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SUPPLY, DEMAND, AND CREATIVITY

Are You Willing To Change With The Times?

—By Jeff Supnick

Many leading companies in the New World economy, such as Dell™ Computers, Wal-Mart®, and others, operate their businesses in highly competitive environments. These companies have found out two important lessons that we in the self-storage industry can benefit from ... change, while challenging, brings with it great rewards for those who are willing to adapt to that change. The second lesson is that the amount of competition in an industry is not as critical to success as is the ability of a business to set itself apart from the competition in ways that are highly meaningful to its customers.



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I like what Winston Churchill once said, “The farther back you look, the farther forward you are likely to see.” Looking back to the early days of self-storage, developers built projects in markets that previously had little to no supply, and as facilities came on line, they quickly rented. It was easy for self-storage operators to raise rents without much effort or market resistance.

Say you own an older self-storage facility in a secondary location and are finding it hard to maintain occupancy and pricing power in the face of competitive pressures. Is your facility being operated like it was back in the “build it and they will come” era? While you cannot change the location of an existing facility, there are many things you may wish to consider.

Start with your customer in mind. Customers who make a connection with your management team, who are made to feel well cared for and secure, will be far more likely to decide to rent from you. We know from countless studies relating to the psychology of selling that your customer usually makes up his or her mind very quickly about whether or not he wants to do business with you. The customer’s first impression must be positive. Are there small changes that, if made in facility lighting, landscaping, fencing, security, or the overall quality of your maintenance program, would lead to greater customer appeal of your storage facility? Whether you operate a new state-of-the-art facility or an older generation facility, operate your business in a manner that will give your customers a reason to store with you and not the competition.

The message is do your homework and keep doing that homework continually after you open your facility. The self-storage industry has a great future ahead of it for those who are willing to change and grow with the times.