

MANN REPORT MANAGEMENT



Our Investment, Your Return

Bargold Storage Systems

Front row: Jordan Goldman and Josh Goldman; Back row: Alan Goldman and Jerry Goldman

Many Have Tried, But No One Has Replicated The Cutting-Edge Service Of Bargold Storage Systems

Bargold Storage Systems

It was nearly 30 years ago that Mike Goldman stumbled upon a market niche that would propel him and his family to create a new paradigm in personal storage.

“My dad and uncle got started in commercial mini-storage by accident,” says Josh Goldman, Mike’s grandson and President of Bargold Storage Systems, which serves the entire Metro area from their Long Island City headquarters.

Josh’s father, Jerry Goldman, recalls the day in the mid-1980s when his father, Mike, called and said, “Mom wanted me to get some stuff out of the house, and there’s a line of people looking to rent closets for a lot of money.” He thought it was a great business opportunity, and together with his two sons, Jerry and Alan, he started looking for a storage facility immediately.

They found a ten-story building way out in Brooklyn that seemed perfect, and began getting contract bids to construct the storage units. When the bids came in, they were shocked at the high cost, and decided they could do the job themselves much more economically. Thus began their business of manufacturing solid steel storage units.

“Eventually we had nine storage facilities in New York, Westchester and Philadelphia,” recalls Jerry, and they sold out to a national chain. “Several years later, someone asked us if we could build a four-unit storage room in his building. My dad ran the crew, and we liked the idea and started selling on-premises storage units.” But a lot of buildings didn’t have the cash to invest and didn’t want to get involved in managing the storage rooms. “So we said, ‘let’s put it in for free and we’ll manage them.’ I was skeptical, but it worked. We did it and became very successful.”

Mike Goldman continued to oversee site construction until his death in 2003. In fact, it was Mike who got Josh and his cousin Jordan to join the family business in the mid-1990s.

Three Generations Working Together

“One day in 1995 my grandfather asked me to meet him downtown at the Marriott,” recalls Josh. “He said, ‘meet me on the second floor; I’ll be napping in one of the chairs.’ He was around 80 at the time. I woke him up and we talked about his vision for the business. He told me about the concept of building storage in basements of residential buildings, and he wanted me to come work with him. I was here when we rented our first storage unit, and that became our focus.”

Thus Bargold Storage Systems was formed in 1995 with three generations of the Goldman family running the operation.

“We’re under the radar,” says Jerry. “We run a very good business that has not been replicated. People have tried but they bow out. There were early years of negative cash flow during which we did

very expensive installations with almost no return. We buy the steel, install the units, all up front. Payments come in very slowly over a long period of time.”

Streamlining Through New Technology

The key to shouldering the burden of these expensive installations has been to streamline Bargold’s management and maintenance services through the use of new technology. When Josh joined the firm in 1995, he brought with him years of experience working in computerized technology on a corporate level. This has allowed the company to stay on the cutting edge of instant data transfer, even developing their own software and their own web-based system to track everything from maintenance issues to vacancies and waiting lists to billing and payments.

With five maintenance crews, three installation crews, and a delivery crew all equipped with hand-held barcode scanners and smart phones, they are able to photograph and upload reports of onsite problems instantly. Support staff in the office can then handle all incoming calls and reports right away.

“Ten years ago, when all the payments came in by check, we would divide them into batches, and the five of us would take turns walking them over to the bank for the first few days of every month,” says Jerry. “Josh and Jordan computerized everything and made the business very efficient. Now the majority of payments are made electronically with auto debits from our customers’ banks. We could never have handled over 15,000 payments every month the way we did it before.”

Keeping It Simple For Customers

“Our tag line is ‘simply there,’” says Josh. “We want to simply be there to take care of everything for the managers, and for the end users we want the storage to be there and be simple and easy to use, with no concerns. By utilizing technology and our personal customer service people, who we continuously train, we can accomplish that goal. We want to be able to put ourselves in the shoes of the customer, and solve whatever problems arise immediately.”

Solving problems is a big part of Bargold’s business. “We hear the same things all the time,” says Jerry. “Leaks, pests, flaking paint, water damage. You have to put yourself in the customer’s position. We are continuously trying to further the whole office mentality of customer service. We don’t want clients to have to call their management companies; they call us and we know everything right away so we can repair problems as soon as they are detected.”

Because of the high-tech systems they have developed, Bargold is able to keep customer costs down. “We’re probably one-half to one-third the cost of off-site storage because we deliver the product as economically and efficiently as we can,” says Jerry. “Having 20 reps in the field with handhelds that can tell me what’s going on is



Alan Goldman, Jerry Goldman, Jordan Goldman, and Josh Goldman

very important. We have installations in close to 2,000 basements, and we visit each one every two to three months.”

A Priceless Amenity: More Space

Storage rooms are a huge amenity for residents. “Inertia is our biggest ally,” says Jerry. “People are very protective of their stuff.” As residents demand extra space, more and more property owners, managers and boards are installing storage rooms. And as more buildings switch to gas heat, they are eliminating large oil tanks, opening up space that was previously unavailable.

“Almost every building we go to has a mound of stuff in their unused space that is a fire hazard and needs to be removed. We have a 30-foot dumpster that goes out almost every day.”

“Clean-out and extra services are a big part of what we provide,” explains Josh. Their crew comes in and cleans out the room, paints it white, puts in fluorescent lighting, puts a solid door on it and installs steel rooms with raised floors and solid roofs. Back in the early days of the business, Mike designed a movable cutting device to cut steel on site to spec. “We still use the same materials today,” says Josh. “Eighteen-gauge steel structural studs and corrugated steel panels, raised fire-retardant floors and solid metal roofs.”

Cultivating Customer Loyalty

Most of Bargold’s customers sign up for ten-year rental agreements, and 90% of them renew. Their average storage room is eight units, rented to occupants of the building on a month-to-month basis, with 25% of the rental revenue transmitted monthly to the owners of the building. In most locations, there is a waiting list for storage units. Bargold specializes in customizing

the space to any building. A recent trend has been the addition of bike racks or bike storage areas to many storage rooms. With thousands of storage units installed over the years, and a staff of about 50 people, Bargold looks forward to a bright future. They are committed to staying abreast of the ever-changing technology and using it to provide customers with the best products and service possible.

Today, Jerry and Alan are still active in the company, but spend less time on the day-to-day operations. “The two of us have been in business together over 50 years,” says Jerry. “It’s a great blessing and relief to us that my son, Josh, and Alan’s son, Jordan, are extremely close. We’re hoping that their kids will be a fourth generation of Bargold management.” Josh has two daughters, aged 10 and eight, and Jordan has a 10-year-old son.

Says Jerry, “My granddaughter asked me the other day, ‘If you spent more time in Florida, would daddy pay you less money?’ I told her, ‘No, I think he’d pay me *more* money!’ Alan and I are delighted about the things that have happened here, that we could not have done if our two sons had not joined the business.”

*By Vicki Chesler, President Of Highpoint Ventures, Inc.,
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