

Dean of Business

U-Store-It CEO Dean Jernigan to address SSA conference attendees on future of industry.

By Tom Comi

Dean Jernigan might give off an old-school vibe when you first meet him, but don't let his many years of experience fool you. U-Store-It Trust's chief executive officer is all about using technology to take his company to the next level.

And for those fortunate enough to attend the SSA Conference & Trade Show in Las Vegas, September 7–9, he is willing to help your business as well. Jernigan will be giving the keynote address — “Positioning for the Future” — and he plans on discussing what the industry needs to do to not only survive but thrive in this challenging economy.

SSA Globe caught up with Jernigan to discuss everything from construction to social media to the reality show *Storage Wars*.

SSA Globe: What is your current take on the health of the storage industry today?

Dean Jernigan: I think it's much like the general economy. Housing is a problem for us, unemployment is a problem, we need more discretionary spending. All those things need to improve to have a general improvement in our storage world.

SSA Globe: Is there parallel between the real estate and storage industries?

Jernigan: The wind in our sails is the fact that we have very little development going on out there today and have had very little in the past two years. It's very helpful that we don't have a lot of new construction. Times have changed. The easy money is behind us. We can't just build it and wait for people to show up anymore. Right now the economy is in such dire straights that it is definitely impacting the storage business.

SSA Globe: How has the economy over the past few years forced you and your competitors such as Extra Space, Public Storage and Uncle Bob's to alter your business approach?

Jernigan: If we don't understand how to operate in the digital advertising world today, it's going to be extremely difficult to be successful in self storage moving forward. That's a big change. The digital advertising world has really turned our business upside down in the last four or five years with Google, Facebook and YouTube. We no longer

acquire customers the same way as we did previously when we just picked out a great location and took out a Yellow Pages ad.

SSA Globe: Do you see a time when the industry will return to its glory days or is what we're seeing now the new reality?

Jernigan: I don't see that. I think what we see now is the new norm. The days of making easy money are behind us. I think you can be profitable. The glory days of building thousands and thousands of facilities on an annual basis and filling up in two or three rental seasons are behind us.

See Jernigan, page 18





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Thanks for your time. I look forward to hearing from you soon.

Regards,

Jonathan
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U·STORE·IT

I think our sector has matured in this country, and that changes everything. No longer can you just get a good location and think you've made a lot of money. There's an operational aspect today than is far more challenging than we've ever had before.

SSA Globe: What industry lessons can be learned from the past to ensure that the same mistakes aren't made in the future?

Jernigan: I don't think the sector has really made any big mistakes recently. It's hard to call over-building a mistake; that's just the real estate world. That stuff is going to happen, and there's really nothing you can do about it. We can blame some of it on the lenders when they really loosened the purse strings, but I think the sector has done a pretty good job over the years.

SSA Globe: With new construction virtually frozen, what is your company's philosophy regarding renovations, tear-downs and the re-building of facilities?

Jernigan: We continuously look at those opportunities in good times and bad times. We have people dedicated just to that, and I would encourage everybody to look around for conversions. There are ways to improve your property.

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SSA Globe: What features and qualities must a facility possess before you will approach it about managing or acquiring it?

Jernigan: First of all, we're only interested in certain quality markets, and then within those markets we're only interested in certain sub-markets. The property itself has to have quality or something we can turn into a quality property without too much trouble. We really don't care about the occupancy or what the operational efficiencies or inefficiencies might be; we think we can fix those things. You can't fix the location.

SSA Globe: What makes the U-Store-It brand so valuable?

Jernigan: I'm not so sure it has been that valuable over the years. I don't think our customers have been in tune with storing at a certain property in one town and moving to another town and searching for the same operator. I think it's generally been driven by proximity to where people work or where they live.

Brand is important today, because we are acquiring about 60 percent of our customers now from our website. A large percentage of them have found us through a search. When you are searching and you recognize a brand toward the top, you are more likely to click on that brand rather than somebody you don't recognize. Branding has finally gotten to the point where it is extremely important to the storage industry.

SSA Globe: What have reality shows like *Storage Wars* done — good or bad — for the business and image of the storage industry?

Jernigan: There's really very little good about those shows as it relates to the image of our business, in my opinion. The only upside is it has invited a few more bidders to our auctions than we had in the past. I'd rather not have that money or the image that the *Storage Wars* or auction shows bring. It's not been good for the industry from my perspective.

SSA Globe: What will be your primary message during your speech at the SSA convention in Las Vegas?

Jernigan: Our business model is changing, and we must adapt to the new world that we find ourselves in now. It's no longer business as usual. We became a mature sector in September 2008. We need to forget about the "build it and they will come" strategy. It's going to be much more competitive moving forward.

We need to listen to our customers to find out how their world has changed and what we can do to be a better service provider. It's exciting for me to think about what the future looks like, because it's a much more active business. We're going to be much more of a partner for our customers moving forward than we have been in the past. ❖