

Automatic MERCHANDISER

The Vending, Micro Market &
Coffee Service Industry Resource

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Kevin Carter,
operations manager,
John Ward IV,
warehouse manager
and John Ward,
owner of Serenity
Market Vending

How Going All-In Rejuvenated An Independent

MICRO MARKET SUCCESS

Two years after launching their first market, John Ward and his Serenity Market Vending team have transitioned to 100 percent micro market service.

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THE LEADER IN MICRO-MARKET FIXTURES

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- › Take photos & room measurements
- › Sketch your concept layout & ideas on paper
- › Upload to our website

② LAYOUT

- › We draw a detailed layout showing all existing conditions
- › We take your ideas & recommend a fixture & equipment package
- › You review the design for approval

③ FABRICATION

- › Fabrication begins & ship date is scheduled
- › Consolidate any equipment buy-outs
- › Crate easy to assemble fixtures & components
- › Ship complete package from our facility

④ INSTALLATION

- › Receive shipment at your dedicated facility
- › Uncrate and set in place
- › Assemble components per our instructions
- › Load product & begin the operation of your micro-market

CUSTOMIZED MICRO-MARKET FIXTURES

When standard fixtures will not fit your account space, we will design a fully customized solution around the existing constraints of the room.

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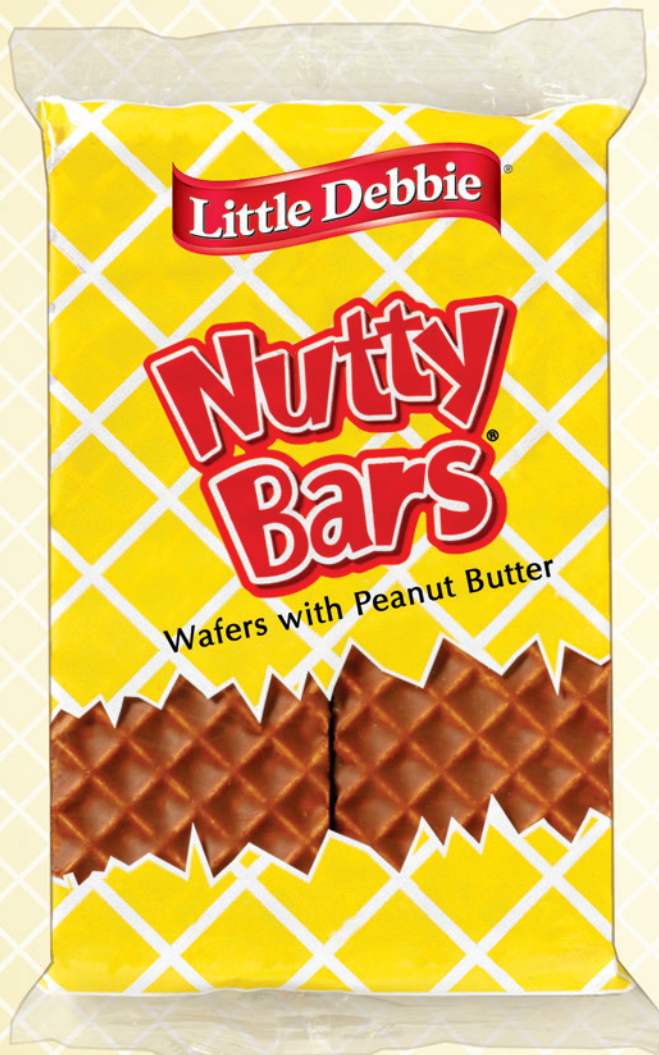


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Time To Reshape Our Thinking

To benefit from micro markets, operators need to treat them like retail.

On this page there are two photos. One is a micro market and one is a convenience store. Can you tell the difference?

This similarity between the two illustrates a point brought up in many articles and presentations about micro markets — that they are retail establishments that need to be treated differently than vending banks, from the way items are faced on shelves to what products are offered.

Operators launch vending minus the door

One of the most detrimental practices for vending operators launching micro markets is treating them as though they are simply grand

vending machines without a door. I've seen markets where the product layout mimics a vending machine (chips near the top, candy in the middle, gum near the bottom). Fresh food is scarce (mostly nonexistent) and the food does not mirror changing consumer trends, as it should. Products are stocked without the attention to detail that is common in merchandising a convenience store and this is a problem because micro markets can attract a broader array of customers.

We all know certain types of consumers will buy from vending machines,

and others will not. The same isn't true for micro markets. From the fresh food selections in deli-style containers to additional products in popular sizes and varieties once restricted from the vending channel — more consumers are drawn to the breakroom. This is great news for micro market operators. This is the main reason revenues



increase when a vending bank is converted successfully into a micro market.

Don't overlook the ability to price it right

The increased number of SKUs and often different products available in the micro markets also allow the operator to raise the prices of items. This can improve margins and cover the additional cost of cashless transactions, theft and spoilage — all concerns of operators looking at the micro market cost analysis. While some traditional vending customers are sure to question the price hike, most will see that the convenience and variety in the micro market more than makes up for the higher price tags. For the minority who see it as a problem, educate them about the new and trendy selections that were not available in the vending machine. Explain about the better quality products compared to vending during the grand opening — that's a great time to not only sign up customers, but stir up excitement about the new system and point out all the new SKUs. This is also the reasoning behind eliminating commissions.

Micro markets are reshaping the industry because many operators have already begun redefining themselves and the business they are in. They know that if you give customers a reason to expect more, then they will pay more. Don't short change this great opportunity to drive up revenues and raise the status of the important service the industry provides. | ◀



EDUCATION
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when
you open
a micro
market.*

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Aramark Starts Marketing Its "Vibe" Micro Market

Aramark, the \$15 billion global provider of services in food, facilities management and uniforms, has started marketing what it calls a workplace refreshment innovation — a new micro market concept called Vibe. "Our Vibe concept is an example of how we innovate the everyday for our clients and customers," said Brad Drummond, Aramark chief operating officer in the announcement. "Many of our more than 450 Vibe locations cater to clients that do not have traditional cafeterias, are spread out over large campuses or have shift-based work schedules outside of the traditional 9-5 day."



Aramark began marketing its micro market concept called Vibe.

Fresh food focus

Fresh food items range from \$3.99 to \$7.99 for a full meal and snack foods typically range from 99 cents to \$2.99 for higher end choices. Vibe markets are designed using Aramark consumer research to position healthy or "Better for You" food choices in areas where consumers are more likely to select them, according to its announcement. Once a contract is finalized, the company claims to be able to construct and open a Vibe location in about six weeks.

received \$450,000 in seed funding. This initial funding round from David Cummings of Atlanta Ventures and private investor, John Lally, will provide Gimme with the capital needed to pursue aggressive technology advances and make strategic new hires.

"With this critical round of funding, our vision is to streamline, automate and revolutionize the vending industry with Gimme by helping our customers solve their two biggest problems: keeping track of cash and product, and speeding service calls," said Cory Hewett, CEO and co-founder of Gimme.

NAMA Debuts Fly-In Advocacy Video

► NAMA announced that a new advocacy video featuring interviews and coverage from the association's inaugural fly-in this summer is now available on www.NAMA-voice.org.

More than 200 NAMA members and industry leaders convened in Washington, D.C. in July for the association's inaugural industry fly-in, NAMA Takes the Hill. Attendees representing 35 states and the District of Columbia took part in more than 180 meetings with elected officials and their staffs from both the U.S. Senate and the U.S. House of Representatives.

"The fly-in was an energizing event and this video captures the excitement. I can't wait to attend next year and I urge you to watch this video and plan to attend this important event next July in Washington, D.C.," said Jeff Smith, NAMA's Government Affairs Committee Chair.

Patterson Company, Inc. Announces The Acquisition Of Suchart Vend Brokerage

► Patterson Co. is pleased to announce the acquisition of Suchart Vend Brokerage, effective Nov. 1. Patterson will retain the current Suchart employees. "The synergies of the two companies will benefit customers with a full complement of lines represented across the marketplace," Patterson Co. wrote. "The long successful histories and well respected reputations will make this

a seamless transition to all customers and suppliers."



Club Coffee's PurPod100™ Earns BPI Certification

► Club Coffee announces that it has earned Biodegradable Products Institute (BPI) certification for PurPod100™, the world's first certified 100% compostable single-serve pod for coffee, tea and other hot beverages.

BPI certification requires that products be tested in approved independent laboratories and then be independently verified according to scientific standards ASTM D6400 and D6868.

Certification by the BPI confirms that PurPod100™ is "industrially compostable," meaning that it fully breaks down in large-scale commercial composting processes.

Gimme Vending Raises \$450k In Seed Funding

► Gimme Vending announced that it has



Vistar Drivers, Warehouse Workers Join Teamsters Local 630

► California warehouse workers and drivers at Vistar, a Performance Food Group (PFG) company, have voted 70 percent in favor of joining Teamsters Local 630 in Los Angeles, CA. There are 71 workers in the bargaining unit and all but one participated in the Aug. 27 election.

Forbes: PepsiCo Will Look To Snacks For Future Growth

► Soft drinks have fallen out of favor with many consumers over the last several years, but snacks continue to be in high demand which is good news for companies like PepsiCo which offer both.

While sales for PepsiCo's drink division have been declining, sales from the company's snack division have risen at nearly the same rate over the last three years, Forbes reports. As a dominant player in the snacks market, PepsiCo may continue to see bolstered growth in its salty snack segment as Americans continue their snacking habits, instead of its drink segment.

Survey Reveals That Free Snacks Are The Key To Happiness At Work

► According to a new survey by grocery-delivery service Peapod, companies that offer free snacks in

the workplace have happier employees compared to those who do not. The survey revealed that 67 percent of employees who are given free snacks and food as a workplace perk are "extremely" or "very" happy with their current job. The number of employees who said they are given free snacks at work is just 16 percent, however. Additionally, 48 percent of respondents said they would weigh company perks, including the availability of snacks, in their decision when looking for a new job.

Vermont Operator Sees Consumers Turn From Vending Due To Price Hikes

► Some vending machine customers are seeing a price hike in the products they are buying in Vermont vending machines. As of July 1, 2015, all food and beverages sold in vending machines in the state are subject to its nine percent Meals and Rooms Tax, which is leaving a bitter taste in the mouths of customers and operators.

Rob Litchfield, sales manager for Farrell Vending, told WCAX that he has had a few customers ask to remove vending machines from their location as a result of the tax. Litchfield told the source that the company sends \$30,000 per month in tax revenue to the state from its 1,500 vending machines and needed to raise prices in order to avoid taking a hit on its bottom line.

Litchfield notes that the company has been adding healthier products in order to keep customers interested and coming back to the machines, but he expects his sales to continue to drop.

People in the News

PayRange Hires Anna Nguyen As Chief Operating Officer

PayRange Inc. announced that it has appointed Anna Nguyen as chief operating officer. Nguyen previously worked at Yahoo!, YouTube and Google. She has guided numerous startups from infancy to successful exit.



Nguyen

G&J Marketing And Sales Announces New VP Of Coffee Service

G&J Marketing and Sales (G&J) is pleased to announce that industry veteran Ken Shea, of Ken Shea & Associates, has been retained to support G&J's rapidly expanding Coffee Service initiative. Shea will serve as G&J's vice president of the coffee service division.



Shea

Dean Foods Names Ralph Scozzafava As EVP & Chief Operating Officer

Dean Foods Company named Ralph Scozzafava to EVP and chief operating officer (COO), effective Oct. 1, 2015. He will continue to report directly to Gregg Tanner, chief executive officer. In his new role, Scozzafava will continue to oversee the commercial functions of sales, marketing and R&D along with the addition of operations & procurement and logistics.

United Natural Foods, Inc. Announces Executive Team Transition Plan

United Natural Foods, Inc. announced an executive team transition plan. Michael (Mike) Zechmeister has been appointed senior vice president and he will succeed Mark Shamber as senior vice president, chief financial officer and treasurer, effective mid-Oct., 2015. Shamber will assist with the executive team transition and continue to assist the company with business strategy and development through Dec. 31, 2015. Zechmeister joins the company from General Mills, Inc.

The Coffee Bean & Tea Leaf® Announces New President And CEO

The Coffee Bean & Tea Leaf® announces the appointment of John Fuller as the new president and chief executive officer. Fuller most recently served as president and CEO of The Johnny Rockets Group, Inc., for the past five years.



Fuller

Canteen Acquires Central Vending In Janesville, WI

National vending machine operating company Canteen has recently acquired Janesville-WI based Central Vending Co. from owner Robert (Bob) Yeomans for an undisclosed sum. "I needed to retire," Yeomans told VendingMarketWatch about his decision to sell. It was time for Central Vending to upgrade some of its technology and launch into micro markets, but Yeomans was unsure he was the right person for the job. "While we employed great people and had great customers, my age presented a challenge to recovering the needed investments in a reasonable period of time," shared Yeomans. "Selling to Canteen seemed the best option."



A legacy of service

Yeoman's father started Central Vending Co. in 1950. Yeomans joined the family business in 1972 as a MBA graduate. The southeast Wisconsin vending and OCS locations the company served were predominantly blue collar at that time. Yeoman's saw the business through a transition that had him learning about the changing consumer taste profile and using software to meet the refreshment needs of a more diverse workforce population. It was a legacy of service that lasted for 65 years.

a 30-day option to purchase up to 2,175,000 additional shares at the initial public offering price. PFGC's common stock has been approved for listing on The New York Stock Exchange under the symbol "PFGC."

Georgia Couple Purchases Vending Company On Craigslist

► Rome, GA-based couple Robbie and Lillie Vaughn purchased Cartersville, GA-based Double Tree Vending after having found the company for sale on Craigslist, reports Northwest Georgia News. Robbie Vaughn told the news source that he and his wife had been looking to start their own business when they came across the Craigslist posting.

The couple has moved Double Tree Vending's base of operations to East Rome, where it has an existing client base.



Numi Organic Tea Engages NCS&V For Exclusive National Sales Initiative

► Numi Organic Tea has engaged National Coffee (NCS&V) to oversee the national sales initiative for its Numi Organic Teas within the US office coffee services (OCS) market. National Coffee will deploy its team to generate sales nationwide for the Numi Organic brand. "I am looking forward to a long and mutually rewarding partnership between Numi and National Coffee," said Hammad Atassi, vice president of food service for Numi Organic Tea.

CALENDAR OF EVENTS

NOV. 2-4

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NOV. 16-17

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MAR. 9-11

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MAR. 11-13

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APR. 13-15

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Performance Food Group Company Announces IPO

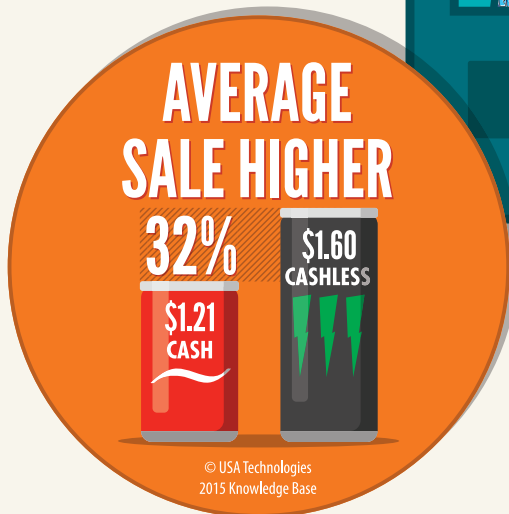
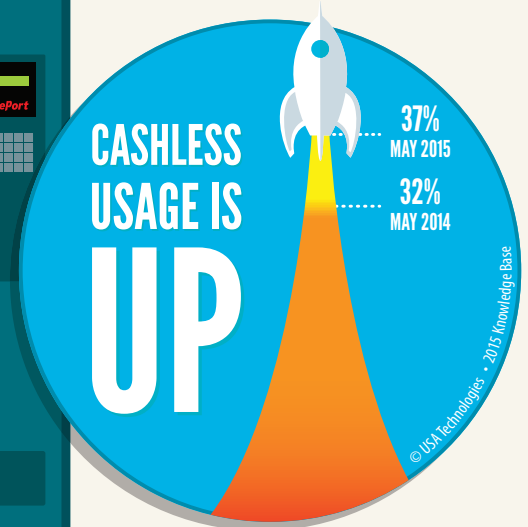
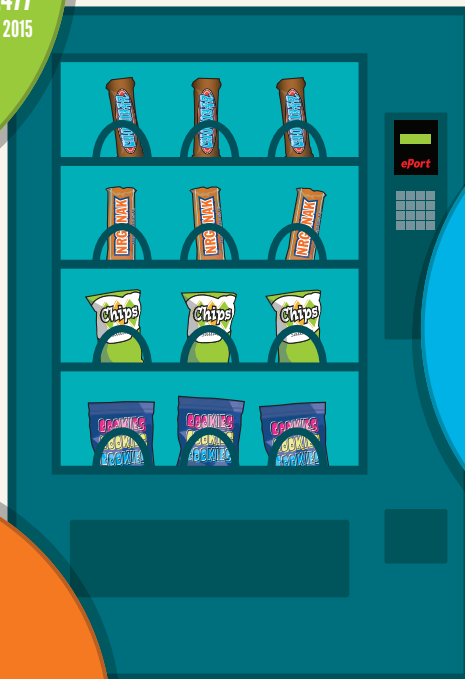
► Performance Food Group Company announced it has commenced its initial public offering (IPO) of 14,500,000 shares of its common stock. PFGC is offering 12,777,325 shares and certain selling stockholders are offering 1,722,675 shares.

The initial public offering price is currently expected to be between \$22.00 and \$25.00 per share. Certain selling stockholders have also granted the underwriters

TRENDS IN VENDING



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How To Set Your OCS Business Apart

By Emily Refermat, Editor

Focus on the latest brewers, branding and engagement with your community and customers to get an edge in a crowded marketplace.

Getting started in the office coffee service business is more challenging today than in the past.

From larger financial investments needed for equipment to lower margins on coffee, it can be difficult to grow and market yourself in a way that brings in customers. However, success can be achieved by spending money on the right brewing elements, marketing yourself and being a visibly active member of the community with a great service.

Prepare more than a better cup

“The best way to gain that competitive advantage is preparing a budget that will allow you to buy the latest in brewing technology,” said Steve Brehm, president of Berry Coffee Co. in Eden Prairie, MN. “Couple this with the best coffee in your region and make sure the water you are using is filtered with a good quick disconnect system.” Success in the OCS business is all about providing that great cup of coffee coupled with great service.

Brehm also believes a good logo that is placed on everything you own or provide is important, including trucks, equipment, business cards and company apparel. It helps establish your brand in the community and keep your name at the top of the

client’s mind. In fact, there are many ways of getting the company name out in front of others.

“Never discount the importance of using all the tools the Internet has to offer including social media and a robust Website that is current and up to date,” said Brehm. This will increase your search engine ranking, a much needed tool as location managers more often use the Internet to search for items they want to buy or research service companies.

“Social and community engagement are very important,” agrees Jeff Deitchler, general manager of PrairieFire Coffee Roasters in Wichita, KS. Too often OCS operators look at their business and pat themselves on the back for a job well done — business is going well and there is no need to change. “But complacency can be a killer,” said Deitchler. Instead, he makes it a point to join what he calls “leads” groups, like the local Chamber of Commerce, the Rotary Club or the Lions Club. “Some cities have executive associations made up of business owners or top level executives,” said Deitchler. He stresses the importance of getting involved with these. One suggestion is to provide refreshment at community events, such

as benefit races or walks. “Providing in-kind sponsorships builds awareness and relationships with others doing the same. Businesses like to support businesses that support them,” explained Deitchler.

Offer value beyond price

Getting out there won’t work without your value proposition, however. “If all operators are priced similarly in a market, service levels can be the difference,” said Deitchler. “Don’t say you will provide world class service unless your entire company is totally committed to delivering it.” The problem is customer expectation. If the client is told which day service will come, but that service goal isn’t met, it will cause a loss of confidence from the hard earned customer. “Don’t give them a reason to find your replacement,” said Deitchler. Part of the value is selling only top-quality products. When operators buy only the cheapest products from the wholesaler, their customers notice, warns Deitchler. “Remember the old adage, ‘If you win by price, you lose by price,’” said Deitchler. “Provide great products and

back it up with outstanding service, and you can become the best operator in your market.” ◀





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HOW GOING ALL-IN WITH MICRO MARKETS Rejuvenated An Illinois Independent



By Adrienne Zimmer, Managing Editor

Two years after launching his first micro market, Serenity Market Vending owner John Ward has transitioned to offer 100 percent micro market service and seen a 20 percent increase in revenues.

John Ward, Josue Almonaci, Kevin Carter and John Ward IV make up the Serenity Market Vending team.

When John Ward, president of Rockford, IL-based Serenity Market Vending, saw the micro market concept for the first time in 2012, he knew he wanted to go all-in. For Ward, micro markets enveloped everything that he loved about providing office refreshment services: variety, convenience and ease. So in 2014, one year after launch-

ing his first micro market, Ward took a leap of faith and sold the remainder of his company's vending accounts and converted Serenity Market Vending to a micro market-only operation.

More than one year after the conversion, Serenity Market Vending has seen vast improvements in its operation. Through its focus on serving small accounts, offering top of the line products and evolving with consumer



Carter and Ward enjoy providing an office refreshment solution that allows them to cater to changing consumer preferences.

preferences, the company has seen a return on investment (ROI) in three to five months at all locations and has increased revenues 20 percent over traditional vending.

From paving to vending

Ward began his journey into vending 13 years ago in 2002. At the time, he was working in the paving industry as part of the family business. Ward knew early on that the paving industry would be facing tough times, so when he heard about an opportunity to start his own vending business part time, he became interested. “I went to a seminar and I saw a real opportu-

nity in the Rockford area to provide a great vending experience to people,” he said. “The next thing I had to do was convince my wife,” he joked.

Ward and his wife, Annamarie, created and ran Serenity Vending from their home garage between 2002 and 2009. As the years progressed, the company continued to grow — making five acquisitions in four years — and in 2009 Ward moved the operation from his home to a warehouse. By 2010 Serenity Vending had sixty vending accounts and two routes.

Although Ward enjoyed providing refreshments in the workplace, he could hardly keep up with the

amount of service calls he was getting on machines. “We service a large area of northern Illinois and southern Wisconsin,” said Ward. “I was getting three to four calls a week on different machines that were spread out in different areas. With our small staff, it was getting difficult to keep up the great level of service that we promised our customers.”

In Nov. 2012, Ward’s perspective on the industry changed when he was introduced to the micro market concept. One of his largest locations, a manufacturing plant, had asked another operator to bring in a micro market concept, in addition to Ward’s vending service. “I saw the micro market and knew I was looking at the future of the industry,” he said. “I began researching the micro market providers who were available at the time and I really connected with Three Square Market (32M) and so we began partnering with them.”

In June 2013, Ward made his first vending to micro market conversion. One year after that in the summer of

DIY projects

The Serenity Market Vending team learned early on that do-it-yourself (DIY) projects not only saved them money, but gave them the ability to be creative with a client’s breakroom space. The company creates and installs its own “coffee bars” at each of its locations, consisting of a cabinet and countertop that they purchase at a home improvement store. “We can buy cabinets that fit the space, rather than paying someone to custom design it,” said Ward.

Serenity Market Vending also uses repurposed wooden stand up displays for its snacks at some of its locations. The company invests in customized graphics to create a unified and branded micro market look.

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The company offers 80+ cold beverage SKUs, 150+ snack SKUs and 150 to 300 food SKUs.

2014, Serenity Vending sold off what remained of its vending accounts, began offering only 32M micro markets and changed its name to Serenity Market Vending. (See “From competitors to partners”)

“I could not go back and duplicate the journey,” said Ward. “We have been fortunate to be in the right place at the right time making decisions that have worked for us.” Today the company services 32 micro market accounts, which make up one route.

Focus on small accounts

Although some micro market operations shy away from small accounts, Serenity Market Vending has found that those work best for its business. “We’ve been able to grow and compete with other micro market operators by focusing on small accounts with 70 to 200 people,” said Ward. The company will even take on smaller clients, but requires the location bring in \$700 per week or more to sustain micro market service.

Ultimately, blue collar accounts work better for Ward. “I closed a

100 employee white collar account because sales were \$200 per week,” he said. “After placing a micro market, we started losing money.” Ward has found that employees in blue collar locations spend between \$5 and \$8 per person per week in the

micro market, whereas white collar employees typically spend only \$1.50 per week per person.

Ward appreciates that he can focus on the smaller workplace size, something that his competitors overlook. He also believes that it has been a driving factor in the company’s micro market success thus far.

Serenity Market Vending has seen a return on investment in three to five months in all locations, which is something Ward never saw in vending. “The margins were so tight in vending that it was difficult to grow and make a profit,” said Ward. Since moving to 100 percent micro markets the company’s revenues have been up 20 percent.

While that has been welcome news to the operation, Ward says that the conversions did not come without some challenges.

Unforeseen obstacles

Although Ward knew that micro markets would work great in some of his accounts, it was a challenge in the beginning to get locations to consider the switch. “Education is the hardest thing about implementing micro markets,” said Ward. “Today it is easier because they are becoming

From competitors to partners

Although Ward no longer services vending, he decided to keep his company name Serenity Market Vending to attract potential clients. “Micro markets are so new that not a lot of people know what they are yet,” said Ward. “We still regularly get calls about locations looking for vending service, so I set up a partnership with two other vending operations that reside in the same warehouse space we use.” Ward sells the vending leads to one of these vending partners if the location isn’t a good fit for a micro market. “We used to be competitors, but now we are partners,” he said.

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more widely known and we can take a client to an existing market, but in the early stages, not many people bought into it.”

It wasn't just customers Ward was educating about micro markets. “I learned a lot of things that worked, but more things that didn't work,” he joked. In some of his first markets, Ward placed double-door coolers and multiple racks. But then he started getting complaints that the market looked empty. Although the micro markets offered double the amount of SKUs available in vending, empty space in the cooler gave the impression that Ward and his team weren't visiting the location as often. To combat this, Ward switched to single-door coolers and took away extra baskets to make the space look more concentrated.

The Serenity Market Vending team was also faced with an issue it never expected to have: growing too quickly. “From 2013 to 2014 our growth was 250 percent,” said Ward. “There was a month where we opened seven markets and our sales doubled. That was an unforeseen challenge that made us evaluate how we want to grow in the future.” Ward believes that growing at a steady rate is a good thing and hopes that Serenity Market Vending can expand 20 percent each year, organically.

Despite the challenges, Ward sees micro markets as an opportunity to offer consumers an up-to-date, retail-like experience.

Expanded offerings

Micro markets have allowed Serenity Market Vending to expand its inventory and offer hundreds of SKUs, an opportunity Ward enjoys. In fact, Ward oftentimes travels to convenience stores to see new products that he might be able to offer to his customers. To Ward's surprise, large convenience-store size snacks don't sell as well in his micro markets as single serve snacks do. “Everyone



32M kiosks give consumers multiple ways to pay, which the Serenity team appreciates.

“I learned a lot of things that worked, but more things that didn't work.”

John Ward, president of Serenity Market Vending



Cold beverages make up 25 percent of Serenity Market Vending sales.

I spoke with early on thought that the consumer would buy big bags of items in micro markets, but in my experience, single serve sells better,” he said, “which is alright with us because we make a higher profit on smaller bags.”

Serenity Market Vending's diverse food offering has been a way in which it stays competitive. “Our food offering is very different from our competitor's,” said Ward. “We try things out that they won't, because perhaps they are restricted in what they can offer.” Serenity Market Vending offers 80+ cold beverage SKUs, 150+ snack SKUs and 150 to 300 food SKUs and includes popular brand name items like Deli Express and Johnsonville along with private label products such as wraps and salads.

The company is constantly revolving food and introduces a new product every week or two. “If it's the same food, people will be sick of it,” Ward said. The 32M micro market kiosk also has the capability of accepting customer suggestions that are shared

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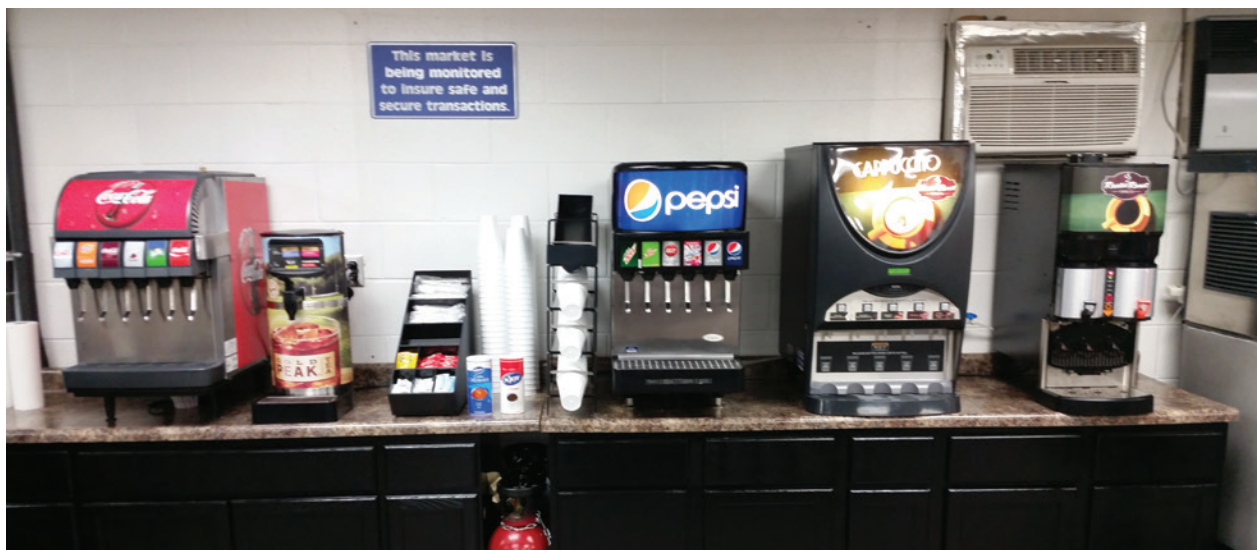


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with Ward. “We had a customer request for ginger ale at a location and so we began offering it. Believe it or not, it sells really well and that’s just something you’d never think of putting in the vending arena.” Expanded SKUs mean that Ward can offer a larger variety of cold beverages, including things he could not offer in vending. “Caffeine-Free Diet Mountain Dew is also a great seller that I would not have sold in vending.” Cold beverages make up 25 percent of Serenity Market Vending sales.

Ward also likes that he can offer different varieties of fresh food, which in total makes up about 20 percent of sales.

Liquid coffee sells best

Serenity Market Vending’s overall micro market bestseller, however, is coffee. The company offers liquid coffee that is sold in all locations for a dollar per 16 ounce. “We contract with Pepsi and give customers two different Bunn machine options,” Ward said. “In a two head liquid coffee machine we offer regular and decaf coffee. With a three or five head machine we add hot chocolate and French vanilla cappuccino options,” he continued. Liquid coffee allows Ward to offer multiple beverage options without the mess

Serenity Market Vending offers fountain soda in one of its locations that bans bottles.

of single serve pods. In addition, one liquid coffee bib can make around 350 8-ounce cups, meaning a high volume of employees can get their coffee beverage faster, he says.

Ward dismisses the claim that liquid coffee is undesirable. “I do wish there were more options for liquid coffee, but the quality has improved greatly in the last five years and our customers like it so much that it’s the best-selling product in all of our micro markets,” he said.

Ward appreciates that if there is a machine malfunction, he can contact Pepsi and a representative will fix the problem. “We have significantly less service calls on our equipment than we did with vending,” he said. “If we have an issue with our coolers or cof-

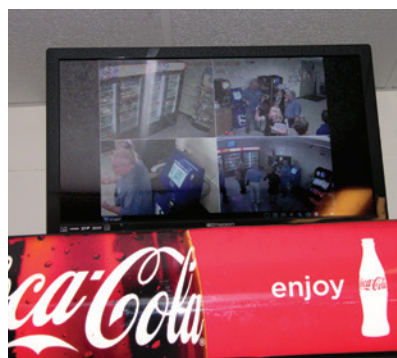
fee equipment, we can contact Pepsi. If we have an issue with our kiosk, we can reboot it remotely or get in touch with 32M quickly. It’s seamless and efficient.”

Below the theft threshold

Security is a top concern for many locations, but Ward says it is not as big of an issue for him as it is for other operators. The average shrinkage has been less than 3 percent, he said.

The company purchases its own surveillance cameras online through Amazon and spends around \$150 per market on the equipment. Generally, the employees who do steal make pretend purchases by scanning their items and abandoning the shopping cart to make it look like they checked out. Digital screens above the kiosk don’t stop thieves, either, Ward says. “Bad eggs make the market look bad, but they are far and few between,” he said. “Most employees won’t risk their job for a bag of chips though so theft has not been a large problem for us.”

The company does an audit on each location every 12 weeks and the drivers are able to conduct spot checks on their smart phones to ensure that their inventory levels are where they should be.



Theft is not a large issue for the company.



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Customization

Serenity Market Vending is a company with a rejuvenated purpose since it transitioned to become a micro market-only operation, said Ward. The company customizes individual breakrooms, from new paint to new flooring and furniture including flat screen TVs, to bring each location into the 21st century. That also includes the 32M mobile app. "A lot of our customers simply manage their transactions without ever going near the kiosk," said Ward. "We provide them with an experience they can get in retail and I think that drives consumer interest and engagement."

The company has also begun implementing promotions where a customer can receive a credit for loading \$80 into their market account. Ward has plans to offer more loyalty and promotions programs in 2016.

Profile: Serenity Market Vending

Owner: John Ward

Headquarters: Rockford, IL

No. of employees: 4

No. of routes: 1

Micro market provider:
Three Square Market

Annual sales: Not revealed

What works for one may not work for all

Ward knows that a 100 percent micro market operation may not work for everyone, but he advises other operators to think seriously about adding micro markets to their existing offerings. "Technology innovations are so

important right now," he said. "We are all in a learning curve and we are figuring it out as we go along, but I think it's important to embrace the innovations or you'll be left behind."

Right now Ward considers Serenity Market Vending a mom and pop company, but he has big plans to change that. "I would love to grow and compete with the big guys. There is a point in every business where you reach a critical time in which you have the right sales volume, the right employees and you've made key decisions that can lead to growth," he said.

"We have had challenges transitioning to 100 percent micro markets, but our growth has been outstanding," Ward continued. "This model works for us, and we are grateful to be able to focus on what we believe to be the future of office foodservice." | ◀



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Mastering **Micro Markets**

By Emily Refermat, Editor

How successful micro market operators faced challenges early on and why they don't regret the move.

Since micro markets really started to explode on the vending scene back in mid-2011, they have been a powerful force. In just a few years, they have gone from a nameless self-checkout system to driving nearly 9 percent of overall vending operation

revenues. Yet, many operators are hesitant to open a micro market. The reasons range from concerns about theft to the true return on the investment when you consider the cost of a kiosk, additional SKUs of product, royalty fees and more. That's why we



asked a small groups of operators, all running successful micro market segments, to tell us about some of their biggest challenges, how they overcame them and what they see for the future.

The right choice

Today there are at least 10 separate providers of micro market systems who all offer different equipment, software and fee structures. Getting educated about the systems and choosing the best for your operation can be the first hurdle. This was probably the biggest challenge for

“Customers really like the micro market. I don’t see it going any way but up.”



Steve Toone, a Salt Lake City, UT-based operator

Steve Toone, a Salt Lake City, UT-based operator with seven routes, when he decided to open his first micro market two years ago.

“Other operators in my area already had a platform,” said Toone. “Therefore, we didn’t want to use that one. We wanted to be different.” Toone turned to colleagues for help. He was a member of the USConnect alliance, which, at the time, had a contract with the micro market provider Revive. He opened his first Revive market in 2013 and hasn’t looked back.

“Customers really like the micro market,” said Toone. “I don’t see it going any way but up.” In two years, Toone has actually placed micro markets from three different providers, including the addition of Avanti Markets and Company Kitchen. He likes specific features of each system and really appreciates being able to see the particular way each provider goes about the business.

“Revive really lets the driver be efficient,” he said, “requiring fewer inventories, all of which can be done on a smartphone.” Avanti Markets offers many promotions that can be used with the USConnect card. Company Kitchen monitors product sales data and makes specific suggestions

on what products to try in place of a slow seller. “It really makes it easy to merchandise and keep the market fresh,” said Toone.

That was another big challenge for Toone when he started out. As he converted 600 vending machines to 22 micro markets with only existing staff, he felt that merchandising was something that got left behind. “Merchandising is of no. 1 importance in a micro market,” said Toone. “You need to get new product options into the customers’ sights.”

For 94-route, Austin, TX vending operator Josh Rosenberg, the greatest challenge was also merchandising, both from a customer perspective, and also as an industry. “It’s important to properly merchandise for the space,” said Rosenberg.

Accent Food Services originally set a freezer in every micro market location. “Then we found the freezer is the highest cost of capital with the lowest return,” said Rosenberg, who finds it’s only about 6 percent of the revenue brought in by a typical micro market in his area. The lesson learned is that one size does not fit all locations. “We want to sell frozen products. We need to have it available, but now we are very careful where we place them,” he said.

It wasn't just freezers, but the number of coolers, shelves, everything. "The biggest challenge every day is merchandising and not having the perception of empty shelves because that's where the client's mind ultimately goes," said Rosenberg. Accent Food Services has experimented with placing stands and stackers that make a market look more robust and also spur sales. "We'll do a pastry stacker at the register or a candy/gum stand similar to what you'd see at a retail location," he said. "We are using that to drive impulse purchases to get a bigger ticket average as well as to expand our space and have allowable inventory on hand without putting down more capital outlay or having it all on the shelf." In fact, the stacker becomes like a billboard, and it also frees up shelf space for other products.

The macro landscape



The way some operators look at micro markets and merchandise them to customers is another difficulty for Rosenberg. "We have competitors who are out selling micro markets more as a traditional vending platform,"

"The biggest challenge every day is merchandising and not having the perception of empty shelves because that's where the client's mind ultimately goes."



Josh Rosenberg, an Austin, TX-based operator

explained Rosenberg, who is nervous this is lowering the perceived value of the service. "They are leaving dollars on the table in lieu of market share."

Rosenberg believes these operators don't understand that micro markets allow a vendor to sell and act as a retailer. It allows them to improve margins and be more competitive, not just with other vending operators, but with convenience stores and quick service restaurants. "Instead, some are coming in as the low cost, low value provider," warned Rosenberg, "and diminishing value for everyone in our marketplace."

Tom Bach, general manager at Sirness Vending Services, Inc. in

Rochester, NY, agrees that a difference in thinking is really what drives successful micro markets. "Our biggest challenge when we first launched micro markets was breaking out of the 'vending box,'" he said. It took the company a couple of months to realize that treating a micro market like an oversized vending machine wasn't going to maximize the opportunity that markets presented. "Once we began to study the data, we realized we had an opportunity to better-serve certain day parts, such as breakfast and late-afternoon. As a result, we enhanced our coffee and breakfast offerings, and offered more grab-n-go fresh items for afternoon snacks as well as those offerings for on-the-go parents or folks stuck working late. As a result, we have been able to attract a more consistent crowd throughout the day, instead of just at lunch," explained Bach. In fact, in hindsight, he would have dedicated more resources early on to running markets the right way. "At first, our markets were just another stop on the vending routes, but now they are much more," admits Bach. "We have dedicated representatives servicing our markets, and a full pre-kitting section of the warehouse designed to accommodate our markets."

The experience was similar for Five Star Food Service, Inc. out of

"We realized we had an opportunity to better-serve certain day parts, such as breakfast and late-afternoon. As a result, we enhanced our coffee and breakfast offerings, and offered more grab-n-go fresh items."



Tom Bach, General Manager, Sirness Vending Services, Inc., Rochester, NY



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Chattanooga, TN. “We would have invested in personnel resources that had retail experience,” explained Gregory McCall, senior vice president of sales and marketing, about Five Star’s learning curve as it established its micro market segment. Trying to expand with traditional vending personnel was a struggle. In addition, McCall cites other issues, including getting customers that were willing to test the concept as well as building a nice, dense micro market service route early on. “You have to be willing to open markets regardless of their location,” said McCall. “Initially, this creates very inefficient routes with lots of windshield time between stops. The faster you expand your market count, the faster you will be able to establish efficient micro market routes.”

Five Star had dedicated micro market routes from nearly day one, which McCall believes led to much of the company’s success in the segment. “After the first year of experimentation, we recognized that micro markets were a retail business and needed to be managed as such.” Five Star developed and executed promotions, as well as developed plan-o-grams for the snack and beverage categories of micro markets. Now the company even has separate warehouse space for its micro market division.

“To be successful in this space, you have to be ‘all-in’ and move as quickly as possible to gain a competitive advantage in the market. It takes a great deal of time and effort to build a platform that can eventually replace a large percentage of your vending business while delivering higher margins,” advised McCall.

One of the resources Toone dedicates to his micro markets is his commissary. None of the sandwiches or unique “sweet treats” line of products made at his company are sold in Kwik Vending vending machines. “I

“To be successful in this space, you have to be ‘all-in’ and move as quickly as possible to gain a competitive advantage in the market.”



Greg McCall, SVP of sales and marketing, Five Star Food Service

keep them separate so that customers understand these are special, good quality products,” said Toone. He also pushes the healthy items, especially among white collar or gray collar micro market locations because he is able to appeal to more consumers with a greater product mix.

A future that promises growth

All of the micro market operators in this roundtable discussion expect revenues from this segment to increase in the future.

Toone believes micro markets will become a larger percentage of sales. “I see micro markets making up 75 percent of my revenue in the next five years,” he said. “We have a quality product in our commissary.”

Bach sees markets being an important part of his long-term business strategy. “I could imagine market revenues equaling vending revenues in the next decade or so,” he said. “I believe there is a real opportunity for micro markets to take market share from subsidized manual food service in corporate locations. Employers will realize that micro markets are a viable alternative to cafeterias, with far less expense. And they’re open 24/7.”

Rosenberg views micro markets as an opportunity for mid to large size operators. “Every year, we get more solicitation for putting in a micro market — the move is being proactively driven by the cli-

ent side,” he said. Plus, he believes there is enough data now to validate the ROI and sustainability of the micro market concept. “Ultimately, I believe it’s going to be the dominant percentage of revenue for vending operators within two or three years. We’re heading there now — where our micro market base is larger than our vending base.”

“Even with over 450 markets, Five Star is still seeing annual growth rates in excess of 45 percent,” said McCall. He believes even as the industry reaches its saturation point in the far future, there will still be significant growth in the micro market channel. “At Five Star, we are developing combo and loyalty programs that will dramatically improve our customer experience. Additionally, the ‘take-home’ market [where employees purchase items for home use] is still un-discovered territory with most micro market operators,” he said. The micro market concept will likely morph operators into other niches as well, like hotel pantry business, upscale apartment complexes and eventually, with future innovation, smaller accounts (25-100 employees).

Many operators have called micro markets the lift the vending industry has needed for a long time. Despite the costs involved, it is hailed as an opportunity to gain much more in a battleground for the corporate foodservice dollar. | ◀



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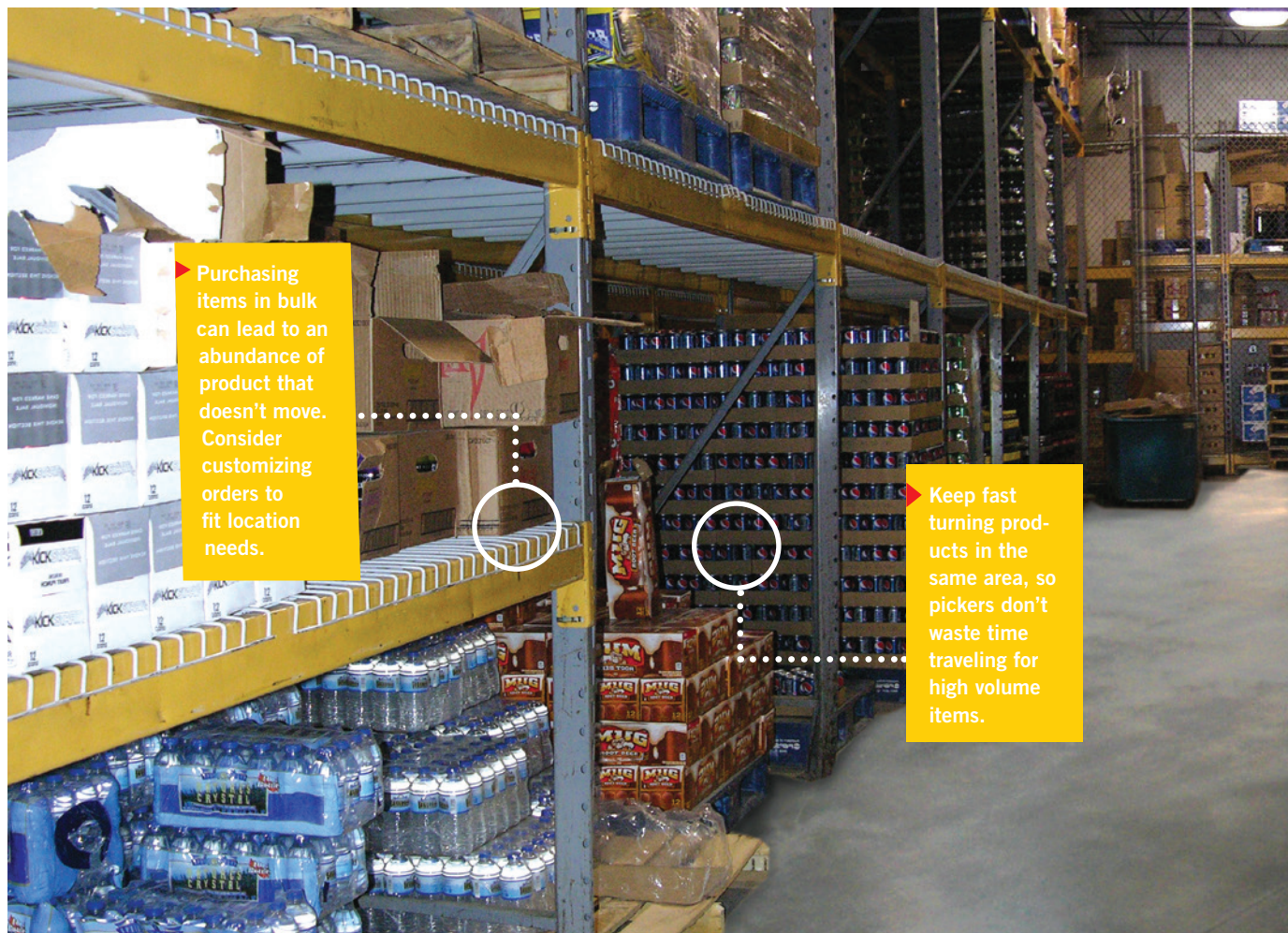


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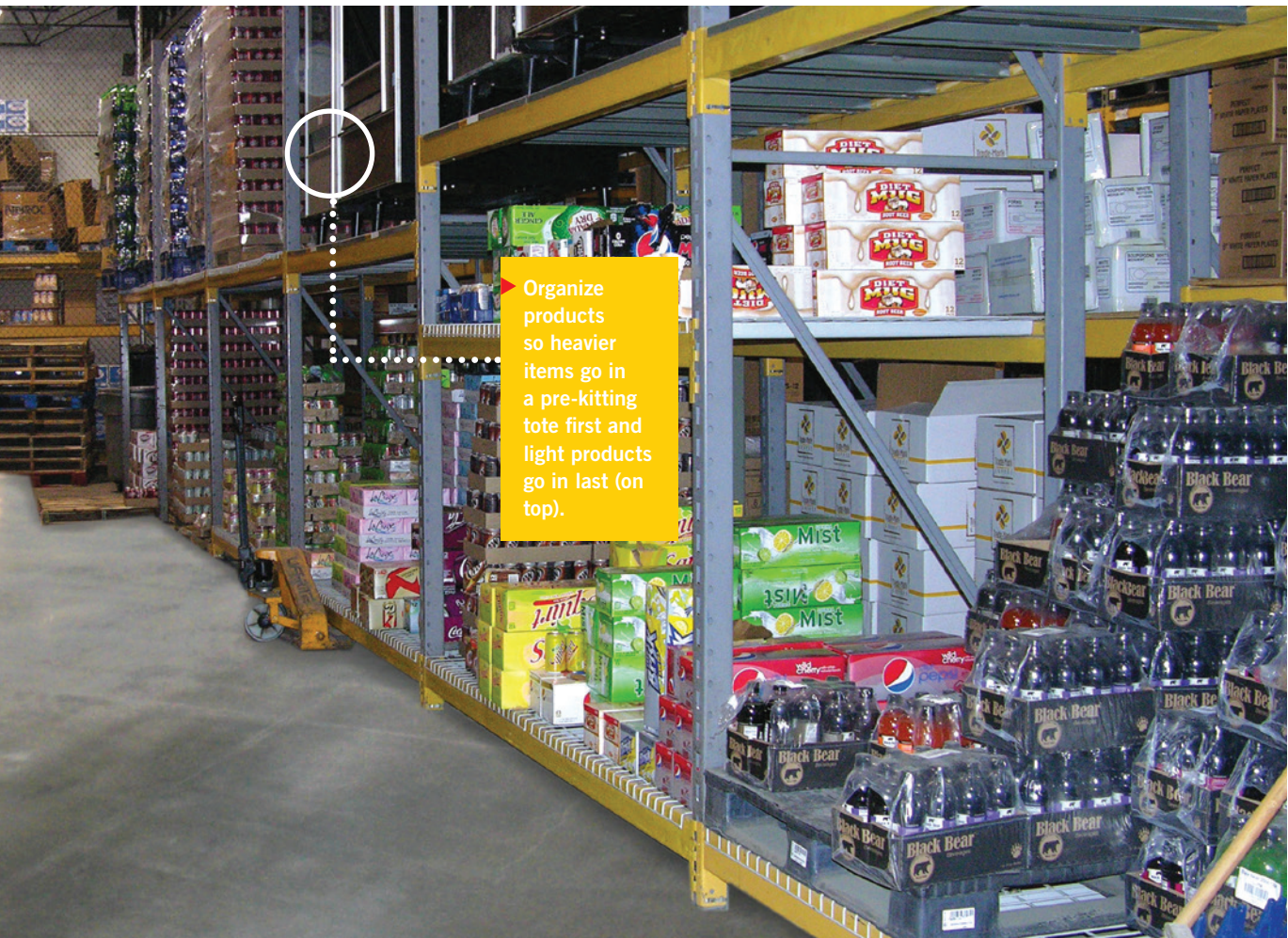
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→ Get Wiser In The Warehouse



By Adrienne Zimmer, Managing Editor

Operators can use warehouse automation to more efficiently manage their warehouses for vending and when adding micro markets.

Avending operation's warehouse can significantly contribute to the company's bottom line.

While an efficient warehouse can cut costs for an operator, a poorly run warehouse can lead to inadequacies in delivery service, product spoilage and disorganized space.

Warehouse automation helps operators overcome these challenges by giving them the data they need to cut inefficiencies and regain control of

inventory, which is important when managing vending and micro markets.

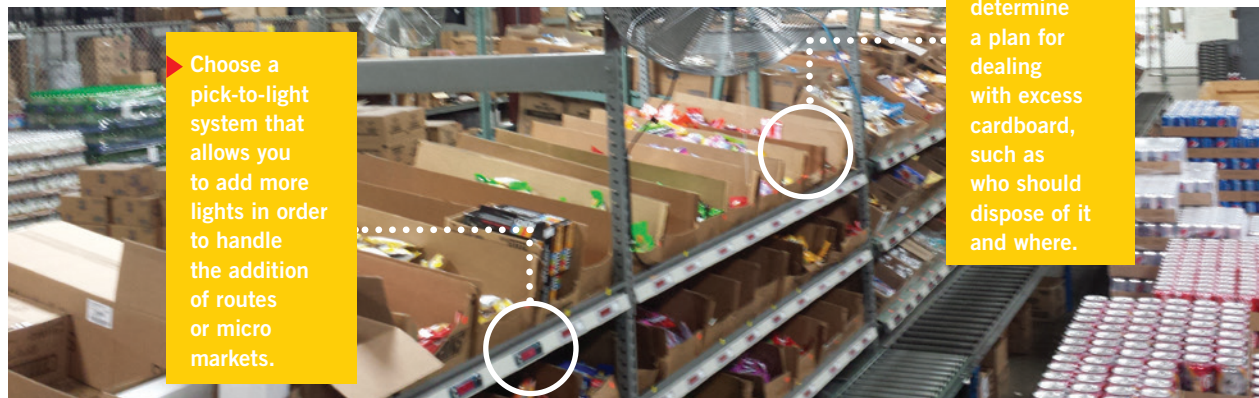
Pre-kitting is king

In vending, one of the first steps to creating an efficient warehouse is to pre-kit, or, load deliveries based on a location's needs. Pre-kitting has been shown to increase revenue by route, lower vehicle inventories and result in a more efficient truck loading/machine filling process.

Pre-kitting is not new to the industry, but it's an integral part of managing the warehouse, says Randy Smith, former operator and CEO of LightSpeed Automation. "You're not competing if you're not pre-kitting," he said. "Early on we [operators] found that pre-kitting significantly reduced spoilage, we didn't necessarily have to order by the pallet anymore and yet we were able to ensure that the right product was getting where it needed to be."

Dan Kust, purchasing manager for BE'S Coffee & Vending Service located in Green Bay, WI, saw first-hand the advantages of pre-kitting when he realized that it had reduced his inventory by 40 percent. The company was able to customize

Kust's tips:



machines by location and eliminate the rolling warehouse.

Advancements in technology throughout the years have even made pre-kitting more feasible by helping to eliminate human error, too. When Rod Nester, president of Smith Vending located in Clarinda, IA, took over the company in 2008, he knew that in order to streamline his entire business and cut inefficiencies, he had to begin in the warehouse.

Although it took several years, he was able to invest fully in an automated warehouse. With warehouse automation, Nester saw more accurate pre-kits, the elimination of bad data — which he describes as inaccurate information — and a return on investment in six months. “We thought we were doing a great job picking on paper but we weren’t as efficient as we thought,” he said. “Warehouse automation gave me total control over my inventory,” he said.

Pre-kitting is often the first step in warehouse automation. Because it is driven by a vending management system (VMS), it gives operators the data to know what product is coming in and out of the warehouse, an extremely important factor in vending and when expanding into micro markets, too.

Markets need an agile warehouse

With warehouse automation, operators can increase efficiencies like



ordering products by the case, rather than the pallet as well as eliminating unnecessary pick crew staff and spoilage of products, which is one of the biggest warehouse problems, says Randy Smith. “Spoilage can be a killer to operators and micro markets worsen that problem because of the sheer amount of SKUs possible.” Just like in a grocery store, he says, customers in micro markets can open the door and pull the freshest salad, “Then the salad that is set to expire the next day goes untouched.”

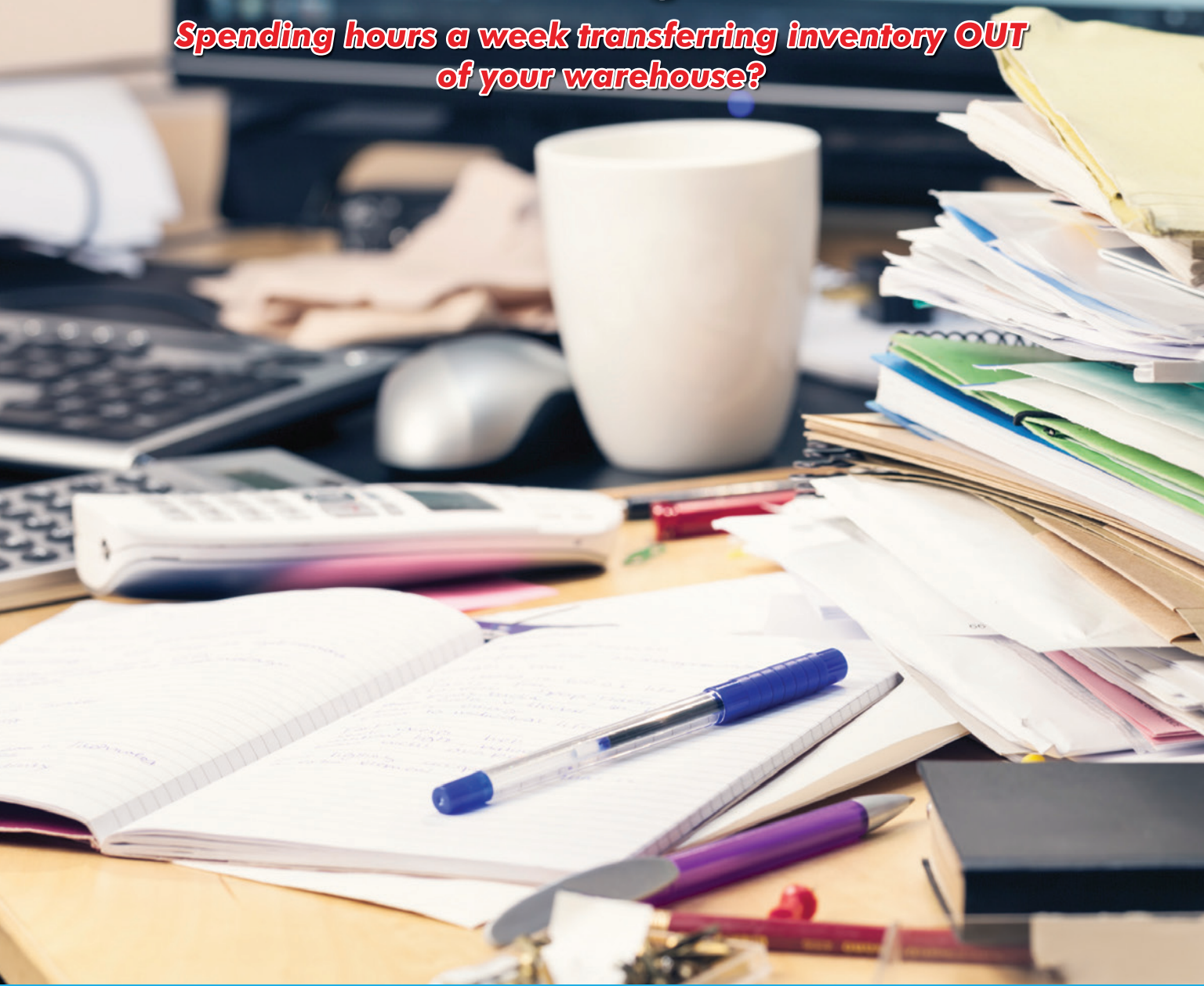
Technology, however, has helped operators like Nester know exactly what’s selling so he can order the precise amount and get the product off of his shelves as quickly as possible. “The minimum amount of days on the shelf, the better,” he said.

Jeff Smith, president of All Star Services located in Port Huron, MI, agrees. “We have instituted a just-in-time inventory system in our warehouse where product is received and transferred out as quickly as possible to avoid accumulating it within our existing warehouse space and to get the best dates to our customers,” he said. He recommends ordering by the box, if possible, to keep the cost of inventory down.

Nester believes that operators today don’t have to be traditional when it comes to ordering product. “We used to buy product because it was on sale but that caused inventory issues and we had a lot of product sitting around,” he said. “Now we think ‘What can we sell that our customers want to buy?’”

Is Micro Market Inventory Consuming You?

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Technology and the small operator

Gary Nelson, president of Liberty Vending Inc. located in Denver, CO, considers himself a small operator who is focused on technology to make his warehouse more efficient. Although Nelson doesn't operate micro markets, he encourages all operators, no matter



what segments they offer, to invest in technology. "Warehouse management systems are an absolute must to alleviate employee frustration, ensure date control, pre-kitting accuracy and space positioning for correct product ordering," he said.



In 2006 his company moved to a new warehouse and began using roller shelving to create aisles, which he believes allows the company to produce a good pre-kitting efficiency.

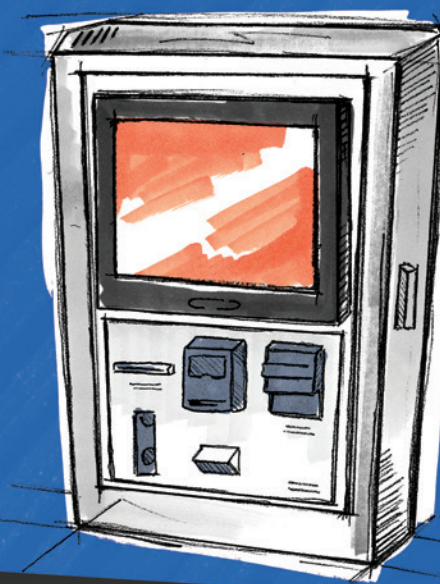
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The grand prize winner will receive a trip for two to Chicago, Ill., to attend the NAMA OneShow and receive their award. The grand prize winner will also get a TV. The 2016 Route Driver of the Year winner will be profiled, along with the winner's company, in the April 2016 issue of *Automatic Merchandiser*.

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Technology helps operators customize machines and markets, which aids in eliminating the amount of wasted food. When introducing micro markets, Randy Smith recommends that operators start with core items and expand their offerings from there to avoid unnecessary spoilage. “I’ve seen some operators offering more than 500 SKUs and then they end up with multiple products that go stale. The products just sit in the warehouse and don’t move and take up room,” he said. “Operators don’t necessarily have to order by the pallet anymore and that comes into play with customizing the machines and markets — you know what’s coming in and going out.”

Kust notes, however, that in the beginning it was difficult to order product when BE’S was just getting started in micro markets. “With one

to three markets it’s hard to bring in a variety of product and move it quickly,” he said. The company had trouble moving product off of the shelves, but as it grew its market base, that issue resolved itself. “We found that five to six markets was a good range to keep a steady flow of inventory.”

Once the flow of product is under control in a warehouse, operators have a better opportunity to use the overall space more wisely, too.

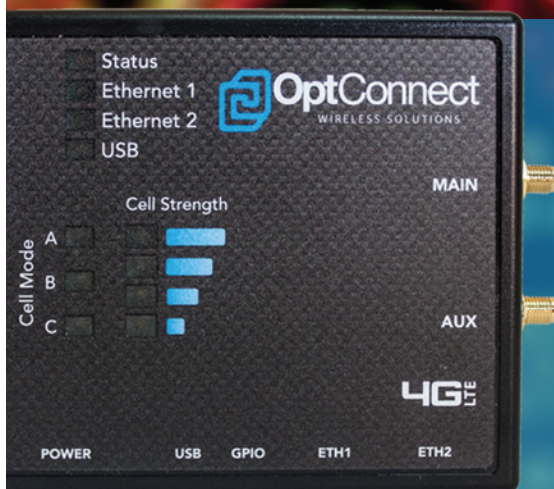
Smart spaces

BE’S Coffee & Vending Service opened its first micro market in Nov. 2013 and has grown to 32 markets in a little under two years. The company had no intention of expanding its 8,000 sq. ft. warehouse to cater to this new segment, said Kust. “So we just simply had to find a way to use the space more wisely.” The company

used picking zones in the warehouse, and decided to extend that strategy as it expanded into micro markets. The five picking zones include snack, pastry, Avenue C product, beverages and cooler/freezer product. BE’s increased from 100 lights on its LightSpeed FastTrack system to 150 because micro markets offer a larger variety of products than vending. In addition the company added two iPads to its electrical pallet jack so employees could pick four orders — either vending or micro market — at one time.

Kust noted that one unforeseen challenge is the inefficiency of staff picking from so many different zones for a single micro market location. “It can be taxing for them,” he said. “And we could be more efficient if our cooler was closer to the line, but that is something we will have to figure out along the way.”

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Smith's Tips:

Make sure to bring in new items and eliminate items that are not selling when adding micro markets.

Carry multiple flavors of the same product that sell well – i.e. Pop Tarts.

Order by the box (if available) to keep the cost of inventory down.

When Jeff Smith introduced micro markets in 2011 he realized he needed to reorganize his warehouse space. “We changed the layout of the company’s pre-pick line to meet the needs of the new micro market items,” he said. “We did not have to expand our actual space, we just had to reset it to accommodate our needs.”

To tackle the added inventory in the warehouse when Smith Vending added micro markets, Nester doubled the size of his pre-kit area and his climate-controlled space to

accommodate refrigerated items. He additionally created a space in his warehouse specifically for micro market products. Like many operators, Nester uses the data he collects to make decisions about rearranging his warehouse space, rotating product, combating spoilage and maintaining overall efficiencies.

Fluid relationship

As micro markets continue to permeate the industry, the issue of warehouse efficiency will continue to

gain importance. Finding space to carry enough products for the ever-changing consumer demand in micro markets will be a constant challenge, as will monitoring that product to make sure it sells.

Warehouse automation can help a vending operator reach a new level of profitability, and even launch micro markets. It includes investing in technology that allows for pre-kitting, a zoned warehouse, a picking system and sales reporting, which will drive up profits. | ◀

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The Value Proposition Of State Associations

By Emily Refermat, Editor

Nowhere can operators make more of an impact than in a local industry organization.

Very few things of worth can be accomplished alone. Usually, it takes the voices and efforts of many to make real and lasting change. The vending industry is no exception. While having a national association such as NAMA — the national association for the retail vending, OCS and food service industries — is an important element, for the industry to be successful the partnerships and advocacy must also start very close to home.

Whether it's called a grassroots effort or state association, the need and benefit of local business owners working together cannot be overstated. Members are able to influence laws and regulations that directly

affect their operations, learn from experienced operators about everything from driver retention to warehouse management and benefit from a central place to see and ask about the latest products and services available.

Issues usually inspire advocacy

Dan Holt Jr., president of Lincoln County Vending in Fayetteville, TN, joined the Tennessee Automatic Merchandisers Association (TAMA) in 2005 because the state was going through the highest vending tax increase in its history. He knew he needed to act and get in touch with legislators. "What we [were and] are trying to do is make them aware of who we are and what we do — and

they notice," said Holt Jr. Legislators know who TAMA is and that does wonders for the association's legislative efforts. In fact, there hasn't been a large issue like the tax increase since then, but that doesn't stop Holt Jr., who is former TAMA president, and other members from traveling to the state capital for an annual lobby day. "I highly suggest that all vending operators participate in their state lobby days," said Holt Jr. "It is an amazing experience and is an important part of what we do as business operators."

State lobby days are usually an integral aspect of the state association annual meeting. They are different in each state, but the goal of what they aim to accomplish is the same.

“The purpose is to show legislators the impact of the industry in their state,” said Eric Dell, senior vice president, government affairs for NAMA. The specifics of a lobby day, however, differ by state. Dell cites some Southern states for examples. In Mississippi, the association goes to the statehouse and has a meal. Usually they will host a member of the legislature to come and speak. This is different than Georgia where they will go to the capital and provide legislators with samples of products traditionally sold in vending; emphasizing the Georgia-made products. They hang banners and promote informed consumer choice with FitPick. South Carolina, however, has a rule against giving away any gifts, even a cup of free coffee to legislators. “You have to look at the ‘ethical rules for gifts’ unique to each state,” said Dell. Those rules dictate, in part, how the lobby day is run.

Despite the different ways in which states perform advocacy with lobby days they are invaluable to a national organization such as NAMA. “It’s difficult to have an effective national government affairs office without the work of state associations,” said Dell. “States

are territorial and don’t appreciate lobbyists from other states telling them what they should do.”

This also means that each state association recruits and pays for its own lobbyist that fights for the vending industry on a local level. The lobbyist represents the state association’s interests and attempts to influence legislators and officials for the betterment of the industry, much like a lobbyist in Washington, D.C. representing the interests of the national association.

“Many things happen on a local level especially when it comes to regulation or legislation,” said Pam Gilbert, director of association services for NAMA. She is on the front lines with the state associations providing support. “That is why the state associations are so important. They are really the grassroots of advocacy.”

Often when an issue comes up that will affect vending on a national level, NAMA staff such as Sheree Edwards, regional legislative director and Sandy Larson, senior director and counsel, will enlist the help of state association members to educate and inform their local legislators about the issue’s effect on their businesses.

Many and ever-changing battles

“I think it is important to be a part of the state level association because many of the important issues that face the operator are handled on the state level,” explained Elliot Teitelbaum, president of Tri-State Automatic Merchandising Council (Tri-State) as well as president of Elliot’s Vending Company, Inc. in Huntingdon Valley, PA. Specifically in Pennsylvania, operators enjoy certain sales tax exemptions on products sold through the vending machines. “These exemptions came from hard work and lobbying on the state level,” said Teitelbaum. Tri-state has been instrumental on other issues in the past few years as well, including ADA rulings, local level machine taxes and helping to beat a Philadelphia ‘sugar’ tax on soda which never got passed, according to Teitelbaum. “Engaging with the state level legislators is not always us asking for something in return, but more importantly, us trying to explain our industry and how we conduct business on a daily basis,” he said. “At the state level we work on legislative items that are usually critical to our bottom line.”

“Another very important component to a state association is the speed that actions can be made,” said Carl Moser, sales manager of Cardinal Canteen Food Service and past president of the Virginia Automatic Merchandising Association (VAMA). “If there is an urgent situation that needs to be fixed, a lot of the times we can make it happen extremely fast,” he added. VAMA is not one of the state associations chartered by NAMA. Instead, it is an independent organization that partners with two



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5 Reasons To Be Part Of Your State Association

Ever-changing issues: Legislators are constantly evaluating new laws and regulations that will help their constituents. These rules can have unforeseen consequences for a specific business, like vending, so it's important for a group of people to be aware of what bills are being brought up and lobby for or against them.

Direct effect – regulations and legislators: Because operators are both business owners and constituents for legislators, their voices are powerful. Talking directly about how a local bill will adversely or positively affect your business, or simply educating a representative about the industry can have a noticeable impact.

Mentoring: Every operator who has been part of a state association talks about the value in meeting others with the same goals and challenges. Working together and networking can lead to stronger, long-lasting vending operations.

Professional development: Associations can provide the opportunity for education on subjects important to the industry from recent trends to sales motivation.

Trade shows: Being part of an organization often means being able to attend an event where attendees can see the latest products and services as well as meet with suppliers and ask questions.

other independent state associations for a trade show and educational seminars.

More than advocacy

For Moser, state associations promise a brighter future for companies and employees, but not just because of the advocacy efforts. “I am so glad I made that choice to serve, because I have met so many great people and have also learned so much invaluable knowledge,” said Moser after 16 years on the board of VAMA, which joins with the North Carolina Vending Association (NCVA) and South Carolina Vending Association (SCVA) to hold the Atlantic Coast Expo (ACE) each year. “As the show has grown the last few years we have brought in more people outside the three state radius and we have also brought in additional new exhibitors. All of this involvement has really helped me personally and professionally to prosper over my 23 years with my company. I think it

is absolutely essential for anyone in our industry to get involved and volunteer time and money to their state.”

Just as individuals coming together are powerful in a state association, unity between associations also brings more opportunity, such as the NAMAOneShow and the resources the national organization can provide to states or regions.

Gilbert and her other association services staff, Marilyn Dent and Deborah Lara, provide assistance in the NAMA chartered state councils in whatever way is needed. “Most state associations have their own educational seminars,” explained Gilbert. These include a NAMA representative updating the members on the industry as well as a speaker on a specific topic, whether it’s about a specific aspect of vending business or a motivational speaker. When asked, Gilbert and her team will coordinate the speakers.

Networking is also an important part of state association events, allowing members to socialize with operators and suppliers as well as develop mentoring relationships. The amount of involvement from Gilbert’s team varies. Some associations ask for management services such as membership and coordinating the events, while others run more independently. “Each of our 31 state councils have a very different personality,” said Gilbert. Most were formed in the 1960s through 1980s and have all grown organically requiring different levels of support. Depending on the size of the association and the level of support, NAMA charges state associations a fee for the services.

Gilbert says her favorite part of working with the state councils is that it allows her that personal connection with the industry. “When I go to a state association meeting, I’m struck by how these board members are very committed and active. It’s very interesting to see competitors in the marketplace come together and work together on behalf of the entire industry in that state,” she said.

Support from the whole

Holt Jr. experienced firsthand the support of Gilbert’s team. “There has always been a NAMA representative there to help us at lobby days and at our meetings,” he said. With all the good from the national level and the fellow operators, Holt Jr. can’t stress enough the importance of advocating for this industry. “If you’re part of the vending industry, you need to support it,” he said. “You’re going to benefit from other people’s advocacy, so you should be part of the cause, too.”

State associations provide an invaluable resource where like-minded business owners with the same goals can come together and learn from each other as well as merge their voices to fight for the industry as a whole. | ◀

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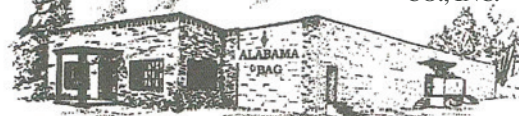
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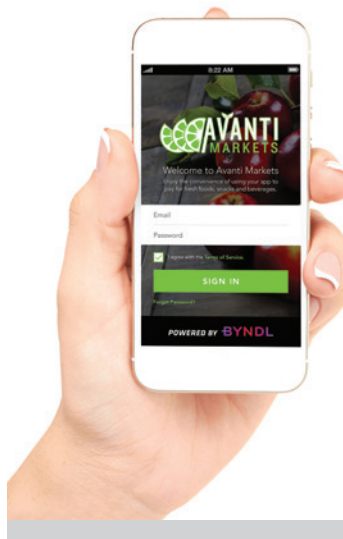


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PRODUCT ROUNDUP



ZONE 8 Beverages Non-GMO, Non-Dairy Smoothie Line

ZONE 8 BEVERAGES

Zone 8 Beverages unveils three new coconut milk based, fruit infused smoothie beverages including Orange Dream, Pina Colada and Mango Delight. The new Zone 8 smoothies are non-GMO, non-dairy, gluten free, soy-free, and sweetened with real fruit. The products are also shelf stable, providing flexibility in shipping and merchandising. Packaged in 16.9 oz plastic bottles, the Zone 8 smoothies have a \$2.79-\$2.99 SRP.

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