



## PROFILE

# Building a Better Product

## *John Traver and XPS Solutions making their presence felt*

By John Dunlap

John Traver believes that before you can build the perfect beast, you have to understand all the things that are wrong with the beast. In Traver's eyes, the best way to make a business succeed is to look for the problems first, fix them and come up with something better. All of which helps explain the impressive growth of XPS Solutions, a call center service organization for self storage that goes well beyond the expected.

A Wisconsin native who has lived in the Houston, Texas, area for the past 20 years, Traver might have been the best thing to happen to XPS Solutions...and vice-versa. When he moved to Texas he established Traver Technologies with a strong call center as part of that organization's main focus. At the time, however, he marketed to the automotive industry, working with both manufacturers (Toyota was a major client) and over 2,000 dealerships. Many of the things he learned and perfected during that period of time have come to help XPS with its growth.

"Our solutions were designed to capture more of the leads (phone and walk-ins) and to improve the close rate once we followed up," Traver said. "We continued to innovate the process and added software and customer retention programs as well as lease management tools."

Traver's company grew impressively and while he was initially reluctant to sell it, in 2000 he finally did.

"It was apparent that, over time, we began to grow into areas that some vendors such as the mainframe computing

guys like ADP, Reynolds & Reynolds and UCS were in," Traver added. "I constantly had offers to sell the company but never wanted to. But in 2000, the perfect situation developed and Automatic Data Processing (ADP) bought the company from me."

### Starting Anew

Traver soon became restless to try his hand at another business and began searching for an area in which he felt he could make a difference. He looked at over 300 businesses and in 2004 found XPS, a company that had been started in 2000 by two former Public Storage employees, Brad Boyd and Stan Colona. At the time, XPS had only 12 employees and worked in a space of about 1,000 square feet. It ran on an Access database on old Windows 98 servers.

So why would Traver make a leap into self storage?

"There were two primary reasons," he said. "The first was that I had a comfort level with self storage since I had done a lot of commercial real estate investing and was very close to buying a self storage facility myself. The other reason was that I saw a void or need to take what was there and improve it."

However, in buying and growing a call center-oriented business, there was a big difference between the automotive industry and self storage.

*See XPS, p. 22*

“At automotive dealerships, when a call comes in on a Saturday morning from a customer inquiring about a car, it usually means that they are ready to buy,” Traver added. “But when a customer calls a self storage facility and asks about a 10x10 unit, are they necessarily calling to rent? Maybe, maybe not. You have to talk the potential self storage customer off the ledge and into the unit.”

### If It's Broke, Then Fix It

It is at this point in the story that the fortunes of XPS Solutions took a turn for the better. But it didn't come easily. Traver invested millions of dollars and within a year moved the company into a new headquarters that was 10,000 square feet. (Today, XPS works out of a 15,000 square foot facility and has over 100 employees). He also invested in new technology.



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*~ John Traver  
XPS Solutions*

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“The first thing you always have to do when you move into a business is define what is broke and face the brutal truth. When I arrived at XPS there were many things broke, so I prioritized. Within a year we moved into the new facility with a state of the art server environment and our own software application that ran lead management and call processing on the web for our properties. That tool is called ECHO and it stands for Enhanced Call Handling Operation. It is the hub of our entire operation. Today ECHO does ten times the tasks it did in 2005. We have full time developers on staff that allow us to make improvements to our tool set at any time.”

“One of the main broken pieces was customer relationship management (CRM) and I was very comfortable solving those type of problems,” Traver added. “Solving them is easier than getting your audience to listen...once they are ready to listen, change and improvement is on the way. There is so much opportunity to improve margins through CRM in self storage, most just don't know that yet.”

XPS just launched a solution called Commercial Marketing Solution (CMS). Its objective is to find and rent to commercial tenants within a 5-mile radius of the property. XPS' approach is to use a targeted direct mail campaign combined with an outbound call follow-up campaign to find the commercial leads for the property.

“Commercial tenants stay twice as long and rent for a lot more than a residential tenant, so we wanted to assist the property managers with this process because there is just not enough uninterrupted time in the day to execute these tasks on their own,” said Traver. “We have found dozens of solutions like this already in self storage.”

### Market Thyself

But soon it became apparent to Traver that his company, in spite of all the technological improvements, still wasn't making the headway he had hoped. In fact, another brutal truth came when XPS lost Extra Space as a client at the end of 2006.

“That was a huge loss and we really took it on the chin at the time,” added Traver. “But we got better.”

Getting better also meant more self promotion. The company barely advertised itself at all through most of 2007 and half of 2008. Traver understood that something had to be done and stepped up his own involvement in running the company. Part of that involvement meant getting the word out to the self storage industry.

“I am speaking now at the trade shows, trying to let them hear a fresh approach and some new solutions,” says Traver. “We advertise quite a bit. Our old ad budget was miniscule. Today we have a six digit advertising budget.”

So John Traver and XPS are making a move to garner the attention of the self storage industry. How does he feel about the competition?

“I have a John Wooden attitude with regard to competition,” Traver says with a smile. “Wooden always told his players if he caught them looking at the other side of the court during warm-ups: ‘Don't worry about them, let them worry about us!’ My job is to keep my eye on my customers and uncover their needs. Then we have to develop solutions that fit their needs.”

And what will we see from XPS in the future?

“You will see us continue to work to the \$500K in revenue property size,” Traver says. “We want to help the smaller operator win in this space. We have created a new XPS-Lite product that sells for just \$79 per month and the small facility can have our core reservation and customer support service for that easy to swallow price. It is a product geared for a property with just a dozen or so calls but one that does not want to miss a call either.”

“You will continue to see XPS creating solutions for finding, renting and retaining tenants. We believe in our cause—which is simple—to create massive value with every solution we offer. That really is our philosophy. People ask me ‘What else?’ I tell them, ‘That's it! Create massive value!’ If we are successfully doing that, our properties are prospering.” ❖