

Five Ways Managers Can Effortlessly Increase Facility Revenue

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Devon Self Storage



Step 1 – More Rentals



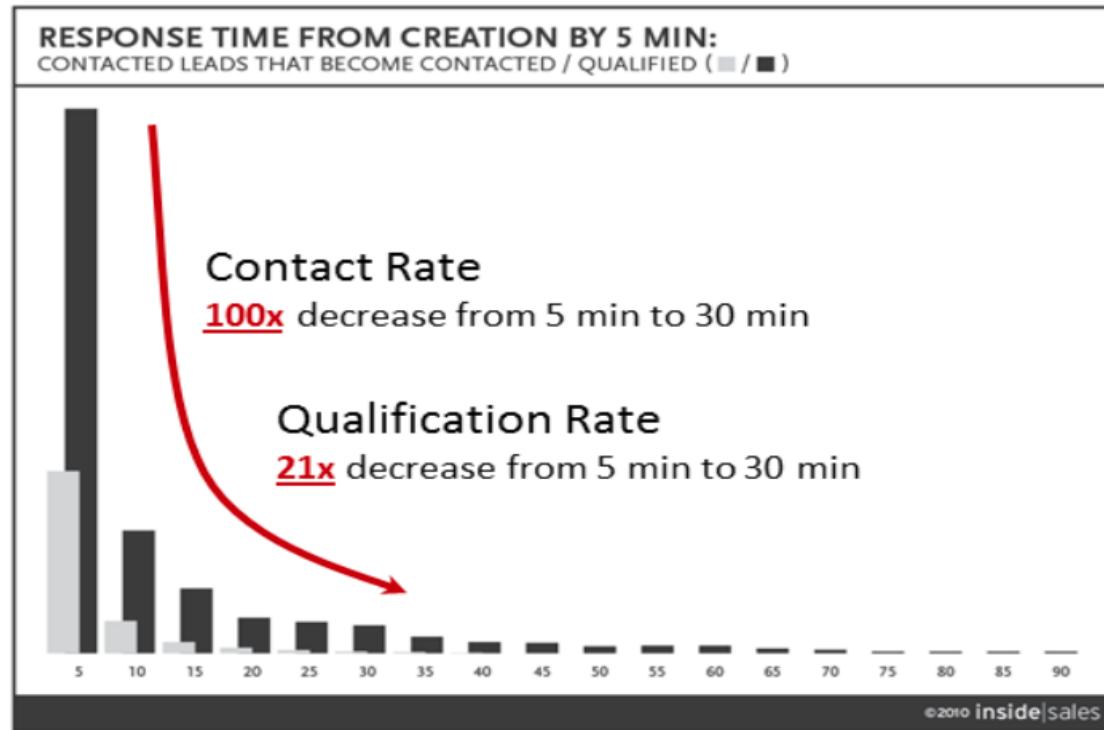
How Do We Increase Rentals?

- How effectively are your managers logging every inquiry into your software?
- How much do you currently spend for each lead?
- Do you have a tracking system to see your closing %'s on all the different channels?
- What do you consider a decent closing %?
- Walk in: 83 to 90%
- Phone: 46 to 50%
- Call Center: 26 to 30%
- On-Line: 39 to 45%



Response Time Is Key!

Facilities that call within the first 10 minutes turn leads into tenants 25% better than those that don't.



Source: 2007 Original Kellogg/MIT Study, Dr. James Oldroyd

After 30 minutes, they've moved on.
Contact Rate – 100x decrease from 5 min to 30 min

Qualification Rate – 21x decrease from 5 min to 30 min

- Contacted Leads
- Qualified Leads



Results Do Not Lie

SpareFoot Results for Devon Self Storage

July Rental % Based on Initial Call Back Time

| Time Period Until Worked | Total Inquiries In this Time Period | Total Rentals in this Time Period | Rental % |
|--------------------------|-------------------------------------|-----------------------------------|--------------|
| 0 - 5 minutes | 26 | 15 | 57.7% |
| 6-30 minutes | 177 | 68 | 38.4% |
| 31 -60 minutes | 56 | 15 | 26.8% |
| >60 minutes | 52 | 16 | 30.8% |
| Canceled Before Worked | 30 | 0 | 0.0% |
| Total: | 341 | 114 | 33.4% |

August Rental % Based on Initial Call Back Time
as of 8.18.18

| Time Period Until Worked | Total Inquiries In this Time Period | Total Rentals in this Time Period | Rental % |
|--------------------------|-------------------------------------|-----------------------------------|--------------|
| 0 - 5 minutes | 18 | 7 | 38.9% |
| 6-30 minutes | 63 | 23 | 36.5% |
| 31 -60 minutes | 38 | 6 | 15.8% |
| >60 minutes | 29 | 10 | 34.5% |
| Canceled Before Worked | 12 | 0 | 0.0% |
| Total: | 160 | 46 | 28.8% |



Selling Tips

- Ask good questions to get them in the door!
 - a) Have you packed up yet? We have a full line of packing supplies and boxes, come on down and we can show you the facility PLUS you can get your packing supplies.
 - b) You really need to see the ease of access to our property. When would be a good time for you to come in?
 - c) I have a 7 x 10 unit so if you pack your unit right I can save you some money! When can you come by?

I like the saying “You have to Open them before you can Close them” From the book Smart Selling



Does Every Unit Need a Discount?

- Not every person is looking for a deal
- Just because your neighbor is doing it, does not mean you have to.
- Implore the “Butt” discount, if the customer is going to walk out the door have something in your hip pocket to give them.
- Make sure your system has been configured for occupancy levels to reduce discounting.
- How many are you giving out? Are they working?
- Audience poll. What are you using??



Let's Do Some Math!

- Your facility rented out 30 units last month
- Average Monthly rent is \$100.00
- Only 25% off them got a special, say \$1.00 pays 1st month
- This means that 22 customer paid the full rental rate
- Even prorating, figure \$50.00 per rental if you are 1st of month billing
- That equates to an additional \$1,100.00 in the bank



Audience Participation

Who
Wants
One?



Audience Participation

What works for
your
organization?



Sales Statistics

- 48% of all sales persons NEVER follow up with a prospect
- 25% make a second call and stop
- 12% make 3 calls and stop
- Only 10% of sales people make more than 3 calls
 - 2% of sales are made on the 1st contact
 - 3% of sales are made on the 2nd contact
 - 5% of sales are made on the 3rd contact
 - 10% of sales are made on the 4th contact
 - 80% of sales are made on the 5th to 12th total contact

How many of us are giving up too soon?

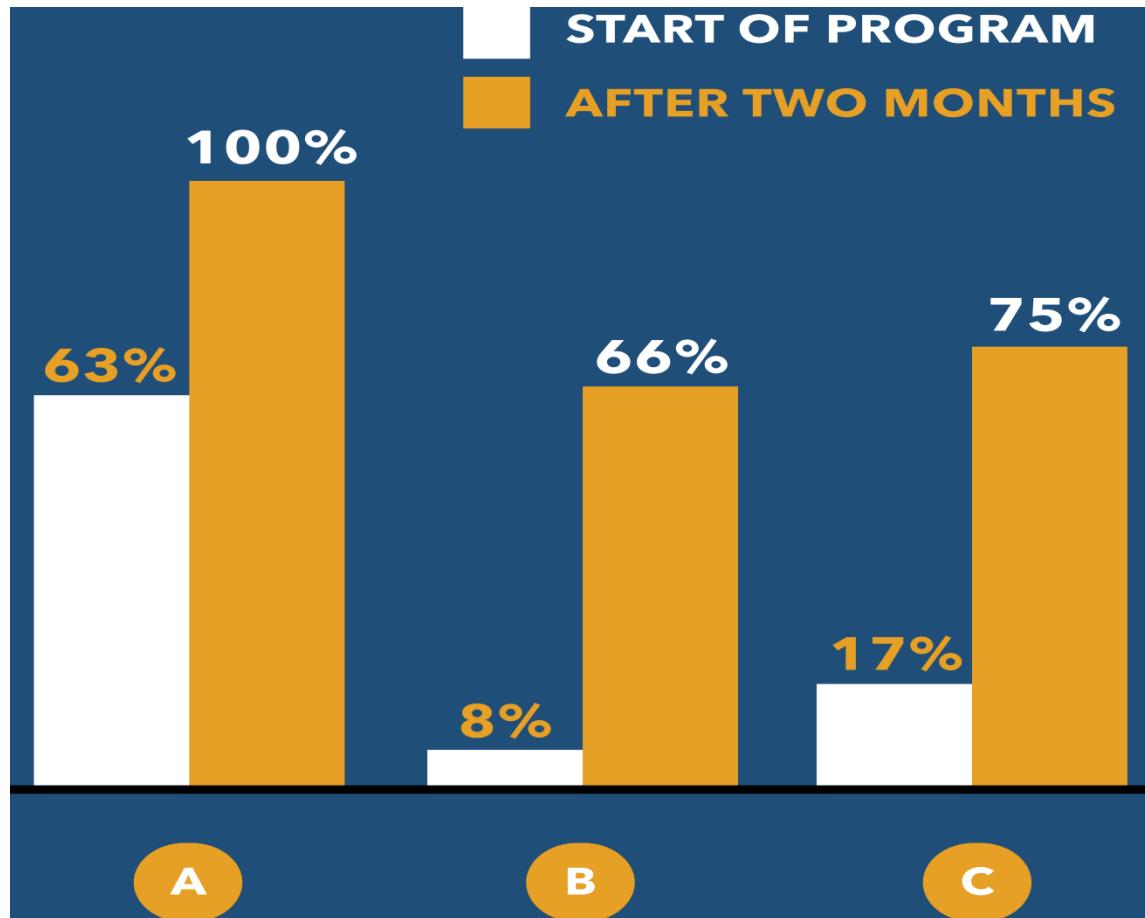


Mystery Shopping?

- Who is currently doing it?
 - Many managers and supervisors hate them since most times they are used as a hammer!
 - Ask yourself this question?
 - Think of it as a test. What can you glean from it to make yourself a better manager, listener, sales person or just an all around better person.
 - Affordable for any size operation.
 - Telephone, Web, Physical with recordings or video shops.
 - Training and reporting analytics behind the scene.
 - Why would you not consider trying it?
 - Mystery Shopping is a tool, just like looking at a P & L. It is a tool that measures whether team members are following the training programs you spent money to put in place.



Stats Do Not Lie!



- A)** Did the storage representative discuss or mention benefits to you?
- B)** Was a return phone call made from this property?
- C)** Was the original call logged into the management software program?



Eye Opening On What Goes On



Step 2 – Merchandise & Locks



Lock & Merchandise Sales

- **What does your display rack look like?**
- **Are boxes and packing supplies part of your sales pitch?**
- **How many of you know what your lock penetration is?**
- **Offer discounted kits and bundles?**
- **What does your lease say about securing the unit?**
- **What is your merchandise sales per transaction?**
- **Do you incentivize your managers on retail?**



Display Areas Are Critical



How Do These Look?



Take Advantage of Opportunities!



When on the phone,
always mention that
“We sell packing
and moving
supplies at great
prices.”



Tips For Selling Merchandise

- Locks are the easiest.
- Stay stocked.
- Keep the showroom clean.
- Greet your customer on the floor.
- Find out the customer's needs.



Questions for the Room

- Who knows their average sales per rental?
- Who has a bonus plan for retail?
- Does everyone who needs a unit also need boxes?
- When is the best time to sell merchandise?
- Who has helpful packing tips for customers?



Are Locks a Requirement?

- What does your lease say about securing the unit? Is it a Requirement? Have you had your lease looked at by one of the legal storage experts?
- **LOCKS: Occupant shall provide, at Occupant's own expense, a lock that Occupant deems sufficient to secure the space. If the space is found unlocked Owner may, but is not obligated to, take whatever measures Owner deems reasonable to re-secure the space, with or without notice to Occupant, provided; however, that in such event Owner shall not have any liability to Occupant for any loss or damage whatsoever, and Occupant shall indemnify and hold Owner harmless from and against any loss, cost or expense of Owner in connection with locking the Space, including the cost of the lock.**



Easy to Track

| Lock & Merchandise | | July-17 | | | | | | | | | | | | |
|---------------------|------------------|---------|------------------|---------------|-------------------|----------------|---------------|-------------------|---------------|-----------|--------------------|----------------------------|----------------------------|----------------|
| Facility | Rental Info | | | Locks | | | Closing % | | | Retail | | Additional is all @ 90% | Insurance | |
| | Total Rentals | RV | Total Non- RV | Disc Locks | Cylinder Locks | Total Locks | Disc Locks | Cylinder Locks | Locks Sold | Mdse sold | Mdse per rental | | Policies on new rentals | Insurance % |
| DALL - Allegheny | 64 | 0 | 64 | 19 | 0 | 50 | 29.7% | 0.0% | 78.1% | \$400 | \$6.25 | \$ 91.12 | 59 | 98.3% |
| DAA - Ann Arbor | 40 | 3 | 37 | 0 | 33 | 33 | 0.0% | 89.2% | 89.2% | \$359 | \$8.98 | \$ 3.60 | 24 | 75.0% |
| DAM - American Way | 26 | 0 | 26 | 6 | 0 | 10 | 23.1% | 0.0% | 38.5% | \$183 | \$7.04 | \$ 160.67 | 22 | 88.0% |
| DAT - Austin | 21 | 0 | 21 | 10 | 0 | 10 | 47.6% | 0.0% | 47.6% | \$128 | \$6.10 | \$ 106.71 | 10 | 47.6% |
| DAU - Austin Peay | 29 | 0 | 29 | 17 | 0 | 17 | 58.6% | 0.0% | 58.6% | \$398 | \$13.72 | \$ 109.11 | 25 | 96.2% |
| DAV - Highway 18 #2 | 23 | 0 | 23 | 15 | 0 | 18 | 65.2% | 0.0% | 78.3% | \$350 | \$15.22 | \$ 32.37 | 23 | 100.0% |
| DCB - Camp Bowie | 14 | 0 | 14 | 4 | 0 | 4 | 28.6% | 0.0% | 28.6% | \$77 | \$5.50 | \$ 103.11 | 6 | 50.0% |
| DCH - Charlotte | 51 | 7 | 44 | 8 | 0 | 31 | 18.2% | 0.0% | 70.5% | \$286 | \$5.61 | \$ 103.11 | 31 | 83.8% |



Why Are Locks Important?

- **Added security**
- **Keeps the property clean**
- **Makes sure customers are in the right unit**
- **Anyone have any stories?**
- **What does your lease say about securing the unit?**



Audience Participation

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Step 3 – Tenant Insurance



Insurance Options

- Another great source of revenue.
- Many options in the market.
- Protects your facility as much as it does your tenants belongings.
- Shifts responsibility away from front line manager should a problem occur.



What Does Your Lease Say?

INSURANCE: THE OWNER DOES NOT PROVIDE ANY TYPE OF INSURANCE WHICH WOULD PROTECT THE OCCUPANT'S PERSONAL PROPERTY FROM LOSS BY FIRE, THEFT, OR ANY OTHER TYPE OF CASUALTY LOSS. IT IS THE OCCUPANT'S RESPONSIBILITY TO OBTAIN SUCH INSURANCE.

Occupant, at Occupant's expense, shall maintain a policy of fire, extended coverage endorsement, burglary, vandalism and malicious mischief insurance for the actual cash value of stored property. Insurance on Occupant's property is a material condition of this Agreement and is for the benefit of both Occupant and Owner. Failure to carry the required insurance is a breach of this Agreement and Occupant assumes all risk of loss to stored property that would be covered by such insurance. Occupant expressly agrees that the insurance company providing such insurance shall not be subrogated to any claim of Occupant against Owner, Owner's agents or employees for loss of or damage to stored property.



It Can Happen Anywhere



Mother Nature Does Not Discriminate



A (tornado) destroyed storage unit in Van Zandt County. CREDIT STELLA M. CHÁVEZ / KERA NEWS



Burglaries Happen Too



It Can Happen in the Blink of an Eye



Offering Techniques

- **Is insurance a requirement of your lease?**
- **What level do you start with? Why?**
- **What works at your location?**



Insurance Options

Laws vary from state to state. Make sure you're in compliance with your state laws and requirements.

- There are several tenant insurance providers.



Tenant Insurance Programs

Educate your employees:

- **Benefit for customer**
- **Benefit for staff**
- **Benefit for owner**



Step 4 – Collecting Your Money



Question for the Room

**Has anyone ever met
a person who was a
born
collections person?**



It All Starts at the Beginning!



NEW CUSTOMER INFORMATION SHEET

Primary Contact

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Home Phone: _____ Work Phone: _____

Cell Phone / Other: _____ Email: _____

Driver's License #: _____ State: _____ SS#: _____

Emergency / Alternate Contact "Not residing with you"

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Email: _____

Your relationship to the alternate contact: _____

This is the BEST time to gather as much information as you can, so that if the time comes you have multiple ways to reach the customer



The Lease Agreement



RENTAL AGREEMENT

4400 Ladson Road
Summerville, SC 29485
Phone: 843-873-1112 Fax: 843-873-1104

Date: _____

Lease Number: _____

Approximate Unit Size: _____

Unit Number: _____

OCCUPANT INFORMATION:

Name: _____

Phone Number(s): _____

Email: _____

Mobile Phone Number(s): _____

Address: _____

Please note that Occupant must provide written notice to Owner of any change in the Information provided above in accordance with the terms of this Rental Agreement. Please initial here _____

Emergency Contact's Name: _____

Emergency Contact's Email Address: _____

Emergency Contact's Phone Number: _____

Are you or your spouse an active member of the U.S. Armed Forces or other Uniformed Services:
Yes or No _____

Military Contact _____

THIS AGREEMENT INCORPORATES BY REFERENCE ALL INFORMATION INCLUDED IN THE NEW CUSTOMER INFORMATION SHEET COMPLETED BY OCCUPANT. OCCUPANT REPRESENTS THAT ALL SUCH INFORMATION IN THE NEW CUSTOMER INFORMATION SHEET IS TRUE AND CORRECT.

Personal property to be stored (check all that apply):

Household _____

Office _____

Clothing _____

Commercial _____

Furniture _____

Other (describe) _____

This is a binding legal contract between your facility and your tenant.

- **This is where we set the expectations**
- **Make sure they clearly understand**
 - a) When their rent is due
 - b) When the late fee takes effect
 - c) All fees associated with lease
 - d) How to communicate with the facility
 - e) Terms of the Rental Agreement



A Great Starting Point

- **How many of you are emailing the receipt at the conclusion of the lease?**
 - **Really easy way to ensure we have a valid email address**
- **Who is sending out a welcome letter?**
 - **You will know if the address you have on file is correct. Mail service is a great tool for this!**
- **Welcome phone call.**
 - **Set yourself apart**

*Don't wait until customer becomes past due to
find out there are contact problems.*



Policies And Procedures

- **Implement fair and consistent manner**
 - Do not pick and choose who gets locks cut or pays late fees
- **No waiving late fees**
 - Stress auto-debit program
- **No partial payments**
 - That isn't in the agreement
- **Avoid the “isms,” treat everyone the same!**



Software Provides Great Tools to Assist

- **Invoicing?**
 - Who is doing it?
 - When/How are you sending them?
- **Automated Texting Programs?**
 - Who is doing it?
 - Results?
- **Friendly Reminder Emails?**
 - Who is doing it?
 - How are you sending them?



Sample of Friendly Reminder

Friendly Reminder

Dear: <TENANT.NAME>

This is a friendly reminder that your rent was due on the 1st of the month. To avoid late fees and prevent a “lock out” please submit payment immediately. For your convenience, we offer the following options, both of which allow for instant payment and processing and will bring your account current.

➤ **Option 1**

You can call the store directly and make a payment over the phone; you can make the payment with the manager or one of the agents at our call center. This will allow you to call in your payment even if the office is closed.

➤ **Option 2**

You can log onto our website (www.devonselfstorage.com) and follow the instructions below to have your payment processed immediately at no additional charge.



Who Has a Receivables Goal/Plan?

- **Does everyone know what the goal is?**
 - Do they know how to calculate it?
- **What is your policy for making the calls?**
 - Is it written down anywhere? Operations Manual?
- **Is it part of the manager's bonus program?**
 - Easiest way to get their attention is if it is tied to compensation.
- **How often do you review your goals?**
 - If the target # is always “pie in the sky” will a real effort be made?



Suggestions

- **Schedule time in your day to make the calls.**
- **If you get a recording of a bad #, check the file to make sure we did not enter the information incorrectly.**
- **Don't always start at the top of the list.**
- **Detailed notes, no one wants to see "LM VM CB."**
- **If you always get an answering machine, change the time you are calling. Probably at work!**



Quick Tips

Be professional

**Verify
speaking to
tenant**

**Get FIRM date
and time**

**Follow up on
broken
commitments**

**Keep accurate
address of
record**

**Do not waive
late fees**

**Do not take
partial
payments**

Courtesy of Bob Copper from Self Storage 101



Audience Participation

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Audience Participation

What works for
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organization?



Best Source of Advertising!



No Matter How You Display It!



Referrals Are Great!

- How does your Referral Program work?
 - What role does the manager play?
- Do you offer Free Rent or Cold Hard Cash?
 - What works best in your area?
- Do you work with local apartment and housing offices for future tenants?
 - Long term customers!
- How often do you visit them?
 - Monthly, Quarterly? Do you have a Marketing report?
- Do you take them any goodies?
 - What things work in your area?



Tracking Is Key!

Roll Up

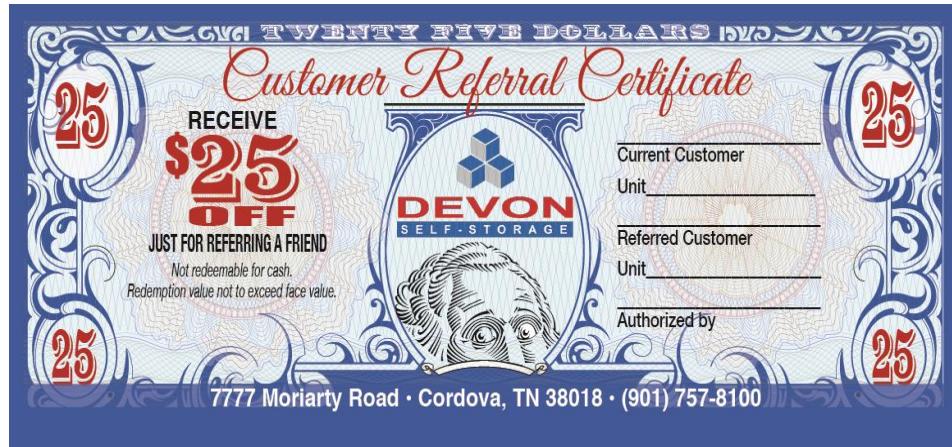
How did you find Devon?

| 2017: | Total | % of Total |
|-----------------|-------|------------|
| Billboard | 81 | 1% |
| Current Tenant | 387 | 3% |
| Internet | 5481 | 41% |
| Mail/ Flyer | 41 | 0% |
| Previous Tenant | 1579 | 12% |
| Referral | 1257 | 10% |
| Sign/ Drive By | 4256 | 32% |
| Yellow Pages | 145 | 1% |
| Totals: | 13227 | 100% |

- In 2017 22% off all of the Rentals at Devon Self Storage came from repeat customers or referrals!!!



Different Types of Offers!



Coupons that we email to our existing customers from our Software

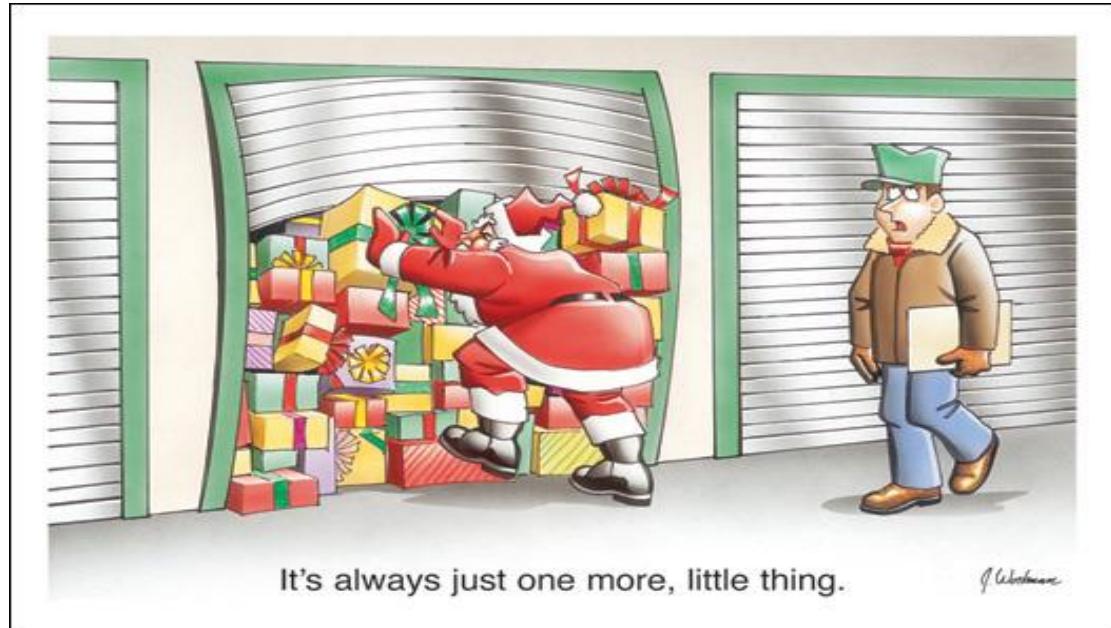
Cards that are on the counter and in the Move In Welcome Pack



There Are All Kind of Things!



Direct Email Campaign to Previous customers letting them know we are here for them!



Running a Special for a Santa's Secret Closet for the Holiday Season! Maybe include package receiving or set up a gift wrap station for them!



Audience Participation

Last
Chance?



Let's Recap

If you can do just a little bit more in each of the topics we discussed today, think about the effects on your revenue.

- Reduce Late Fees Waived
- Lock Sales – 90% (\$3,240 rough estimate)
- Merchandise \$25.00 per rental (\$9,000 per year)
- Referrals 2 to 3 per month (actually increase rentals)
- Insurance – 85% new customers and 50% overall for existing customers



Questions



Thank You



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