



# Vending Machine

We serve it, you deserve it.

Business Plan  
[YEAR]



**John Doe**



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# 1.

## Executive Summary

Mission statement

Vision Statement

Customer Focus

Success Factors

Financial Summary



#### REMEMBER

Before you think about how to start a Vending machine company service, you must create a detailed Vending machine business plan. It will not only guide you in the initial phases of your startup but will also help you later on.

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#### TIP

First Tech Vending Company is a business enterprise in the retailing industry that specializes in leveraging the vending machine retailing model. Although our business will be based in Detroit, Michigan where we were able to secure a 40 by 40 feet warehouse, we have plans to spread across major cities in the United States and Canada.

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## Mission statement



#### TIP

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 Detroit, Michigan, and other key cities in the United States and Canada.

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## Vision Statement



#### TIP

Our vision is to build a vending machine business that will have an active presence all over Detroit, Michigan, and other key cities both in the United States of America and Canada.

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## Customer Focus



**TIP**

First Tech Vending Company will primarily serve the Orleans area. The business and residential demographics of the area are as follows:

- 250,578 residents

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## Success Factors



**TIP**

First Tech Vending Company is uniquely qualified to succeed for the following reasons:

- The city has multiple businesses, schools, and public buildings with great locations for vending machines

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## Financial Summary



**TIP**

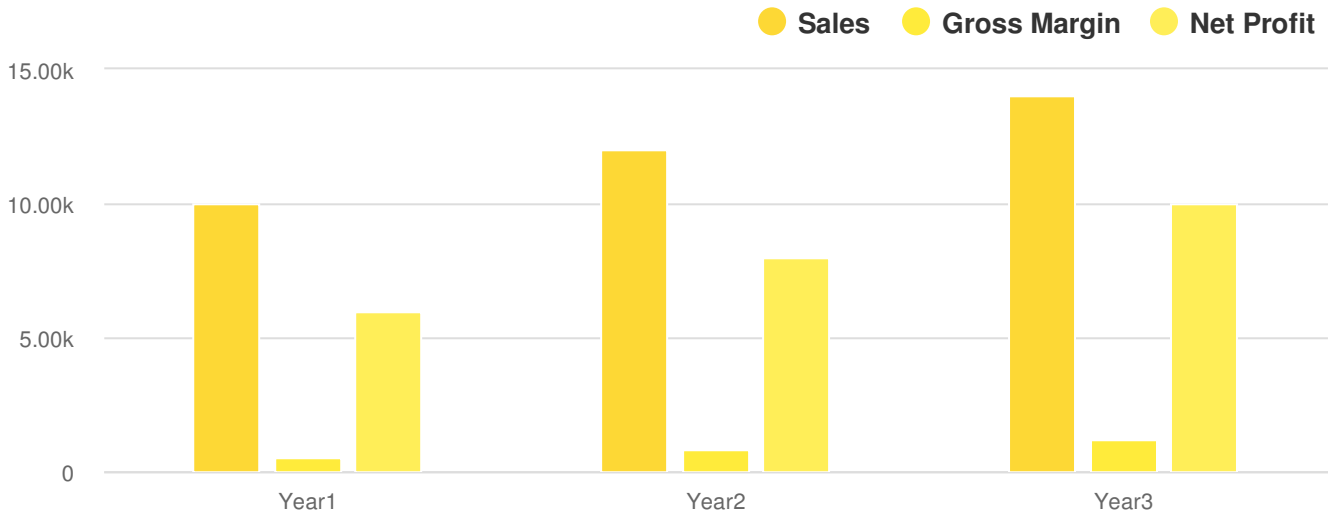
First Tech Vending Company is seeking total funding of \$45,000 of capital to launch.


Specifically, these funds will be used as follows:

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### 3 Year profit forecast





**TIP**

Financial Summary	Year 1	Year 2	Year 3
Revenue	\$965,742	\$1,878,611	\$2,718,300

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# 2.

## Company Summary

History

Startup Summary



TIP

First Tech Vending Company is a family business that is owned by John Moore and their Family. The business will be managed by his son Johnny Moore, 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.

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## History



TIP

First Tech Vending Company was established by James Moore in 1995. Living in the busy area of Detroit, John Moore is always on the go and looking for a quick snack or drink, but can never find one. So, he decided to start a vending machine business to provide access to snacks and necessities to people on the go.

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## Startup Summary



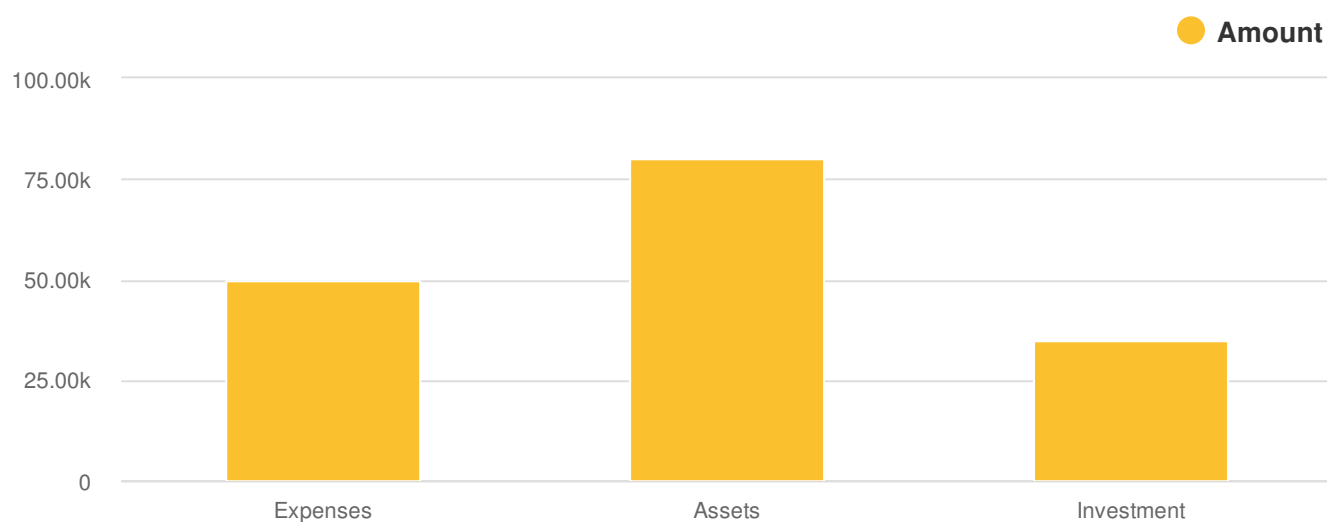
TIP

The company will buy used vending machines for a startup which will then be installed in several regions in Manhattan. Nearly 35% of machines will be located in the residential zone while the remaining will be distributed in the commercial zone as well as near schools, offices, and other institutions. The company's financial experts have forecasted the fol

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## Startup cost



### Cost distribution

### Amount

<b>Expenses</b>	50000
-----------------	-------

<b>Assets</b>	80000
---------------	-------

<b>Investment</b>	35000
-------------------	-------

Start-up Expenses	Amount
Legal	\$75,500
Consultants	\$0
Insurance	\$62,750
Rent	\$22,500
Research and Development	\$42,750
Expensed Equipment	\$42,750
Signs	\$1,250
<b>TOTAL START-UP EXPENSES</b>	<b>\$247,500</b>
Start-up Assets	\$0
Cash Required	\$322,500
Start-up Inventory	\$52,625
Other Current Assets	\$222,500
Long-term Assets	\$125,000

<b>Start-up Expenses</b>	<b>Amount</b>
TOTAL ASSETS	\$121,875
Total Requirements	\$245,000
START-UP FUNDING	\$0
START-UP FUNDING	\$273,125
Start-up Expenses to Fund	\$121,875
Start-up Assets to Fund	\$195,000
TOTAL FUNDING REQUIRED	\$0
Assets	\$203,125
Non-cash Assets from Start-up	\$118,750
Cash Requirements from Start-up	\$0
Additional Cash Raised	\$118,750
Cash Balance on Starting Date	\$121,875
TOTAL ASSETS	\$0
Liabilities and Capital	\$0
Liabilities	\$0
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$0
Capital	\$0
Planned Investment	\$0
Investor 1	\$312,500
Investor 2	\$0
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$695,000
Loss at Start-up (Start-up Expenses)	\$313,125
TOTAL CAPITAL	\$221,875

Start-up Expenses	Amount
TOTAL CAPITAL AND LIABILITIES	\$221,875
Total Funding	\$265,000

# 3.

## Products and services



**TIP**

First Tech 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.

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**Groceries**



**Drinks**



**Snacks**



**Children's toys**



**Beauty products and cosmetics**



**Fruits**



**Vegetables**



**Handkerchiefs**



**Towels**



**Flowers**

# 4.

## Market Analysis

Industry Analysis

Market Trends

Target Market

Market Segmentation





**REMEMBER**

The most important component of an effective Vending machine services business plan is its accurate marketing analysis. If you are starting on a smaller scale, you can do marketing analysis yourself by taking help from this Moving services business plan sample or other Vending machine services business plans available online.

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## Industry Analysis



**TIP**

The Vending Machine industry has experienced growth over the past few years. The growth in the healthy eating index is a driving factor of change for the industry. When the healthy eating index increases, consumers eat less junk food, which industry operators have conventionally sold. This has caused the industry to pivot to selling more health-conscious fo

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## Market Trends



**TIP**

Retailing business has been in existence for as long as humans 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 ran

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## Target Market



**TIP**

We do 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 t

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# Market Segmentation



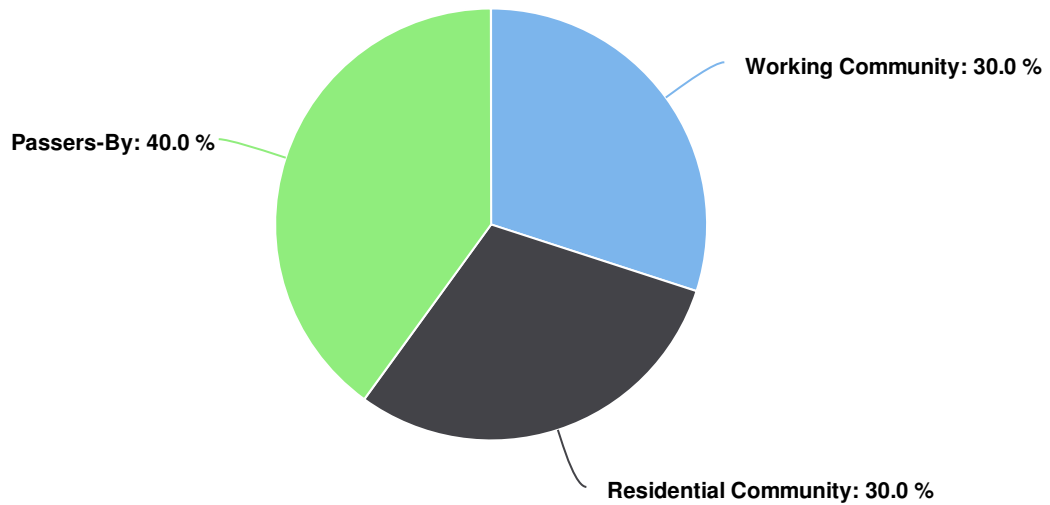
**TIP**

Our marketing experts have identified the following type of target audience which can become our potential customers.

The detailed marketing segmentation comprising of the company's target audience is as follows:

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**TIP**

The first category includes the workers and employees who work in the businesses or offices in Manhattan. This group leads a strenuous life, burdened with plenty of work and thousands of matters to think upon. Due to their busy routine, most of the time they can't go to restaurants and hence use vending machines for grabbing a bite.

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## Working Community

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**TIP**

The second group of our target customers will be the residential community. This group comprises children, teens, adults, and senior citizens. They also use vending machines to conveniently get their required products as compared to visiting the stores.

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## Residential Community

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**TIP**

The third category includes those people who do not work or reside in our target areas but have come to for any business purpose or commercial activity. This group also often tends to stop by vending machines for having a quick snack, beverages, or cigarettes.

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## Passers-by

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**TIP**

The third category includes those people who do not work or reside in our target areas but have come to for any business purpose or commercial activity. This group also often tends to stop by vending machines for having a quick snack, beverages or cigarettes.

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# 5.

## SWOT Analysis



TIP

Our intention of starting our vending machine business with a dozen vending machine installed in strategic locations around Detroit, Michigan 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 Michigan before spreading to key cities in the United States and

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## Strengths

The strategic locations we intend to install 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 First Tech Vending Company.

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## Weaknesses

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 dollar retail outlets that also run a vending machines business when it comes to retailing at rock bottom prices for all their goods.

W

## Opportunities

The fact that we are going to install our vending machines in some of the busiest streets in Detroit, Michigan, 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 surveys and we know what our potential clients will be looking for when they visit our vending machine locations; we are well-positioned to take on the opportunities that will come our way.

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## Threats

Just like any other business, one of the major threats that we are likely going to face is an economic downturn. It is a fact that the 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 the same location where ours is located.

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# 6.

## Strategy & Implementations

Advertising Strategy

Pricing Strategy



### REMEMBER

After identifying the market demand, market trends, and the potential customers of the startup, the next step is to define an effective strategy for attracting those customers. Like marketing analysis, sales strategy is also an important component of a vending machine service business startup and must be properly planned before you think about starting.

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## Advertising Strategy



### TIP

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.

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## Pricing Strategy



### TIP

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 a cheaper price which is why big players in the retail industry like Wal-Mart will attract loads of consumers. Products in their store are tagged with the cheapest.

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# 7.

## Financial Plan

Important Assumptions

Break-even Analysis

Projected Profit and Loss

Projected Cash Flow

Projected Balance Sheet

Business Ratios





#### REMEMBER

The last component of a vending machine service business plan is an in-depth financial plan. The financial plan crafts a detailed map of all the expenses needed for the startup and how these expenses will be met by the earned profits. It is recommended that you use [our financial planning tool](#) for guiding you through all financial aspects needed to be considered.

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#### TIP

The company will be financed by John himself and he will control the direction of the business to make sure that it is expanding at the forecasted rate. As for the vending machine service business start-up, no equity funding or outside loans will be required. With the help of financial experts, John has developed the following financial plan for his start-up business,

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## Important Assumptions

The financial projections of the company are forecast on the basis of the following assumptions. These assumptions are quite conservative and are expected to show deviation but to a limited level such that the company's major financial strategy will not be affected.

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10,00%	11,00%	12,00%
Long-term Interest Rate	10,00%	10,00%	10,00%
Tax Rate	26,42%	27,76%	28,12%
Other	0	0	0

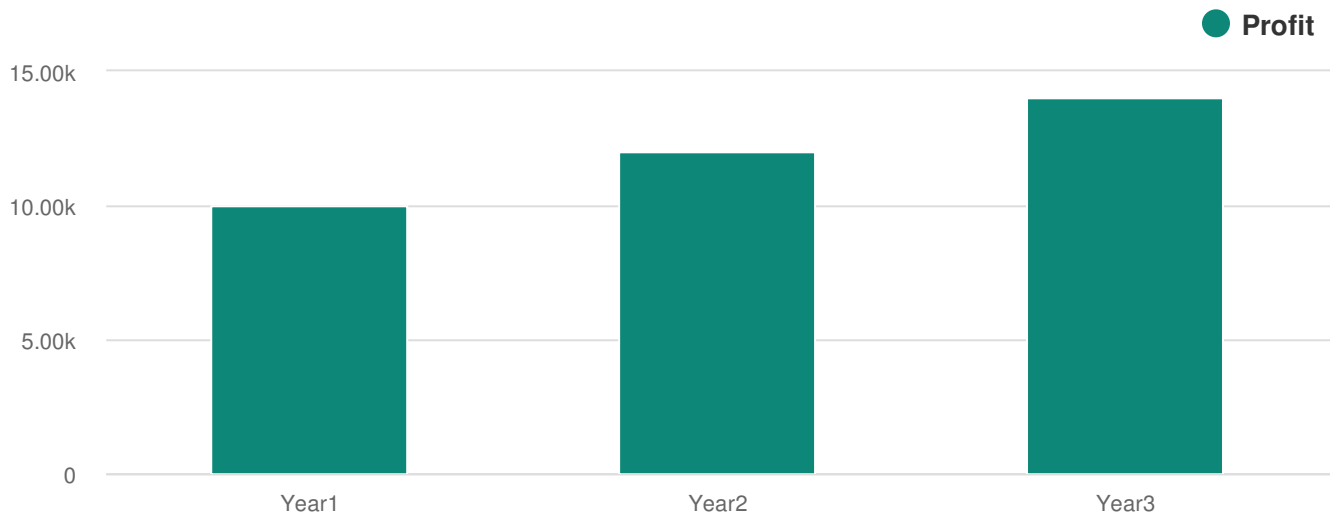
## Brake-even Analysis

Monthly Units Break-even	5530
Monthly Revenue Break-even	\$159 740
<b>Assumptions:</b>	
Average Per-Unit Revenue	\$260,87
Average Per-Unit Variable Cost	\$0,89
Estimated Monthly Fixed Cost	\$196 410

## Projected Profit and Loss

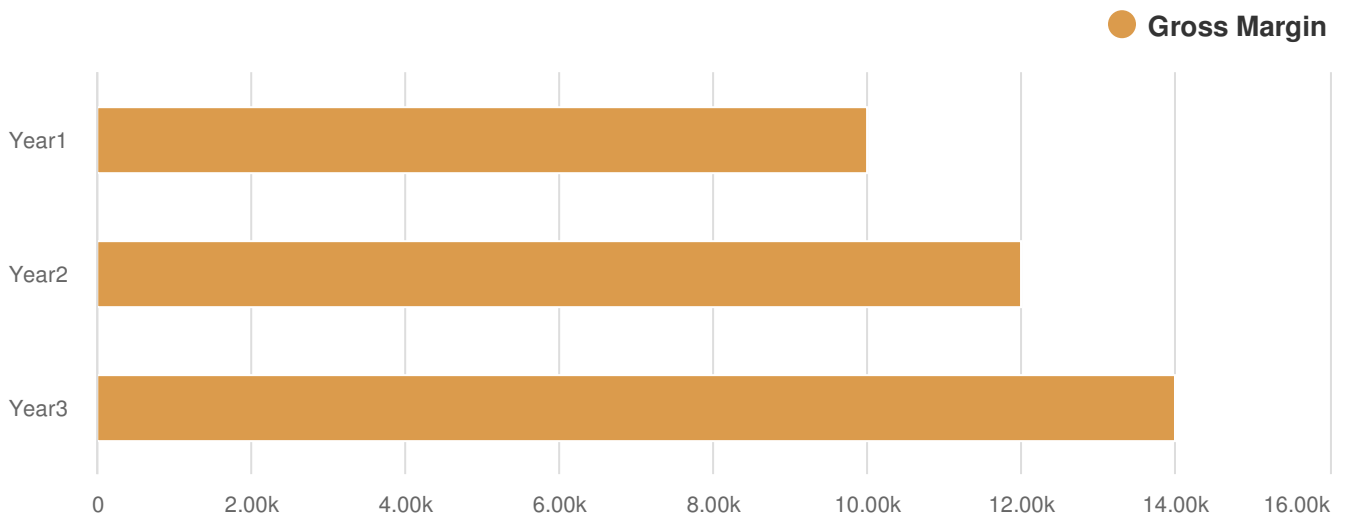
	Year 1	Year 2	Year 3
<b>Sales</b>	\$309 069	\$385 934	\$462 799
Direct Cost of Sales	\$15 100	\$19 153	\$23 206
Other	\$0	\$0	\$0
<b>TOTAL COST OF SALES</b>	\$15 100	\$19 153	\$23 206
Gross Margin	\$293 969	\$366 781	\$439 593
Gross Margin %	94,98%	94,72%	94,46%
<b>Expenses</b>			
Payroll	\$138 036	\$162 898	\$187 760
Sales and Marketing and Other Expenses	\$1 850	\$2 000	\$2 150
Depreciation	\$2 070	\$2 070	\$2 070
Leased Equipment	\$0	\$0	\$0
Utilities	\$4 000	\$4 250	\$4 500
Insurance	\$1 800	\$1 800	\$1 800
Rent	\$6 500	\$7 000	\$7 500
Payroll Taxes	\$34 510	\$40 726	\$46 942
Other	\$0	\$0	\$0
Total Operating Expenses	\$188 766	\$220 744	\$252 722
Profit Before Interest and Taxes	\$105 205	\$146 040	\$186 875
<b>EBITDA</b>	\$107 275	\$148 110	\$188 945
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$26 838	\$37 315	\$47 792
Net Profit	\$78 367	\$108 725	\$139 083
<b>Net Profit/Sales</b>	30,00%	39,32%	48,64%

## Profit Yearly



Financial Year	Profit
Year1	10000
Year2	12000
Year3	14000

## Gross Margin Yearly



Financial Year	Gross Margin
Year1	10000
Year2	12000
Year3	14000

## Projected Cash Flow

Cash Received	Year 1	Year 2	Year 3
<b>Cash from Operations</b>			
Cash Sales	\$40 124	\$45 046	\$50 068
Cash from Receivables	\$7 023	\$8 610	\$9 297
<b>SUBTOTAL CASH FROM OPERATIONS</b>	<b>\$47 143</b>	<b>\$53 651</b>	<b>\$59 359</b>
<b>Additional Cash Received</b>			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
<b>SUBTOTAL CASH RECEIVED</b>	<b>\$47 143</b>	<b>\$53 651</b>	<b>\$55 359</b>
<b>Expenditures from Operations</b>			
Cash Spending	\$21 647	\$24 204	\$26 951
Bill Payments	\$13 539	\$15 385	\$170 631
<b>SUBTOTAL SPENT ON OPERATIONS</b>	<b>\$35 296</b>	<b>\$39 549</b>	<b>\$43 582</b>
<b>Additional Cash Spent</b>			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
<b>SUBTOTAL CASH SPENT</b>	<b>\$35 296</b>	<b>\$35 489</b>	<b>\$43 882</b>
<b>Net Cash Flow</b>	<b>\$11 551</b>	<b>\$13 167</b>	<b>\$15 683</b>

Cash Received	Year 1	Year 2	Year 3
Cash Balance	\$21 823	\$22 381	\$28 239

## Projected Balance Sheet

Assets	Year 1	Year 2	Year 3
<b>Current Assets</b>			
Cash	\$184 666	\$218 525	\$252 384
Accounts Receivable	\$12 613	\$14 493	\$16 373
Inventory	\$2 980	\$3 450	\$3 920
Other Current Assets	\$1 000	\$1 000	\$1 000
<b>TOTAL CURRENT ASSETS</b>	<b>\$201 259</b>	<b>\$237 468</b>	<b>\$273 677</b>
Long-term Assets			
Long-term Assets	\$10 000	\$10 000	\$10 000
Accumulated Depreciation	\$12 420	\$14 490	\$16 560
<b>TOTAL LONG-TERM ASSETS</b>	<b>\$980</b>	<b>\$610</b>	<b>\$240</b>
<b>TOTAL ASSETS</b>	<b>\$198 839</b>	<b>\$232 978</b>	<b>\$267 117</b>
<b>Current Liabilities</b>			
Accounts Payable	\$9 482	\$10 792	\$12 102
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
<b>SUBTOTAL CURRENT LIABILITIES</b>	<b>\$9 482</b>	<b>\$10 792</b>	<b>\$12 102</b>
Long-term Liabilities	\$0	\$0	\$0
<b>TOTAL LIABILITIES</b>	<b>\$9 482</b>	<b>\$10 792</b>	<b>\$12 102</b>
Paid-in Capital	\$30 000	\$30 000	\$30 000
Retained Earnings	\$48 651	\$72 636	\$96 621
Earnings	\$100 709	\$119 555	\$138 401
<b>TOTAL CAPITAL</b>	<b>\$189 360</b>	<b>\$222 190</b>	<b>\$255 020</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$198 839</b>	<b>\$232 978</b>	<b>\$267 117</b>
<b>Net Worth</b>	<b>\$182 060</b>	<b>\$226 240</b>	<b>\$270 420</b>

## Business Ratios

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	4,35%	30,82%	63,29%	4,00%
<b>Percent of Total Assets</b>				
Accounts Receivable	5,61%	4,71%	3,81%	9,70%
Inventory	1,85%	1,82%	1,79%	9,80%
Other Current Assets	1,75%	2,02%	2,29%	27,40%
Total Current Assets	138,53%	150,99%	163,45%	54,60%
Long-term Assets	-9,47%	-21,01%	-32,55%	58,40%
TOTAL ASSETS	100,00%	100,00%	100,00%	100,00%
Current Liabilities	4,68%	3,04%	2,76%	27,30%
Long-term Liabilities	0,00%	0,00%	0,00%	25,80%
Total Liabilities	4,68%	3,04%	2,76%	54,10%
NET WORTH	99,32%	101,04%	102,76%	44,90%
<b>Percent of Sales</b>				
Sales	100,00%	100,00%	100,00%	100,00%
Gross Margin	94,18%	93,85%	93,52%	0,00%
Selling, General & Administrative Expenses	74,29%	71,83%	69,37%	65,20%
Advertising Expenses	2,06%	1,11%	0,28%	1,40%
Profit Before Interest and Taxes	26,47%	29,30%	32,13%	2,86%
<b>Main Ratios</b>				
Current	25,86	29,39	32,92	1,63
Quick	25,4	28,88	32,36	0,84
Total Debt to Total Assets	2,68%	1,04%	0,76%	67,10%
Pre-tax Return on Net Worth	66,83%	71,26%	75,69%	4,40%
Pre-tax Return on Assets	64,88%	69,75%	74,62%	9,00%
<b>Additional Ratios</b>				
Net Profit Margin	19,20%	21,16%	23,12%	N.A.
Return on Equity	47,79%	50,53%	53,27%	N.A.

	Year 1	Year 2	Year 3	Industry Profile
<b>Activity Ratios</b>				
Accounts Receivable Turnover	4,56	4,56	4,56	N.A.
Collection Days	92	99	106	N.A.
Inventory Turnover	19,7	22,55	25,4	N.A.
Accounts Payable Turnover	14,17	14,67	15,17	N.A.
Payment Days	27	27	27	N.A.
Total Asset Turnover	1,84	1,55	1,26	N.A.
<b>Debt Ratios</b>				
Debt to Net Worth	0	-0,02	-0,04	N.A.
Current Liab. to Liab.	1	1	1	N.A.
<b>Liquidity Ratios</b>				
Net Working Capital	\$120 943	\$140 664	\$160 385	N.A.
Interest Coverage	0	0	0	N.A.
<b>Additional Ratios</b>				
Assets to Sales	0,45	0,48	0,51	N.A.
Current Debt/Total Assets	4%	3%	2%	N.A.
Acid Test	23,66	27,01	30,36	N.A.
Sales/Net Worth	1,68	1,29	0,9	N.A.
Dividend Payout	0	0	0	N.A.



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