

Advancements in Unattended Self-Storage Operation: Technology and Opportunity

By Terry Bagley

The self-storage industry is changing more rapidly than ever before in its relatively short history. This is especially true when it comes to the concept of “unattended” or “unmanned” sites. New technology (or an adaptation of existing technology) is allowing innovative operators to successfully run their facilities without onsite personnel while still offering a customer-service experience as good as, or even better than, that of a traditional operation.

Although unattended facilities aren’t new to the industry, the concept has generally been applied at smaller, rural facilities. Moving forward, more operators will leverage this technology. Unmanned sites are the next wave in self-storage development and operation, and even though challenges can arise, the opportunity for growth is too enticing to ignore. Following are some opportunities and industry success stories.

Opportunities and Challenges

There are several significant opportunities created by the concept of unattended facilities. The most obvious is the ability to reduce labor costs, allowing the owner to make more profitable investments. For example, he might find he can now build on a smaller site, find property in an infill location, use a satellite location or even thrive in lower-rent area. All these options can positively impact the bottom line and value of the asset.

Many of the challenges previously faced when operating an unmanned facility have been eliminated via technology.

Where human interaction was once required for renting units or providing facility access, the necessary steps can now be automated. Customers can rent units online, via a call center or at a rental station (kiosk). Unit locking and unlocking can be done automatically with electronic locks. Security has been enhanced with monitored video surveillance, motion sensors and more.

There are three self-storage companies that have seized the opportunity to open unattended facilities and experienced great success with this business model. Let’s look at each.

Success Story: Storage Express, Bloomington, Ind.

Storage Express got its start in 1992 when Jefferson Shreve was struck with an innovative idea that blossomed into an empire. Shreve’s first self-storage facilities displayed the business phone number on the side of the building. Clients called him directly, and the rental agreement was executed over the phone, with the first payment being sent via mail. Vacant units were left unlocked and ready for tenants to move in.

Today the company operates 92 unattended facilities throughout five states in largely tertiary markets, with little to no competition from the industry real estate investment trusts. Storage Express has 59 employees, 16 of which are field service representatives. Along with his call center, Shreve gives major credit to these employees for making his operation so successful.

“Our field service reps are part of what’s unique about Storage Express,” Shreve

says. “They serve in two capacities—inventory and upkeep—and they make sure the units are ready to rent.” Because of how smoothly the business model runs, Shreve can comfortably operate a 60,000-square-foot facility without an onsite manager. The company’s largest unmanned facility is 85,000 square feet.

Storage Express has come to rely on its website, call center, autopay, GPS tracking on field reps’ vehicles, and kiosks to realize its vision of unattended self-storage. The company’s masterful use of these new tools has served it well, as evidenced by its growth and success.

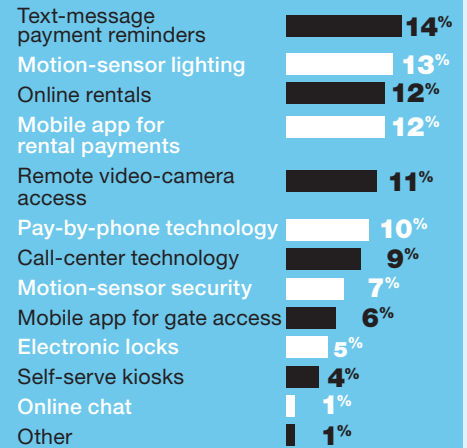
Success Story: 10 Federal Self Storage, Raleigh, N.C.

10 Federal Self Storage has also embraced the opportunity to go fully unmanned. Since 2015, the company has used the latest technology available to create a completely automated experience for customers, both online and at the facility.

Brad and Cliff Minsley own and operate four self-storage facilities in North Carolina, with another under construction and more forthcoming. An important part of their strategy for unattended sites has been the tight integration of their management software and website with self-service kiosks and access-control technology, including electronic door locks. The facility also makes liberal use of video cameras backed up by well-trained agents at the company’s 24/7 call center. With the successful incorporation of multiple technologies, customers are able rent units, make payments, manage their accounts, and access their units without the help of an onsite employee.



Which automation tools do you use at your self-storage facility?



Source: Reader poll at insideselfstorage.com

Success Story: Lakeview Self Storage, Birmingham, Ala.

Lakeview Self Storage has found success with a hybrid model. Operations manager Matthew Deason was faced with a highly occupied facility and the inability to expand, so he had to get creative. He found a vacant warehouse only a block away from the company's flagship location and decided to change the course of the business with a satellite facility.

The acquired warehouse was transformed into an add-on location outfitted with access-control products, including electronic locks. The site is supervised via a network of security cameras that are broadcast to a monitor at the parent facility. The manager on call can keep a watchful eye over the camera feed while managing the daily operation.

The Lakeview team has experienced admirable success with their first implementation of these cutting-edge technologies. By adding rentable space without increasing staff and salaries, they've gained significant profit.

Looking Ahead

The advancements in unattended self-storage technology have been impressive to this point, and things are only getting started. After seeing how far the industry has come in the past couple of decades, what could the future hold?

It's likely we'll see technology vendors continue to grow their businesses and broaden their capabilities to significantly impact the way storage facilities operate. Rental stations will include two-way video capabilities to connect clients with customer-service representatives and automated vending solutions that sell locks, boxes and packing supplies. Facility operators will use SMS text messaging to alert customers to account balances and potential issues with their units.

The most ambitious technology venture I expect to see is the introduction of robotics to the self-storage industry. For example, the Keylo robot created by Wyca Robotics is advanced enough to

carry out a conversation with customers and escort them to their units. It may be difficult to envision a more tech-savvy invention than a robot who can rent units, but it's clear the options are limitless when it comes to advancements in unattended self-storage. **ISS**

Terry Bagley is vice president of business development for Janus International Group LLC, a Temple, Ga.-based manufacturer of self-storage roll-up doors and building components. Terry has been in the self-storage industry for 15 years. In his current role, he's responsible for executive-level customer relationships and vendor partnerships. He's also responsible for the Janus SecurGuard product line, which provides access control and security for individual storage units. For more information, e-mail terryb@janusintl.com; visit www.janusintl.com.