine-Storage Case Study: Citadel in Matthews, KY



The vision for our company has always been to design and build architecturally interesting, state-of-the-art self-storage facilities. When we were in the market-analysis phase for our newest facility in St. Matthews, Ky., a suburb of Louisville, we explored a wide range of amenities, products and services that paired well with

climate-controlled self-storage, one of which was wine storage.

We found there weren't any dedicated wine-storage facilities in our market or even the region, especially not within self-storage. Once we identified this gap, we decided to integrate wine storage into our design, and we've had a very good response.

Considering Customers

We designed our facility with several types of customers in mind. Some clients are rebuilding or adding to their existing wine cellar and need a safe environment to store their collection in the meantime. Others ship cases of wine to our facility and use it as their personal cellar. They'll store the majority for long periods and

retrieve a few bottles at a time when they want to enjoy them.

We accept packages for tenants on the self-storage side of our business, as we know peoples' schedules can be quite busy and they're not always available to meet a delivery person. So, it was a natural progression for us to add this service to our wine storage as well. Some clients ship cases directly to our facility so the wine can be placed in our storage room from the start.

Designing the Space

When we built our wine-storage room, we had two key objectives: to ensure the conditions are ideal for long-term storage and to make the area highly secure. Our biggest challenge was the overall construction since it's such a specialized space. Not many general contractors have experience building wine storage. There were a lot of meetings and communication between the various parties to make sure we got everything to the correct specifications and accomplished our goals.

Our room is between 1,200 and 1,300 square feet. It's on the first floor to ensure people can access their collection quickly and easily. We offer six unit sizes, with case capacities ranging from 12 standard, 12-bottle cases in our smallest unit, up to 85 cases in our larger units.

The room is maintained at a constant 55 degrees and 56 percent to 58 percent relative humidity, which is the ideal environment for long-term wine storage. In addition to the sensors on our cooling system, we installed a separate Wi-Fi-enabled hygrometer, which takes readings of temperature and humidity. This allows our clients to log on to an app and check the conditions of the room in real time from their smartphone, giving them peace of mind that their collection is safe.

Managing the temperature and humidity and keeping them within their optimal ranges involved some creative solutions. The room is essentially walled off and separated from the rest of the facility using a special closed-cell, tri-polymer foam insulation. The ingress and egress point is a highly secure two-door vestibule. The door from the hallway requires the customer to enter a PIN. The second door is a large, industrial-grade refrigeration door that serves as the barrier and seal of the wine-storage environment.

Our cooling system is redundant, which means we have two refrigeration units that are independently capable of maintaining the desired temperature. If



“If you're considering wine storage for your facility, first look into your market. Is there anyone else doing it?”

one malfunctions, the second will pick up the slack while the first is repaired. Additionally, we've installed natural-gas backup generators for the coolers to ensure wine won't be vulnerable in a power outage.

All lighting is motion-activated and has been strategically positioned so it doesn't shine directly on bottles if they happen to be outside a case or crate. As you'd imagine, some of our clients' collections are quite valuable, so it was paramount to design our wine room to the highest specifications.

Keeping It Secure

One of the most important factors for our clients is security. When a wine unit is leased at our facility, the customer chooses a four- to 10-digit PIN, which he enters at the access gate. This disengages the individual alarm on his unit. He must also enter his code to unlock the vestibule door to the wine-storage room. After the client drops off or retrieves what he wants, he must input his PIN at the gate upon exit, which re-engages his alarm.

We also have more than 60 high-definition, forward-looking, infrared, radiometer-enabled security cameras. We want to put our clients' minds at ease when they store with us. They know their valuables are secure.

Getting the Word Out

We do a fair bit of digital marketing, but we've found the most successful marketing tool has been direct referrals and partnerships with local wine organizations, clubs and home-cellar builders. We also hold wine tastings at our facility and sponsor tastings at local wine stores. If any of you are "wine people," then you know this group sticks together and is passionate about it. It's important for us get in front of these folks and meet them face-to-face.

If you're considering wine storage for your facility, first look into your market. Is there anyone else doing it? If so, reach out to them and gather information about their successes and woes. If no one else is doing it in your area, engage an expert in the wine industry to get a sense of the local demand and help guide you through the design process. Additionally, since a lot of the wine you'll be storing has the potential to be expensive, you'll need to consult a legal expert to create a lease specific to the service.

Wine storage is worth exploring. It can give your facility a unique amenity guaranteed to set you apart from competitors. **ISS**

Contributor: Chase Davis, Citadel Self Storage, www.citadelfselfstorage.com



Wine crates at Citadel

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Implementing a **PROFITABLE** *Tenant-Insurance Program*

There are many things about the self-storage industry that make it a great business. One positive aspect is facility expenses are well-fixed and there are typically few surprises when it comes to operating costs. Another is operators have ample opportunities to increase profit and asset value through ancillary income streams.

One proven way to generate additional revenue and provide customers with a great value-add is to offer tenant insurance. Let's look at the benefits and what it takes to implement a successful, profitable program. It's easier than most people think.

Understand the Benefits

Tenant insurance is a smart way to gain recurring monthly income while giving tenants coverage for their stored property. If you're only selling boxes, locks and other moving supplies during the rental process, you're missing a revenue opportunity. When properly executed, tenant insurance can bring in thousands of dollars per year.

Without insurance, your customers are vulnerable. Their homeowners' or renters' policies may not cover stored belongings or may only cover a fraction of the items' value. Despite taking precautions

“Unfortunately, some programs on the market aren't compliant with state law and insurance regulations, so they won't effectively protect your tenants in their time of need.”



and instilling security measures, no storage operator can fully guarantee the protection of a tenant's items from tornado, hurricane, fire, flood or burglary. A lease agreement releases the operator from liability for these types of losses, but tenant insurance will protect customers from the unexpected.

Tenant insurance is a legitimate, state-regulated product that offers full protection for stored belongings. It's a win-win for the customer and facility owner.

Choose Wisely

There are many tenant-insurance programs from which to choose and a variety of providers, which gives you the flexibility to pick one that's best suited for your business. Most vendors offer competitive pricing along with attractive revenue-share opportunities.

One important note: Unfortunately, some programs on the market aren't compliant with state law and insurance regulations, so they won't effectively protect your tenants in their time of need. Do your research and select a trusted, fully compliant program.

Revise Your Lease

After implementing your program, it's wise to include an insurance provision in your lease that explains the facility does not insure the tenant's property, and customers are required to provide proof of insurance on all stored goods as a condition of tenancy. Make sure your provider offers the appropriate lease language to coincide with the tenant-insurance program you're offering, as it may vary from vendor to vendor.

Consider offering tenant-insurance limits that correspond with the limitation-of-value provision in your rental agreement. You might also include verbiage that says the occupant agrees the space isn't appropriate for the storage of jewels, furs, heirlooms, art works, collectibles or other irreplaceable items that have special sentimental or emotional value to the occupant, and he agrees not to store said items. Once the lease is signed, give a copy to your tenant along with a copy of the insurance policy and brochure, which should outline all coverage and exclusions.

Finally, self-storage owners who offer tenant-insurance programs are required to display a limited-lines license in their office.

Make sure it's current and neatly displayed. If you need an updated copy, contact your provider.

Train Staff

For your tenant-insurance program to be a success, you must have staff buy-in. The facility manager has to educate tenants, especially at the time of move-in. It's important to discuss the insurance and its benefit with the customer. This can be done more effectively with the proper training.

Make sure all employees are properly trained on your tenant-insurance program and the benefits it offers. Most providers will offer training materials to help with the process. For some vendors, annual training may be required. Keep your team up-to-date.

Market Your Product

You also need to draw attention to your program through good marketing practices. Have plenty of informational brochures and promotional materials in stock and on display. Many insurance providers will offer posters, counter maps, window clings and stickers for use.

With the proper training and materials, marketing your program is as easy as asking for a driver's license at the time of lease! Completing the lease addendum with the tenant should take less than two minutes. It's a short time commitment that delivers big benefits for the customer and facility owner.

Get (and Give) Peace of Mind

Your tenants trust you with their treasured belongings. With the right

tenant-insurance program in place, you can maintain a positive relationship with them, even in the event of an unexpected loss.

Your tenant-insurance provider is the quarterback for the claims process if a loss occurs. It's licensed and familiar with the statutes that are applicable in your state. Its staff is trained to gather all documentation, evaluate the evidence and determine any claim payout. The claim-resolution process is handled by licensed adjusters through a regulated process that provides consumer rights to the insureds. It's peace of mind for all parties involved. **ISS**

Contributor: Mario J. Macaluso, SBOA Tenant Insurance, www.sboati.com

Hosting a Cell Tower: PROS AND CONS

To meet the demands of their wireless-telecommunications customers, companies like AT&T, Sprint, T-Mobile and Verizon continue to build new cell-tower sites across the country—some on self-storage properties. When negotiated correctly, this lease can be a great source of ancillary income for the storage business.

Here are some pros and cons to ponder when approached by a cell-tower company or wireless carrier who wants to use your property.

Pros

Additional income. When a cell-site agreement is properly structured, you can see immediate revenue, with initial monthly rent ranging from \$1,000 to more than \$3,000, depending on several factors. You can also realize additional revenue based on the utility and value being derived by the company's use of your property. This can be achieved if additional subtenants are added to the tower or upgrades are made to the existing telecom equipment. However, the average self-storage owner

leaves about \$852,000 in revenue on the table due to an improperly structured lease.

Improved cell service. A new cell site won't only serve the needs of wireless customers in the area, it can serve as an upgrade for services offered to your tenants. If you're forward-thinking, you can even negotiate conditions that'll allow for use of certain cell-tower infrastructure that can be used for future development projects.

Lump sum cash/capital. If you're looking for capital to infuse into your self-storage facility, an option is to sell your cell-tower

lease for a one-time lump-sum payment. The funds received can also be eligible for a 1031-exchange transaction. There are many third-party companies that'll pay, however, make sure you understand the true value of your lease as well as the conditions and impact of selling it.

Cons

Community opposition. Many people have concerns about the health risks of living near a cell tower or rooftop cell-site equipment. Even though the American Cancer Society reports that it has found no direct link between cell towers and cancer, many still object to towers in their communities.

If you attempt to put a cell tower on your property, your neighbors could oppose. However, you can negotiate terms in the lease that will provide evidence that you have set certain inspection and compliance requirements in place. This will help ease

community concerns and could eliminate any negative impact on the value of your property.

Operational impact. When a cell-tower company approaches you, it'll sell the concept a certain way. For example, it'll say the tower will be on a part of the property that's "out of the way." In truth, you aren't just giving the company rights to a certain area; you're accepting restrictions for your *entire facility*.

While a cell-tower company wants you to focus on the rent, you need to know exactly what you're agreeing to and how it may impact future development, disposition or even financing of your property. Don't take money in one hand only to give it away from the other!

Lease management. While you may have a wealth of experience in renting storage space, a cell-tower lease is a completely different animal. The reason most owners are being underpaid is they

structured their lease incorrectly from day one. They started undervalued and it only got worse from there. A lease can provide significant ancillary revenue; unfortunately, most owners don't understand how to optimize it. Moreover, they fail to navigate and manage it correctly throughout its term, thereby losing revenue that's there for the taking.

Every transaction has its ups and downs, and a cell-tower lease is no different. You must understand that a typical agreement commits you for more than 30 years, with no way to terminate. While knowing how much rent you should receive is important, it's just as critical to understand exactly what you're agreeing to today and into the future. **ISS**

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Generating Profit With Propane Sales

When most people hear the word "propane," they either think of Hank Hill from the early 2000s TV show "King of the Hill" or their own dad wielding a burger-flipper next to a grill. However, there are many uses for propane gas. From heating homes to fueling trucks to harvesting crops, propane is a popular commodity.

As a self-storage manager with experience offering propane as an add-on profit center, I can tell you it's a revenue generator. If you're looking for a way

to diversify your offerings, consider it. Following is some insight to selling the product including offering types, pricing and other logistics.

Offering Types

There are two ways to sell propane at a self-storage facility. The first is to install a large tank—1,000 gallons or more—on the property and become a cylinder-refilling station. From my own experience, this has been quite popular and profitable. I managed a facility for two years where we

refilled tanks of all sizes. The gross revenue increased each year and accounted for a large portion of the facility's non-rental income.

The most important thing to remember when installing a tank on a commercial property is you must adhere to regulations from the National Fire Protection Agency and your state. There are strict guidelines to follow.

The other way to offer propane is to set up a cylinder exchange on your property. This tends to be more popular

The Many Ways Customers Use Propane

- Outdoor grilling
- Home heating
- Clothes drying
- Fireplaces
- Pool and water heating
- Gas lighting
- Vehicle fuel
- Standby generators
- Refrigeration
- Patio heaters

in suburban and urban areas since it doesn't require a lot of space. Some propane companies have their own tank-exchange programs. The drawback is you can only exchange the grill-tank size (20 pounds).

In general, refilling stations work well for facilities in more rural or residential areas that have the room. Tank-exchange programs are a valuable add-on at smaller facilities in suburban or urban areas.

Suppliers

Once you've decided which method of selling propane is best for your facility, then you need to choose a supplier. For the cylinder-exchange program, the best company could be the one that offers the best commission on sales. For onsite refilling, you want a supplier that's highly reputable and guarantees quick, consistent delivery.

At my facility, there were times in the middle of winter when I ran out of propane and had to schedule an immediate refill of the large tank. For this type of situation, a nationally known company may be better than a local or regional one as it'll have a bigger supply of gas.

Prices

You'll also need to determine the cost of goods. On tank-exchange programs, the price for an exchange or new tank is generally determined by the supplier. The storage facility receives a commission on those sales.

If you choose to refill on site, there are two methods of setting price. Some stations have a set price per cylinder size, regardless of how much is left in the

tank. The method I used was establishing a set price per gallon. Other important considerations include the time of the year and what other resellers in the area are charging.

With propane services, the profit can be limitless. However, as with any new offering, it'll be slow-going for the first few months. My propane sales had a sluggish start, earning \$8,700 gross revenue in the first year. Then it exploded in the second year, bringing in \$17,000.

To generate even more revenue, you may want to sell accessories with the propane. For example, if you have a refilling station, you could sell empty tanks, extra hoses, knobs and adaptors. In the spring and summer, sell grilling supplies such as tongs, spatulas and grill covers. During the fall and winter, consider adding portable heaters, turkey fryers and other heating supplies to your product mix. Get creative!

Marketing

Like any add-on profit center, propane services should help a self-storage facility stand out among the rest. I suggest marketing them alongside the other amenities you offer. When creating a plan, consider your location. The facility I managed was between residential and rural areas and near a lake, which gave me numerous avenues to advertise.

The supplier I used provided us with large signs to display roadside. A few other ways to get the word out include e-mailing current tenants,

“ Like any add-on profit center, propane services should help a self-storage facility stand out among the rest. I suggest marketing them alongside the other amenities you offer.

meeting people at nearby RV parks and campgrounds, and partnering with local homeowners' associations.

When looking for creative ways to generate extra revenue, take a serious look into propane sales. The future for propane as a major fuel source is bright, and self-storage operators can capitalize on this by selling the gas and related accessories. **ISS**

Author's note: To learn more about propane, contact a local supplier, the National Fire Protection Agency, National Propane Gas Association or your state's propane regulation board.

Contributor: Steven Jeffers, Bee Safe Storage and Wine Cellar, www.beesafe.com



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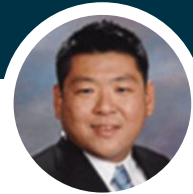
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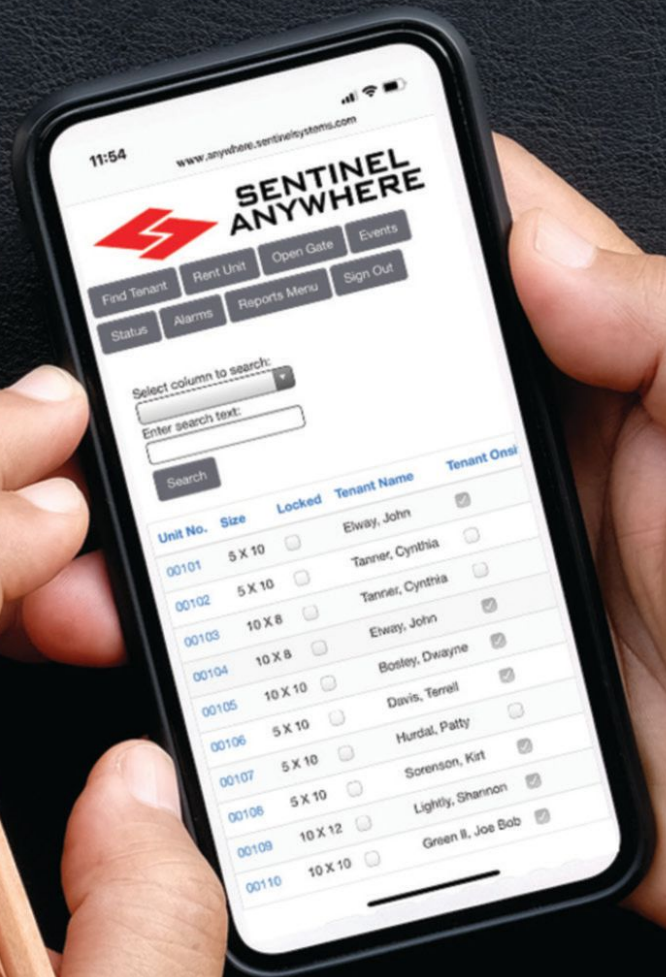
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