

EPISODE 909

[INTRODUCTION]

0:00:00.0 ANNOUNCER Welcome to the Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

0:00:24.4 Whitney Sewell: This is your daily real estate syndication show. I'm your host, Whitney Sewell. Today, our guest is Dean Booty. Thanks for being on the show Dean.

0:00:33.1 Dean Booty: It's an absolute pleasure and honor. Thank you very much for inviting me.

0:00:34.9 WS: And Dean is the host of the hacking self-storage podcast. He owns two self-storage facilities and documents the journey on his podcast, sharing all the financial information as well as interviewing the world's best self-storage operators. He is probably the most passionate guy in the world about sales storage. Dean, I appreciate your time and being on the show and just talking to you a little bit ahead of the show before that we started recording, I'm interested in your podcast, I think it's neat just how you're very transparent and sharing all these details that so many people wanna know, especially as they're getting started in this business.

Give us a little more background... share with the listeners, maybe where you're located, what your market is like, 'cause that's gonna be different information for most of our listeners.

0:01:15.0 DB: Yeah, absolutely, so I'm from England, and the reason I got into self-storage industry was a sold into a company, and in 2012, I went on honeymoon to America and I was... I actually forgot my driving license, silly mistake, and that meant that my wife had to drive on your interstate and she was not very happy with me at all, it allowed me to look around and then all I could see was self-storage... It's popping up everywhere, and I started Googling what this self-storage, and it is so popular in America, but it wasn't quite as popular in England, so I brought the idea back from the States and I set my first self-storage in 2012, it quickly filled up.

We've opened another one, it was three years after that, that's filling up nicely as well, and we're about to open our fed on August 1, which is a fully manless facility. It's a new build, which we're really, really excited about. I'm passionate about.

0:02:00.0 WS: So are all these new builds?

0:02:02.8 DB: No. So the first one that we started with Beverly 24 were self-storage was an outdoor facility, it was purpose-built units a lot like your drive ups in America, that are extremely popular. The second site was a 30000 square foot building, and so we've built in tunnel rooms, and I've always wanted a new build, but we've never found the location, and to be honest, the funding, and when the opportunity came, I jumped in it because it's nice out a Starbucks, so it's a very, very high traffic road and yeah, extremely excited about about that to open...

0:02:33.5 WS: Nice. There's a few things we were discussing before the show. I think are so valuable, I'm sure in self-storage, but any asset class in almost any business for that matter, and you become an expert in these few places that we wanna cover to many places, I'm sure. But there are a few of them we wanna cover today, and what's gonna start talking about, even just some customer care issues and how you have improved that process and why that's important, and then we'll jump into some staff retention stuff and revenue management and those things that it's just important in any business, right, but let's jump into some customer care and how you've done that.

0:03:04.8 DB: Yeah, so in 2018, I was invited to Vegas the ISS conference, there were speech on customer care, and a lot of my peers in England says, what you're going across the Americans talk about customer care. Are you crazy there? The kings and queens of customer care, but do you know what? It's something that I am so passionate about because I feel like that is overlooked, and my idea when we opened our self-storage was I wanted every customer past I'm present to be walking... Talking billboard for our company, I want in to fill almost all the void... soon as they had about self-storage, as soon as that was a conversation, they felt the need and want to mention our name in my company, and so what we do is we try to go above and beyond.

So I asked my, I don't like calling staff, I have the team to email me once a week to ask how they have gone above and beyond the extra mile, so therefore, subconsciously they're looking at where they can actually help the customers and really just... Sure, we care. I personally write some thank you cards to every single new customer, and I know a lot of us, a lot of people listen to is gonna say, yeah, don't scale, but that's why it stands out because it don't scale, most people won't be doing it and all I do is I spend maybe an hour, an hour and a half every single month writing these thank you cards that we've got a post card in it, right on the back of it, say thank you very much being a customer, I really, really appreciate you, Mr. Smith or whoever it may be, and I do about while I'm having to be a watching television, so I actually enjoy that.

Then we, I don't know if you've had of a video application called Bonjoro, we use Bonjoro to send video messages just to say thank you very much for choosing us, and those little things that stand out. I also take my time to retain customers every single month, just so I can actually understand what they are seeing, I'm not... Because a lot of times we're spending actually in our business and we don't see what the customer see because you don't... You can't read the label when you're inside the jar. And so I spend maybe just 30 minutes on the phone with the customer just asking, How can we improve?

And so many people have actually mentioned that when we find out where the courts come from and is showing that we genuinely care, and 25% just over side, 25% of our courts

actually, our moving actually come from word of mouth, which we find incredible and I'm really, really proud of it as well.

0:05:17.5 WS: So tell me about that, the last piece there a little bit, how do you reach out to them to get that feedback, or how do you just schedule a call with them and just ask questions about your process or what they would consider changing or what does that look like... 'cause I think it's so valuable in your feedback like that's hard to get sometimes as well, we've tried it on numerous occasions on different things, and it helps us to make... To improve and make better changes to our system, but how did you... Walk us through that just a little bit more...

0:05:41.8 DB: So what happens once a motion about the first or second of every single month, I get an email from the team saying he's a spreadsheet of all the new... Moving his details, their address and here's the telephone number. And all I do is I pick out 10 people at random and I just call them and I just said, Look, I'm really, really sorry. ...to restore my self-storage. Can I just have two minutes of your time, I just want to ask a bit of advice if if you don't mind, and more often than not, ever, we can't believe it, we're actually asking them how we can improve...

One of the latest ones is we have a broken trolley , and I had no idea we had a broken trolley, and she just mentioned it and it was great because one, we just order a new trolley, it was some little insights that you can show your customer that you genuinely care about them. Somebody else mentioned a van hire, it's trouble to get a van hire, and I asked them how much they would be willing to pay for van hire, and so we've now gone free Van hire, we worked out how much all cost for us, and it's a little build in legacy, you don't see unless you actually ask your customers, and so many people just don't ask your customers, you've got your customers right there and you can talk to them and your customers what their wants and needs at are gonna be similar to your future customers wants and needs, if you can understand your customer more, it just set yourself up, set your business up.

0:06:51.1 WS: Love that and I love to... you just trying... You call them, you say, I'm the owner. I think that's probably pretty impressive, right, to that individual that, Oh wow, this

person cares enough about his business and operations that he's personally calling us, he's not even having someone else do it and allowing them to provide feedback, I love the thank you cards to like you're taking the time to do that. We send a lot of those as well.

And Bonjoro, the video messages... Just case listeners don't know, there's numerous platforms like that, I've used that for... I also use vineyard now, which is a similar platform, are you can do through Gmail and different things, and even on your phone as well. It seems to have a great response often. Right, so what about any other customer care or the ways that you've stood out in customer care, other than obviously you're getting feedback and you assume you're using that to improve your systems and customer relations, all those things. Anything else?

0:07:41.1 DB: Yeah, I always think that if you have a close relationship with your customers as well, if you're in self-storage, if anybody on just one self-storage and there's always gonna be a debt problem, there's always gonna be people who don't pay but the nicer you answer people, I think they feel obligated, again, to make sure that they make sure that they pay you on time, or at least they certainly give you reasons as to why a payment is late... And so we've got one of the best debt procedures around, currently, we've lost no revenue in the past 12 months for people not paying, which is fantastic.

And for me, it really is. When you see customers, the best thing for me is, Whitney, when somebody says on Facebook, Does anybody know any self-storages in your local... Whereas a badly group, for example, and all of a sudden I get pinned was Beverly 24... Beverly 24... Beverly 24... and that for me is amazing, and one of them was said the other day, it was just the other night when I was about to go to bed.

So I haven't used Beverly 24 myself, but every single time somebody asked a question, Beverly 24 come up and that to me just made it all worthwhile, and I know we don't scale and I know it takes a lot of time, but your customers deserve... And your businesses are at... And we only have so many hours in the day, I get that. But if we just put in the processes and the procedures, then it doesn't have to take all the time, But little little bits of time and effort go a long, long way for the customer.

0:08:51.3 WS: What about them becoming the walking, talking billboard like you talked about, is there any way you encourage referrals?

0:08:57.4 DB: Yeah, so we've got a number of referral programs, so one of the ways we're... For example, if we go into a stage and we make sure that we give them 50 pound, we always as well, we always go in now with sweets and chocolate, we try to brag them as much as possible, and just so they know our face... So we're not a stranger, so we're not recommending a complete stranger, but we also do a referral program for a 50 pound that anybody recommends us, then we'll give you 50 pound if your name is mentioned for any moving for any period of time. 'cause I know again, you've gotta know your numbers, I suppose. I know my numbers. It's a 106 pound that we pay Google every moving, and on average, my customers are were 12008 pounds, and so for me, I know given number 50 pound is the customer is more an happy... We're more happy, we save on the Google cost, and obviously it's a win for the customer is a win for us, and hopefully we can service a customer well, in the future as well.

0:09:46.3 WS: Nice. That's incredible. You know, there's numbers like that, it's a no-brainer, right? And there's no thought process too, that it makes complete sense, and the referral goes so much further than almost any other kind of method of getting someone in right?

0:10:00.0 DB: We do monthly reports on the podcast, so we'd let you know exactly where our core come from and what they convert, and as we have a 70% of authors come from Google gets an intent, you need an intent to... For self-storage, however only 49% of our overall moving come from Google, so that tells me that although yes, majority of our course come from there, were a lot colder audience where if you look at something like word of mouth, it may be only 10% of our cores come from word of mouth, but over 25% of our movings come from where the mouth, there are a lot hotter lead...

0:10:32.2 WS: What about us move to staff retention and staff is so important for that customer experience as well, right. But staff and who your staff are, and the less staff turn over the

better... Right, but tell us a little bit about your staff retention programs...

0:10:46.9 DB: Yeah, so we've just come through a hiring process now, and it is so painful what needs to go through and hire and find the right person. Do all the interviews, and it's not because we lost a member staff is 'cause we're trying to expand, and so what I always try to do is I don't want the staff ever to be a stranger. I wanna make sure that if I've ever got an issue, I ever got a problem to feel it can come to me as well, because I feel as the time that I'm investing with them is really an investment, just over there, one of the people who work overs, she had a problem with a gas leak and he ran up...

She was a bit upset, cannot come in and it cost... You can come in and I will... You mean the more you give, the more you get, and I just feel like how you treat your staff is direct correlation to what you get out of your staff as well, and so for me, one-on-one meetings is so, so critically important. I set aside half an hour for every member of staff, and by the way, it's more for at any time, but yeah, I just wanna know how they are, if there's any problems, any issues that I'm not seeing, and if a staff member gives notice to me and I don't see it coming, then you shame on me because I really should have picked up on that a long time ago, I should have known that I'm not hitting their goals, for whatever reason are not fulfilled in the role there that currently out.

So yeah, I just like to sit down with them and just talk one of them, having no agenda over them, just to see how they are and what can we do more for them, how can we help them because I've got a note down here, you have got to treat your business as it depends all on your staff, because I've got a fantastic lifestyle suppose, where I can go out looking for other businesses I can make on the business, revenue business, and the only reason I can do that with me is if my staff are on top of their game all the time, I can trust them, and so when you do really find the stuff that you can trust are, I really would walk up a broken glass with them just all... No, actually, I'd say that back. I definitely won't walk up a broken glass, but I would do a lot for them.

0:12:30.6 WS: Are there... How do they know that they can even bring things up to you like

that... I know there's a lot of times employees or staff are afraid to bring things up, right. How do you create that culture where they're just open to speak about whatever issues they're having within the employment?

0:12:44.5 DB: Yeah, I love that question. And for me, it's all about owning up mistakes and letting them see that you are not perfect, I promise you, I make more mistakes on a daily basis and that they ever will, and so I don't want to ever let them give the impression that I'm mistake-free because I am 100%, no, I made mistakes all the time, and I never, ever want to criticize someone for making a mistake, as long as the effort said, That's absolutely fine, but how we go about it, we just surprise is surprising the light. Try to... I know one of the staff members is among United fan, and unfortunately, I'm a Man City fan in football and local rivals, and you wanted to watch a football match on the sky, but unfortunately for whatever reason, he didn't have sky, so I surprised him and we train to Sky and paid for it for two years to make sure he was okay.

Another staff member broke down and she said, Dean, can I have a day off work because my cars broke down, I need so.. on the car, and then so we saw a funded a new Cato just because it's not a mathematical decision, but you know how much is that member of staff is worth to you and how much they put themselves out for you, so I don't mind doing the same, if you see them making an effort, then I want to make sure that I make an out in that relationship as well.

So it's just trying to be aware and quite often what I say they're struggling with any particular thing, but if you can read between the lines that I'm sure you can hear and listen to what they're saying, but for me, yeah, the main thing is to always let them know that mistakes happen. And I'm not perfect and I'm far from it, and I'll continue to make mistakes. So they the made mistakes or they have ever got a problem, I'm sure that I've done something similar or past...

0:14:11.6 WS: What's your frequency for meetings and things like that with maybe one team member and versus say the entire team?

0:14:18.1 DB: We actually got a small team, so I meet with my team, I do half an local for every

member of staff, and that's every month. And then we have a management meeting, we have a network one meeting every single week where we do have an agenda for that meeting because I'm a great believer in, if you don't have an agenda, then time can just get away from you, and I do want to make sure I save them probably by the night before knowing what they wanna talk about, because sometimes I'll be honest, if you ask me a question, I don't know the answer, and there's no point having a meeting if I can just say, Do you know what? I don't know, I'll get back to you, so I wanna research whatever they've asked me, and so we have an hourly meeting every single week, and just to make sure that everything is going okay, and then what I like is...

Well, on a Monday morning, I like an email because we get the figures from a previous week, I asked for three things in the email, I asked for what went right during the week, what went wrong during a week and what surprised them during a week, as well, so three different things, because again, your staff will see something that you don't and you might focus on just revenue or something, but you might take your eye off something else and it's just always nice to listen and learn from other people who are actually on the ground.

0:15:21.4 WS: That's interesting. So weekly, you're asking them what went right? What went wrong? what surprised you for that week is that right?

0:15:27.7 DB: Yeah, and it's always different to me, it's always different, what surprised... What surprised them might be completely different to what surprised me, and again, my positives and negatives are probably more focused on the revenue, and it's good to have a balance of voice, that's just not all of all the revenue. They need something else as well. So you get a more well-rounded base of knowledge of how the company is doing.

0:15:46.1 WS: On that... No, right there, before we run out of time, I wanted to give you a moment for us to talk the revenue management piece, and it is so important, but most have no handle on this, it took us a while, or for me to really dial in on this personally also, and create those systems. But tell us a little bit about your revenue management system and maybe why people overlook these things, but why we must do it.

0:16:09.0 DB: Yeah, really quickly, I went to a sales, the SSA, Self-Storage Association, put on a sales training there, and it was all set in his room, all business owners, and now there was... It was all asking, how full is your facility? And he was going around 65%, 75%. Now, I'm sat there real small thinking, Oh, I'm 100% at most, be really good, and this is a number of years ago, and he got to me, he say, how full are you, and I say 100%. And he goes, he said, You've got your revenue money been all wrong, haven't you... Yeah, I was like, What do you mean? What do you mean... And long story short, it basically means if you're 100% full, that means you too cheap because the supply and demand, and we had a waiting list as well, we actually actively have people with in that facility.

Nothing has changed, only the revenue management, and what we've done that is we were 100% full, taking 66000 pound a year, and last year we was 92% full, and we still talk 136000 pound that year. Nothing else change apart from our revenue, money's been a presiding late dynamic pricing, meaning the better the unit then the more we can charge more in demand, the more we charge. When covid hit, we actually lost three years worth of growth, but thankfully because I wrote revenue management correctly, doing the price increases every six months.

We do a price increase. We correctly in-charge people's insurance as well, because there's no point having a Ferrari, an insurer in a mini, so we make sure that everybody we're very, very hot on that, just not only from a revenue point of your book, for the customer's point of view as well, so we've got to make sure that we're tight on there, and when covid three years loss of growth, but we didn't see that loss in revenue, because our revenue management was on point, I really do think that we've got to be careful, we gotta make sure... But we currently price our insurance and the price increases, we do, and if you have four the minute or approaching 100% occupancy, then we've got to look at the price and see how you can improve your price increase, your pricing.

0:17:52.1 WS: Nice. Well, a few final questions, Dean. It's been really great, great information here on how you perform your operations, customer care staff retention, revenue management, I mean, just such important things in any business, but a few final things, how do you prepare

for a downturn, Dean? I'm not sure you know the differences between there and the US, I've never invested there, but I would imagine you still go through downturn is just like we do.

Right, and so how do you prepare for a downturn?

0:18:16.4 DB: Everybody says that well, people say, But storages are recession improved, but it is definitely not, it's recession resilient, but I don't think that anything is recess improved. I've just been having this talk with a mentor of mine, actually Dom Bradbury, and he's being saying to me over the last couple of years, he's been saying well... Listen, what happens when things don't go right? And so what we've done is made sure we've got a 50000 pound in the bank all the time, just to make sure we cover expenses for a number of periods, and also myself as started diversifying as well, my income...

So at the minute, I call it digital real estate, so I've got some niche websites as well, but bringing not massive money, but around about 30 to 40,000 pound a year, so I'm trying to diversify a little bit, but I've got to be honest, that is something where I definitely fell down on because I just bought storage as a gift to cousin given and were in England at the supplies increasing all the time, the demand is increasing faster than the supply, so I always thought that I would be in good times, however...

Yeah, the older and wiser you get, then you start realizing that that isn't true, and so yeah, it's all about diversification for me and making sure that I've got other income streams coming in, but we'll support my mortgage, etcetera, if anything, God forbid, this happens storage.

0:19:24.7 WS: What do you predict to happen in the real estate market over the next six to 12 months?

0:19:28.4 DB: I'm massively bullish, I'm really bullish in England, what I do is I log on to remove every single day, just to see how many properties have been called in my local area last 24 hours and that gives me an indication of how many, not exactly, but give an indication of how many courses we're gonna get through and how the market is looking, and we're no longer paying any stand duty across in the UK, so basically a percentage of your house sale has to go

to the government over here, and at the minute we're not paying in the STEM duty until March 31, and they're talking about extending that for another three months, I really do think because of the covid, because of what's happened, people have been in the home a lot longer, a lot more, and they realize and how important the home is and how sales in this country have just gone up absolutely bizarre, and currently we are predicting that 2021 is gonna be a fantastic year for the self-storage industry on the property industry as well.

0:20:14.8 WS: What are a couple of daily habits that you are disciplined about that have helped you achieve success?

0:20:19.3 DB: I love this, Whitney. I actually ask this question of my podcast as well, one of them is just a little bit of time for myself. My wife goes mad at me, but I like to go for a half an hour run in the morning before I do anything, and I listen to a podcast, I listen to a book, and it just... It sets me up for the day, just give me that little space I need before I get back to my kids screaming and the wife shouting at me.

0:20:38.3 WS: I love that. What about your best source for meeting new investors.

0:20:41.6 DB: It is my podcast, it literally is my podcast. Do you know what I think like is all about relationships as well, and I think that we should invest in our relationship, we look at any investment because you live and die by your relationships, just now I've moved into a new home and unfortunately, my house sale wasn't ready to complete for my previous home, and so I reached out to my relationship to my friends and some people that I knew to her money and it mentone house call didn't fall through because I could borrow that money and it was mid six figures, and it was nice to know of the relationship we built over time when I needed a bit of help and a bit of assistance, they was there for me, but yeah, I love going to any sort of conferences and getting people on the podcast and just talking self-storage and trying to be a service to other people as well, and saying not only what you don't wanna know what they can do for you, but what you can do for them.

0:21:25.7 WS: What's the number one thing that you contribute to your success?

0:21:28.2 DB: Do you know what? It's a very easy answer to me is education, I had a restaurant four years ago and it collapsed. It was absolutely terrible, it was a waste out of my life, and it was 18 months we may have... So that just being born as well, I was working the self-storage and I was working at the restaurant on the evenings, and I thought I understood the business and I realized I knew nothing, and so I have definitely contributes to success is learning and educating and realize you know that you don't know anything, and I see you've got plenty books behind you.

I try to read at least two books a week and yeah, that's the education and learning and finding a mentor while finding people who have been there where you'll be where you wanna be, and just learning from them.

0:22:05.0 WS: Two books a week now that's cooking through some books that's awesome. Yeah, that's a great goal as well, I would love to do one book a week, I'm usually around two to three a month that I'm striving to do better, and that's a great push right there Dean. So how do you like to give back?

0:22:19.8 DB: Well, obviously, we've covered... I feel very, very lucky and also a very, very guilty with the industry because we're very... I didn't choose this industry because of covid, I'm just very lucky for this industry hasn't been hit by anything in regards to covid, so I now appreciate those over-sectors of industries that are as lucky as me. And so I am one of the responders and as volunteers, so I get a little phone over there just in case, I'm on silent, just in case. And so I go and click food for people, we pay... There's two people who, one's cleaner, who can't clean anymore... She used to work for me in the restaurant, we go and buy her food every single week and drop it off, and it's not the money, it's the time.

But I feel like I'm giving because we've gotta go and actually hand deliver it, and then there's a guy who when I had... I actually had betting shops and he used to follow me around. This old guy, but it's not particularly, but is a bit older than me, is in his 80s, and he used to follow me around from betting shops wherever I used to work, and he's a lovely, lovely guy, his wife's got cancer and he's technically blind, and they can't actually go out there, I've got a shield, and so

I was still cleaner, so we go and take food to them every single Saturday morning, we get up, we go to shop and get it just to make sure the various safes can be... These crazy times.

0:23:26.8 WS: Yeah. Wow, no, I appreciate you sharing that, Dean, and giving back in that way. Grateful for your time today. I mean, you have made tons of progress in the self-storage industry and in your business, and it's obvious that you have spent a lot of time educating yourself, and I appreciate you just driving that home to... Cannot stress that enough, even personally, just how much you need to be educating yourself every day, there's a little bit every day add up, it's not something that just happens overnight, it's consistency over a long period of time in so many ways, but just going through your customer care, your staff retention. Your revenue management is so important. Each of those, it's incredible, like you have focused on those things, and it's obviously gonna help your business improve in every way and just have more growth than the norm. That's for sure. Dean, thanks again, tell the listeners how they can get in touch with you and learn more about you.

0:24:13.8 DB: Yeah, so I'm on Dean Booty on LinkedIn. My email is Dean, deanbooty@icloud.com, and I have a podcast called Hacking Self-Storage where I share my numbers on the Monday, I share my numbers, I have interviews, we have leading experts on a Thursday as well, and I also Whitney... I don't think I've mentioned this to you, but I also have a daily podcast as well, I do for my kids called it motivated entrepreneurs, and I just try to just share something that I've learned every single day, so we were 360 episodes in... Just was a year yesterday, and yeah, it's just something that spend maybe six minutes a day, just saying something that I've learned and something that can be helpful for my kids when they grow old... I'm not ... listen to me, my dad's... But he in my dad's a geek or something, can you know what wasn't so what I say, but it just, it feels like I'm giving something for them in the future as well, heaven forbid, if I'm not around who have a reason to help them on their journey.

[END OF INTERVIEW]

[OUTRO]

0:25:02.8 ANNOUNCER: Thank you for listening to the Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

Thank you for choosing Scribie.com

Cross-check this transcript against the audio quickly and efficiently using our online Integrated Editor. Please visit the following link and click the Check & Download button to start.

<https://scribie.com/files/da324e3a76a643ba991770b20688e0ee4e34a220>