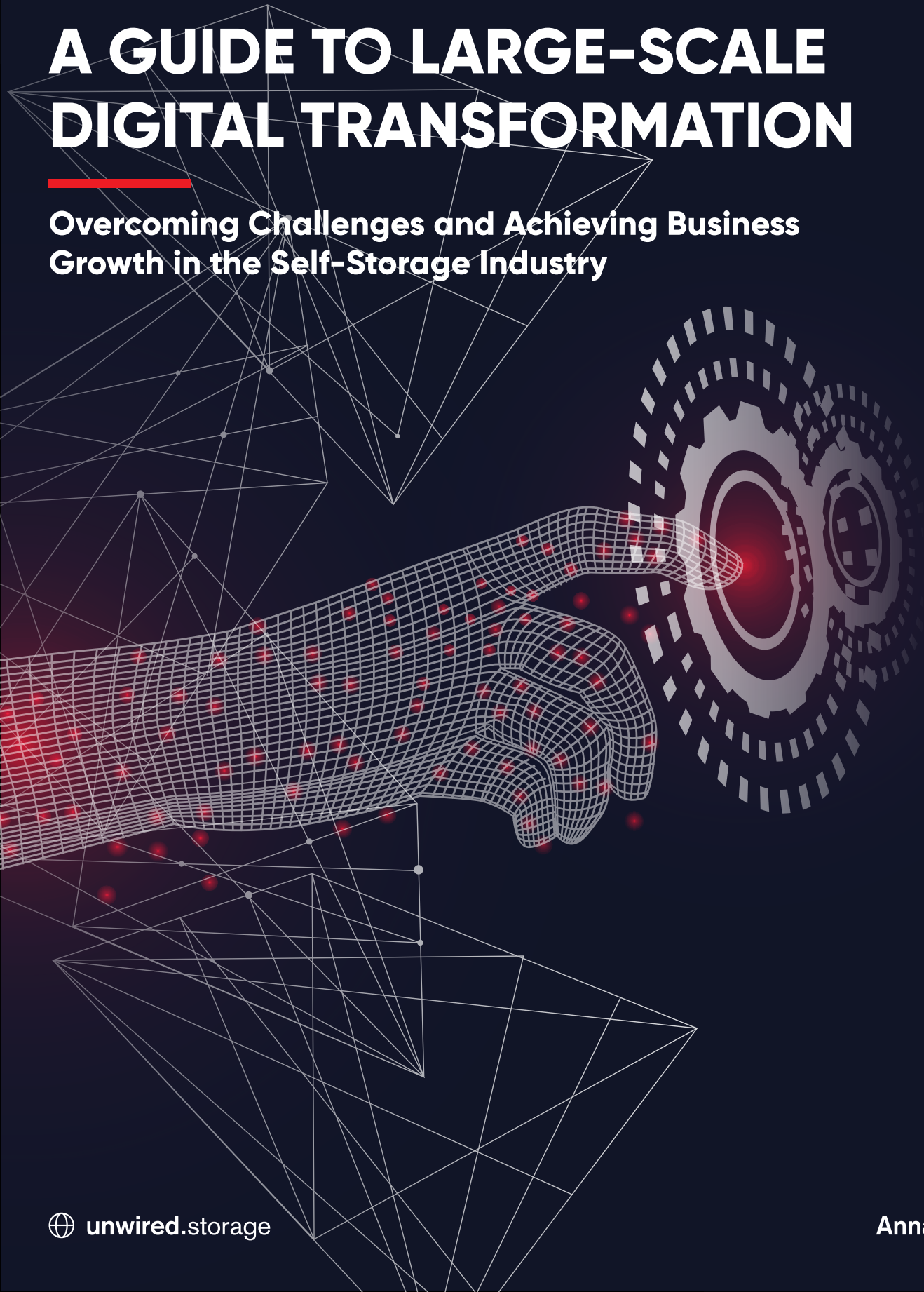


A GUIDE TO LARGE-SCALE DIGITAL TRANSFORMATION

**Overcoming Challenges and Achieving Business
Growth in the Self-Storage Industry**



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Executive Summary

This white paper aims to guide large self-storage operators (15+ locations) through digital transformation (DX), addressing both opportunities and challenges. It covers project initiation through stakeholder workshops, blueprint development, and systematic implementation. Successful digital transformation hinges on three core elements: effective people management through change management and communication, careful technical implementation including system integration and security, and strategic resource allocation based on business objectives and dependencies. Organizations can expect improved operational efficiency, enhanced customer experience, and better financial performance through automation and data-driven decision-making.

Implementation typically spans two to three years, with phased rollouts to minimize disruption. Success requires clear communication, stakeholder engagement, and regular progress monitoring against defined metrics. While challenges include resistance to change, system integration complexities, and resource management, a structured approach ensures that DX delivers lasting value.

Introduction

Understanding the Basics – Who is the paper for?

Digital Transformation (DX) is a bit of a buzzword these days. There is no shortage of companies singing its praises and advertising their services. But as they say, there is no smoke without fire. DX has the potential to completely transform an organization and open up revenue streams that were impossible before. This white paper aims to give large storage operators a comprehensive overview of these opportunities. For the purpose of this paper, large storage operators are defined as those with at least 15–20 locations, possibly across countries. DX is different for a small company versus a large company. When a big organization tries to change anything, the complexity is always higher. Conversely, the possible gains are higher too. This paper will highlight the process, challenges, and benefits of DX for large operators.

Understanding the Basics – What is DX?

Digital Transformation aims to change a business and take advantage of modern technology. The goal is to help customers faster, better, and more efficiently. For example, by gaining access to more detailed customer data, a business can create personalized product offers for their customers on a large scale without a huge increase in cost. This added benefit leads to better customer loyalty and a better result at the end of the fiscal year. DX makes companies more resilient to market changes by giving them access to systems that adhere to modern standards. These solutions are typically more agile and scalable than existing (read outdated) legacy systems.

How Large-Scale DX Helps Businesses

Many good reasons exist for an organization to embark on a DX project. But from experience, the journey always starts at the same point: People realize that something about their business has to change. They know they have legacy systems, inefficiencies, data silos, and outdated processes. They also realize that they cannot go on like this and remain future-proof. What they don't know is where to start.

Navigating the landscape of existing automation and cloud storage solutions can already be a daunting undertaking. That is before newer, cutting-edge solutions like AI or edge computing come into play. To stay with the sailing metaphor, the role of a DX consultant or transformation partner is to charter a safe course and provide a blueprint for the operator.

Depending on the scale of the project, DX will affect many, if not all, processes, systems, and operations. The list of possible benefits is innumerable. While not exhaustive, the following benefits can be expected in the near, mid-, and long-term for the self-storage business.

Short-Term Benefits

Short-term benefits that can be observed after or possibly during a DX project on the customer side are, first and foremost, better customer service. By using automated messaging tools, chatbots and improving the help center overall, agents can resolve complex problems faster. Customers can self-service and find solutions to simple, straightforward problems on their own, leading to an overall increased efficiency and higher satisfaction rates both for customers and agents.

Using modern payment gateways and management systems will also have short-term benefits for customers and operators alike. Having a faster check-out and the option to pay from the phone on the couch using a credit card or wallet app drastically lowers customer effort and increases the conversion rate. The operators can ensure data security compliance, eliminate human error, and have better control of their revenue streams.

Smart access control systems, surveillance systems, and sensors provide operators with real-time data about the facility, whether it is manned or run fully remotely. Operators can react faster to problems when they arise and be alerted of possible security issues through on-site sensors. Compounded over time, this data can help operators compare customer usage patterns across different locations and fine-tune their business strategy.

Mid-Term Benefits

In the mid-term, operators can expect improvement in their pricing system and occupancy rates. By analyzing historical data, the pricing system can make demand-based adjustments to advertised unit prices. This will reduce empty units in the low season and maximize revenue in the high season. Some of the newest tools can perform this analysis and adjustment in real time. Since demand patterns vary across regions, this is particularly beneficial for large operators with a large number of locations. Manual individual pricing will inevitably lead to complexity and mistakes, while consolidated pricing models will leave money on the table.

Long-Term Benefits

In the long term, operators can aggregate a lot of data, like customer demographics, behaviours, and patterns. This can serve as a gateway to identifying new revenue streams or ancillary service offers, maximizing current revenue streams, finding potential storage locations, or obtaining insights for redesigning existing facilities based on shifts in demand.

Managing Challenges

People

DX is a complex undertaking. With how much emphasis it puts on rethinking solutions and processes, one would be excused from thinking that this is the biggest challenge. In reality, the biggest challenge in DX projects are the people.

"The biggest challenge you have with any kind of large-scale DX is not the technology. Technology is easy. You hit it with a hammer, and it does what you want. But people – you have to work show them how the technology will benefit them."

– Aaron Farney, CEO and Co-Founder of Unwired Logic

All too often, DX is something management decides to do without the involvement of the people down the line. However, those are the very people who will work with the new systems and often have crucial insights for the success of the project. A DX project falls and stands with the quality of communication and change management at the organization. At the end of the day, it is as much an organizational transformation as it is a digital and technological one.

As a whole, people are resistant to change. New things are risky, and risk is scary. We are creatures of habit. Key components of change management are always team alignment and motivation. Different departments and different levels of management will naturally have varying needs, concerns, and expectations when it comes to DX. A successful strategy will harmonize them and attempt to consider all perspectives. A common pitfall is a gap between features or capabilities that management wants from a solution and those that the users need to perform their jobs effectively. Sometimes this arises because DX is treated as a vanity project or a quick fix for an underlying project, in other, more common cases, it is because the priorities and goals are fundamentally different: An agent requires the system that pulls up a customer's transaction history and past communication, to find a working solution for them. The supervisor needs the system to monitor all tickets and flag those with long resolution times. Purchasing wants a cost-effective solution. The list continues.

To ensure the success of DX for large self-storage operators, the project must start with proper alignment with stakeholders to ensure their buy-in. This is best done with proper communication and a deep-dive project to explain and hear all perspectives. Even if some requirements end up unfulfilled and some priorities will inevitably be downgraded, as long as everyone feels that their voice is heard and matters, they will be more cooperative throughout the project. Change management is people and expectation management. Leadership and corporate culture take center stage in managing these challenges.

Management support is needed to get the project rolling, and team support is needed to carry it over the finish line and beyond. This is precisely the reason why DX in large organizations often comes hand in hand with changes in culture and team structure. The old way of thinking can't support the new way of doing things. This is an immense change, and management should be prepared for push-back and substantial resistance from their teams if the project is not clearly communicated.

A time-tested solution is a deep-dive workshop to map out the customer journey, all involved systems, and pain points with representatives of all stakeholders to help establish a common vision and objectives. A workshop like this is easy and low-effort to organize. All it requires is a room, a whiteboard, big Post-its, and a lot of markers. Throw in some coffee and snacks for a good atmosphere, and it's done. Typically, one day is enough to kick it off. It might be required to repeat the workshop in the future to realign everyone. The workshop will allow management to explain their vision, team members a stage to voice their concerns, and the project management a tool to bring everyone on the same page.

It also serves a big role in identifying problems that need to be addressed. As mentioned earlier, DX usually starts with a feeling that things no longer run smoothly – the workshop will help shed light on the kinks and inefficiencies. This workshop is part of the discovery phase and will become the foundation for the DX blueprint – an essential tool for any large-scale DX project. More on the blueprint in the next chapter.

Another people-related challenge is patience. In a large organization, DX can take months and even years to complete. Mismanaging these expectations and timelines and the resulting impatience can be very detrimental to the project. Because the projects take months, if not years, to complete, it is hard to keep everyone focused and motivated and see the project through with constant engagement levels. This issue is compounded because results also take time to materialize. Even after project completion, positive results will take time. This can be frustrating for everyone involved, especially if the transformation was profound and touched on many aspects of the corporate structure and culture. To stay on top of it during a large-scale digital transformation, the project should be divided into smaller chunks and interim successes, like quick wins or completed subprojects celebrated. It will keep everyone motivated for the next push and revisit project objectives.

Integration & Migration

This is not to say that there are no challenges when selecting the right technology solutions and vendors. System integration failures are a valid risk. Especially in larger organizations, which over time would have accrued a substantial amount of legacy systems and data silos. Oftentimes, even though a system works, no one really knows why because the documentation has been lost, the original employees are no longer in the organization, with the whole thing resembling a Gordian Knot. Older organizations are not the only ones susceptible to it. New organizations that experience fast growth periods can quickly accumulate a lot of ballast in terms of systems, processes, and databases. Data migration can be a major headache as well. Self-storage businesses collect a high volume of data about their customers, some of which is very sensitive. Data migration from old systems to new ones must be handled with care. Oftentimes, data is duplicated across various databases that need to be merged, cleaned, and updated to the new data formats.

To mitigate this risk, a solid integration plan must be in place. It will outline the different systems and software, for example, the website, access control, and booking system. The plan will map out how customer data flows, how payments are handled, or any other touchpoint and the associated processes. It will also include detailed technical requirements and definitions to ensure that all systems work well together. Any newly integrated solution and process must undergo thorough

testing, possibly several rounds of it, to debug issues. For DX to be successful, it is not sufficient to implement a new software solution and call it a day. DX always affects the processes and people as well, and so must the testing phase.

Security & Compliance

Self-storage operators handle a lot of sensitive customer information, like PII (personally identifiable information) and payment details. Therefore, the requirements for security and compliance are quite strict in the industry. These are supplemented by other requirements like GDPR or CCPA. Security and compliance must be given thorough consideration and attention during a digital transformation project to avoid data breaches and liability risks.

When it comes to security and compliance, there are two things to consider in a large-scale digital transformation. First of all, there must be a solid security strategy. Measures like encryption and strict access control must be in place to keep data safe and make sure only those who need it have access to it. There must also be contingency and recovery plans in case of a data breach. To ensure compliance, all relevant stakeholders must be trained and made aware of the rules and regulations in place. The regulations can vary from region to region or even country to country, so staying compliant can be a major challenge during DX. For example, there is no regional equivalent to the GDPR in the Asia-Pacific region. Instead, countries have their variants, like the PDPA in Singapore or PIPA in South Korea.

During and after the DX project, security and compliance must be managed by data governance rules. It is a clear set of rules and processes to handle data. It ascertains that everything remains secure, accurate, and used appropriately. Data governance is sometimes described as “traffic rules for data” because it is responsible for making sure that data flows where it should and nowhere else.

Other Project Risks

DX in a large organization naturally comes with more challenges and risks. There are various departments, and overall, just a bigger group of people that need to be brought on board for the change. At the same time, large organizations tend to be more risk-averse. They are used to the way they do things. This slower decision-making can mean that they miss out on opportunities. However, these risks can be managed with the proper preparation and tools.

Customer resistance to the new systems

While most DX projects will improve the experience for existing customers and make their lives easier, some resistance is to be expected. Like employees, customers are also resistant to change, especially long-standing customers. Older or less tech-savvy customers might have difficulty learning new interfaces or processes. Customers might have formed personal relationships with the staff on-site and be fearful of losing them. Or they simply might prefer human interactions. Customers also often voice very valid concerns about privacy, data security, and data saving when switching to digital systems. To resolve these concerns, self-storage operators can rely on good product design and proper communication.

Many existing solutions for digital services in self-storage, like apps to book or manage units, check-out process designs, support forms, etc., have undergone lengthy planning, prototyping, and testing stages to ensure a good experience. If a process or customer touchpoint is designed from scratch, the project management team must ensure that they follow product design best practices, like researching customer needs, prototyping, and usability testing. New solutions should be rolled out in phases to ease the transition. This also serves the dual purpose of obtaining real user feedback and implementing it before the next round of rollouts. Self-storage operators should also consider maintaining some of the more traditional touchpoints, at least during a transitional period. Clear messaging about the benefits and safety of the new system should take care of the data security concerns. Self-storage businesses deal with the very sensitive personal data of their customers and must always emphasize compliance with data protection and data security standards.

But even with the best usability testing, most detailed training material, and meticulous feedback collection, self-storage operators must be prepared to accept that not everyone will love the new development. As long as the transformation is beneficial for the majority of existing customers and attracts sufficient new customers, it should be considered a success.

Budget or timeline overruns

Overruns can happen for a multitude of reasons. An unexpected technical issue, new developments in the market, recurrent changes to the project scope, or simply underestimating how long something will take are all frequent causes of overruns in DX projects. They lead to either the project going over budget or being delayed, or – in most cases – both. Another common cause is a lack of specific knowledge or expertise among the project team.

Following established project management frameworks and cooperating with a project management partner usually helps reduce the impact of these risks on the success of the digital transformation. It is paramount to set clear and mutually agreed-upon goals at the start of the project. “What is the problem we want to solve?” “What do we want to achieve?”. These two questions must be answered, and everyone involved must know the answer. Next, everyone needs to agree on the required steps to achieve this goal. The scope of the project must be clear and communicated to all stakeholders. Good research and proper communication from the start go a long way to ensure realistic budget and timeline expectations. Very often, the success of a project can be predicted early and determined by the discovery phase. Potential problems can be discovered and corrected early by keeping a close eye on the progress of a project. Large-scale DX can take a long time to complete, and sometimes, project teams get more complacent towards the latter half.

Finally, any good DX project must have contingency plans for unexpected developments. When something does go wrong, before storming headfirst into looking for a solution, all stakeholders should get together to analyze the failure and draw lessons from it. Adjustments must be made as needed. It could be adjusting the scope, designing more efficient work processes, or bringing additional resources to the project team.

Managing the Process

Project Discovery

Large-scale DX projects have a long timeline. Profound change cannot happen overnight. It is not unusual for the project to take two to three years. It is important to realize the scope and effects of the transformation and manage expectations appropriately.

A project phase that management often tends to rush through is the discovery phase. This is the part where the project team identifies the project goals, technical requirements, users, and risks. This is also the phase where the project team and management con-jointly obtain the buy-in from the rest of the organization. For larger projects, discovery alone can last a month or longer. This depends on the complexity and current state of technology at the organization. It can be tempting to jump into the project, especially after a motivating deep-dive workshop to kick it off. However, rushing through this phase can lead to misunderstandings, which will become costly mistakes along the road.

The stakeholders involved should, at the very least, be representatives from management, customer-facing roles like sales or marketing, and users of the system. Ideally, the project team would also talk to some of the customers to obtain an outside view of the organization. Other useful tools at this stage are customer journey mapping, stakeholder analysis, and user personas. They help establish the needs and goals of the DX project.

One of the outcomes of the discovery phase is the project blueprint.

Blueprint

The term blueprint conjures up images of architectural or technical drawings. In the context of DX, the contents are different, but the role and purpose are the same. The blueprint is a detailed outline of the project goals, systems, and interactions. The blueprint is one of the early steps in the DX process. It is a high-level reference document serving as a clear road map for the lifecycle of the project. It helps to keep everyone aligned on the goals and project direction.

Taking a self-storage business as an example, it could require the following:

- SEO optimized Website for customers to view available units and make a booking
- Mobile app for customers to select, book, and manage their units.
- Payment processing systems for processing payments and tracking unpaid invoices.
- Customer support systems for addressing any customer issue, from help with unit selection to accessing a locked-out unit.
- Access control systems to manage the facility remotely.
- Video surveillance & sensor integration to maintain security.
- Data Analysis systems for aggregating real-time data into reports.

These require various systems and processes in the background to run smoothly: A self-storage management system to manage sign-ups and bookings. An enterprise resource planning system to manage occupancy rates and prices. The latter, in turn, will interact with the financial planning and budgeting system. Of course, these will require inputs from the data and analytics systems. There is, of course, also the HR system and finally axially systems like security, access control, and revenue management. Each of these systems will have various capabilities and features. The purpose of the blueprint is to map it all out and establish the direction of interactions and the hierarchy of the systems. It will also serve as an overview of which system capabilities are native to an existing solution and which ones need to be built.

Written down, even this very brief summary of a blueprint sounds complex and overwhelming. The blueprint is a visual translation. Much like an architectural blueprint has the walls, pipes, electric wiring, and structural beams, the project blueprint can contain System architecture diagrams, user journey maps, data flow diagrams, integration points, and security requirements.

A blueprint is not set in stone. It can evolve with the project if the scope or requirements change. Maintaining a firm grip on version control ensures that all stakeholders and project steps work with up-to-date versions and remain on track.

A blueprint is always unique to the project, and this is only an exemplary overview of what to expect from it.

Budget & Resource Allocation

Large-scale DX is a massive undertaking. So many systems in an organization are interconnected, it is no wonder that operators often don't know what to prioritize and where to start. In an ideal world, digital transformation would tackle the whole organization, but this is not realistic, neither from human nor financial resources perspectives. Priorities must be made. Typically, and speaking from experience, changes to the finance system or the PMS in the beginning bring the most profound change. Those are core components, and any improvements here will have positive ripple effects across the entire organization.

But there is a methodology behind prioritizing one area over the other. It rests on three main pillars: business objectives alignment, dependencies, and return on investment. Taking business objectives as the first filter, opportunities must directly support the organization's goals to warrant consideration. For instance, upgrading access control might improve efficiency, but if the primary objective is entering new markets, this upgrade would not be prioritized, even if it has clear merits.

However, before dismissing any opportunity, dependencies must be considered. These come in three forms:

Strategic Dependencies—where projects link to company strategy.

For example, if the company strategy is to expand to 100 locations in 5 years, aiming for 24/7 operations and automated customer service systems can become a strategic dependency, despite current business hours meeting most customer needs.

Operational Dependencies – relating to specific processes.

For example, moving to smart access control requires first establishing clear processes for customer identification and verification.

Technical Dependencies – concerning infrastructure requirements.

For example, before installing smart locks and IoT sensors, the facility must have adequate Wi-Fi coverage throughout.

The final consideration is ROI, but not just in purely financial terms. Returns can come as both savings (increased efficiency, lower maintenance) and earnings (new revenue streams, market expansion). Similarly, investments aren't just monetary – they include intangible costs like team stress and potential burnout. Risk assessment should also factor into this evaluation. This includes all previously addressed forms of risk: People, system integration, security, etc. A project with a high potential return but significant risks might be deprioritized in favor of a more modest but secure improvement.

This approach ensures that prioritization decisions are based on strategic importance and interdependencies rather than departmental boundaries. They will be based on facts rather than instinct. This practical framework helps organizations navigate the complexity of digital transformation while maintaining focus on their ultimate objectives. Prioritization shouldn't happen in isolation as a top-down decision behind closed doors. Inputs from various stakeholders – operations, IT, finance, and customer service – are required to identify hidden dependencies and potential impacts. Their buy-in also increases the likelihood of successful implementation. Priorities are not set in stone either. Regular review of priorities is essential as market conditions and technology evolve. What seemed a lower priority might become urgent due to competitive pressure or new opportunities. The framework should be flexible enough to accommodate these shifts while maintaining overall strategic direction.

Vendor Selection Criteria

As part of the digital transformation project, operators must carefully evaluate implementation partners and software solutions. While there might be pressure to move quickly, taking time to evaluate options thoroughly is critical.

The choice of technology platform is important but shouldn't be the only consideration. While some legacy systems might be immediately disqualified due to outdated technology, even modern solutions need careful evaluation. Organizations should examine technical capabilities such as cloud-based architecture, mobile-first design, and integration capabilities. Security features, compliance standards, and API availability for custom development are equally important considerations.

From an operational perspective, user interface design and the ease-of-use of the solution must be evaluated. Organizations need to understand and consider the training requirements for staff, the migration path from existing systems, and the impact on current processes. The maintenance and update procedures should also be clearly defined. The support structure offered by the partner is another critical factor. This encompasses available support channels, response time guarantees, training resources, and implementation assistance. The nature of the ongoing relationship should also be clearly understood.

When evaluating costs, organizations must look beyond the immediate price tag. Implementation costs, monthly fees, transaction costs, and charges for additional facilities all factor into the equation. There can be hidden costs like staff training time, potential downtime during implementation, and ongoing maintenance fees, which must also be considered. Sometimes, a higher upfront investment in a more robust solution can result in lower long-term costs and better operational outcomes.

The selection process should involve key stakeholders from different departments. IT will focus on technical requirements, operations will consider practical implications, and finance will evaluate costs. This collaborative approach helps ensure all aspects are considered and increases buy-in for the final decision. Operators should remember that their chosen partner will be crucial to their DX success. It is important to evaluate not only technical capabilities but also cultural fit. The best technology won't help if the partnership doesn't work on a human level.

Expected Outcomes

When embarking on a DX project, defining clear success metrics is crucial. These metrics should be established during the goal-setting phase and regularly monitored throughout implementation. The outcomes of successful DX projects typically manifest in several key areas.

Operational Efficiency

Digital transformation often leads to significant time savings through automation and streamlining. Manual, time-intensive tasks can be reduced or eliminated. This might include automated move-in processes, digital contract signing, or automated payment processing, to name a few examples. The freed-up time allows staff to focus on complex and value-adding activities like customer service or sales.

Customer Experience

A well-executed DX project will transform the customer journey. The convenience factor of digital solutions often translates into measurable improvements. For instance, conversion rates from website visits to move-ins might increase from 20% to 25% through the implementation of AI digital agents and online booking systems.

Financial Performance

The financial impact can be measured through various KPIs. These include reduced operational costs through headcount optimization, increased revenue through higher conversion rates, and improved customer lifetime value as customers stay longer or use ancillary services. The ability to implement dynamic pricing can also lead to better yield management.

Staff Productivity

Digital tools can also significantly enhance staff productivity. Tasks that previously required manual intervention can be automated, reducing human error risks and freeing up staff time. This often leads to improved job satisfaction as employees can focus on more engaging work rather than repetitive tasks.

Measurable KPIs might include:

- Conversion rates from website visits to move-ins
- Average time spent on administrative tasks
- Customer satisfaction scores
- Length of customer stay
- Revenue per square foot
- Operating costs per facility
- Staff productivity metrics

Regular monitoring of these metrics helps validate the success of the DX initiative and identifies areas requiring adjustment. It's important to establish these measurements before implementation to accurately track improvements.

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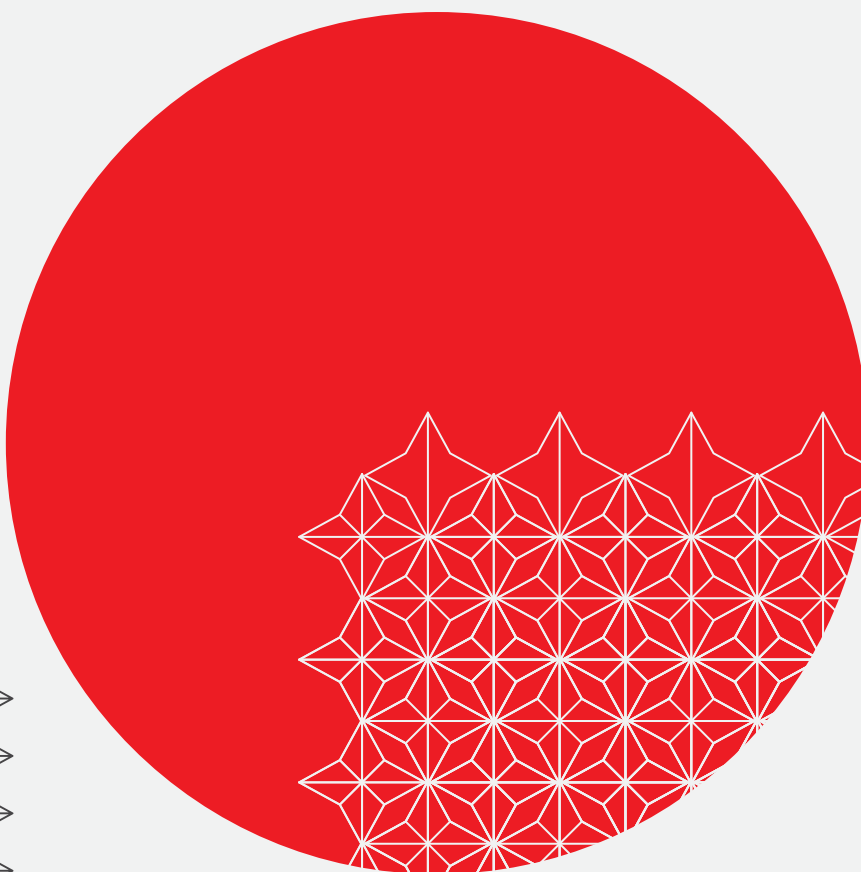
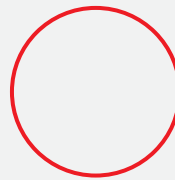
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