



MASTERCLASS WORKBOOK

HOW TO START A VENDING MACHINE BUSINESS



ikravevending



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OUR STORY

When I started out in vending, I needed something else to do. My job was 8 to 5 and I found myself with a lot of free time. I begin to brainstorm and search for a side business to create with little startup cost and flexibility because I already had a job. I stumbled across vending. I spent many months researching and observing every machine I passed. One day I said it's time to just do it! I found my first two machines on offer up for \$500 apiece. Perfect working conditions, with no issues. I put them in my garage and played with them every day like a kid with a new toy. I begin asking businesses if I can place my machines. The answer was always NO! It did become a little discouraging, but I figured there had to be another way to get them placed. Besides, I had spent a \$1000 on these machines. I stumbled across this locating company online. They got me a location in one day! I found a guy online who moves machines. I coordinated with the owner to place them on a Saturday, and that is where my story begins. Since then, I have made money, lost money but I've gained great knowledge through trial and error. I really didn't have a guide or anyone giving me tips about simple things like what products to buy. I started out just like you, wanting information and seeking a new opportunity. Let me tell you, it is possible. I would like to share a few things with you that no one shared with me in this eBook to help you decide if vending is for you and to give you a starting point to get going. You can do it!

VENDING 101

Vending can be a fun business while earning an extra income. However, we all want to know how to start a vending machine business. Well here in this guide, we will give you all the background knowledge that you need to know in order to get started. This how-to-guide is designed to be simple and easy to read.

**** Disclaimer****

The information that is being shared by ikravevending is only from experience.

TYPES OF VENDING

- 1) Gum ball
- 2) Bulk Candy
- 3) Vending Toys
- 4) Snack Machines
- 5) Drink Machines
- 6) Combination
- 7) Custom Vending Machines



The first thing you want to do is decide what type of vending you want to do.

TIPS:

- Gum ball, Bulk Candy machines are less in cost and easier to start-up.
- Snack machines profits are higher; however, you need to keep in mind snacks expire within 60 days.
- Drink machines are easier to maintain and the expiration last longer.

MACHINES

You need to decide if you want to buy a machine NEW or USED.

TIPS:

If you buy a machine new you have the option to finance and if the machine is in a good location it will pay for itself.

Buying New

If you decide you want to buy a machine new contact Todd Carber at vending.com and let him know Lakinya, from ikravevending.com referred you. He can assist you in buying your machine and getting it shipped and placed in your location. **Todd at vending.com 515-271-8384**. Also, if you would like your machine customized, they can do that as well. For example, if you will be selling hair or beauty products, they can customize the machine specifically for that. Finally, they do offer financing which is a good option if you don't have the capital upfront.

Buying Used

There are many companies that sell refurbished machines. You can search on Facebook Market and Offer Up for used machines that are in good condition.



Recommended Machines

Vending Machines

1. AP7000
2. Dixie Narco
3. National Crane
4. Seaga
5. USI/Vendet
6. Wittern/USI

- If you buy used, you might want to install a credit card reader to increase sales.

Credit Card Readers

<https://www.dsvendinginc.com/c-300-nayax.aspxd> |

- If you buy used access to all manuals can be found here:

Manuals

<https://www.dsvendinginc.com/t-repair-manuals.aspx>

LOCATIONS

Top locations: Warehouses, schools, daycare and aftercare centers, and any place that has children in the evenings. Tire shops, mechanic shops, barber shops, nail salons, churches, community centers, apartment complexes, gyms, just about any place where there are people.

What should I say: Always ask to speak with the secretary or manager of a store? Tell them you have a full line vending business and that you would like to offer your services to them. Tell them you have snack machines, drink machines and gumball machines. If they ask for a percentage, tell them of course! Tell them that they could make 5 percent of sales twice a per week or once per week. Basically, they are making a sale every time you collect money.

Script:

Hello____, my name is_____. Is your manager or secretary available to speak with me? Hey Mr./Mrs.____. My name is____. I noticed that you don't have a vending machine. I have a full line vending machine business and would love to be of service to you. "If they say "no". Ok no problem. I also give a percentage to you so you would make money just by letting me put it in your business if you know of anyone else who would like one, please let me know. Here is my card or number in case you change your mind.

*The easiest way to gain locations is to hire a locator. We provide locating services if you are interested.

YOU FIND LOCATION

HIRE A LOCATOR

- This option is easier for you. The locator does all the work in searching for a location for your machines.

The way it works: you give the locator your zip code and what type of establishment you want to place your machines. For more information on a location services please email brownsvendingmiami@gmail.com

CONTRACTS

It's important to have a contract drafted and signed by the location

| LOCATION AGREEMENT |
|--|
| <p>1. ikrave vending and the Location Client Location Name hereby enter into an agreement whereby the company will install/place (1) ikrave vending Machine(s) at the Location Client's facility. The location Client hereby grants ikrave vending the Vending Operator the right to install ikrave vending Machine(s) on its premises and the exclusive right to vend drinks, snacks, and candy.</p> |
| <p>2. ikrave vending Operator Contact Information:</p> <p>Name Address Phone (407) 600- 6256 Email <i>browns vendingmiami@gmail.com</i></p> |
| <p>3. The Client Location Contact Information:</p> <p>Name: Address: Phone: Email</p> |
| <p>4. The term of this agreement month to month basis.</p> |
| <p>5. The location of the machines on the client's premise will be mutually agreed upon by both parties.</p> |
| <p>6. The Vending Operator shall pay _____%(net) of the proceeds generated by the machine(s) each month.</p> |
| <p>7. ikrave vending will provide to the Location Client a complete and accurate accounting of all ikrave vending, Vending Machine(s) sales located at the facility. ikrave vending will pay the Location Client the amount due for the preceding month by the 10th of the following month.</p> |
| <p>8. The products offered through ikrave vending machine(s) will be determined by ikrave vending.</p> |
| <p>9. ikrave vending shall keep the machine(s) filled and properly maintained on a professional, safe, sanitary and regular basis. The machine service schedule and procedures will conform to all Local, State and Federal laws.</p> |

owner.

10. ikrave vending machine(s) are and will remain the property of ikrave vending. If this agreement is terminated for any reason, ikrave vending has the right to remove ikrave vending machine(s) from the premises.

11. This agreement may be terminated by either party if the other party defaults on any obligation of this agreement and then fails to remedy the failure within 5 days.

SIGNATURE OF AUTHORIZED LOCATION CLIENT REPRESENTATIVE

Name (Sign) _____ Date _____

Name (Print) _____ Date _____

SIGNATURE OF IKRAVE VENDING

Name (Sign) _____ Date _____

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INVENTORY

For drinks and snacks you can shop at any whole sale store such as:

- Sam's Club
- Bjs
- Costco's

TIPS

When shopping for inventory consider the location and the type of people that are coming to that business. **DON'T BUY WHAT YOU LIKE.** Buy what the people visiting that facility likes.

SAMPLE INVENTORY CHART



The screenshot shows a software interface for an inventory list. It features a dark blue header with the text 'Inventory List Vending'. Below the header is a table with seven columns: 'For Reorder', 'Inventory ID', 'Name', 'Description', 'Unit Price', 'Quantity in Stock', and 'Inventory Value'. Each column has a small downward arrow icon. The table contains four rows of data, each with a green checkmark in the 'Quantity in Stock' column.

| For Reorder | Inventory ID | Name | Description | Unit Price | Quantity in Stock | Inventory Value |
|-------------|--------------|------------|--------------|------------|-------------------|-----------------|
| | IN0001 | Lays Chips | Variety Pack | \$14.39 | 30 | \$30.00 |
| | IN0002 | Peanuts | Salted Pack | \$7.49 | 48 | \$48.00 |
| | IN0003 | Coca Cola | 12 oz Can | \$11.49 | 35 | \$26.25 |
| | IN0004 | Gateroade | Variety Pack | \$12.99 | 28 | \$28.00 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

PROFIT POTENTIAL EXAMPLE:

| PROFIT POTENTIAL | | | |
|--|---------------|---|---------------|
| Cold Drink CANS <small>(12 oz Major Brands)</small> | | | |
| Vend Price | \$1.00 | | |
| Cost per can | \$0.27 | | |
| Profit per can | \$0.73 | | |
| Cold Drink BOTTLES <small>(16.9 oz Major Brands)</small> | | | |
| Vend Price | \$1.25 | | |
| Cost per bottle | \$0.60 | | |
| Profit per bottle | \$0.65 | | |
| | | Bottle Water #1 Selling Beverage (16.9 oz) | |
| | | Vend Price | \$1.00 |
| | | Cost per bottle | \$0.13 |
| | | Profit per bottle | \$0.87 |

*Subject to change

BUSINESS LICENSE

Like any business, most states require vending route operators to obtain proper permits and licenses required by their local ordinances. When planning to start a vending machine business, it's important to check your local ordinances. Many times, there are different regulations based on what products you're vending.

Check the link to see the requirements of your State.

<https://www.candymachines.com/Vending-Regulations-by-State.aspx>

INSURANCE

It is recommended to get General Commercial Liability; the others are optional. You can check with your car insurance company, they typically sell commercial insurance.

General Commercial Liability-The General Commercial Liability insurance covers your vending operations in the case of a client getting hurt while using your machine, a product in the machine causing harm to somebody, someone tripping over leakage and falls, a customer getting food poisoning, etc.

About \$800 per year for 1-million-dollar coverage

Property Insurance- Property insurance helps protect your business assets (property and equipment) from theft, damage or any type of loss:

Cyber Insurance- You should buy cyber insurance if you electronically store or process any sensitive information or data. Cyber criminals target businesses of all sizes, and without notice. It's best to be prepared.

Resources List

Business Matters

Apply for EIN number for business

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

State by State Vending Requirements for Licenses

<https://www.candymachines.com/Vending-Regulations-by-State.aspx>

Machines

Used machines:

<https://offerup.com/>

<https://www.facebook.com/marketplace/>

<https://www.vendingworld.com/automatic-products-112-snack-machine.php>

<https://www.usedvending.com/>

New machines:

<https://www.vending.com>

<https://www.candymachines.com/>

Card reader:

<https://www.usatech.com/products-services/eport-connect>

<https://www.nayax.com/>

<https://www.usatech.com/products-services/eport-connect>

Locate a service repair:

http://www.vendnetusa.com/Technical_Support/

CHECKLIST

1. What type of vending are you going to do?
2. Finding a machine
3. Finding a location
4. Contracts for location
5. Inventory
6. Business License/
Insurance