

LOCATING SUCCESS!

Making Your
Vending Machines
Profitable

Jayne Manziel

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FORWARD

There are two differences between a successful Vending Machine Operator and one who failed: (1) the successful Operator put in time and effort and still does, and (2) *the successful Operator learned how to find good locations.*

I can't buy your machines for you. I can't service your route for you. What I *can* do is *teach you* how to *find good locations.*

Do you know what I really hate about most "How to" books?

(1) Most of them *really* present only basic introductory information and leave out the "good stuff" that the *professionals* know. "They teach you just enough to get yourself into trouble."

(2) A lot of them are written by *super*-successful types. They leave out the real reasons for *their* success: the "right" degree, the "right" college, the "right" business school, personal wealth, fame, dozens of connections with highly influential business people and--*most* important--*early in their careers they were in the right place at the right time, purely by chance.*

(3) A lot of "how to" business books are written by people who left the business more than five years ago or "old-timers" who have failed to keep up with changes. A lot of people "with 30 years experience" don't use computers. A lot of them still are successful *only* because of their *personal* contacts.

(4) A lot of "how to" business books assume you have access to all sorts of industry-insider resources.

(5) A lot are written by "academic" types who tell you the *theory* about what *they* think *should* work. The problem is . . . *it doesn't.*

I still do locating on a regular basis. I have included sample scripts with the types of things *I* say. I have enough experience to know what to do and how to do it but not so much that I'm a "stodgy" old "dinosaur" just "waiting to be put out to pasture".

Why am I willing to tell the "*secrets*"? There's plenty of room for me *and* you *and* a lot of other people. The chances are that you and I will never even be in competition for locations. I have no plans to do locating in Detroit or Boston or Chicago or Los Angeles or even in most of Texas.

Sloppy, amateurish locators make the *rest* of us look bad.

With your vending machines and this book, *YOU HAVE THE TOOLS YOU NEED TO SUCCEED.* Read over these materials, put your scripts together, and *start getting locations.*

Remember: The key to locating is persistence. It takes a lot of "no's" to get one "yes".

Jayne Manziel
Rockwall, Texas
March 2003

DISCLAIMER

Please understand that this Guide is designed to provide accurate information with regard to the subject matter covered. It represents the opinion of the author and is based upon personal business experience and research. It is sold with the understanding that the author is not engaged in rendering legal, accounting, or other professional services. If such advice is necessary, the reader is advised to obtain professional assistance.

Since successful business is based upon the skills and abilities of the individual involved plus numerous "intangible" factors such as geography, competition and the overall state of the economy, the author makes no guarantees and disclaims responsibility for results or errors that may occur as a result of the use or misuse of the information in this Guide.

A WORD ABOUT PROFESSIONAL SERVICES . . .

If you need to seek professional advice or services from an attorney, accountant, bookkeeper, etc., ask that person specifically how much experience he or she has with *similar businesses*. If you get vague responses like, "We have a number of clients", "We've been doing this for awhile now", etc., ask for something more specific.

Even though many professionals can do a perfectly competent job handling their first small business, their first vending machine operator, etc., if they have handled others it saves you the time of having to explain how the business works. More importantly, a professional who is familiar with your type of business can tell you what has worked for other people and what has caused problems for other people.

LOCATING SUCCESS!

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**VENDING MACHINE LOCATING FEES
(nationwide average)**

Bulk Machine "Double Selects"	\$60
Snack Machine "Counter-Top"	\$150
Soda Machine "Counter-Top"	\$175
Soda/Snack "Stackable Combo Unit"	\$300-350
Soda Machine "Large Floor Model"	\$300 and up
Snack Machine "Large Floor Model"	\$250-300
Soda/Snack "Large Floor Model"	
(less than 50 employees)	\$450
(50+ employees)	\$10 per employee
Giant Gum Ball Machine	\$125-150
Coin Shooter	\$45
Honor Box	\$45
First Aid Medical Center	\$125-175
Coffee Machine	\$200-300
Frozen Food Machine	\$300-350
ATM Machine	\$800-1000
Internet Station	\$600-1000
Video Game "Counter Top"	\$175-225
Video Game "Floor Model"	\$250-500
Sticker Machine	\$125-200
Pay Phone	\$200-350
Calling Card Machine	\$150-300
Bite-Size Candy Machine	\$85-125
Display Rack	\$350-500

PREFACE

YOU HAVE THE TOOLS YOU NEED TO SUCCEED.

Why do many new businesses fail?

- (1) Inadequate funding,
- (2) Inadequate knowledge or skills, and
- (3) ***Loss of motivation, or fear -- people simply give up too soon.***

Getting into the vending machine industry does not require a huge investment and can be done gradually--funding is not a problem. Regarding knowledge, (a) people buy from vending machines, (b) vendors place and stock machines at locations to sell products, and (c) ***vendors hook up with location owners.*** Even if you don't have a clue how to hook up, ***the book shows you, step by step: how to find location owners and what to say.***

British Prime Minister Winston Churchill, who led England through the dark days of World War II, was once asked to address a graduating class on the key to success. He stood up, majestically strode over to the podium, ceremoniously looked over those in attendance, leaned over the microphone, and said, "Never give up! ***Never give up! NEVER GIVE UP!***" Then he went back to his seat.

What is the key to success in *locating*? Understanding that **LOCATING IS A "NUMBERS GAME"**. ***When you look at one locating attempt by itself, you will fail most of the time.*** Many commercial realtors manage ***one*** or ***two*** sales ***per year*** although they work on many ***potential*** sales. How can they remain confident? How can they even stay in business? Could you survive on six percent commission on ***one*** sale of several million dollars?

You have the tools you need to succeed. You are selling candy with the backing of recognized charities and other products. ***People know your products and want them.*** You don't need a ***great personality.*** You don't need terrific ***speaking skills.*** You don't need movie-star looks. You don't need a great education. You don't need a beautiful car. ***What do you need? Numbers!*** The more locating attempts ***you*** make, the more ***you*** will conclude ***successfully.***

"Yes, but what if I say the wrong thing? What if I do the wrong thing? What if I get a location and I totally screw something up?"

Relax! You will say the wrong thing. You will screw up. You will look back and say, "I can't believe I was so stupid! I should never have said and done that."

Great advice, huh? I bet that right now you're feeling ***real*** confident!

Let me let you in on a little secret: THE NEXT PERSON YOU TALK TO WILL NEVER KNOW THAT HAPPENED!

No matter how good things ***look***, the ***fact*** is that most ***potential*** "deals" are ***not*** "makeable". All ***you*** need to do is get ***your part*** of those that ***are***. Look at ***each*** success ***and failure*** and say, "What did I do right? What did I do wrong?" Learn the steps, ***learn to recognize opportunities, GET OUT AND START*** and then, "Never give up! ***Never give up! NEVER GIVE UP!***"

And when you're ***still*** feeling down, go into some small store, pick out whoever seems to be the manager, put on a sad face and say, "You know, I was feeling kinda down and I figured I'd come in and get some candy. But I notice you don't seem to have a candy machine . . ."

CHAPTER 1

WHAT IS LOCATING?

WHY DO IT?

WHO DOES IT?

We've all seen "bulk" candy machines in stores, church lobbies, factory lunch or snack areas, fast food restaurants, etc. Most people assume they are owned by the store, church, etc.

Many machines have a sticker from a charity. In those cases, people usually assume the machines are placed there by the charity.

If you are buying this Guide, you probably realize that is not the case. Those machines generally are owned and maintained by independent Vending Machine Operators--*people just like you*.

But how did the Vending Machine Operator get his machine on that company's property? Who did he talk to? What did he tell them? How did he find out about the snack room at the little "hole-in-the-wall" business that actually has 25 employees?

The ***Vending Machine Operator*** has a ***product***: candy, sodas, etc., and a ***delivery system***: his vending machines.

Whether a ***Location Owner*** knows it or not, he has a ***need*** for the products.

"Matchmaker, Matchmaker, make me a match."

That famous song talks about matching up a man and a woman for marriage. The Vending Machine Operator and the Location Owner face a similar problem. How can I hook up with someone to complete the picture?

Like someone looking for a spouse, you, the Vending Machine Operator, have three options: (1) do it yourself or (2) get someone to do it for you or (3) hire a "professional" to do it for you.

Okay, so it's not romantic . . .

The person who hooks up Vending Machine Operators and Location Owners is called a ***locator***. He is like a real estate broker. His job is to find parties with mutual needs and hook them up. He ***locates*** places that are willing to let Vending Machine Operators put machines on their premises.

Although professional locators charge a lot less than matchmakers, they're still not cheap.

The good news is, ***you can do locating yourself***. If you don't want to or your business reaches the point where you are spending most of your time servicing your route, you can have a friend or relative do it for you.

Abracadabra!

Locating isn't magic. You don't need a license. You don't need a college degree. You don't need years of experience. You don't need special training in business.

Certain lines of business have private databases "Available to Members Only". A common example is a real estate Multiple

Listing Service ***There is nothing like that in locating. You*** have access to ***all*** the same information "professional" locators use. This locating Guide tells you where it is and how to find it.

You don't need "insider contacts" to successfully do locating. Think about it--how many people do you know who have "insider contacts" at ***dozens*** of gas stations, hotels, motels, churches, etc.?

There is nothing a "professional locating service" can do that you can't do.

THE LEARNING CURVE

As with most things in life, there is a "learning curve" when doing locating. You had to learn to crawl, stand, walk, talk, dress yourself, read, write, etc. You have to ***learn*** to locate. Just because someone is smart, educated, experienced in business, "people-oriented" or whatever doesn't mean they ***instinctively*** know how to do ***locating***. Realize that this ***is*** "new territory" and it will take time and effort to learn it, become comfortable and feel confident.

You will make mistakes. Once you have gotten past the "Oh, man! I ***really*** screwed that up ***bad***" stage, look back at what went wrong and why, and learn from it. ***Don't beat yourself up about it!***

LOCATORS LOCATE.

LOCATORS DO NOT "SEAL THE DEAL".

Understand that ***locators locate***. They do not "seal the deal". Once a professional locator gives you contact information for a location, ***you*** still have to contact the Decision Maker (see

below), talk to him, and negotiate placement of your machine(s).

PRODUCT IS PRODUCT.

In marketing terminology, whatever you are selling is your ***product***, even if it is only ***services***.

Most of this booklet talks about "bulk candy machines". However, the same techniques apply for other vending machines such as jukeboxes, soda machines, etc. The main difference is that the location owner is offered a commission to place the machine.

CHAPTER 2

LOCATION IS KEY TO THE VENDING BUSINESS.

The vending business is a very profitable business. The key to vending is: "***Location, Location, Location.***" There are a lot of times that individuals go into the vending business and rely upon locators/locating services to secure locations for their machines. Sometimes they end up with sorry locations that don't even produce \$10.00 a month. Then the vendor thinks, "I got ripped off! This business stinks! I want to sell my vending machines. They don't make any money and they are not worth my time. ***I got my locations through professional locators. If they can't get profitable locations, obviously it's because there aren't any!***"

If the vendors had known what to do about their situation, they would have succeeded. When you end up with a bad location that is not producing the income you would like, just ***find a new location*** for the machine. Work at it and you will succeed. Remember those little machines will make you happy when they are in the right locations, and from there you just buy more and grow and grow and grow. "Never give up!" ***Be strong and stay focused on your goal.***

FAILURE IS 100% GUARANTEED IF YOU . . .

stop trying. You can make all kinds of mistakes and recover from them. Over time, you will probably lose ***every*** location you ever get. The ***key*** is to ***keep*** getting ***new*** ones. Imagine you are desperate for a drink of water and someone hands you a ***funnel*** to drink from! Water goes ***pouring*** out the bottom and you can't drink it. But if someone keeps ***adding*** water, so what?

The ***only*** thing that will ***guarantee*** failure is if you ***stop trying to get locations.***

CHAPTER 3

DEALING WITH HORROR STORIES

Frequently, when a person starts a new business, they'll hear all sorts of "horror stories". "You bought ***vending machines***???" Man, I know this guy whose cousin's wife's grandmother's second-best friend's barber's daughter tried that and she got ***screwed!*** I would never buy ***vending machines***!!! Don't you know that's just a big scam?"

You can substitute "an XYZ franchise", or any other business.

What is her ***name***? What's her phone number? How long did she try before she called it quits? How much time did she spend on it? What did she do to get customers? Where is she located?

"Uh, well, you've got to understand that I don't know her ***personally***. I mean, it's something I ***heard*** from a friend. I don't really know the ***details***"

These types of stories are known as "Urban Legends". ***If*** they do have ***some*** basis in ***actual*** events, the stories have been passed on through so many people that the facts are totally distorted. ***George Washington never threw a silver dollar across the Potomac River***--that river is ***quite*** wide and in his day a dollar was a ***lot*** of money. It's an Urban Legend.

Yes, if you ***don't care*** or you're scared and you ***don't try***, you ***will fail***. If you get so distracted by other things that you neglect your ***business***, it ***will*** fail. If you become bedridden for six months and don't have anyone handle your route, your business ***will*** fail.

Someone "warns" you that "vending machines are just big a scam." You think, "Aha! Urban Legend! They warned me

about this!" You ask, "Who *was* the person?" *What if the guy says*, "My brother-in-law. Would you like his phone number?"

Usually, if you talk to the former owner of a failed business, you'll hear one of two things:

1) The person knows *exactly* why the business failed and will tell others so they won't make the same mistakes: "You know, I got so caught up with (my new baby, my college classes, my marital problems, or whatever) that *I just let* the business go down the tubes. *Don't make the same mistakes I made.*"

- or -

2) The person is either too embarrassed or proud or stubborn or blind to see or admit his mistakes. He blames *everybody* and *anybody* and *anything except himself*.

Don't let fear and negative thinking stop you before you even start. A lot of those *same* people who tell you up front how you're making such a *huge* mistake will be whining a few years down the line when *you* are *successful*, saying, "Man, *I* should have bought vending machines! *I'm* smarter than *he* is. *I'm* a college graduate! *I* work a lot harder than *he* does. *I* should be the one making *all that money!*"

Making all that money.

Horrible thought, isn't it?

CHAPTER 4

GETTING YOUR FOOT IN THE DOOR

Below, we tell you how to find new prospective Location Owners. Before you start, *in fact, before you even finish reading this Guide*, there is something to do that helps "get your foot in the door" if you will be placing small "bulk candy" machines.

We recommend that you use a charity for small machines such as "bulk candy machines" because it makes it a lot easier to get locations. When calling a new prospect, you can begin, "I'd like to know if your company would be interested in helping out <charity name>. It won't cost you/them (in the sense of "the company you work for") any money at all."

Now let's get real--when was the last time *you* got a call from a charity and they said you could help *without spending any money*? Wouldn't you be even a *little bit curious* about how that could be possible? Curious enough to take the phone call?

HOW DOES THE CHARITY PROGRAM WORK?

Many charities, both national and local, have a vending outreach program in which they provide a sticker for you to attach to the machine. The sticker says that a portion of the proceeds of the machine go to benefit that particular charity. The charity generally takes a flat fee per month per machine, for example: \$1.50 per month per machine.

Understand that this is basically a "freebie" for the charity! All they do is give you an "introduction letter" saying you belong to their program and provide some stickers. Then they sit back and collect money every month. You don't have to "convince" them that you are "worthy" of joining their program.