

parting shot

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LOOKING TO THE FUTURE

Challenges And Opportunities

AS WE EXIT 2008, WE LEAVE ONE OF THE MOST EXTRAORDINARY YEARS IN RECENT MEMORY—the housing market in deep crisis, several major commercial and investment lending institutions either filing for bankruptcy or becoming minority owned by the federal government, rising unemployment, record oil prices, and a general feeling of unease as to the future growth of the U.S. economy.

At the same time, we witnessed a historic election, with the highest voter turnout ever, and whose improbable winner, Senator Barack Obama, will soon become the 44th President of the United States. On the one hand, many people are filled with uncertainty; and on the other, people are filled with optimism about the hope for the future. We are truly at a crossroads.

The same can be said for portable storage. This industry, initially started by the pioneers of the self-storage industry and more fully realized by the growth of PODS and others, has brought portable storage from its infancy to where it is today—a collection of entrepreneurs, small business owners, franchises, and large public REITs. Portable storage has also gained the attention of private equity groups who look to seize upon a business model that has strength from its similarities to self-storage, and the promise of additional growth through local and long-distance moving. The devil, of course, is in the details.

Lack of capital, lack of commitment, inadequate marketing, minimal operational know-how, and bad personnel choices can lead to businesses that fail. That is as true in portable storage as it is in any other business. The result of these shortcomings ultimately hurts the consumer most—through a lack of strong customer service. As an industry, we need to heed the lessons of the past and not forget that the customer drives our ability to succeed. Just as a lack of customer focus gave the moving and rental truck industries a bad image in the eyes of many consumers, portable storage needs to keep its eyes fixed on putting the customer first. Collectively, we have done pretty well so far—for a young industry. In the long run, sticking to that common mantra will benefit us all.

As we enter 2009, we have a number of challenges facing our young industry; but, if we keep our focus on listening to our customers and responding to their needs better than the other moving and storage options available to them, we will be able to grow stronger, take market share, and realize the promise of a new industry that handles customer needs in a better way. Rest assured, there will be more challenges ahead, and there will be casualties along the way, but our industry is strong.