



Missouri Self Storage Monitor

The MSSOA Newsletter

Fall / Winter 2019

PO Box 105920 | Jefferson City, MO 65110 | 573-480-0454 | www.mssoa.org



2 AREAS OF SELF STORAGE OPERATIONS YOU NEED TO FOCUS ON NOW

By: Matthew Van Horn

In the very near future the self-storage industry is going to face a watershed moment. Why do I say "watershed"? Well, let's review some history. Since 2000, the estimated population of the United States has increased by about 47.0 Million people which is a 16.65% increase. Since 2010, the estimated population of the United States has increased by about 19.83 Million People, which is a 6.4% increase. Now, combine these demographic changes with an overall lack of self-storage development since the financial crisis and you can easily see how our industry came upon the overwhelming self-storage demand we experience today. It's not magic, luck, or individual genius, just statistics.

First, review your facility's marketing plan. If you don't have a marketing plan, it's time to put one together. The marketing plan should take into consideration the marketing programs you would like to implement, the budget allocated to these programs for materials and training, and how the programs will be measured and distributed. Review your facility's website, pay per click, Google places, and social media accounts. If there is an issue with your online reputation, start to address those issues immediately. Reviews are important and will only become more important in a competitive marketplace. Make sure you have a solid referral program and that you are promoting this program with your customers. Consider implementing other programs that specifically target local businesses such as realtors, apartment complexes, and movers.

Next, it's time to optimize your facility's sales training program. Have you allocated funds to improve sales training? A self-storage facility that's just open for business will not

be enough anymore. What is your facility's plan to convert potential customers? Do you have a sales script or guide that outlines the self-storage sales process? Have you trained your operations staff on how to show a unit to a potential customer? How does your facility promote temperature or climate-controlled units? Does your facility have a golf cart? Do you offer water or coffee in your office? Have you conducted a market study of the local self-storage competitors in the market? Are your office hours, gate hours, and amenities similar or better than your competitors? What kind of pricing and specials will you promote both online and in the facility office? Does your sales process include the promotion of amenities such as locks, tenant insurance, packing supplies, and auto payment?

The first thing John Wooden, the famous basketball coach from UCLA, used to teach his players was how to put on their socks and shoes. Not how to dribble, shoot the ball, or how to rebound, but the importance of socks and shoes. Without proper socks and shoes, his players risked major injury. Your facility should operate in the same way. It's the simple, everyday things that will keep your self-storage facility successful. As operators, we either get back to the self-storage fundamentals or the fundamentals will come back for us.

Matthew Van Horn is a co-founder of Atomic Storage Group, a full-service management company specializing in joint ventures, self-storage management, feasibility studies, marketing, and consulting within the self-storage industry and is the co-author of the book Self Storage Domination. To schedule a free 60-minute self-storage strategy session visit www.atomicstoragegroup.com.



SAVE THE DATES MSSOA APRIL CONFERENCE

April 7, 2020

**Double Tree Hotel
Jefferson City, MO**

FALL CONFERENCE & TRADESHOW September 15-16, 2020

**Sheraton Westport
Lakeside Chalet
St. Louis, MO**

In This Issue

2 Areas of Self Storage Operations	1
Save the Dates Trade Show and Conferences...	1
Letter from the President.....	2
Board of Directors.....	2
MSSOA and You.....	3
Unintended Discrimination.....	4
The 5 Risks	5
Understanding Internet Marketing	6
Live Oak Bank Self-Storage Case Study	8
Four Types of Callers	10



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LETTER FROM THE PRESIDENT

Dear MSSOA Members,

Thank you to everyone that joined us in Branson for our Fall Conference & Tradeshow. We heard from a great line up of speakers, and I had a great time visiting and catching up with all of you.

If you are a new member to the MSSOA, you probably joined for one reason, but this year, I want to make sure that every member understands how valuable each membership benefit is to your profitability and growth.

We want you to know how important your membership is to us, as an organization, because without you partnering with us, the self storage industry has no voice in the state legislature. A strong voice in our local government is essential for one main reason: to protect owners and operators from laws (or the absence of laws) that would hurt your businesses. Vigilance and a voice in Jefferson City makes the storage industry stronger and better in Missouri. Your annual membership with us makes this possible.

At the Fall Conference & Tradeshow, we surveyed the attendees and the overwhelming majority of MSSOA members listed education and legislative information and communication as the top priorities for the association. As a board, we know the best way to communicate education opportunities and legislative information is our website. Am I happy to report that late this year, MSSOA.org will have a new home; complete with online dues payment and better conference registration systems. Most importantly, it will have an updated library containing the Model Rental Agreement (MRA) and 20+ other documents that you need for your business. We will also be able to post presentations from our conferences, link to other educational platforms, and provide other beneficial information in an array of formats. All of this will be at your fingertips, anytime you need it.

Another way we are increasing our value to you is through a legal review of the MRA, addenda that accompany it, and the Lien Sale Timeline. This is under review now and will be available to the first of the year through our new website.

We will be sending out renewals starting the first week in January, so if you don't receive yours, please contact Shelly at the first of the year. Also, if you haven't yet, go to our Facebook page and follow us @missouriselfstorageownersassociation; we post important communication there as well.

As President of the MSSOA, it is part of my job to insure the service of our Board Members is acknowledged. Our association would not exist without many, many hours put in each year by these volunteers. Thank you! Your hard work does not go unnoticed. It is also my job to make sure your voice within our membership is heard. If you have questions, comments, or even complaints, don't hesitate to reach out to me or Executive Director Shelly Harris, or anyone on our Board of Directors.

2020 is going to be a great year for us! Best wishes for a joyful holiday season and a profitable end to the year.

Sincerely,

Brian Wofford
President, MSSOA

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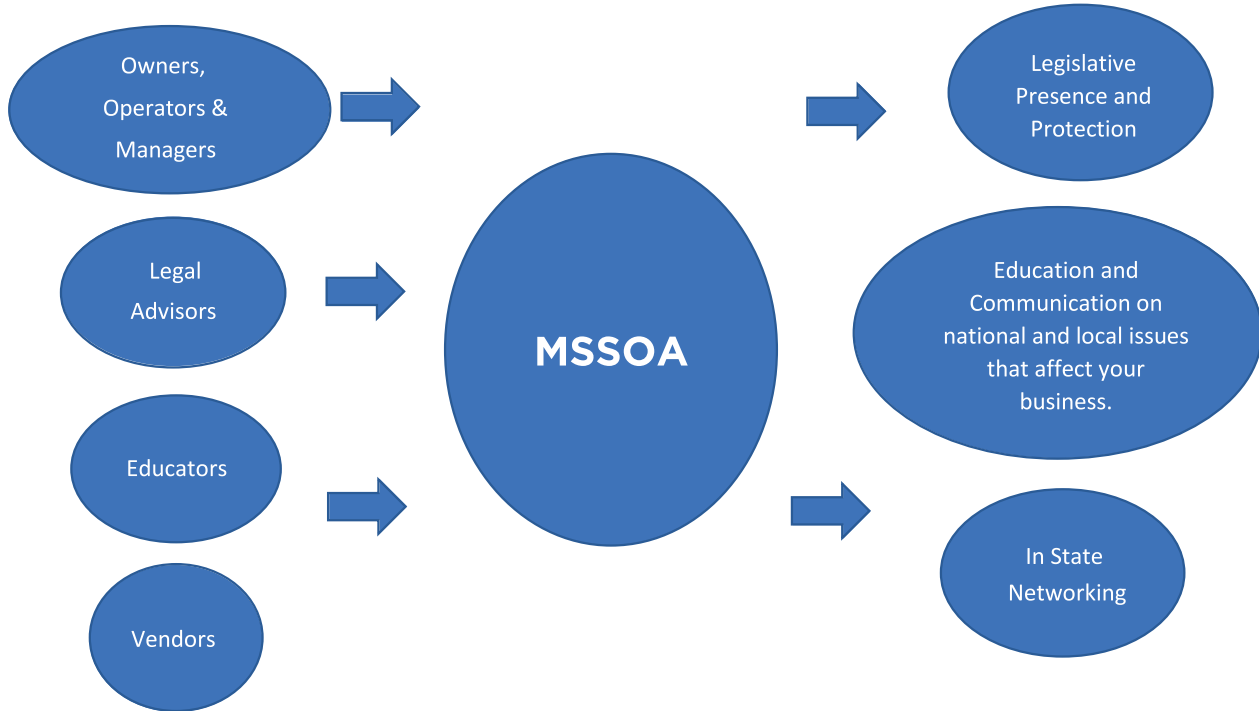


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MSSOA and You

Thank you for being a part of Missouri's only association dedicated to serving and protecting self storage businesses.



Your Membership Benefits

- Education through conferences and legal and trade articles in monthly e-newsletters and the Missouri Self Storage Monitor
- Access to our Model Rental Agreement and Vehicle, Marine, and Service Member Addenda, along with several other documents available for download at www.mssoa.org *Coming Soon!*
- Communication and access to Missouri Lien Law, the Late Fee Law, and new self storage laws as they are passed.
- Discounts on all MSSOA Conferences and Tradeshows. These conferences provide education in our rapidly changing industry through nationally recognized speakers and local experts, as well as in-state networking opportunities.
- All businesses have unique issues and situations that come up. If you have a question, members can access our experienced Board of Directors by calling (573) 480-0454. If we can't answer your question, we can definitely point you in the right direction.
- Networking opportunities at conferences and tradeshows.
- MSSOA members receive access to our membership database.

Want more information about what the MSSOA can do for you?

Contact us at (573) 480-0454

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New MSSOA.org

Member Portal • Online Dues Payment • Tradeshows Registration

Easier access to important information you need!

UNINTENDED DISCRIMINATION



Jeffrey J. Greenberger
Attorney at Law

This is a follow-up to my Five Items that Keeps me up at Night article that ran previously in ISS. I promised to discuss updating your Rental Agreement to prevent the allegation of unintended discrimination.

In reviewing Rental Agreements, one thing that I cannot help but notice is that there are a lot of policies and procedures that are “in your head”, which are not be disclosed to your Occupants in the Rental Agreement.

I contend Occupants deserve to know the Rules of the Road at your storage facility, so that Occupants can avoid an unhappy surprise and you can avoid an accusation that by enforcing one of these policies, you are actually trying to discriminate against a specific Occupant or class of Occupants.

You may have a policy in your head that provides, for example, once an Occupant has bounced one check, you do not accept checks from the Occupant either for a period of time or ever again. What about refusal of a check within a certain number of days prior to a lien sale? This is a policy you probably have had for a long time and enforced regularly, and hopefully, consistently. However, if you do not state this policy in your Rental Agreement, then your refusal of a check from an Occupant within a certain number of days of a lien sale, could be viewed as trying to impose a discriminatory policy or practice on the specific Occupant. The Occupant may wonder and, thus ask a Civil Rights Commission or Human Rights Commission to look at whether you refused his/her check not because they were “x” number of days late as you said, but because of their color, their race, their nationality, or religion, etc. It takes one extra line in a Rental Agreement to clarify this policy and avoid the possibility of this issue arising later.

Other examples of policies you may have that I often find not disclosed to the Occupant in writing in the Rental Agreement include whether or not you collect a full month rent or even the second month of rent when you rent a unit to someone in the middle of the month. Also, when you would refuse to accept a credit card (Again, this is often “x” days late). I certainly sympathize with facilities who do not want to accept credit cards when someone is near a lien sale, because of the high likelihood of a dispute after you have cancelled the lien sale, but these “rules” need to be provided in writing to the Occupant within the Rental Agreement. I receive at least one call a week in my office from a Tenant who leaves me a similar type message: I’m an Occupant at a Facility; I admit I was behind in my Rent; I was ready to pay my Rent the day or two before the sale; I logged onto the website and found that the manager had blocked me from making payments over the web.

These Occupants then go on to say why they think the manager blocked them and it is often thought to be a case of

discrimination by the manager. This is obviously not true. Many of us have software that automatically turns off web payments when an Occupant is a certain number of days late because of the risk of dispute. A one line statement in the Rental Agreement which explains when credit cards are no longer accepted that that technology such as kiosks, websites, call centers, and the like, will also not accept credit card payments after a certain number of days late, resolves the possibility that an Occupant could come back and say you had a discriminatory based intention by refusing a credit card.

Finally, treat the other type of technology issues such as removal of overlock after payment the same way. I hear, especially around holidays, from managers who are upset because Occupants threatened them after the Occupant made a midnight Christmas Eve payment, that if the manager doesn’t take off the overlock immediately, they will sue. Likewise, threats are made when after a 3:00 a.m. electronic payment, the Occupant cannot get their boat out for a day of fishing or deer hunting season, etc. Often you haven’t even come to the office yet, let alone have time to process the payment and go out and take the overlock off. In just a few short sentences, you can make your policies and preferences easily known and disclosed to the Occupants and avoid these potential allegations.

Unfortunately, since our industry has risen above the radar, we are now more prone to claims such as these which were at one time, really the purview of the multi-family industry. While there is not a self-storage equivalent to the Fair Housing Act, Civil Rights/Human Rights Commissions have proven their willingness to investigate the practices of self-storage operators when an Occupant makes what appears to be a valid claim for discrimination.

If you have not taken the appropriate steps to make disclosure to the Occupant of these policies and procedures within your Rental Agreement or Rules and Regulations, do so. Be smart, keep your Rental Agreement up to date and make sure to the extent you have these type of policies and procedures in play at your facility that they are part of the written documentation the Occupant receives at move in so that there are not misunderstandings, miscommunications, or bad feelings which could turn into an expensive claim.

Jeffrey J. Greenberger is a Partner with the law firm of Greenberger & Brewer, LLP, in Cincinnati, Ohio and is licensed to practice in the states of Ohio and Kentucky. Mr. Greenberger’s practice focuses primarily on representing the owners and operators of commercial real estate, including self-storage owners and operators.

This column is for the purpose of providing general legal insight into the Self-Storage field and should not be substituted for the advice of your own attorney.

Jeffrey’s website, www.selfstoragelegal.com, contains Jeffrey’s legal opinions and insights into the self-storage industry, as well as an article archive. You can send your questions, comments, or suggestions for future topics to Jeffrey J. Greenberger at jeff@grbriaw.com, or mail them to Jeffrey J. Greenberger, c/o Greenberger & Brewer, LLP, 7750 Montgomery Road, Suite 205 Cincinnati, Ohio, 45236, or you can reach Mr. Greenberger at (513) 698-9350.

THE 5 RISKS OF NOT OFFERING A TENANT PROTECTION PROGRAM



Tenant Property PROTECTION™

Self-storage Owners and Operators assess risk daily. Whether it's assets, operational procedures, or tenants needs, there are too many factors to consider to secure your business environment. Many do not give their highest risk proper due diligence - the importance of having Tenant Protection or Tenant Insurance available for tenants at their facility. Join me for this quick, informative talk about moving your business away from risk and toward profitability.

1. Not having a Tenant Protection or Tenant Insurance plan at your facility or not doing a good job selling/promoting the one you do have.

A premiere Tenant Property Protection (TPP) plan can provide the second highest cash flow for a self-storage facility with a proper strategy and sales process. A TPP product will give an owner added savings on their General Business Insurance. (If your provider does not provide you discounts and savings for having a protection plan, call TPP because we do!) Last but not least, your managers will remain confident at the counter despite tenants experiencing a loss because of TPP's no deductible, replacement cost, and "white glove" claims service benefits alleviating an owner's liability in the process to tenants. "Risk" is removed.

2. Not recognizing what happens in a catastrophic event when tenants are not covered.

At TPP, we clearly state the coverages on the front of our addendum and all the exclusions on the back of our addendums. The best part about TPP is that the manager may direct all tenant claims to TPPclaims.com and TPP will make sure the tenant understands the value of their protection. The TPP protection is the best in the industry for all significant losses and more!

TPP works to give real value for premiums in every plan. TPP has your back with this "risk"!

To obtain the remaining three risks information, please go enter the link below in your browser:
<https://tenantpropertyprotection.com/the-5-risks-of-not-offering-tenant-protection/FNO>



Terry Anderson created the 5 Risk Guide when he kept seeing facilities get

lackluster results, under-utilizing the second highest income generator for a self-storage business. He created this guide to help you sniff out the fakers in no time flat and only work with the best.

This guide will provide you the confidence and know-how to scale your business faster than ever using tenant protection. It will also allow you to stop wasting time and money by working with less-than-qualified tenant protection or insurance programs.



THE ULTIMATE GUIDE TO UNDERSTANDING Internet Marketing

Provided by the Storage Group

In today's world, internet marketing is highly regarded as a viable way to gain visibility for your facility, but not all marketing is created equal. Where you put your money when it comes to marketing, matters. In this blog, we will define what digital marketing is, why it is becoming increasingly popular. Most importantly, we'll be discussing what digital marketing can do for your facility.

UNDERSTANDING DIGITAL MARKETING

Let's start with the basics, what is digital marketing? According to hubspot.com, "Digital marketing encompasses all marketing efforts that use an electronic device or the internet. Businesses leverage digital channels such as search engines, social media, email, and other websites to connect with current and prospective customers." Many facility owners use digital marketing campaigns such as pay-per-click advertising (PPC), search media marketing, content marketing or search engine optimization (SEO) to gain exposure from their local market online. Digital marketing helps facility owners target potential tenants with content, PPC ads, or SEO, driving more business and helping to convert more leads into sales.

THE POPULAR ONE

Twenty years ago, the main way of advertising your business was by taking out an ad in the yellow pages or advertising your weekly specials on a local high school's billboard. Today, in 2019 almost all of the competition has moved completely online! According to lyfemarketing.com "Digital marketing allows small businesses to compete with a much smaller advertising budget. When managed effectively, it gives them laser-focused control over where and how they spend their money. When you have this kind of control and the data to support decisions, you make smarter ones." This makes digital marketing the ideal place to advertise your facility, whether you have a large budget, a small budget, or no budget at all (free marketing can be found by marketing your business through social media platforms such as Facebook, Instagram or Twitter) going digital is a great way to create buzz over your facility online.

WHAT GOING DIGITAL CAN DO

Whether you're using a free digital marketing platform such as Facebook, or Twitter or you're investing in Pay-Per-Click ad campaigns, there is no arguing that digital marketing is worth the time, effort and money. According to smallbiztrends, over 73% of small businesses in the US use digital marketing and the number is expected to grow. So, even if you are starting off small, start.



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Live Oak Bank Self-Storage Case Study



To some people the idea of building a self-storage facility is daunting; to others, it's an opportunity to dream big.

Travis Morrow is no stranger to the self-storage industry. His father-in-law, Bob Schoff, showed him the ropes early on and has been a huge influence in his career. Today, he is a partner in their newest facility, National Self Storage Dove Mountain.

The state of the art facility opened in 2018. It quickly gained attention with its cutting edge technology and sleek design. "We designed the facility to feel more like your home and less like your typical self-storage building. We know small things like wall color and decor make a difference to renters." The consensus is in. National Self-Storage won MiniStorage Messenger's 2018 Facility of the Year award.

The facility has 636 air-conditioned indoor units and is one of the most advanced facilities in Arizona. Its technology includes a smart entry system, which allows customers to access their units on their phones. "It's like everything else. People want to use their phones to speed up the process and not worry about checking in with someone." There is also a technology-based tenant interface which allows renters to:

1. Select a unit
2. Enter a reservation
3. View a facility map
4. Move in without paperwork
5. Download the facility's smart entry system app

National Self Storage is also continuing to expand. "As the project grew and grew, we quickly realized this was more than a space just for just household goods. Soon we are going to be building out to a multi-level working space for members of our team to use."

FINANCING IS KEY

When Travis was ready to consider financing for National Self Storage, he reached out to Live Oak Bank. He had met loan officer, Bishesh Shrestha, at a Self Storage Association Young Leaders Group networking event where the two discussed his project and needs.

Travis had experienced the loan process many times. Knowing Live Oak had years of experience lending to self-storage owners and the leadership provided by industry expert, Terry Campbell, he felt they were his answer. “In general, the financing part of self-storage is never fun, but working with a lender that understands every aspect of the industry is critical to getting the project done and to your standards.”

Live Oak provide financing for Travis and his business partners using both an SBA and conventional loan. “I maxed out on my SBA 7(a) loan, but I was able to get an additional loan to bridge the gap. Live Oak made the process transparent every step of the way.”

THE FUTURE OF SELF-STORAGE

Travis has been busy showing his new facility to owners and operators around the country. “The experience we are offering renters is going to be the model for all my facilities moving forward.”

Noting mentors as one of the main components of his success, Travis says he would not be where he is today without the people who helped pave the way. “My father-in-law and my partner at SPMI, Don Clauson, have had a very big influence on my career. It’s been an amazing experience to share with both of them.”



National Self Storage Dove Mountain isn't Travis' last project. He is currently working on a facility in Colorado with a similar technology component and esthetic. His footprint in the self-storage industry is getting deeper as he applies his forward thinking to every project he spearheads.

For self-storage owners looking to grow their business, Travis says, “focus on your business and what you can do to keep moving. Leave financing to a partner like Live Oak to help you determine what success looks like.”

FOUR TYPES OF CALLERS

Howard Price, Self Storage Consultant

We all want to find better ways to increase rentals when we receive a call from a potential renter. Several years ago at the SSA convention, I learned that most callers fall into four types, and we need to know how to respond to them. In order to connect with the caller, you must determine which one of the four types of people you are talking to. As any good merchant knows, there isn't one single solution or best practice for converting all kinds of customers. Every customer has his or her own set of traits. We all know that we have to smile when answering the phone, be a good listener, help them determine what size they need, and point out the features.

That being said, we also need to determine which of the four types of callers you are talking to:

1) The **SOCIALIZER** - This person likes to socialize before they let you know what they are calling for. Don't hurry them but socialize back with them.

2.) The **DICTATOR** - This person will ask questions and expects a direct answer. This caller takes charge of the conversation and you need to go along with them.

3.) The **DEEP THINKER** - This caller goes silent on you as they are processing what you have told them. You may think you may have lost them, but don't hurry them.

4.) The **FACILITATOR** - This caller asks several questions and wants to be convinced that your facility is safe and that they are getting a good value. Once you have them, and give them the best service, they will stay with you, return when they need storage again, and will tell others about you. Also, they will give you good reviews.

Howard Price was the President for Storage Inns Management Company located in Saint Louis for twenty years. Prior to that he was a regional manager for Storage Trust. He is now a self Storage consultant.

www.howardpriceselfstorageconsultant.com

Areas of expertise include:

- Rental Growth
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- Customer Service
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Why Howard?

Howard led a self-storage management company for more than 20 years. It was a top sales producer in Missouri almost every one of those years, beating the big national chains. His staff was well trained, highly effective, customer driven, and loyal.

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Our team's success is built on over 45 years of private client relationships in commercial real estate. Our mission is to ensure that our clients have peace of mind knowing they are maximizing their success in self-storage investment across the Southeastern and Midwestern United States.



16 Transactions Closed in 2018 Totaling More Than \$25 Million



Value of Current Listings Exceeds \$53 Million



Over 16 Years of Self-Storage Only Transaction Experience

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