



Adding a
PORTABLE
Component

to an Existing
Self-Storage
Business

Options are plentiful
for a new revenue stream

By E. George Johnson

SELF-STORAGE HAS EVOLVED from the basement and attic, to remote mini warehouses, to the sophisticated facilities we see built today. Modern storage options for consumers also include mobile, or portable, storage. As the mobile product has gained traction in the storage market, it makes sense for operators of traditional self-storage facilities to consider augmenting their business with a portable component.

Business Options

Portable self-storage is still a relatively young concept. It was primarily created to add absolute convenience for the customer. It differs from fixed storage in that the portable container is brought to the renter's house or business, and he packs it at his convenience. What is eliminated are the trips to the facility to pack the goods into the storage unit, which might also have involved the hiring of a moving company or renting of a truck to move the goods.

For existing self-storage operators, portable storage offers several investment scenarios. If he has vacant land or space, either inside or out, an operator can augment his available rental space with the placement of portable containers, charging a rental rate similar to

that of traditional self-storage. Customers would bring their goods to the facility as usual, but the portable container can add some additional convenience. For example, perhaps the renter can drive directly to his unit door to unload, or the unit can be brought to a convenient spot within the facility for loading/unloading. (This would require the appropriate forklift.)

An operator can migrate even further into the portable-storage arena by incorporating delivery and pickup of the container at the renter's location. This means additional investment in people (driver/delivery personnel), a truck, warehouse space and a forklift. It also creates another revenue stream with delivery and pickup charges and possibly a premium for the portable service.

Another option is to become a fully integrated storage provider that offers static portable containers and incorporates the moving element. There are companies that will provide the containers and the moving service to storage operators for these transactions. In this scenario, the operator would receive fees based on the initiation of the action and amount to be moved.



Operators who choose
to offer portable-storage
delivery and pickup will
need additional resources
including a forklift.

The Quickest Path to Revenue

The quickest and easiest way to incorporate the portable element into an existing self-storage operation is the first option mentioned above, in which the operator buys or leases portable containers and places them in his available space. This can create a rental stream rather quickly. The cost per square foot is

substantially less when compared to a build-out of traditional self-storage units, not to mention being able to avoid the building codes, regulations and permits that would be required for construction. Instant self-storage becomes a reality as soon as the containers are placed and customers start renting.

Flexibility is a key element here as well. If the space is ever needed for another use, the containers can easily be moved. In addition, there's generally a second market for the containers, allowing an operator to sell them if he wants or needs to.

Factors to Consider

There are a number of factors a self-storage operator must examine before adding a portable component to his existing business. Knowing your market and the local self-storage saturation level is key, but it's just as important to know if there are existing portable providers in the market who offer full delivery, pickup and even moving services.

The determining factor, however, is the investment required and the probability of financial return. If an operator has an established storage business in one or several locations, his knowledge of the market and experience within the industry are already there. An investment in portable containers can be easily researched depending on the number of containers and relative costs. Then the question becomes, can you purchase and place the containers quickly and easily and quickly attract customers? Can it be done in such a manner to create sustainable cash inflow?

If properly researched and executed, the addition of a portable component to



Self-storage operators with vacant space can add portable-storage containers and charge a rate similar to that of traditional self-storage.

an existing self-storage business can be lucrative and help an operator reach a broader target market. Before you move forward, do your homework to determine if adding portable containers and related services is right for your business. **ISS**

E. George Johnson is a principal with Universal Storage Containers in New Canaan, Conn. The company specializes in the manufacturing of portable, foldable, quick-assembly storage containers for various storage and moving industries worldwide. For more information, call 800.385.0755; e-mail george@universalstoragecontainers.com; visit www.universalstoragecontainers.com.