

## EFFECTIVE LEADERSHIP

## Staying Upbeat In A Bad Economy

By Kerri Fivecoat-Campbell



Turn on the news these days and chances are there will be another downer story about the economy. Listen to all of the bad news and business owners and managers might start to get down themselves.

"The first thing to remember is where to put your focus," says Dian Helbig, business consultant and owner of Seize the Day Coaching in Cleveland, Ohio. "Your choices are to focus on the bad news or focus on running the business. You can't do things to grow your business if you're focusing on the bad news."

As well, things may not be as bad in some industries as they seem to be in others. Tom Litton, president of Litton Property Management in Lodi, Calif., says that while self-storage facilities in some areas of the country may have experienced a reduction in occupancy, the bottom is not falling out of the self-storage industry.

"The beauty of self-storage is that there's no functional substitute for self-storage," says Litton. "It's not vinyl records where we have to worry about technology making us disappear."

### Address Your Fears

Litton says the first step in taking in all of the seemingly never-ending bad economic news is to address your worst fears and then move on. "Most people view self-storage today as an extension of their homes," says Litton. "The economy depends on Americans accumulating things and that will most likely not change. If we look at self-storage in that way, our biggest fears cannot be realized."

Sal Materia, vice president of U-Stor Management Corporation, says it's up to owners or senior management to help their managers and other staff to stay focused and

positive. "We've been through downturns in the past," says Materia. "This one seems a bit more severe, but it's just a matter of time before it turns around."

Another important thing to remember for district managers, Materia says, is to make sure their on-site managers and staff knows that their jobs are not at risk if there is a downturn in activity. "District managers play cheerleader and if we start seeing a drop in activity, our managers need to know we're not going to breathe down their necks," says Materia. "We're there to make sure, and then assure them that they're doing everything possible to draw in traffic."

Helbig says addressing the fears is the first and most important step in getting through tough times. "It's different in a bad economy because owners and managers need to focus more on actual action steps," says Helbig. "When we are focusing on fear, we're living in the future and not focusing on the present. Action steps help alleviate anxiety and businesses need to move into action right now."

Helbig reminds business owners that while the government only officially announced that the country had been in a recession for as much as a year, most business owners were unaware of the recession and continued to conduct business as usual then. "The trick is to put up an invisible shield and let all the bad news bounce off. Focus and actions," says Helbig.

### Focus On The Basics

Once owners and managers overcome their fears and realize that many of the things they fear probably won't come to pass, the next step is to take action steps to make sure the staff is returning to the very



Economic downturns can be difficult to deal with, but the best way to overcome tough times is to stay positive and focus on the present.

basics of marketing. Materia says the basics include:

- Occupancy
- Collections
- Maintenance

### Maintaining And Growing

“Owners and managers now have time to focus on things they didn’t have time to focus on when they were busy,” says Helbig.

These business consultants say that doesn’t necessarily mean spending a lot of money. “You don’t have to spend big money on marketing efforts,” says Vicki Lynne Morgan, owner of and business consultant for Russmor Marketing Group in Califon, N.J. “It’s important you keep up the guerilla marketing and not stop because your competitors will stop—and you need to keep the ball rolling.”

Morgan says the first step to take, while there may be extra time, is to make sure that all of the employees—from the

owners and managers to the maintenance crew—are fully trained in not only the policies of the property, but also in customer service and sales.

“Most people are not savvy in customer service or sales,” says Morgan. “Very few people have taken a sales course; most have taken only product-knowledge courses.”

Morgan says that most times even college graduates have only taken basic marketing courses directed at corporate initiatives. She says it’s important to find a sales and customer service course tailored to the specific needs and target market of the self-storage industry. These courses can be developed through a consultant or even through local community college programs.

Once employees are properly trained in sales and customer service, one of the most basic things a self-storage facility can do before a new marketing initiative is take time to first assess recent traffic and determine the primary customer base

and then focus primary marketing efforts on that base. Areas around self-storage facilities might change due to growth or due to the economy and its important managers always have a pulse on the target markets.

Next, Morgan recommends that managers and owners take time to do customer surveys with their current customers to ensure they will stay. “About 60 percent of marketing is done toward current clients,” says Morgan. “Businesses need them and they need their referrals. It’s important to make them happy.”

Morgan says this might be as simple as adjusting the hours of operations, but it could involve adding more security or doing some pest control.

Furthermore, Materia says that self-storage facilities should assess the occupancy rates per unit size not only on their property, but on that of their competitor’s, as well. “Find out if you’re having a problem with various sizes and offer specials if customers rent two together,

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for example,” says Materia. “This brings up occupancy while making it more convenient for the customer.”

The next step seems like a no-brainer, but is one that many business owners and managers ignore, especially if they've been busy.

Networking with local business groups, especially if they have members in your target markets, is an effective way to gain new business. Self-storage employees should also be hitting the phones and the streets speaking to apartment managers and business owners (construction companies, attorneys, doctor's offices, etc.) directly.

The final step to take regarding directly increasing occupancy is to make sure brochures, business cards, Web sites, and *Yellow Pages* ads are functional and up to date.

**Collections**

When things get tight, customers may try to find wiggle room in due dates and with late fees. Materia says it is important in this climate to make sure collections are focused. “Call regularly, but approach in a customer-service way,” says Materia. “If appropriate in your situation, make the management company the bad guy saying you have no authority to be flexible with fees.”

**Maintenance**

Now is the time to make sure the site has the best curb appeal. Make sure the trash is picked up on a regular basis; repair the small, but glaring blights such as torn flags, letters missing from signs, and broken light bulbs. If possible, give the lobby a fresh coat of paint and have the carpets or floors professionally cleaned or polished. Add mints or candies in the lobby. In the winter, decorate with seasonal decorations; in the spring and summer, make sure there are thriving plants, flowers, and shrubs to add to the curb appeal.

All of these steps will help managers and owners, as well as the rest of the staff, overcome their fears and focus the business toward the future. “Create a program for your site that you and your staff can initiate,” says Helbig. “Focus on

the now and take action in the present. Energy breeds energy.”

These action plans which can help businesses focus on the “now” will also work to help build a better business for the future.

Litton, who has been in the self-storage business for over 40 years, says that he expects the self-storage industry to experience a windfall in five years or less. “The

economy will change—it always does; and, in the long-term, self-storage will fare well,” he says.



Kerri Fivecoat-Campbell is a freelance writer based in Shawnee, Kansas. Her work has been published in *The Kansas City Star*, *Women In Business*, and *Entrepreneur* magazine.