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What
Makes
SMARTBOX
So Darn
Smart?

What Makes SMARTBOX So Darn Smart?

The brains behind Chicago's hot new portable storage solution

Three years ago, Greg Kaufman and his brother-in-law, Lee Bolnick made a bold and exciting move to open a SMARTBOX business in Chicago. Was that a smart move for them? More importantly, is using SMARTBOX Portable Storage the smartest way to go compared to other methods of storing and moving stuff? Let's cut to the chase and get some quick, bottom-line answers.

For young entrepreneurs, Kaufman and Bolnick, who have invested their minds, hearts and money in a SMARTBOX franchise, it appears to be a sky's-the-limit business opportunity. For their customers, SMARTBOX saves time, eliminates the hassle of moving, and saves money compared to traditional drive-up self storage or using moving vans (and the big burly guys who aren't really motivated to "move it" since they're being paid by the hour.)

If you haven't heard of SMARTBOX already, it is the latest thing in affordable, portable self storage. Consumers often need storage, whether temporarily during a home remodeling project, or long term as when an aging parent is downsizing and needs a place to keep their possessions. To solve these problems and others, SMARTBOX delivers one or more seven feet, by eight feet, by five feet, solidly built boxes to a customer's home or business. Each Smartbox holds up to a room and a half of furniture, and customers can pack the boxes themselves (or hire SMARTBOX Labor Services to do it.) SMARTBOX picks up the container or containers (up to seven at one time), puts them on a truck and either stores the boxes in their mega-huge, safe and protected warehouse (weeks, months and years in some cases) or moves them to across town or across the country.

In an interview at their 76,000 square-foot warehouse in Melrose Park, Greg Kaufman explained that, "Convenience is the main attraction of SMARTBOX. The box or boxes are delivered right to your door so you can load them yourself when you have the time. What's more, because you rent a SMARTBOX for 30 days or longer—for only \$59 a month by the way—you can spread your packing over a number of days. You can also compartmentalize by putting a different room in each

container. The best part is you don't have to rush to return a rental truck by 5 pm or worry about racking up overtime charges like you do when you're using professional movers. With SMARTBOX, it's all on your schedule. We deliver, you pack, and we pick up the boxes when you're done."

Two Boxed-In Beginnings

Investing in a SMARTBOX franchise is not the business road traveled by everyone, so



it's interesting to note the paths that Kaufman and Bolnick were on in 2006 when they first considered the joint venture.

Before SMARTBOX Kaufman, now 37, bounced back and forth between the technology world and the financial sector. He began in banking then was enticed by opportunities in the fast-rising technology sector. Remember that remarkable boom? Well, when that boom went bust, he happily returned to banking where he worked his way up from personal banker to business banker and finally, commercial lending. He gave the bank his all, was successful in every job responsibility and got the axe from the bank anyway, for strictly political reasons. Lesson learned? As he put it,

"Excellence does not guarantee success. When you work for someone else, you are subject to their whims. It's much better if you can control your own future."

Kaufman's brother in law, Bolnick, now age 33, has a somewhat similar career story with an equally important lesson learned that led him to consider an alternative. Bolnick was also in the financial sector where he first worked as a financial analyst for a healthcare investment bank and then as a financial advisor for well-known AXA Equitable Life Insurance Company. Bolnick earned a CFA designation (Chartered Financial Analyst) and helped people and companies with their insurance needs, investments, financial planning and retirement plans. Though very successful at his job, it was very demanding. Said Bolnick, "I worked extremely long hours, my evenings and weekends were not my own because that's when clients want to meet. Plus, how well you do is totally up to you. You make the sales and your own success, which ultimately requires you to be 'on' 100% of the time." In short, at age 29, Bolnick was feeling boxed in. He wanted a career with equal if not greater opportunity and certainly more freedom.

With two less than thrilled relatives in the family, Bolnick's mother suggested that the pair consider going into business together. They took her suggestion to heart, seriously discussed the idea, and then spent months investigating many different options, including franchise opportunities. They wanted something different, a proven franchise business with a unique structure and unlimited possibilities. They wanted something out-of-the-box, which led them to SMARTBOX.

The Beauty of SMARTBOX Emerges

Founded in 2004, SMARTBOX has become a booming national business with 26 highly successful franchises from coast to coast, serving 43 markets, nearly 100 million people and the ability to move people to over 200 major markets throughout the US. Nationally, despite the recent downturn in the econo-

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my, the U.S moving and storage industry is on the rise and has become a \$12 billion-dollar-a-year market. With their mutual backgrounds in finance, figures like these appealed to Kaufman and Bolnick. They did due diligence by exploring more then finally decided to make the leap—just as Kaufman received an offer for full time employment from a top Chicago bank. Kaufman turned it down and made the commitment to his brother-in-law and soon to be business partner. According to Kaufman, it was a tough decision but at the same time “very liberating and helped solidify in my head that this is what I was supposed to do.

“The actual transition wasn’t hard,” he added, “but the waiting was. We agreed to do this with the SMARTBOX people in September 2006, but we didn’t open the doors until May of 2007.” Financing also took a while, even with their connections in banking and finance. As far as the risks involved in tying the knot and making it a family-owned business, they have an agreement in place that addresses just about any contingency. Noted Bolnick, “It should protect the relationship—and future Thanksgiving get-togethers.”

So Far, So Great

When the owners of SMARTBOX Chicago speak about what they’ve accomplished in just three years, it’s hard to contain their enthusiasm. They launched a business and a new brand in Chicago. “When we opened doors in 2007,” Kaufman said, “very few people—if any—knew about SMARTBOX and we had to establish the brand from scratch. We tried newspapers, magazines, movie theater advertising; we even sponsored a parade. None of that worked like we hoped, but what did work for us and still does, is the Internet. A large percentage of our business is generated online, which is where we’re concentrating our marketing efforts.

“Our website, (www.smartboxusa.com/chicago) focuses on the local moving and storage needs of our community. On it, you will find everything from the areas we service to helpful packing tips.”

Smart marketing like this has paid off. The business has grown from zero boxes stored in 2007 to roughly 1,400 boxes today. A great boost came when they purchased a competing portable storage business owned by Public Storage in 2009. But as Bolnick points out, SMARTBOX is more than just a storage company. When people think of us, we want them to think of us as an affordable, convenient solution if you’re moving, too. We can even ship boxes long distance because there are SMARTBOX affiliates nationwide.

One other perception they’d like to shift is value versus price. “Right now,” Kaufman said, “people are choosing us based on price and that’s good since we

do our best to price ourselves competitively in the marketplace. But the value of our service is convenience, responsiveness, friendliness and versatility. That is the value SMARTBOX brings to its customers.”

One challenge for the two is getting the word out because the Chicago franchise is still relatively new. “We have a healthy advertising budget, especially for a small business, but we’re also trying to get our message out to 10 million people in the greater Chicago area,” said Bolnick. “We’d love to have three or four times the advertising budget because of the demand for our services.”

A Great Future in Store

For these young entrepreneurs, the future holds great promise. “The scalability of this business is very attractive,” voiced Bolnick. “Once you reach a certain point, the revenues can go up exponentially, but the expenses don’t have to. “Our warehouse is huge and we can accommodate many more boxes without increasing the cost for leasing this space or adding staff. Our warehouse is safe, secure, and climate controlled, but it doesn’t have to have a “Mag Mile” image either, especially since less than 5% of the people who have their things stored here actually visit their boxes.”

They also appreciate the fact that payments are primarily based on automated credit card withdrawals and many people store their belongings for a long time—years, in some cases. When asked what is in those boxes, Kaufman gave a surprising answer. “We have no clue,” he said. “We rarely, if ever see inside and respect our customers’ privacy. In fact, if a customer forgets to lock their boxes, it is our policy that we put a lock on them and mail the keys to the customer to make sure the contents stay safe.”

Bolnick chimed in with all kinds of other opportunities the future holds. “We could own our



own warehouse someday,” he explained, “or lease the space for purposes in addition to storage. With warehouse space this big and boxes stacked safely and securely to the ceiling, the sky’s the limit!”

Even Greater Rewards

For these partners, there are other rewards that go beyond money. “First and foremost,” said Kaufman, is the idea of a family owned and operated business. It’s not just the fact that Lee and I are related, but we have created a bigger family that includes everyone who works here. Later this week, all the employees and their families are getting together just to have fun. That’s a bonus we didn’t even really expect.”

The two are also committed to the community. Starting in May, SMARTBOX will donate 10 percent of new business revenue for three consecutive months to charities like Chicago Cares and Bin Donated. They are also committed to providing in-kind service donations to The Leukemia and Lymphoma Society, Toys for Tots and several other not-for-profits. “It’s everything I wanted,” Kaufman said. “I have more autonomy in my life, my future is in my own hands, nobody is about to fire me, and no one’s looking over my shoulder. And we have each other’s back and shoulders to lean on.”

Bolnick is pleased that he has more freedom. His days are now his own. And he has a closet full of jackets and ties that he doesn’t have to put on. Maybe he should store them in a SMARTBOX container. ■

>>> IS SMARTBOX RIGHT FOR YOU?

SMARTBOX can be smart for you if you are:

- ✓ **A self-storage user.** SMARTBOX is the more intelligent way to store your belongings with NO rental truck, NO 4-step loading and unloading process, NO insurance, NO gas, NO need to return the truck the same day and yes, NO limited storage capacity.
- ✓ **A remodeling homeowner** looking to store your furniture while the addition is being put on, or the floors are being sanded. One box holds around 1 ½ rooms of furniture.
- ✓ **A homeowner moving to a temporary residence**

in-between the time you close and the time you can move in.

- ✓ **A person on the move.** SMARTBOX can deliver to a new residence or place of business.
- ✓ **A real estate professional or home seller** who wants to declutter so a home can be shown in its best light.
- ✓ **A parent who wants to store your college student’s things for the summer.** You don’t even have to open those boxes or trunks. (Who knows what’s in there?) Store things until it’s time to haul them back.
- ✓ **A company with excess inventory.**
- ✓ **Empty nesters who are downsizing** but still want to keep some belongings.

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