

Business Enterprises Program



Business Planning

Elements Of A Successful Business Plan For Vending

1. Business Description

- Provide business name, address and-owner identification.
- Identify goals and objectives. Clarify why you are or why you want to be in the vending business and at this location.

2. Products and Services

- Clearly explain all products and services.
- Describe what you are selling and why.

3. Sales and Marketing

*Sales and marketing are the core of your business rationale.
Your plan should address several basic questions:*

- Who and how large is your market?
- How will you be competitive?
- What pricing and sales terms are you planning?
- How will you market your products and services?

4. Operating Requirements

- Identify and describe the equipment, facilities and people necessary to generate your products and services.
- How will your products and services be obtained and made available to the customer?

5. Financial Management

This is the most critical part of your business plan. You will establish vital schedules that will guide the financial health of your business.

If you are new to vending, your plan should include:

- Projected "start-up costs";
- Expected profit or return on investment (ROI) for the first year;
- Projected income statements and balance sheets for the first year; and
- Projected monthly cash flow statement for 12 months.

Your plan should include an explanation of all projections. If you feel that your finance or accounting knowledge is not sufficient to prepare these statements, get professional assistance.

The bottom line is: will, or does, your company make a profit?

6.Concluding Narrative

This segment of your plan should summarize your business goals and objectives and send a message that you are committed to the success of your business.

Put Your Best Foot Forward!!

Your business plan should be complete, clear, neat and accurate. It will be an extension of you and your business.

The length of a good plan will vary from a few pages to twenty or more pages. The plan should provide a sound "blueprint" for your business and entice any reader to want to know more.

A Final Word On Planning

Planning is the most important part of starting and running a successful business. It is a fact-unless you know how to get where you are going, you may end up somewhere else

The presentation of your plan.

Do not underestimate the power of presentation. We recommend that you use a photos of your machines, your warehouse, or products you intend to sell.

The Index Page

The index portion of your plan should be as complete and thorough as possible. Be certain that your subtitles are listed here. Remember, that the panel has only a short time to review your plans. They may only look at certain portions of the plan . A well thought out and divided index could **make the difference between your plan** being clearly understood.

Explanation of Vending Terms

Remember, you are more familiar with vending than the reader will be. Any terms that are not considered public knowledge should be included in a "glossary" in this section of your plan. Explain any theories or special terminology directly related to vending as clearly and concisely as possible. Explanations should be done in as basic terms as possible.

It is preferable to set this up so that your definition is set apart by tabs from the word. I strongly recommend underlining your word here and if you feel it is appropriate, make note on the pages that these words appear which will designate GLOSSARY. This is a helpful feature for people who are not familiar with vending.

Executive Summary

The executive summary should be a short (approximately 3 -5 page) summary describing pertinent information about your company. The summary should explain why you feel it is time to expand (if this is purpose of loan) or why you feel this is a good time to enter this particular niche of the vending business (if new). Other pertinent information should be included, such as when and why you started your company, your goals and a thorough explanation of your business.

It is important that during this summary you do your best to be as thorough as possible. Remember, that this may be the only chance you have to attract attention. Quite often these summaries are pulled from your package and viewed by the panel members.

Resume

Resumes are perhaps one of the most important features of a good business plan. Let the lender/investor know your background in relationship to the vending business you plan to pursue.

The resumes of all key personnel should be included in this section. Also, include a list of the "proposed" or "existing" board of directors.

A "COMPANY" resume is also a good idea to include in this section. For start up vending companies explain the concept and what brought you to the stage where you are now pursuing financing.

Demographics

This section of your business plan should include as much information about the area which you intend to bid on. Statistics are usually available at the town hall or the host building. These statistics should include average age and household income for your area, as well as the Business description of the area (i.e. professional, factories etc).

Also, include in this section why you feel that the demographics of the area will support a vending business.

Remember, any substantiation documentation that can be supplied should be included in your plan under "SUBSTANTIATION DOCUMENTS".

Vending Business Competition

This 1 - 3 page section of your business plan should include all pertinent information about your competition, including the length of time they have been in business, where they are located in comparison to your chosen location and what their average annual sales are.

In addition, you should explain your company strengths and weaknesses are in comparison to the strengths and weaknesses of your competition.

Explain how you intend to overcome your competition and your expectations of the impact your company will have on their business.

Any available information about your competitors should be included as "SUBSTANTIATION DOCUMENTATION".

Marketing Your Vending Business

This section of your plan should include all information you have obtained in seeking out a viable marketing plan for your company. In addition it would

be useful to compare your marketing ideas with the methods that are used by your competitors in the vending industry.

Comprehensive data about pricing strategies, specials to be offered to clients etc., should be included in this section.

If you have designed a logo, your stationary and / or advertising materials they should be included in your plan under "**SUBSTANTIATION DOCUMENTATION**".

Vending Equipment

This section of your plan should describe all vending and support equipment that you have (or intend to use) for your business. As minor as you may feel it is even your office typewriters and word processors should be included here. An explanation of specialized vending equipment should also be included.

4

Goals

This will be the most critical part of your business plan. Explain where you see your company in one year, in two years and so on up until approximately the fifth year. Further explain the methods you feel will assist you in obtaining these goals.

Included in this section should be data that will explain what will happen in different economic environments. That is if we have a strong environment, what will your goals be and if we have a weak environment how will this affect your goals.

Contracts With Clients

If you have contracts that you have developed with clients they should be included in this section of your plan. You may obtain a sample from BEP support specialist Linda Lamar.

Sample contracts with names, addresses and telephone numbers as well as expiration dates should be included.

Employee Considerations

This section of your plan should include information about the projected staff for your company. Include the projected salaries, benefits as well as the minimum requirements for employment (i.e. experience).

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Please include all positions you foresee necessary and what each positions responsibilities are to be.

Insurance

This section should include all health, life and disability insurance information you intend to offer employees. It should further include any special insurance you are required to carry in your geographic location and/or in the vending industry. Quotes should be included as "SUBSTANTIATION DOCUMENTATION".

Company Pro forma

The pro forma section of your business-plan will be read and reread.

EXAMPLE:

Vending Income For 1999

DESCRIPTION	January	February	March
SALES	75,000	82,000	66,000
VENDING			
Soda Sales	27,000	32,000	12,000
Snack Sales	48,000	50,000	54,000
SALES	1,200	895	1,400
OCS			
Coffee	700	600	800
Products	500	295	600
TOTAL INCOME	76,200	82,895	67,400

This format makes your projections easy to follow and calculations simple to do.

These projections should be completed for YEAR ONE: by Month

Substantiation Documentation

At several points through the plan you have been advised to obtain information for this section of your plan.

In addition to the materials suggested you should also include an amortization schedule as well as a depreciation schedule.

Any documentation that you feel would be appropriate for a lender or investor to review would be suitable for this section of your plan.

Cash Flow

Name of Business _____

Manager _____

Date _____

		1	2	3	4
	Month				
1	cash on hand	_____	_____	_____	_____
2	counter sales	_____	_____	_____	_____
3	machine sales	_____	_____	_____	_____
4	total cash received	_____	_____	_____	_____
5	total cash available	_____	_____	_____	_____
6	Cash Paid Out				
7	Snacks	_____	_____	_____	_____
8	Beverages	_____	_____	_____	_____
9	gross wages	_____	_____	_____	_____
10	payroll expense	_____	_____	_____	_____
11	office supplies	_____	_____	_____	_____
12	repair /maint	_____	_____	_____	_____
13	promotions	_____	_____	_____	_____
14	trave/milage	_____	_____	_____	_____
15	bookkeeping	_____	_____	_____	_____
16	telephone	_____	_____	_____	_____
17	insurance	_____	_____	_____	_____
18	worker's comp	_____	_____	_____	_____
19	taxes	_____	_____	_____	_____
20	miscellaneous	_____	_____	_____	_____
21	Subtotal	_____	_____	_____	_____
22	Cash Position	_____	_____	_____	_____

Vending Forecast		FY __					Totals
Facility #							
PERCENT +/- PRIOR MO.							
Snack	1						
Chips/crackers	2						
Beverage							
Gross Sales	3						
VENDING COMMISSION	4						
Total Gross	5						
Beginning Resale	6						
Resale Purchases	7						
Goods Available	8						
ENDING INVENTORY	9						
Cost of Goods Sold	10						
Misc. Operating Exp.	11						
SPOUSE WAGES	12						
EMPLOYEE WAGES	13						
Social security	14						
UNEMPLOYMENT	15						
Total Labor	16						
Total Operation Exp.	17						
Net Profit	18						
Sat-Aside-Fee	19						
50% HANDICD DEDUCT	20						
APPROVED REPAIR	21						
Set Aside Fee Due	22						

Trade Area Overview

Trade area description

Start of Day -

Break times -

Meal periods

End of day-

Key retail establishments

Key business/ offices/ etc.

Key agencies

Local legislation impacts (if any)

Other local/ trade area comments

Major charitable events /causes(any-not necessarily participating)

Facility Assessment

Age of facility:

Seating:

Access:

Overall condition:

Floor

Ceiling

Walls

Equipment

Vendors: Soda _____ Snack _____ Hot food _____

Cold Food _____ Frozen _____

Support equipment: Two wheel _____ Four Wheel _____

Pallet jack _____ Other (describe) _____

Maintenance contracts.

High repair costs and related equipment.

How can the customer service area be improved?

Building service, who is responsible for what cleaning and how often.

Other comments;

Facility Marketing Plan

Facility Site(basic description):

Signage type(if any)

Visibility:

Customer Profile by Station:

- Administrative non-management
Approx. Number of Guests _____
Primary type _____
Seasonal trends

- Professional - management
Approx. Number of Guests _____
Primary type _____
Seasonal trends

- On Feet Physical
Approx. Number of Guests _____
Primary type _____
Seasonal trends

- Active - non- stationed
Approx. Number of Guests _____
Primary type _____
Seasonal trends

Pricing

Current pricing : Choc candy \$ _____ non-choc candy \$ _____
Crackers \$ _____ Salty Snacks \$ _____ Cookies \$ _____
Nuts \$ _____ Pastry \$ _____ Gum \$ _____ HR candy\$ _____
Breakfast \$ _____ Canned Soda \$ _____ Juice \$ _____ Sports
\$ _____
Water \$ _____

Comments:

9. Menu Items

Attach Copy of current menu items

Comment on you plans for pricing and menu focus:

General Marketing

Pricing:

What pricing opportunities are available?

Increase

Decrease

Comments on menu pricing, menu changes, etc.

Products:

What items should be added to the menu? Why?

What items should be deleted from the menu? Why?

What improvements can be made to the operation?

What changes can be made to service?

How can you improve the items being ordered (quality, count, pre-prepared, etc.)?

Awareness:

How can you improve customer awareness (newsletters, Flyers, E-Mail, etc)?

Current policy:

How can you improve refund policy:

Sales Building Ideas.

Human Resources Assessment

Number of employees (if any) currently on the schedule: _____

Number of hours being used: _____

Overtime issues:

Pay rates if available:

Training Issues:

Security issues:

Service issues:

Quality Issues:

Tardiness/Absenteeism:

Employee involvement:

Safety committee: yes no Moral: good high low