

Exploring Business Intelligence and Analytics Tools

Get a new perspective on your market and operation

By Kat Shenoy and Sachin Bhakta

Today's self-storage businesses are faced with intense competition and looking for ways to generate new business, reduce operational costs, increase margins and streamline processes. Growing market saturation and economic downturn has resulted in high pressure on companies' bottom line. Self-storage operators are being more conscientious than ever, taking a closer look at their business data to make effective decisions.

Given these grueling challenges, it's vital that the information used to monitor operational performance be accurate and timely. Access to business information is critical for self-storage operators to make informed decisions and react quickly to market conditions. Decision-makers should be able to view data in various formats, analyze information at an aggregate and detailed level, and view facts and figures as graphs, tables and other performance indicators.

The key to achieving this is business intelligence (BI) and analytics, which provide a holistic view of information with powerful viewing capabilities that help storage operators acquire a better understanding of market behavior and commercial context by extracting, analyzing and reporting data in the underlying operational systems. BI and analytics tools provide historical, current and predictive views of business operations.

A manager's ability to make quick, informed decisions to improve the bottom line is accelerated with use of BI. The functionality provided includes reporting, online analytical processing (OLAP),

analytics, digital dashboards, data mining, business-performance management and predictive analysis. Some BI and analytics software vendors include MicroStrategy, BusinessObjects, QlikTech, Cognos and Microsoft.

To provide readers with views and insight from the self-storage industry perspective, the following two interviews demonstrate how storage operators are using BI and analytics software and how they expect to benefit.

Case Study: Stor-All

With more than 29,000 units spread over 44 locations in five states, Stor-All is one of the largest privately held self-storage companies in the United States. The company has a dominant presence in the Southeast market and a growing presence in several other regional markets. Stor-All conducted a thorough evaluation of some of the leading BI and analytics tools available in the market today.

Rolly Curtis, director of IT at Stor-All, elaborated on the thought process that went into making the decision to implement a BI and analytics tool, and how Stor-All is aiming to reshape its business based on the trends and analysis divulged by using the software.

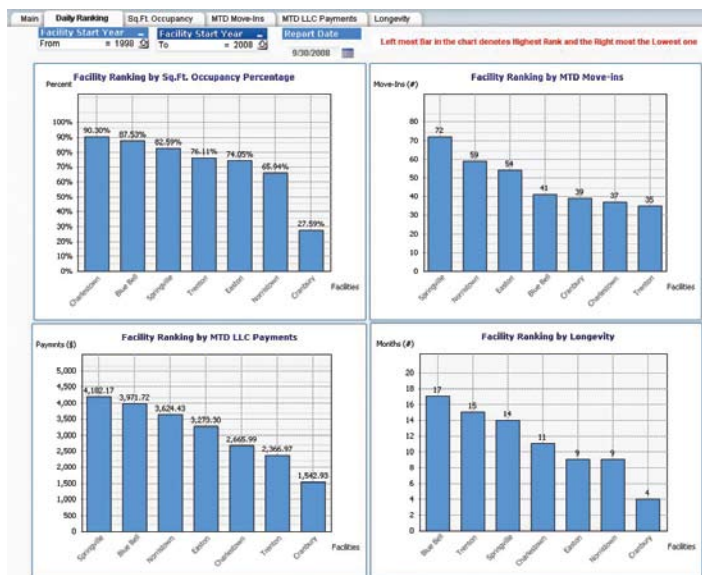
What is the main objective in implementing BI and analytics software for Stor-All?

The first objective was to have a single SQL database containing all our stores' information at our headquarters in Deerfield Beach, Fla. This was accomplished by converting our existing management data to a new management-software application

Once the conversion was completed, we were able to start analyzing the data to show performance trends on specific stores—stores grouped by geographical area or those in a specific portfolio. It became apparent that while having access to all this information was awesome, we would have to build custom reports to take full advantage of it. At this point, we decided to look for an easier and more visual reporting tool that could be easily customized to analyze the different aspects of the information.

What approach did you take when it came to evaluating BI tools?

Our management-software vendor introduced us to QlikTech, a Swedish company that created an application called QlikView. QlikView provides an interactive reporting tool that allows us to create dynamic, visually appealing reports very quickly. We looked at some similar offerings but soon realized QlikView was the only product on the market that was cost-effective for a business of our size.



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What advantages is Stor-All looking to leverage by implementing QlikView?

QlikView's interactive reporting provides us with a window into the operation and performance of our company on a daily basis, as well as a comparative view of the past and present. Stor-All now has the ability to see exactly what is happening at the facility level and make rapid adjustments to current market conditions. Back-office analysis of facility performance was labor intensive, transposing data to spreadsheets then creating charts and tables for review. With QlikView and a self-storage manager, our information is now always available, up-to-date and in a format that is informative and visually appealing.

Case Study: Mini-Pac

Mini-Pac is one of the largest self-storage operators in California and Hawaii. Locations in San Pedro and Honolulu have more than 3,000 units. Mini-Pac is part of the Decurion Corp., which also operates swap meets and has various other business interests. Andrea Hughes, general manager, shared her thoughts on how implementing a BI and analytics solution could make a difference to their business, and why she's considering implementing one in the near future.

Why does Mini-Pac feel the need for a BI and analytics solution?

Measuring, monitoring and reviewing the business performance will provide clarity for change. We want to be able to look at information from different perspective and facets to give us a clearer viewpoint of business trends, and the answer to this lies in making use of a business-intelligence tool.

How do you foresee implementation of a BI tool driving your business growth?

By implementing a BI tool, we intend to get insight into whether our business strategy is successful. Also, by using this tool, we believe new opportunities for growth will be realized through better alignment of the execution of the four Ps—product, price, promotion and place.

What aspects need to be considered while evaluating a BI and analytics solution?

The most important aspect is a provider that will provide a complete overview of the product to help you decide whether it offers all that you are looking for in a BI solution. In addition, look for a provider that will offer a host of products and options for varied business requirements since one size

does not fit all. Finally, the cost involved in procuring the solution should make business sense.

Case Study: R.A.B. Management

With more than 250,000 square feet of rentable storage space under management and new buildings under construction, R.A.B Management is continually expanding and rapidly becoming one of Pennsylvania's leading providers of self-storage services. Owner Ray Bartolacci III shared his thoughts on implementing a BI and analytics solution and his views on how such a move could help propel his business.

What's the benefit of a BI tool in self-storage?

It depends on the number of sites operated and the size of the individual locations, as well as whether use of a BI tool would reduce the time to react and improve occupancy when adjusting to market conditions in the current competitive environment.

What factors should storage operators consider when implementing a BI tool?

The first and the foremost question they should ask is if the basics of the program work correctly. Next, operators should evaluate the benefits of implementation. It also makes sense to look at the type and amount of competition they are they facing in their area.

Corporate America has made rapid progress in implementing BI tools. Why does the self-storage industry seem behind in embracing them?

The lack of competition in the beginning years of the industry meant operators could take a laidback approach when it came to looking beyond the scope of day-to-day operation. Until the big national chains came, there was no reason to implement anything like this. With the competition heating up, the self-storage industry is beginning to take notice and embrace new technologies such as BI and analytics that will help them stay ahead of the competition. **ISS**

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