

## HANDLE WITH CARE

## Breaking Bad News To Customers

By Tammy LeRoy

Whether the information to be shared is as mundane as a rent increase or as catastrophic as a complete loss of a tenant's goods in a fire, breaking bad news to customers is never pleasant. Yet, it's a task all self-storage professionals must sometimes undertake, and preparing staff members to present the information clearly, effectively, and compassionately will help customers receive it with less difficulty. Developing sound skills for delivering unpleasant news not only makes the task less disagreeable, it is essential for a service-oriented business.

### Practice Empathy

The right words come more easily when one practices empathetic listening with sincerity. This takes effort; but with practice, it can become a communication habit. When hearing any type of bad news, customers will naturally be concerned and perhaps even angry. Telling them not to worry or expecting them not to be frustrated is unrealistic. Initially, you must allow time for them to vent. Negative emotions must be dealt with before moving on to a constructive plan for handling the issue.

If an event is truly upsetting, listen before you get down to business. You can ask a question such as "How are you feeling?" and remain silent while the customer is talking. This is also a chance for you to discover the other person's perception of the situation. When you do respond, repeat words or phrases the customer used, which shows that you really heard what they said.

An empathic listener not only acknowledges the other person's feelings but also the reasons for those feelings. Nevertheless, you shouldn't lose sight of your intended goal. If you must tell a customer that the uninsured contents of their unit have been destroyed in a fire, for example, you can't promise to make restitution for the goods simply because the person is crying. Still, you can acknowledge



their anguish by saying, "I can see that this is a great loss for you. This must be difficult news to hear." But be careful not to make promises or get caught up in emotions yourself; you have a job to do.

Nevertheless, give your customer all the facts you can, and don't leave them guessing. There may be some information you cannot discuss, but the better they understand why and how the event occurred, the less frustrated they will feel. Remember that explanations are not excuses. While empathy is important, there is no need for repeated apologies if the event was out of your control.

When the facility is at fault for an incident, apologizing is nice—but customers want explanations and action. You can practice empathy in this situation by saying, "This is completely unacceptable. I can understand why you would be upset." Then, you have already validated those feelings, which leaves the customer less compelled to express their anger.

Linnea Appleby, owner of Sarasota, Fla.-based PDQ Management Solutions, Inc., believes that using a personal touch can soften the blow. "When delivering the news of a rent increase that may seem hefty to the tenant, we have always encouraged our property managers to call the tenant before they get their increase letter," she says. "They say something like this: 'I just wanted to let you know that our corporate office is sending out rent increase letters and your name is on the list. I wanted you to hear from me, before you get the letter, that we value your business and we look forward to continuing to provide a convenient, clean, and competitive solution for your storage needs.'" She adds that it also allows the tenant to continue to have

No one wants to be the bearer of bad news, but in a service-oriented business, it's a skill all staff members should learn.

a good relationship with the manager because "corporate" is the bad guy.

### Choose Words Wisely

Colleen Wood of Smyrna, Ga.-based Universal Management Company says that since much of their contact with customers is on the telephone, phone manners and techniques are of critical importance when relaying unwelcome information. "The basics are essentially the same, whether you are requesting a delinquent payment, advising of lien sales actions, delivering distressing news of a natural disaster such as hurricane damage, or notifying customers of facility robbery," she says.

Universal Management Company lays out guidelines for telephone conversations in their operations manual. These include never interrupting the customer, avoiding negative descriptions when possible, calling the person by his or her name and repeating it during the conversation, and

having all information near the telephone. These are good tips for anytime you have contact with customers, but they are especially important when communicating bad news.

Collection calls are generally unpleasant for both customers and managers. Wood believes that while employees should always be empathetic to a customer's unfortunate circumstances, they should nonetheless be politely firm in reminding clients that their situation does not alter the financial obligation. "A courteous request for cooperation in making payment arrangements should include a firm date and time for satisfying the debt," she says. It is easier to do so when you have established a procedure for such calls that includes effective phrases and clear-cut goals for the conversation. In fact, having communication procedures in place for as many different unpleasant scenarios as possible will lessen the stress for managers.

### Establishing Procedures

One of the first questions a customer might ask when the contents of their units are damaged or destroyed is, "Who's going to pay for this?" No matter how diligently managers emphasize during a lease signing that the facility is not responsible for stored items, many customers still assume the facility will cover a loss. Thus, one procedure that should be in place is to strongly encourage tenant insurance both at move-in and throughout a customer's stay. Since not all losses are covered, this allows the insurance provider to become "the bad guy" in the customer's eyes should a loss not be covered. Have customers sign a separate addendum to the lease acknowledging that they did not elect to have their goods covered and are aware that the facility is not responsible for any loss.

Tone of voice is as important as what you say, and it is particularly important in an emergency to remain calm. "Others will take their tone from your demeanor and actions," Wood says. "You can often diffuse a customer's anxiety or aggression if your behavior is calm, courteous, and constructive." When asking customers to come to the facility to resolve a problem, Wood suggests being brief. "It is often counter-productive to go to lengthy explanations over the telephone," she says. "This can sometimes increase, rather than decrease, the customer's anxiety."

Establishing communication procedures both with customers and with the media will help managers communicate clearly and calmly under stressful circumstances. Sometimes, the press takes an interest in events that occur at a facility. Managers should know how to proceed if they are contacted. Appleby says her company had to inform customers when they lost 14 units to fire at their Stone Mountain, Ga., facility and again when over 60 units were affected by flooding at a Dallas property; and the media wanted comments as well.

"There are only certain people who are designated to speak to the press," Appleby says. "We have a section in our operations manual about how to deal with the media. It is very specific about what managers are to say—or not say—to

### Tenant Responsibility Addendum

Your signature on this lease addendum is required as proof that customer storage insurance has been made available to you. The addendum will be retained by this self-storage facility as part of your lease or rental agreement.

I understand that this self-storage facility and/or its management:

1. Is not responsible for loss or damage to my property;
2. Does not provide insurance for my stored property;
3. Requires that I provide my own insurance coverage or be uninsured (personally responsible for any loss);
4. Is a commercial business renting space and is not a bailee or warehouseman.

I acknowledge that I have read the above information and have been given a brochure which explains the customer storage insurance that is available.

I elect to: (check one)

Purchase insurance coverage for my stored property against burglary, storms, fire and more.

Accept full responsibility for any loss. I am not interested in insurance at this time, but I realize I may purchase insurance at any time throughout the duration of my lease and prior to any losses.

This is an addendum to, and made part of, rental agreement number

Date

Space Number

Customer Signature

**Note To Facility Managers:**

**Keep signed addendum with lease/rental agreement.**

*Source: MiniCo TenantOne Insurance*

anyone." PDO's operations manual instructs managers who are contacted by the press to respond by identifying themselves as the property manager and providing the name and contact information of their supervisor or other senior company official. The manual states: "You must not deviate from this,

tenant immediately when they become aware of a problem. "Our experience is that problems do not get better—only worse," he says. "We always try to contact any tenant that was possibly impacted—not just the ones we were certain had damage. This allows tenants to examine their

managers cannot satisfy customers affected by an event, they are put in touch with one of two people at corporate who are "targeted" to take these calls. "We don't want the manager arguing with the customer. We want to make it right and try to keep the manager and the customer 'buddies,'" he says.

No matter how diligently managers emphasize during a lease signing that the facility is not responsible for stored items, many customers still assume the facility will cover a loss.

no matter how many times you are asked. This means that you must be prepared for a barrage of questions, but you are to say nothing more than the statement above." Most self-storage operators have adopted similar policies.

R. O'Neal Gray, COO of Dallas-based Rearden Capital Corporation, says one of his company's policies is contact the

possessions and make their own decisions. Depending on the problem, we offer to pay to have their goods moved to another unit in the building."

Some individuals are naturally more adept at working with customers in a crisis, and it is wise to identify those people in your organization and designate them for such circumstances. Gray says if

Communication skills are not just a plus for a service-oriented business—they are paramount. This is especially important when customers must be given unwelcome news. Having communication guidelines in place, training staff on what to say and how to say it, and designating those individuals with the highest communication skills to talk with unhappy customers and the press will help operators avoid the loss of both loyal customers and a hard-earned

reputation for principled business practices. 



Tammy LeRoy is Editor of *Self-Storage Now!* and Associate Editor of the *Mini-Storage Messenger*.

## Condensation, Mold or Mildew? Despite Climate Control?

- Eliminates condensation
- Prevents mold and mildew
- Stops corrosion
- Stops dust-mite reproduction
- Reduces insects



# LOGIS-TECH, inc.

Visit us at  
Booth #643  
in Vegas

Available From



**Bill Martin**  
**1-800-974-9771 x108**  
**www.logis-tech.com**