• **Retail Business Overview**

The vending machine business without a doubt has come to stay. This is because of the various ways through which people can be served. According to a market research report on Vending Machine Operators, the industry has revenue of $8 billion to $20 billion, and has an annual growth of 0.7%.

The number of operators in the business were 24,110; with 65,137 people being employed. According to the United States Bureau of Labor Statistics, 70.5% of industry establishments consisting of sole operators, partnerships, small businesses and medium-sized companies employ
less than 5 workers. These statistics covers small, medium and large scale operators and franchises.

Those operators who are into generic snack and soda vending machines, have seen their revenue decrease even though beverages and snacks still lead in the vending machine industry, because customers have changed consuming priorities to wanting healthier snacks and products. An industry survey reports that 83% of vending operators have request from customers requiring healthier products. This customer consuming change will keep the industry from growing as it should, and expanding aggressively.

The vending machine operators in the United States in 2015 have been characterized by a moderate level of market share, with three top operators taking 46% of the market share. Small sized operators on the other hand with a revenue range of under $1million, make up 51% of the industry’s total operations.

According to the National Automatic Merchandising Association (NAMA), only 18% of vending machine operators make between $1 million and $5 million yearly. This is as costs of operation have continued to rise, and the operating environment is more favorable to small and large vending operators, while the medium-sized operators with $5 million to $10 million in sales have lost more of their market share.

In other countries such as Hong Kong, Vending machines were introduced due to high labor cost and limited space, with majority of the machines being stocked with drinks or snacks. Niche ideas have been for mobile phones and camera, umbrellas, and so on. It is interesting to note that more retail shops especially lager retail outlets have started to include vending services as part of their business offerings. It creates conveniences that appeal to consumers; the average customer would not want to stay longer on queue in a retail shop buying or paying for good purchased.

Majority the similarity across operators of the vending machine industry is the machine itself, regardless of the peculiar product the machine will dispense. This means that the niche services that will be offered by the machine, depends on the owner of the machines. This is of importance in this trade, especially as it is an industry that is limited only by the ideas from the entrepreneur.

Over and above, the vending machine industry is a profitable industry and it is open for any aspiring entrepreneur to come in and establish his or her business; you can chose to start on a small scale in one or two public facilities or you can chose to start on a large scale with several outlets in key cities. However, if it very important that as you choose to launch out, that you are well versed in the business.

**Vending Machine Business Plan – Executive Summary**

Fizzy ‘n’ Crunchy Vending Company is a business enterprise in the retailing industry that will specialized in leveraging the vending machine retailing model. Although our business will be based in Bay – Orleans, Massachusetts where we were able to secure a 40 by 40 feet warehouse, we have the plans to spread across major cities in the United States and Canada.
Our vending machine business will retail / dispense a wide range of durable goods and non – durable goods at affordable prices from different brands. We will retail goods such as groceries, drinks, snacks, children’s toys, beauty products and cosmetics, fruits, vegetables, handkerchiefs, towels, and flowers et al.

We are aware that there are several large and small retail outlets and businesses all around Bay – Orleans who are into vending machine business as well, which is why we spent time and resources to conduct our feasibility studies and market survey so as to position our vending machines in strategic places in and around Massachusetts and also to offer much more than our competitors will be offering in terms of products and of course customer service.

Much more than selling the goods and products of top brands in the manufacturing industry, our customer care is going to be second to none in the whole of Bay – Orleans, Massachusetts. We know that our customers are the reason why we are in business which is why we will go the extra mile to get them satisfied when they make use of any of our vending machines and also to become our loyal customers and ambassadors.

Fizzy ‘n’ Crunchy Vending Company will ensure that all our customers are given first class treatment whenever they purchase products from our vending machines. We have a CRM software that will enable us manage a one on one relationship with our customers no matter how large the numbers of our customer base may grow to. We will ensure that we get our customers involved in the selection of brands that will be on the racks of our vending machines and also when making some business decisions.

We are aware of the trend in the vending machines cum retail industry and we are not only going to operate a system where our customers would just make purchase from our vending machines without getting useful data from them that will help us serve them better. We will also go ahead to ensure that we position money changers in some of our busiest vending machines locations so that our customers will not find it difficult looking for change to make purchase from our vending machine.

We have but plans in place to operate a mini but standard call center / customer complaint center that will operate on a 24 hours a day and 7 days a week for the sole purpose of resolving customer’s complaints as fast as we can within the scope of our business.

Fizzy ‘n’ Crunchy Vending Company is a family business that is owned by Rev. George Canton – Freeman and Family. The business will be managed by his son Marco Canton – Freeman a graduate of Business Administration who has extensive experience working with one of the leading retailing outlets with several vending machines in the United States of America. He will bring his experience and expertise to help build and grow Fizzy ‘n’ Crunchy Vending Company to compete favorably with other leading vending machine business in the United States of America.

- **Our Products Offering**

Fizzy ‘n’ Crunchy Vending Company is in the vending machines cum retailing industry for the purpose of making profits and we will ensure we go all the way to make available a wide range of goods and products from top manufacturing brands in the United States and other countries of
the world. We will have available in our vending machines a wide range of durable goods and non - durable goods at affordable prices.

Here are some of the goods that will be available in our vending machines;

- Groceries
- Drinks
- Snacks
- Children’s toys
- Beauty products and cosmetics
- Fruits
- Vegetables
- Handkerchiefs
- Towels
- Flowers

**Our Vision Statement**

Our vision is to build a vending machine business that will have active presence all over Bay – Orleans, Massachusetts and other key cities both in the United States of America and Canada

- **Our Mission Statement**
  Our mission is to establish a vending machines business that will make available a wide range of goods and products from top manufacturing brands at affordable prices to the residence of Bay – Orleans, Massachusetts and other key cities in the United States and Canada

- **Our Business Structure**
  Fizzy 'n' Crunchy Vending Company do not intend to start a vending machine business whose vending machines can only be find in few outlets in Bay – Orleans; our intention of starting a vending machine business is to build a standard vending machine business with vending machines in strategic position in key cities in Bay – Orleans, Massachusetts and of course other key cities spread across the United States and Canada. We will ensure that we put the right structure in place that will support the kind of growth that we have in mind while setting up the business.

In putting in place a good business structure, we will ensure that we hire only people that are qualified, honest, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers). As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more.

In view of that, we have decided to hire qualified and competent hands that will be able to really carry out the duties that will solve the problems of the people, as well as cause more money to come to us. So, we have hired the following people to occupy the following positions;

- Chief Executive Officer (Owner)
- Warehouse / Store Manager
- Merchandize Manager
- Admin and Human Resources Manager
• Sales and Marketing Manager
• Information Technologist
• Accountant
• Client Services Executive

Roles and Responsibilities

Chief Executive Officer – CEO:

• Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
• Creating, communicating, and implementing the organization’s vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization’s strategy.
• Responsible for fixing prices and signing business deals
• Responsible for providing direction for the business
• Creating, communicating, and implementing the organization’s vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization’s strategy.
• Responsible for signing checks and documents on behalf of the company
• Evaluates the success of the organization
• Reports to the board

Admin and HR Manager

• Responsible for overseeing the smooth running of HR and administrative tasks for the organization
• Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
• Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
• Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
• Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.
• Defines job positions for recruitment and managing interviewing process
• Carries out staff induction for new team members
• Responsible for training, evaluation and assessment of employees
• Responsible for arranging travel, meetings and appointments
• Oversees the smooth running of the daily office activities.

Warehouse / Store Manager:

• Responsible for managing the daily activities in the warehouse
• Ensures that proper records of goods are kept and our vending machines does not run out of products
• Ensures that the warehouse facility is in tip top shape and goods are properly arranged and easy to locate
• Interfaces with third – party suppliers (vendors)
• Controls goods distribution and supply inventory

**Merchandize Manager**

• Manages vendor relations, market visits, and the ongoing education and development of the organizations’ buying teams
• Helps to ensure consistent quality of goods and products on our vending machines
• Responsible for the purchase of goods and products for the organizations
• Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
• Ensures that the organization operates within stipulated budget.

**Sales and Marketing Manager**

• Manages external research and coordinate all the internal sources of information to retain the organizations’ best customers and attract new ones
• Models demographic information and analyze the volumes of transactional data generated by customer purchases
• Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
• Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
• Responsible for supervising implementation, advocate for the customer’s needs, and communicate with clients
• Develops, executes and evaluates new plans for expanding increase sales
• Documents all customer contact and information
• Represent the company in strategic meetings
• Helps to increase sales and growth for the company

**Information Technologist**

• Manages the organization vending machine network and website
• Handles ecommerce aspect of the business
• Responsible for installing and maintenance of vending machines, computer software and hardware for the organization
• Manages logistics and supply chain software, Web servers, e-commerce software and POS (point of sale) systems
• Manage the organization's CCTV
• Handles any other technological and IT related duties.

**Accountant**

• Responsible for preparing financial reports, budgets, and financial statements for the organization
• Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
• Responsible for financial forecasting and risks analysis.
• Performs cash management, general ledger accounting, and financial reporting
• Responsible for developing and managing financial systems and policies
• Responsible for administering payrolls
• Ensures compliance with taxation legislation
• Handles all financial transactions for the organization
• Serves as internal auditor for the organization

Client Service Executive

• Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
• Through interaction with students on the phone, uses every opportunity to build client’s interest in the company’s products and services
• Manages administrative duties assigned by the school coordinator in an effective and timely manner
• Consistently stays abreast of any new information on the schools’ products, promotional campaigns etc. to ensure accurate and helpful information is supplied to students when they make enquiries

Vending Machine Business Plan – SWOT Analysis

Our intention of starting our vending machine business with a dozen vending machine installed in strategic locations around Bay – Orleans, Massachusetts is to test run the business for a period of 3 to 6 months to know if we will invest more money, expand the business and then install 50 vending machines first all – around Massachusetts before spreading to key cities in the United States and Canada.

We are quite aware that there are several vending machines all over Massachusetts and even in the same locations where we intend installing ours, which is why we are following the due process of establishing a business. We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be well – equipped to confront our threats.

Fizzy ’n’ Crunchy Vending Company employed the services of an expert HR and Business Analyst with bias in retailing to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for Fizzy ‘n’ Crunchy Vending Company;

• **Strength:**
The strategic locations we intend installing our vending machines, the business model we will be operating on, ease of payment, wide range of products and our excellent customer service culture will definitely count as a strong strength for Fizzy ‘n’ Crunchy Vending Company.

- **Weakness:**
  A major weakness that may count against us is the fact that we are a new vending machine business and we don’t have the financial capacity to compete with multi – billion dollars retail outlets that also runs a vending machines business when it comes to retailing at a rock bottom prices for all their goods.

- **Opportunities:**
  The fact that we are going to install our vending machines in some of the busiest streets in Bay – Orleans, Massachusetts, provides us with unlimited opportunities to sell our products to a large number of people. We have been able to conduct thorough feasibility studies and market survey and we know what our potential clients will be looking for when they visit our vending machines locations; we are well positioned to take on the opportunities that will come our way.

- **Threat:**
  Just like any other business, one of the major threats that we are likely going to face is economic downturn. It is a fact that economic downturn affects purchasing power. Another threat that may likely confront us is the arrival of a new retail outlet or new vending machines in same location where ours is located.

**Vending Machine Business Plan – MARKET ANALYSIS**

- **Market Trends**
  Retailing business has been in existence for as long as human started trading goods, but one thing is certain, the retailing industry is still evolving especially with the advent of technology. The introduction of technology is of course what gave birth to vending machines. In recent time, you can find vending machines designed specifically to dispense several goods ranging from snacks to drinks to groceries and to even cigar et al

  It is now a common phenomenon for vending machines companies to leverage on technology to effectively predict consumer demand patterns and to strategically position their vending machines to meet their needs; in essence, the use of technology help vending machines businesses to maximize supply chain efficiencies. No doubt data collected from customers goes a long way to help vending machine businesses serve them better.

  Another common trend in the retailing industry of which vending machine falls under is the pricing system. Aside from having varieties of products in a vending machine, one of the easiest ways for vending machines and retail stores to sell the goods on their racks or vending machines as fast as they can and keep re – stocking is to ensure that the prices of their goods are a bit lower than what is obtainable elsewhere.
For example, it is common to see items with prices in this format; $3.99, $99 and $199 et al as against $4, $100 and $200. As smaller as the price difference, consumers are likely going to be swayed to make purchase because of that.

Lastly another common trend is that major retail stores are now leveraging on vending machines to sell their products.

- **Our Target Market**

  We so want to reach those we have set out to meet their needs, hence, we will leave no stone unturned in identifying who they really are. Perhaps the vending machines business / retailing industry have the widest range of customers; everybody on planet earth has one or more things that they would need in a retail shop or from a vending machine. It is difficult to find people around who don't patronize retail shops or vending machines when they come across one.

  In view of that, we have positioned our vending machines in strategic locations to service the residence of Bay – Orleans, Massachusetts and every other location our vending machines will be located all over Massachusetts and other key cities in the United States of America and Canada. We have conducted our market research and we have ideas of what our target market would be expecting from us.

  We are in business to retail a wide range of products via our vending machines to the following groups of people;

  - Households
  - Corporate Executives
  - Business People
  - Sports Men and Women
  - Students
  - Children
  - Adults
  - Tourists

**Our Competitive Advantage**

The competitions that exist in the vending machine line of business is stiff simply because anyone can start a vending machine business; it isn't financially tasking to start, as you can purchase a used vending machine even that of a popular brand at a cheap price, and still get the most out of it. The vending machine business doesn't require any expertise or know-how, and any serious minded entrepreneur is likely to make good profit out of this business.

Fizzy 'n' Crunchy Vending Company is launching a standard vending machine business that will indeed become the preferred choice of residence of Bay – Orleans, Massachusetts and in every other location where our vending machines will be installed.

One thing is certain; we will ensure that we have a wide range of products available in our vending machines at all times. It will be difficult for customers to visit our vending machines and not
see the product that they are looking for. One of our business goals is to make Fizzy 'n' Crunchy Vending Company a one stop shop for all our customers.

Our excellent customer service culture, highly competitive prices, reliable and easy to use payment option and the visibility of our vending machines will serve as a competitive advantage for us.

**Vending Machine Business Plan – SALES AND MARKETING STRATEGY**

- **Sources of Income**

  Fizzy 'n' Crunchy Vending Company is established with the aim of maximizing profits in the retailing industry and we are going to go all the way to ensure that we do all it takes to sell a wide range of products to a wide range of customers.

  Fizzy 'n' Crunchy Vending Company will generate income by retailing the following products via our vending machine;

  - Groceries
  - Drinks
  - Snacks
  - Children's toys
  - Beauty products and cosmetics
  - Fruits
  - Vegetables
  - Handkerchiefs
  - Towels
  - Flowers

**Sales Forecast**

It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey and also some of the assumptions readily available on the field.

One thing is common with vending machine business, if you have your vending machines installed in locations that are prone to high traffic; the easier it is for you to make sales. So also, the more the variety of the products you have in your vending machines, the more costumers you are going to attract. This is why we will ensure that within our capacity we make available a wide range of goods from different manufacturing brands in all our vending machine outlets.

Below are the sales projections that we were able to come up with for the first three years of operations;

- **First Year**: $100,000
- **Second Year**: $250,000
- **Third Year**: $550,000

**N.B:** This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and or major competitors positioning their
vending machines in same locations where ours are. Please note that the above projection might be lower and at the same time it might be higher.

**Vending Machine Business Plan – Marketing Strategy and Sales Strategy**

Before choosing locations for installing our vending machines, we conduct a thorough market survey and feasibility studies in order for us to be able to be able to penetrate the available market and become the preferred choice for residence of Bay – Orleans, Massachusetts. We have detailed information and data that we were able to utilize to structure our business to attract the numbers of customers we want to attract per time.

We hired experts who have good understanding of the vending machine business / retail industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Bay – Orleans, Massachusetts and every other city we intend installing our vending machines.

In other to continue to be in business and grow, we must continue to sell the products that are available in our vending machines which is why we will go all out to empower our sales and marketing team to deliver.

In summary, Fizzy ‘n’ Crunchy Vending Company will adopt the following sales and marketing approach to win customers over;

- Print handbills about our vending machine and its location, and also give our vending machines unique look, by painting them with bright colors or putting a large neon sign on it, so that it is easily recognizable to customers.
- Advertise on the internet on blogs and forums, and also on social media like Twitter, Facebook, LinkedIn to get our message across, so that those on the social media or those who read blogs can know where to go when they need products that we retail.
- Creating a basic website for our business, so as to give our business an online presence (list the locations of our vending machines).
- Directly market our vending machine business.
- Join local vending machine associations for industry trends and tips.
- Provide discount days for our customers.
- Advertise our business in community based newspapers, local TV and radio stations.
- List our business on yellow pages ads.
- Encourage the use of word of mouth marketing (referrals).

**Vending Machine Business Plan – Publicity and Advertising Strategy**

We are quite aware of the enormous returns a good publicity strategy can bring back to our business. So, despite the fact that our vending machines will be well located, we will still go ahead to intensify publicity for the business. We are going to explore all available means to promote our vending machine business.

Fizzy ‘n’ Crunchy Vending Company has a long term plan of installing our vending machines in various locations in major cities in the United States and Canada which is why we will deliber-
ately build our brand to be well accepted in Bay – Orleans, Massachusetts before venturing out. As a matter of fact, our publicity and advertising strategy is not solely for winning customers over but to effectively communicate our brand.

Here are the platforms we intend leveraging on to promote and advertise Fizzy ‘n’ Crunchy Vending Company;

- Place adverts on both print (community based newspapers and magazines) and electronic media platforms
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, etc to promote our brand
- Install our Bill Boards on strategic locations all around Columbus, Ohio
- Engage in road show from time to time
- Distribute our fliers and handbills in target areas
- Position our Flexi Banners at strategic positions in the location where our vending machines are located.

Our Pricing Strategy

Pricing is one of the key factors that gives leverage to vending machine business, it is normal for consumers to go to places (vending machines outlets or retail outlets) where they can get goods at cheaper price which is why big player in the retail industry like Wal-Mart will attract loads of consumers. Products in their store are tagged with the cheapest price you can get anywhere in the United States.

We know we don’t have the capacity to compete with Wal-Mart or any other big retail store, but we will ensure that the prices of all the products that are available in our store are competitive with what is obtainable amongst retail stores within our level.

- Payment Options
Due to the nature of vending machines, there are no options when it comes to payment for items purchased other than to insert your money in the vending machine and then the machine will dispense what you paid for. We will ensure that we position money changers around our busiest vending machine locations so as to make change available to our customers.

- Start – Up Expenditure (Budget)
When it comes to starting a vending machine business the major areas that you look towards spending the bulk of your cash is in the purchase of vending machines and of course renting or leasing warehouse facility. Aside from that, you are not expected to spend much except for paying of your employees and the purchase of vans.

This is the key areas where we will spend our start – up capital;

- The Total Fee for Registering the Business in Ohio – $750.
- Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – $1,300.
• Marketing promotion expenses for the grand opening of People's Choice Retail Store in the amount of $3,500 and as well as flyer printing (2,000 flyers at $0.04 per copy) for the total amount of $3,580.
• Cost for hiring Business Consultant – $2,500.
• Insurance (general liability, workers' compensation and property casualty) coverage at a total premium – $2,400.
• Cost for payment of rent for 12 month at $1.76 per square feet in the total amount of $105,600.
• Cost for the Warehouse remodeling (construction of racks and shelves) – $20,000.
• Other start-up expenses including stationery ($500) and phone and utility deposits ($2,500).
• Operational cost for the first 3 months (salaries of employees, payments of bills et al) – $60,000
• The cost for Start-up inventory (stocking with a wide range of products) – $100,000
• Storage hardware (bins, rack, shelves, food case) – $3,720
• The cost for the purchase of 2 fairly used delivery vans- $20,000
• Cost for store equipment (cash register, security, ventilation, signage) – $13,750
• Cost of purchase and installation of CCTVs: $10,000
• The cost for the purchase of vending machines, furniture and gadgets for the office (Computers, Printers, Telephone, TVs, Sound System, tables and chairs et al): $50,000.
• The cost of Launching a Website: $600
• The cost for our opening party: $7,000
• Miscellaneous: $10,000

We would need an estimate of $500,000 to successfully set up our vending machine business in Bay Orleans, Massachusetts. Please note that this amount includes the salaries of all the staff for the first month of operation.

Generating Funding / Startup Capital for Fizzy 'n' Crunchy Vending Company

Just like every other business that exists in America, we want to spell out the means through which we want to generate our funds. Therefore, Fizzy 'n' Crunchy Vending Company is a private business that is solely owned and financed by Rev. George Canton – Freeman and Family. They do not intend to welcome any external business partner which is why he has decided to restrict the sourcing of the start-up capital to 3 major sources.

These are the areas we intend generating our start-up capital;

• Generate part of the start-up capital from personal savings
• Source for soft loans from family members and friends
• Apply for loan from my Bank

_N.B:_ We have been able to generate about $200,000 (_Personal savings $150,000 and soft loan from family members $50,000_) and we are at the final stages of obtaining a loan facility of $300,000 from our bank. All the papers and document have been signed and submitted, the loan has been approved and any moment from now our account will be credited with the amount.

Vending Machine Business Plan – Sustainability and Expansion Strategy
The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If any of these factors is missing from a business (company), then it won't be too long before the business close shop.

Fizzy 'n’ Crunchy Vending Company will ensure that all the factors listed above are reinforced on a regular basis and also we will engage in continuous capacity building of our workforce. As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more.

We will make sure that the right foundation, structures and processes are put in place to ensure that staff welfare is well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.