**Rachael Dempsey:**Welcome back to our two part series. I’m Rachael Dempsey, and this episode is the second half of our conversation with Don Clauson and Travis Marrow.

**Rachael Dempsey:**We’ve mentioned tech. Both of you have talked about the role of tech and your self-storage operations, but kind of along the customer experience lines specifically in the case of the Storelocal co-op you guys have used the Nokē Smart Entry system. Can each of you tell me a little bit about what that system and integrating tech has meant to you along with the customer experience line and anything else you wanted to touch on with that?

**Don Clauson:**  Travis, you should probably take the lead on this one. (Laughs)

**Travis Morrow:**  Okay, I’ll take the lead on this one. The Dove Mountain location was our first one to open its doors with the Nokē Smart Entry system. As my manager of that store likes to tell me, the most common word that he hears from customers when they see the system in action, is “wow.” They are blown away. I’ve been in the office, I’ve rented units to tenants myself, and I’ve seen it firsthand. A tenant told me one day, “I feel like I stepped into the future.” That is what the Nokē Smart Entry system is to me. It is the future of the industry. The way that the lock works in concert with Bluetooth on your phone, the time savings that offers the manager from an overlock standpoint. The ability for us is operators to meet that customer, as we talked about, where they want to be met. It solves, for me, the last problem in a complete online rental. Our problem was always, the co-op has built us a beautiful customer experience from an online rental standpoint, where the customer can find us and move in, and sign all of their paperwork paperlessly. My problem was always, “what happens at Sunday night at 8:00, if that is when a customer wants to do business at my facility?” I could always move them in… get them in and do all the paperwork, and get them through the gate. They show up at their unit unfortunately Sunday at 8:00, I don’t have a manger on the property that’s going to take that lock off. But with the Nokē Smart Entry system, that all happens automatically. That automation allows my customers to work with my facility when they want to, at the time they want to, and how they want to. My biggest hang up was, “who takes off the yellow lock?” because at 8:00 on a Sunday, if a customer shows up, they get in the gate, and they get through the unit but there’s a yellow lock on the unit, I’m already providing a less than stellar customer experience. They can’t move their stuff in when they want to. Nokē Smart Entry solves that problem for me.

**RD:**  Awesome, well I love hearing that. I always love hearing success stories and how it’s making your lives easier. That’s one of my favorite things. So I love hearing that.

**TM:**  That’s why we’re using it flat out going forward.

**DC:**  Right.

**TM:**  Don, we’ve talked about it. There’s not a door that we’re coming out of the ground with now that’s not going to have a Nokē Smart Entry unit controller on it. Whether it be a MASS unit or new construction, I want smart units.

**DC:**  Yeah, we have to figure out what to do with the other 35,000 doors that aren’t smart yet, but we can talk about that later. The funny thing is, change is difficult for people. In this case, how Travis put it, it’s meeting the customers. It’s what we needed. For me, I always used to wonder how we could rent a car so seamlessly, easy and quick, and you walk in and sign some sort of hand held device, then you drive off with your expensive car with all the liability associated with it when they do that transaction in a few minutes. There was also the Airbnb experience where you're walking into a piece of real-estate that’s well worth who knows how many hundreds of thousands or millions of dollars. They’re filled with expensive furniture. You show up there and get a code text to you, you walk in and have access to everything. It seems like the self-storage industry would certainly benefit by it. Here we are with the Nokē Smart Entry system. That really became an easy decision for those of us who don’t like change. It’s a pretty easy decision. I feel like this is just the start of it.

**RD:**  I think so too. I think it’s definitely kind of the jumping off point for a lot of things, especially in a few years to come. Next up, I would like to get both of your opinions on something. I want to hear about your management styles and tips for our listeners in that arena. How do each of you approach this careful art of employee relations? What are your top priorities when it comes to keeping your employees happy and motivated, and how do you deal with conflict or problems that arise with employees?

**DC:**  I’ll start with this one. Talking earlier about Strat, one of the things is we really don’t have employees although 180 team members that work with us. I talked earlier about that being our secret sauce. Our people are team members. Truly it’s one of our primary functions to make sure the people that are up there operating the facility know how valuable they are. We recognize our team in every way that we can and always looking for ways to do it better. We try to pay above market wages, we love providing a bonus structure, we offer good benefits, and a 401k. Those are the one half of it, but it’s the interaction with the team. It’s really getting out there and communicating truly. Nobody is more important than anybody else. There is equal importance whether it’s an assistant manager or manager, we need them as much as they need a CEO or president. It’s from my heart that they truly believe that. It’s an easy message to give. As we’ve grown more, it’s a little more difficult to have as much interaction as I’d like to have. We do have quarterly meetings and company events, and I do my best to attend every one of those in California and Texas. We have a great president obviously, Travis and two amazing vice presidents in California and Christine in Texas. I won’t go through all of our DMs, but we have amazing DMs. They’re spending time with their team members and making sure they are supported and provided with a lead. Our whole office here is relatively small with thirteen or fourteen of us in here. Our human recourse director Jessie Lamb and my partner Randy Strouss, the whole accounting team, we all really band together and try to work. No conflict is going to happen. It happens on sadly a daily basis. The way that we try to deal with it is to openly communicate. If something is going back via email or text and it bounces back once or twice, we know it’s time to pick up the phone and have a conversation. Then it’s time to sit down and have a face-to-face meeting. It’s difficult. It’s a blessing a curse. You really see both sides of any potential problem and try to find a way to meet in the middle. The there’s sometimes where it’ just a right and a wrong way to do it. You just write the right way to do it and just get that team member on board and seeing things the way that they need to be seen in a kind and polite way. If everyone starts with the premise that we are all equal, and we all need each other than dealing with conflict then it becomes a little bit easier. We just try to do that up front and straightforward as possible in all situations.

**TM:**  So, my boss just said that perfectly. (Laughs). But what I will add to that, I think when I came on board with Strat, the thing I wanted to bring to our team members I the support that I want store managers to run our properties like it is their own. I want them to know they have the support of the home office if they make decisions whether it be pricing decisions, tenant issues, any of those things that pop up operationally on a day-to-day basis. I want my store managers to know they have the support of the home office and that I believe they are going to make the best decision for our properties every time. We call it, “run it like you own it.” That’s my frequent refrain around the office. I think our managers have adopted that, taken ownership of that concept, then have turned that into ownership of their properties, truly running those stores like it were their own business, and making decisions as if it were their own business. Because we hire good team members and have such great people in place, I’m confident that they are making the best decisions that we would make as president or CEO for their properties. We support them in that decision. There is so many things that happen at a self-storage facility every day that cannot go up and down a chain of command. That person in the office has to be able to feel comfortable and confident to make those decisions.

**RD:**  Those are both such great pieces of advice. Those are great advices for living. Definitely for employee management. Alright so earlier we mentioned that you both serve on both self-storage association boards as well as the national self-storage association board. What are some trends that you’re seeing in the self-storage market place? What do you think people are getting right and what are some areas the industry might be lagging behind in?

**DC:**  Just for the clarification, I don’t have the benefit of serving on the California or Texas association, but I am involved with our National Self-Storage association, and as you mentioned Storelocal. I would say I am overly impressed with the self-storage association and the national level of always wanting to do what’s best for the industry and make sure they’re serving everybody from the one store operator to the largest client. It’s been a pleasure working with them. As far as what people are doing right, I’m not in a position to say who or what is happening right or wrong. We all know that the industry is lagging behind in technology. I think that we are seeing some significant changes with private equity coming into this business not just from the ownership side but from the technology side. I think that’s a road map for our industry going to go through some changes. Other trends are I think there’s not a lot of consultants our there like Travis who fifteen years ago would go and say, “That is not a good project for you to build.” I think it’s a hard message to deliver, but as Travis said, it saved people millions of dollars by making a mistake and building something either in a market and that cannot absorb the space immediately. I think there is a trend and a lot of building taking place. I don’t think anyone will deny it. This is still such a micro-market business that they can’t say that every place is overbuilt. There are some areas that are getting more supply than demand. The other thing I’ve seen is the data available out there is continuing to improve, and other data providers that thin that it’s getting better, and it’s going to be very helpful to us in the future. To sum it up, the things we need to embrace are let’s make sure we all have as much good data as possible and hopefully can continue to embrace this change in technology. It’s not a secret that our industry is lagging behind in that area.

**TM:**Yeah, we are certainly lagging in the technology area, and Don you touched on private equity not just from the real-estate side but from our vendor’s side. I have concerns about that as an operator, and the impact that is going to have on our facilities. I look at other industries whether they be airlines or hotels and see how outside technology has had a significant impact on those industries and the valuation and return that that real-estate offers. As members of our co-op, we are very sensitive and aware because we’ve learned from other industries and have seen how they’ve impacted other industries. We are doing our best to take steps to continue to offer operators choices. That’s what we are focusing on.

**DC:**  Well put.

**RD:**  Well thank you both so much for that. The last question that I have for you guys kind of looking towards the future. I’m wondering how do you both think technology and all of these things we talked about is going to influence the self-storage industry in the next five or ten years. What are your personal predictions about what this industry is going to look like in that time frame?

**TM:**  In the short term (we’ll call that five years) the operators that have the four site to adopt new technology is to meet customers where they want to be met are going to have an advantage in the market place. Our tenants, when comparing facility A to facility B, are going to look at some of the technological offerings that one facility has over the other and are more likely to choose the more advanced facility. Even if that involves a slightly higher rental rate. The customer experience for them is important. For a customer, it’s more about the experience, I believe, than it is the rectangular box that we rent them. If I can provide something more along the lines of amazon verses something along the lines of Blockbuster, that’s what I want to provide them. So in five years, the marketers are going to have a distinct advantage in the market place. Ten years, everyone is going to be on the train. If they’re not on it, they’re selling their facility to somebody who will.

**RD:**  Very well put! Don, do you have anything to add?

**DC:**  That would be tough to add to. I really don’t have additional comments on that. I agree.

**RD:**  Awesome, alright well that is all I have for you guys. It’s been such a treat to talk to both of you. Can you tell our listeners how they can get in touch with you if they have any questions?

**DC:**  Sure, I’d be happy to do that. Travis you want to start?

**TM:**  Sure, you can reach me at tmorrow@stratprop.com. I am an avid emailer and look forward to chatting with anybody interested in self-storage.

**DC:**  I agree with Travis, I love to talk about self-storage probably too much. I think Travis and I spent a fourteen hour day and didn’t stop talking about it on Saturday. Here we are again. I can be reached at dclauson@stratprop.com and if anyone wants to contact me via cell phone it’s 619-318-9287. Before we hang up, Rachael, I want to thank you for the opportunity and just to chat. Also, thank Janus for what they’ve done with our organization. We do appreciate it.

**RD:**Well you are so welcome! Thank you so much for that feedback. I really appreciate that. Thank you both for taking the time to hang out and cat about self-storage and all these things that we’ve covered. Listeners, if you would like to get in touch with me, you can reach me at *marketing@janusintl.com*. Thank you both again and have a great rest of your day!

**DC:**  You have a great one also!

**TM:**  Thank you Rachael!