

Leading the way

page 12



A SALUTE TO THIS
YEAR'S LEADERS,
INNOVATORS AND
OPTIMISTS

Automatic MERCHANTISER

Convenience services for vending, micro markets and workplace beverages



K&R Market Fresh

THIS MID-ATLANTIC OPERATION
is proof that sticking to core values
can strengthen a company during
the most difficult times

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CONVENIENCE

They'll Take It to Go!

Prepackaged convenience
food may just be more
relevant than ever

page 24

December 2021

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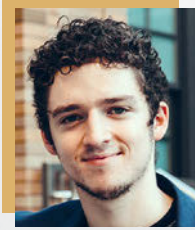
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INDIVIDUALS



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President, Blue Sparq Inc.



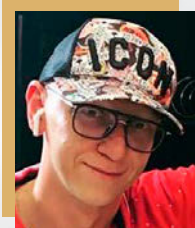
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CEO, Panoptyc



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Regional Sales Director-West, Cantaloupe Inc.



Laura King
President, Candy Dynamics



Alex Vaserman
VP of Technology, Nayax NA



Ravi Venkatesan
Chief Technology Officer, Cantaloupe Inc.

TEAMS



Cantaloupe Customer Success Managers



Everest Ice and Water Systems



Fixturlite



Tahoe Vending

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8th Annual



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The 2021
Pros to Know
Awards

A salute to this year's thought leaders, innovators and optimists who stepped up to the plate for their companies and industry

Success Story

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K&R Market Fresh

This mid-Atlantic operation is proof that sticking to core values can strengthen a company during the most difficult times



On the cover: K&R senior executives, from left, are Brad Whitson, CEO; Lauren Whitson, business development manager; and Bradlee Whitson, president.

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Interviews, Expert Insight & Tips



OCS Operator

Here is something easy to sell in 2022



Bob Tullio

BABY BOOMERS PRETEND TO BE MOTIVATED BY IT AND Gen X claims it resonates with them. But only Millennials and Gen Z are truly driven by this one selling point moving up to center stage in 2022. Can you guess what it is? Bob Tullio reveals all in his December "Best of OCS" column. This potentially profitable read will feature new ideas and advise operators on how to capitalize on them.
VendingMarketWatch.com/21247507

Q&A | Acquisitions outlook

Mike Kelner answers questions about the industry's changing M&A landscape. As the new year approaches and the pipeline of possible deals widens, Kelner discusses an increasingly complex market for buyers and sellers of vending and OCS operations.



Mike Kelner

VendingMarketWatch.com/21247516

Guest Blog | Building net worth

It was a comeback year for the refreshment services industry, according to Mike Ferguson. In fact, he claims, the industry saw more acquisitions in 2021 than it did in 2019 before the pandemic. He suggests ways operators can raise their business value and personal net worth in 2022.



Mike Ferguson

VendingMarketWatch.com/21246340

Special Report



Micro Market

First Starbucks 'Just Walk Out' venue opens



Starbucks Corp.

MICRO MARKET NEWS

The first Starbucks Pickup with Amazon Go store opened in NYC. It uses the order ahead feature in the Starbucks app and Amazon Go's Just Walk Out technology for self-checkout service.

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When will it end?



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Whether it ends sooner or later, operators will emerge as strong as ever.”

THIS MONTH WE SAY GOODBYE TO 2021, AND WE DO NOT THINK it will be missed. Whereas 2020 was dominated by the at-home work shift brought on by the COVID-19 pandemic, this year was shaped by several false starts to the long-awaited recovery of the office market-place, a vital demographic to the convenience services trade.

The steady discoveries and spread of new variants, responsible for the majority of COVID infections, suggest the crisis will continue well into 2022. As we go to press, the new omicron variant coincided with a spike in searches by Google users asking: “When will COVID end?”

Whether it ends sooner or later, operators are now well prepared to meet the challenges and will emerge as strong as ever. Support for this statement can be had in the seven operator interviews we conducted for this magazine’s 2021 cover stories.

We began the year with a profile of Royal ReFresh of Portland, OR. Owner Ryan Harrington emphasized the importance of teamwork. “Despite the uncertainty of when or if employees will return to offices, we are grateful for and amazed by the company’s team members. Everyone has hit this in stride,” he said.

We spoke to Idaho’s Treasure Valley Coffee, a large independent whose specialty is OCS and roasting. Owner Suzanne Boyer remains optimistic about her company’s future. TV Coffee just purchased a new building to expand its existing Boise campus to support future growth.

Ohio’s Maumee Valley Group, owned and operated by the Plassman family, not only persevered through the challenges posed by COVID-19 and its ensuing lockdowns, but also found new opportunities in its wake, giving the three-generation operation extra cause for celebration as it marks 75 years in business.

Jim Evans of New Jersey’s Evans Company told us: “A month into New York’s quarantine, I said to an operator friend: ‘I’m not going to go out like this.’ The industry has survived the financial crisis, Superstorm Sandy, 9/11 ... We’ve dealt with skyrocketing interest rates and unemployment, recessions – and we survived. Let alone coffee shortages, gas prices, oil embargoes. We survive and then once again we will thrive.”

American Food and Vending’s Jim Roselando Jr. and Patrick Arone shared how they navigated COVID’s extraordinary challenges by reinventing their approaches to vending, micro markets and OCS. AFV has served the New England market for 40 years.

In Connecticut and Maryland, the industry is getting a dose of new DNA. Legend Food Service’s Kyle Loughran, Nick Duda, Kevin Koehr and Ben Adams are bringing fresh perspectives to the industry.

To close the year, we caught up with Bradlee Whitson of South Jersey’s K&R Market Fresh. COVID tested every premise of the way he operated and challenged him to find a new way to do things. Whitson’s story begins on Page 36.

We thank these operators for sharing their stories of survival and look forward to a new chapter in 2022.

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TOP NEWS

Pret and JDE Peet's go after self-service coffee market

[KIOSK UPDATE]



Pret A Manger

Pret Express is a self-service coffee-to-go solution providing Pret's 100% organic coffee and tea.

PRET A MANGER IN PARTNERSHIP with JDE Peet's plans to trial a new unattended coffee kiosk. Pret Express will be deployed in convenience stores, food courts, universities, healthcare facilities and workplaces, offering organic coffees and teas where Pret baristas are not present.

Key points

- Next step in Pret transformation strategy, designed to bring Pret to more people, includes plan to open 200 new UK shops over next two years;
- Pret Express will bring Pret's 100% organic coffee and teas directly into workplaces and convenience stores; and
- Trial follows recent introduction of aluminum coffee pods, the first venture under the partnership between Pret and JDE Peet's.



Five Star acquires Gulf Coast Canteen

Five Star Food Service, the nation's largest Canteen franchise, acquired Gulf Coast Canteen, a Mobile, AL-based vending operation. The acquisition expands Five Star's service territory further into Alabama and marks its entry into Florida. It adds two branches in Mobile and Pensacola, FL. Terms of the transaction were not disclosed.

VendingMarketWatch.com/21241378



Evoca to close machine factory in Gaggio Montano

Europe's largest vending machine manufacturer said it is closing one of its factories in Italy. Following discussions with trade unions, Evoca Group announced on Nov. 5 that it will shut down its coffee equipment manufacturing plant in Gaggio Montano by the end of 2022. Production is expected to cease by the end of the first quarter next year at the factory known as SaGa Coffee, where Saeco Professional vending and brewers are made.

VendingMarketWatch.com/21245424



Seaga lands financial backer

Dominus Capital L.P. has made an investment in Freeport, IL-based Seaga Manufacturing Inc. The investment amount was not disclosed. Founded in 1987, Seaga makes vending machines, along with unattended retail accessories. It has facilities in the Midwest and India. Dominus founding partner Bob Haswell said, "Seaga's differentiated model focuses on innovative solutions and a customer-first mentality."

VendingMarketWatch.com/21244456



AVA expands name and mission

The UK's AVA is expanding its brand name to reflect its diversified membership. The Automatic Vending Association, a 92-year-old trade organization, originally named the Coin Operated Machine Association, has added "Vending and Automated Retail Association" to its title. "The new name reflects a new vision for the industry's future," AVA chief David Llewellyn explained. "Our mission is to be agile and innovative, and to deliver to our members, and their customers, in an ever-changing retail landscape." AVA is headquartered in Wetherby parish in Leeds.

VendingMarketWatch.com/21246422



Sodexo signs 10-year deal with For Five

The fortune 500 company announced an exclusive agreement with For Five to serve the latter's specialty coffee and customized foods at some of its U.S. and Canadian sites. For Five's portfolio includes more than 2,000 customers and over 30 cafés in the U.S. The Federal Reserve Board and Foley & Hoag are among Sodexo's corporate dining locations that will feature For Five cafés. Additionally, For Five menu items will be available via Foodee, a Sodexo-acquired technology company that aggregates local restaurants to

feed companies with customizable meals. **VendingMarketWatch.com/21244858**



Hershey Co. to buy Dot's Pretzels

Hershey Co. has entered into a definitive agreement to buy Dot's Pretzels LLC, owner of Dot's Homestyle Pretzels. Simultaneously, Hershey has entered into a definitive agreement to acquire Pretzels Inc., a co-manufacturer of pretzels for Dot's and several other customers. The co-producer operates three manufacturing locations in Indiana and Kansas. The total purchase price for both proposed acquisitions

is about \$1.2 billion. **VendingMarketWatch.com/21246281**



IVS Group acquires Liomatic

Two Italian vending operators are merging to create a single service organization that aims to strengthen their national and European market positions. IVS Group S.A. announced an agreement to acquire Liomatic, creating an expanded organization for vending and coffee services. **VendingMarketWatch.com/21244720**

MORE ONLINE



Food Express deploys Cantaloupe's Seed, lifts sales 97%

VendingMarketWatch.com/21241970

Crane Co.'s payment and merchandising sales rise 32% in Q3

VendingMarketWatch.com/21243856

PopCom ships kiosks to telecom giant

VendingMarketWatch.com/21243832

ACE hails successful show in Myrtle Beach

VendingMarketWatch.com/21243594

PEOPLE IN THE NEWS



Weems

United Food Group hires new sales rep
The powder mix producer added Leslie Weems to its sales team. Weems brings 15 years' experience in sales, marketing and client relationships to her new sales rep role. UFG also markets the Perfect Servings line of coffee condiment dispensers.



Cordisco

PayRange EVP leads growth initiatives
The payments innovator named Stephanie Cordisco executive vice president of new growth initiatives, which could include age-restriction technology. The marketing executive comes to PayRange from RJ Reynolds, where she helped launch Vuse.



Eilam

OTI taps Amir Eilam chief executive
Eilam takes the helm at cashless payments provider On Track Innovations Ltd. He succeeds Yehuda Holtzman, who resigned for personal reasons. Eilam joined Israel-based OTI in 2015.



Brown

Compass Group plc appoints new CFO
The catering giant appointed Palmer Brown chief financial officer to replace Karen Witts. Brown also became a director of the company. He served as Compass's interim chief financial officer from 2018 to 2019.



Scott

Scott heads up Aramark's uniform unit
Kim Scott joined Aramark Uniform Services as president and chief executive. She oversees the company's nearly 20,000 employees who provide uniform and allied services to about 400,000 customers.



Stokes

Kind ups Stokes to CEO, N. America
Mars-owned Kind Healthy Snacks named Russell Stokes chief executive of Kind North America. He reports to Kind global president and chief Juan Martin. Stokes recently served as Kind's chief growth officer.



A True Story

Storytelling is a useful and influential business development tool

By Bob Tullio, Contributing Editor

OVER THE PAST TWO YEARS, I have been beating the drum for storytelling as a business development tool. I have conducted webinars, spoken at conventions and recently posted a three-part storytelling video series on my b2b Perspective Channel, because I believe that storytelling is a powerful and useful skill.

Since this is a column about the office coffee business, I am going to provide a comprehensive OCS storytelling example. This is a story that I told. I am not making this stuff up!

STORY FUNDAMENTALS

First, let's review the basics:

- Storytelling is proven by science to stimulate seven areas of the brain instead of just two. Compelling stories have greater impact than facts.
- Your story should be true.
- There needs to be at least one main character.
- The story structure should have a beginning, a middle and an end.
- Your story should be relevant.
- Do your best to make the story engaging, even compelling.

Storytelling is a powerful way for an account executive to help clients make the right choices. If a client has an idea about how things should happen, but it is obviously a bad direc-

tion, there are two ways to deal with the situation:

- You can hit them right between the eyes by telling the client or prospect, "You are making a bad choice and here is why it is a bad choice."
- Or, you can tell them a story that will help them visualize and better comprehend your position.

OFFICE COFFEE SERVICE STORY

Backstory:

My client, a fast-rising entertainment entity, wanted to cut back on coffee service expenses because they were spending so much on five-gallon water bottles. To put it in perspective, they were spending \$8,000 a month on bottled water and \$4,000 per month on coffee service.

Kim, the facility manager, was quite convinced that bottled water was a critical, irreplaceable amenity.

Play by play of the conversation:

Bob: Kim, it is great that your company is so amenity oriented, but which program do you think is more valued by your employees, the coffee service program or the drinking water?

Kim: I think they are both important.

Bob: Kim, may I ask you another question?

Kim: Of course.

Bob: If I can show you a way to reduce your water costs while maintaining the level of quality, could you see yourself taking that savings and making the coffee service program even better?

Kim: Yes, but I don't see how you can do that. Some of the execs around here will never want to give up bottled water. Filtered water is just not an option.

Bob: I recently met Elmer, a facility manager at a major film studio, who was experiencing the same concerns as you. Much like your company, they literally had walls of bottled water filling their kitchens. Elmer told me that some of her employees were sick of lifting the five-gallon bottles. Do you ever hear any of that, Kim?

Kim: Absolutely. I get stuck changing the bottles twice a day in the kitchen near my office.

Bob: I get it. There is another issue that keeps coming up – the environment. Just about everyone agrees that

belching delivery trucks transporting bottled water isn't exactly sustainable. Maybe that has not come up yet at your company?

Kim: It has. We have heard noise about it from our green initiative employee committee.

Bob: I'm not surprised to hear that. I was surprised by what actually motivated Elmer to consider an alternative to their bottled water program. Believe it or not, Elmer was motivated by the office decorator who was hired to revamp some of their older floors.

The designer saw the walls of bottled water in Elmer's office kitchens and said no way will the new kitchens look like this! You need to find another solution. In fact, Kim, didn't you tell me that by the end of next year, you will be adding several more floors?

Kim: I did. I guess we could be looking at the same situation. That's why I want to cut costs, because of our continued growth.

Bob: I understand, Elmer had the same concerns. Between those same concerns and the office decorator's insistence, he came to me to find a solution.

I went on to show Kim how I introduced high-end point-of-use water filtration systems to Elmer's studio.

Bob: Ultimately, Kim, Elmer saw his drinking water bills reduced by 70%. Not only that, but he was also a hero with human resources because there were no more heavy bottles to lift, no more spillage of water and the studio's green committee was thrilled by the sustainable solution.

Kim: But what about those key executives that insist on bottled water? How did you satisfy them?

Bob: That was simple, Kim, and we can offer the same solution to you. Any executive who must have bottled water can have it, delivered to their desk every week in 16-fl.oz. bottles



1279299351 | jjubaphoto | Getty Images

and I am going to give you an excellent price per case.

At Elmer's studio, after a couple of months, only a few executives insisted on having the 16-fl.oz. water bottles, but that was because of conference room needs.

I should also mention that Elmer took the water savings and elevated the coffee service program, adding some nice local roasts, biscotti, premium teas and huge selection of flavored creamers. The employees at Elmer's studio were thrilled.

I have a question, Kim. Based on what happened at Elmer's studio, can you see why it makes sense to replace your existing five-gallon bottles with a point-of-use water system in each kitchen, for huge savings, no risk and a better OCS program? Plus, you will be a hero with the HR department and the green initiative employee committee.

Kim: I am willing to give it a try in one of our buildings.

BABY STEPS

Clearly, Kim took baby steps, but ultimately the conversion to point-of-use water was a huge success. OCS jumped to \$8,000 a month, while Kim's water expense dropped to about \$1,000. She agreed to convert the entire program over to point-of-use water and upgrade the OCS program.

Amazingly, this was before today's impressive water products like FRIIA from Marco Beverage Systems and Elkay's new Smartwell system. Imagine what is possible today!

DON'T JUST DELIVER – ENGAGE

As you can see from the story above, storytelling is not a one-sided narrative. Engaging the client or prospect with questions that will help move the process along only adds to the impact of the story.

Use this framework to develop your own arsenal of compelling, relevant and engaging stories of your own.

What is your favorite story? I would love to hear it. Email me at bob@tullio2b.com. ■



About the author

Industry consultant and VendingMarketWatch contributing editor Bob Tullio is a content specialist who advises operators in the convenience services industry on how to build

a successful business from the ground up and advises suppliers on how to successfully connect with operators. Tullio's YouTube channel, b2b Perspective, is designed to "elevate your business in two minutes." Tullio is currently developing an online course, Leverage the power of LinkedIn to grow your business. Visit tullioB2B.com to learn more about VMW's contributing editor and his b2b services.



The
2021
Pros to Know
Awards

A salute to this year's thought leaders, innovators and optimists who stepped up to the plate for their companies and industry

*By Adrienne Zimmer,
Contributing Editor*

This year marks the eighth time that Automatic Merchandiser has asked readers to nominate individuals and teams who have gone above and beyond to promote their companies in the vending, micro market and office coffee service industry. This prestigious award from Automatic Merchandiser, the leading print publication covering convenience services, continues to recognize outstanding individuals whose accomplishments are moving the industry forward.

While many segments of the industry – operators, suppliers, distributors, brokers and manufacturers – struggled in 2021 to regain their footing as a result of the COVID-19 pandemic, this year's Pros to Know honorees took charge to deliver services and solutions during a time of need. These individuals and teams played an essential role in helping their companies survive and succeed.

The following 22 individuals and 10 teams have persevered through many difficult months, overcoming supply chain and hiring challenges, all while navigating the changes in workplace environments.

PROS TO KNOW INDIVIDUALS



JAMEEL AHED

President, Blue Sparq Inc.

★ **Ahed is the true example of an entrepreneur.** After selling his first company, based in Illinois, and moving to Florida, he started Blue Sparq Inc. For more than a decade, he has served as the president and chief executive of Blue Sparq, founded in 2008 with the aim of providing prototype design and manufacturing services to companies in a broad range of industries. Blue Sparq is capable of custom electronics design, firmware development, GUI design and development, server-side programming on cloud computing platforms such as AWS and cloud application development. By manufacturing everything the company designs, it can purchase materials in large volume and maintain a flow of inventory, ensuring its customers have a steady flow of product to sell. Ahed received his bachelor's degree in bio-medical engineering from the University of Illinois at Urbana-Champaign, specializing in electrical and mechanical engineering.



**Jameel
Ahed**

MAC BOLAK

CEO, Panoptyc

★ **As founder and chief executive of Panoptyc,** Bolak has created a company that helps micro market operators catch theft, using artificial intelligence (AI) and computer vision. Automating the loss-prevention process has helped operators focus their time on other facets of their business, saving both time and money. In fact, Bolak has created a company that tackles the labor shortage, theft issues and technological issues in micro markets by offering remote-access, cloud-storage cameras. A young and determined visionary in the micro market industry, Bolak is always looking to improve Panoptyc's services while also exploring new opportunities within the industry. Having signed service agreements and integrated with many large companies, Bolak knows the industry inside and out. His knowledge and commitment to the industry will allow the OCS, micro market, and vending industry to be revolutionized in the coming years. Bolak is described as a determined, innovative individual with a broader vision of the industry. He is a graduate of the University of Colorado-Boulder.



Mac Bolak

PAUL BROWN

President, Mcliff Coffee + Vending

Brown has successfully guided Texas-based Mcliff Coffee + Vending through the enormous downturn in revenue during the pandemic and the company has come out on the other side better and stronger. Brown helped restructured Mcliff's compensation packages to lower company costs and added telemetry to every account in order to streamline visits. Under Brown's leadership, the company continues to thrive in unprecedented times.



**Paul
Brown**

ALEX BUCK

Regional Sales Director-West,
Cantaloupe Inc.

★ **Buck started at Cantaloupe** with an extensive background working for PepsiCo. He was able to quickly ramp up in learning how to work directly with vending operators of all sizes, especially enterprise clients. He has become a well respected advisor, consultant and sales leader for Cantaloupe customers spanning both the vending and bottler network of operators. He has recently presented at state association conferences where he talked about the importance of technology in an operator's business. He recognizes that the challenges of the COVID-19 crisis have also presented many opportunities for the vending industry. His recent involvement with the Northwest Automatic Vending Association, California Automatic Vendors Council, Arizona Automatic Merchandising Council and Texas Merchandise Vending Association have shown that he is truly vested in not only supporting his customers, but the industry at large.



Alex Buck

Alex Buck has become a well respected advisor and sales leader spanning both the vending and bottler network of operators.

Cantaloupe Inc.



LINDSAY EASTER

Operations Specialist, Gimme

★ Easter has put 110% effort into her work since joining the Gimme

team. She goes above and beyond to understand convenience service operators from every role within the organization, from owners to route drivers to service techs and salespeople. She has gained hands-on experience in the field, working with route drivers at 4 a.m. and picking product in the warehouse. This experience led her to develop virtual training on Gimme software. She always puts the customer first, bringing structure to the new customer implementation process and front-loaded training. She continues to excel by providing access to the company's internal Gimme VMS and Gimme Field test account so that customers can use the articles and knowledge gained from training to practice daily functions. Easter believes that at its core, customer service is the same: People want to be heard and to have their experiences valued. She works hard to make that a reality for each customer.



Lindsay Easter

BRIAN GILL

National Sales Executive, OptConnect

As a national sales executive at OptConnect, Gill continues to accelerate the company's growth across multiple verticals, with a keen focus on the self-checkout space. With more than 30 years of progressive career growth in executive-level positions in the vending, amusement and coin-op laundry industries, Gill is a high-energy business leader with deep industry and multi-generational relationships and extensive success in various areas such as business development, sales, strategic planning, negotiation, implementation and business plan achievement.



Brian Gill

CATHY FEELEY

Western Regional Sales Manager,
CBI & Associates

Feeley has been a huge asset to her customers during the COVID-19 crisis. She has helped many customers with alternative solutions regarding each customers' specific business – whether it was primarily schools, prisons, traditional vending or micro market, she has been a solid resource. For the past 30 years, Feeley has represented most industry suppliers and has helped customers all over the West Coast to develop new marketing strategies, build their businesses and help them get new accounts.



Cathy Feeley

EVAN JARECKI

Cofounder, Gimme

★ Jarecki has shown complete dedication to the vending and micro market industries since he co-founded Gimme in 2014. Not only is he leading a company dedicated to bringing innovative technology and solutions to these markets, but he is looking for any way he can to get involved with the industry and collaborate with other industry organizations. Jarecki is also dedicated to diving into customers' challenges and looking for ways to develop solutions to address these challenges. This involves his willingness to visit operators onsite, including customers and prospects, to learn directly from them and understand their business. As an awarded technology leader, he has made an impact in the food and beverage industry and the startup community. He serves as an executive board member with Startup Atlanta, a non-profit focused on connecting, curating and promoting Atlanta's startup ecosystem.



Evan Jarecki

Mac Bolak created a company that helps micro market operators detect theft using artificial intelligence and computer vision.

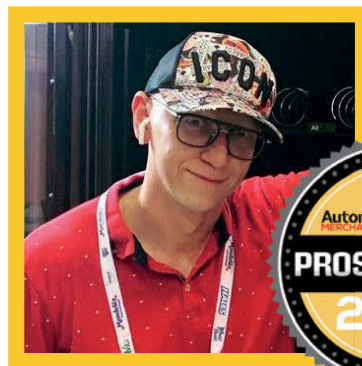
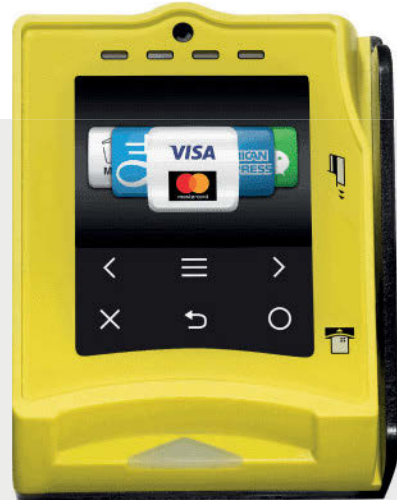
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Congratulations to

Alex Vaserman

VP of Technology, Nayax LLC

for inclusion in Automatic Merchandiser's **Pros to Know!**



BOB KEENAN

Regional Sales Director, G&J Marketing

With more than 30 years of experience in sales and marketing within the food service industry, Keenan has always gone above and beyond in his position at G&J Marketing and Sales. There has been more than one occasion when he has stepped in and gotten his clients product when they were short. He is described as always representing his manufacturers well and always making sure that he puts his clients' interests ahead of his own.



Bob Keenan

LAURA KING

President, Candy Dynamics

★ For more than two decades, King has put her hard work ethic, teamwork and knowledge into

the Candy Dynamics company, most recently as its president. Candy Dynamics has grown significantly since mid-2020 with the increased exposure to its products. King has worked for years to introduce new products to the market and even began a craze for Candy Dynamics' Slime Lickers, a product that has found success over the past year and shows no sign of slowing down. King's efforts have paved the way for the overall success of the company. Described as "down-to-earth," King creates a positive work environment for her colleagues, built on collaboration, understanding and flexibility. She is a graduate of Indiana University Bloomington.



Laura King

RICH LAU

Eastern Regional Micro Market Representative Avanti/365 Retail Markets

Throughout the pandemic, Lau has continued to support his customer base at the highest level, from availability with onsite assistance to installs, he is there in person. Lau is a leader in establishing standards for client support and he raises the bar through his personal contact and willingness to share best practices across his customer base. Lau has worn multiple hats as an operator, a distributor representative and a management consultant.



Rich Lau

DANELLE LAYTON

Director of Creative Services, Five Star Food Service

Layton began her career at Five Star as a marketing intern and rose to a director-level role in six years. She oversees the creative team and manages the brand day-to-day for Five Star and fiercely protects Five Star's brand guidelines. Layton is the ultimate teammate and has grown into a phenomenal coach to those she manages. She helped create and launch Five Star's non-profit foundation, Feeding the Future, contributing logo and website design, event planning and more.

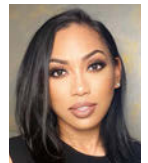


Danelle Layton

NATASIA MALAIHOLLO

Head of Business Development, PopCom

Malaihollo created and launched PopShop Local, a program that converts unused space in hotels and convention centers into digital pop-up shops for local small businesses to sell their products. The company's PopShop Local program places a smart vending machine in these spaces and features two to three local businesses every quarter, giving them an opportunity to reach a new customer base, have a physical location for their products, and collect insights about in-person shoppers.



Natasia Malaihollo

TAMMY PETERS

Director of Logistics and Unstoppable Freight Strategist, The Movelt Cos.

When it comes to distribution, first and final mile, inventory, warehousing and reverse logistics, there's nothing more important than having a reliable point of contact and Peters is that person. Recently promoted to director of logistics, Peters encourages and assists customers with reengineering packaging, and can guarantee faster, safer transit for every shipment. Peters is also developing new online tools and programs for customers, making it easier to track online shipments and keep an eye on delivery times.



Tammy Peters

**Jake Graham, Terry Rinck,
Jason Purdue, Jack Thompson,
Greg Young, Terry Hovis,
and Maxwell Elliott**

Client Solutions Team



Ravi Vekatesan
Chief Technology
Officer



Alex Buck
Regional Sales
Director

**“Congratulations to Cantaloupe’s
2021 Pros to Know. I couldn’t be
prouder of these individuals for
their hard work and commitment
to help our customers be
successful.”**

**- Sean Feeney,
Chief Executive Officer**



www.cantaloupe.com

JOSH ROSENBERG

CEO, Threeboysstrong Consulting

Rosenberg is a 27-year industry executive serving both the supplier and owner side. He exited his own operating company to assist operators in growing through the pandemic and changing competitive landscape. He has served the industry as NAMA board chair and was the 2016 Industry Person of the Year. Rosenberg has led recovery as NAMA chair, consulted industry leaders through hardship and assisted in developing strategies to reposition NAMA for the next five years.



Josh Rosenberg

RON SCADINA

Senior VP Sales, Steeped Coffee

Scadina has more than 40 years of OCS experience working for several companies and owning his own. He began consulting for Steeped Coffee in 2019 and assisted Steeped in attaining high sales growth. During the pandemic Scadina assisted Steeped in pivoting from OCS to selling its products in grocery, landing a national contract with Whole Foods. Steeped currently sells into hospitality, food service, OCS, grocery, e-commerce, and packages for more than 325 licensed partners.



Ron Scadina

BRIAN SHIMMERLIK

CEO and Cofounder, Vengo Inc.

As the COVID-19 pandemic hit, Vengo's kiosk network in gyms, colleges, hotels and more was shut down. The company, under Shimmerlik's leadership, responded through innovation. Vengo focused on PPE distribution, including a rollout of PPE machines throughout New York MTA subway and commuter rail stations. It also focused on its software and media business, so that when its network came back, it could better monetize the screens on its kiosks and expand the business, bringing added value to location partners.



Brian Shimmerlik

VATSANA SOUVANNAVONG

CEO, Koala Kolache

Souvannavong is a native Houstonite who established new businesses in southern California before returning to Texas in 2017. Upon her return, she developed a line of unique artisan kolaches and cinnamon rolls. As demand grew, she expanded her brick-and-mortar bakery by providing freestanding robotic kolache vending ovens. Koala's solution leverages Le Bread Xpress technology.

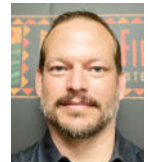


Vatsana Souvannavong

TY STORK

Roasting Plant Manager/Roastmaster, PrairieFire Coffee

The PrairieFire Coffee expert continuously learns in order to excel in his position. Not only has Stork attended education sessions through NAMA, but he has traveled to work with green coffee brokers to better understand buying and market conditions. Stork maintains all the operating equipment in the roasting facility while simultaneously working as a commodities trader, master coffee roaster and mechanic extraordinaire.



Ty Stork

ALEX VASERMAN

VP of Technology, Nayax NA

★ With a wealth of technical expertise in Nayax's products as well as customers' machines, Vaserman is front and center in building relationships and closing sales by providing customers with a wide range of support in the installation and deployment of Nayax devices, across all industries in the North American market. Within Nayax, Vaserman has moved not just to different positions, but to different countries. Currently based in Toronto as Nayax NA's vice president of technology, he is responsible for the development and onboarding of key and strategic customers, as well as working with support and sales, educating the local teams regarding new products and features. Prior to Vaserman's work for the North American office, he was working in Nayax Australia for three years as technical director, building the technical and support departments, establishing Nayax's presence throughout that region.



Alex Vaserman



RAVI VENKATESAN

Chief Technology Officer, Cantaloupe Inc.

★ Venkatesan started at Cantaloupe nearly a year ago with an extensive background in the payments and FinTech space. While new to the convenience services industry, he jumped in with a hunger and desire to learn, educate and innovate in the space quickly. He has led many innovation initiatives at Cantaloupe, including the ePort Engage device launch, pay with cryptocurrency – the first in the industry to leverage this capability in vending – and enhanced loyalty programs like the MORE mobile platform that is coming later this winter to customers. He is passionate about helping the operator community grow and scale as efficiently as possible, all while engaging consumers in new ways than ever before. He recognizes the tremendous opportunity the industry and the company’s customers have to meet the consumer wherever they are with the products they want through autonomous retail experiences.



Ravi Venkatesan

GEOFF WILCOX

Director of Retail Execution,
Five Star Food Service

Wilcox, a member of NAMA’s Emerging Leaders Network Board, has a true servant leadership mentality. Having worked at Five Star for three years, Wilcox now leads field execution of some of Five Star’s top priority projects. He is a board member of Five Star’s nonprofit foundation, Feeding the Future, and he was awarded Five Star’s 2021 Extra Mile Award which recognizes an individual who goes above and beyond in terms of productivity and service to the company.



Geoff Wilcox

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PROS TO KNOW TEAMS

365 RETAIL MARKETS TRAINING TEAM

Team leader: Linde Hutson, Director of Global Marketing, Communications and Training

Team members: Carmen Collie, Training Manager; Matthew Hudas, Customer Training Specialist; Caitlyn Kliest, Technical Writer; Dylan Buckley, Technical Designer

The 365 Retail Markets training team is constantly innovating and accommodating the industry and focusing on their operators' goals. They know the ins and outs of the technology and the industry, setting up micro market operators for success. After completing training, operators are more efficient and knowledgeable in their day-to-day operations. The training team continues to evolve in how they teach. During the pandemic, the team has completed more training and certifications than ever before, which is a true testament to their ability to be flexible and nimble in how they engage customers. They have created more training modules and certification programs to educate multiple roles within an organization, such as drivers, operators, and chief executives so that all can receive targeted training based on the systems that they use daily.



40BELOWJOE

Team leader: Curt Jones, Founder

Team members: Tracey Jones, Co-owner

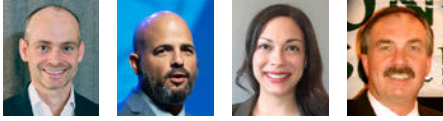
More than 30 years ago, Curt launched the world-renowned Dippin' Dots ice cream. Today, he and his daughter, Tracey Jones, have worked hard to create a new unique coffee product: beaded coffee. At 40BelowJoe, they brew fresh coffee from arabica beans and then cryogenically freeze it at its freshest point while keeping all of the original moisture content intact. Based in Carbondale, IL, 40BelowJoe products can be found at locations across the U.S. For those customers who prefer their coffee hot, the frozen coffee beads can be turned into a traditional cup of coffee in minutes simply by adding water and microwaving.



CANTALOUPE CUSTOMER SUCCESS MANAGERS

Team members: Terry Hovis, Greg Young, Jack Thompson, Jake Graham, Jason Pardue, Maxwell Elliott, Terry Rinck

★ **Cantaloupe Inc.'s customer success managers group is one of the most well-respected teams** in the industry. It plays a vital role in helping each enterprise customer who comes on board with Seed to execute a smooth implementation, not to mention see impressive operational results even within the first few weeks. A perfect example is what they did to support Food Express's implementation of Seed within just a month and the results of the first six-weeks post implementation were extremely impressive (see the case study at cantaloupe.com/resource-request/4940/food-express-goes-all-in-with-seed-to-optimize-its-business/). The team recognizes that sometimes the biggest challenge for every operator is the fear of change. Just moving from one system that they may have used for decades to an updated software can be scary regardless of the reward they might see in the end. However, this team does something incredible when they get involved to start a project with a customer – they come to the operator with their own background and expertise working in vending operations themselves, knowing the challenges of driver management and running static routes. They use that knowledge to really ensure that each implementation is customized to the given operator's key challenges and focus on solving those issues with Seed's technology. They collectively have more than 100 years of experience in the industry, and it truly comes through in their process, preparation and the overall end results they deliver to the customer.



CHEMESIS INTERNATIONAL INC.

Team leader: Josh Rosenberg, President

Team members: Terry White, SVP of Operations; Vinnie Pappano, VP of Sales & Category Management

Chemesis is breaking traditional industry boundaries with an AI-powered automated merchandising solution for the vending, micro market and OCS channels. The Chemesis team introduces a hands-free, turnkey CBD vending program using ViaTouch Media's Vicki, a kiosk with artificial intelligence. Chemesis is focusing on bringing the CBD healthy snacking category to the industry, a category with little to no presence in the space today. The Vicki platform offers a vehicle for CBD products that attracts, educates, drives consumer engagement, and solves pain points like product theft and inventory management.

CUSTOM DATA SOLUTIONS

Team leader: Michael Nudi, President and CEO



Team members: Rick Ruth, Jim Powers, Alyssa Lesmeister, Sharon Bohning

The Custom Data Solutions team began producing special weekly reports for clients beginning in April 2020 that show the sales of all CPGs in various details (segment, state, region, etc.). Reports now provide comparative sales data for 2021, compared with 2020 and 2019. The CPGs were able to modify their sales approaches precisely to what was happening in the vending channel. Reporting also helped management fully understand what was happening in the entire vending channel. The team worked diligently to quickly produce the reports, make any necessary adjustments based on feedback and continue to produce the reports on a timely weekly basis.

**Congratulations
Mac Bolak, CEO
for being named a
Pros to Know winner!**



panoptyc

TAHOE VENDING

Would like to congratulate our management team on their stellar performance this year navigating operations during the pandemic and impressive continued growth.

From Left to Right:

- Anthony Young – Coffee Manager**
- Elliott Richards – Vending Manager**
- Bambie Sackett – Warehouse Manager**
- Cesar Aguilar – Micro Market Manager**
- Pierre Sundland – Operations Manager**



PROS TO KNOW TEAMS

EVEREST ICE AND WATER SYSTEMS

Team leader: Ben Gaskill, Director of Sales

Team members: Dan Doromal, Director of Operations; Gilbert Ramirez Jr, Marketing Manager; Chris Beech, Service Manager; Jon Black, Operations Manager; Jordan Flores, Account Manager



★ **Everest Ice and Water Systems is a small but mighty team** that has been pushing on constantly doubling their sales year after year, succeeding and expanding upon that. This year, while so many other businesses are having an issue keeping afloat, Florida-based Everest Ice and Water has seen business rise in sales by over 112% with its three-year growth rising to 218%. With this success, the team has been able to get Everest Ice and Waters systems on the Inc 5000 for 2021.

There have been a variety of initiatives the team has taken this last year to combat the challenges that have come up. There have been new programs in place to keep account of what supplies are in stock, when they must be ordered to not have any shipping issues, as well as more clear and consistent communication between department heads. This has led to a drastic reduction of over 65% in shipping times with smaller windows of having a product out of stock for manufacturing. The teams have been constantly sourcing new vendors for their products, focusing on more local vendors so that there is less of an issue for delays in shipping of products. They have forged dozens of new partnerships, and this has allowed the company to lower the cost of purchasing by almost 15%, which is typically unheard of.

FIXTURELITE

Team leaders: Steve Orlando, Cofounder and President, and Troy Geis, Cofounder and Chief Executive



★ **The Fixturelite team has led the industry in turning**

spaces into places that people want to be; places they can use to escape from their work environments and call their own during break and meal times. The team consists of graphics, design and space planning experts, logistics professionals, manufacturing craftspeople and customer success enthusiasts who bring products and solutions together to create customer experiences that exceed expectations and assist with improving employee morale and greater employee retention and recruitment.

The team has grown their logistics, product merchandising, graphic arts and graphic design teams, and put consumer experience and culture captains in place to help the operator see the revenue and customer loyalty opportunity in creating better spaces. Orlando and Geis share best practices and knowledge about what has worked well and what hasn't in their 10 years of experience as operators and nearly seven years in their Fixturelite leadership roles. The Fixturelite team continues to be focused on the customer journey and experience. They go beyond micro market fixtures by providing the tools and resources necessary for an excellent first impression on day one of a micro market grand opening.

Orlando and Geis not only put their dedication into their company, but they also participate in moving the industry forward as speakers for the NAMA Show, CTW and the Aramark National Accounts Team Conference.

FEDERAL MACHINE

Team leader: Kristen Miller, Senior Distribution Support Specialist



Team members: Jennifer Cogdill, Lead Distribution Support Specialist; Opal Hobbs, Distribution Support Specialist; Emily Mehlin, Distribution Support Specialist; Margaret Antenucci, Distribution Support Specialist

The Federal Machine distribution support team overcame a myriad of challenges throughout the year including the downsizing environment of the in-person workforce, vendor displacement from long attained locations and

offering equipment innovations to overcome bacterial and virus spread in the breakroom. Over the last two years, a lot was required to change the process of lead generation. There were many phone meetings and less face-to-face meetings, however, this team showed up every day, and made hundreds of calls each day, working with distributors, vending operators, and locations to make changes to improve the breakroom service of locations. Through their efforts, more than 600 locations improved services and 450 operators were served a better situation than during the pandemic. The goal over the past two years was to help those that needed it and this team succeeded in that mission.



TAHOE VENDING

Team leader: Jarrad Duxbury, Managing Partner

Team members: Cesar Aguilar, Micro Market Manager; Anthony Young, OCS Manager; Elliott Richards, Vending Manager; Bambie Sackett, Purchasing Manager; Pierre Sundland, Operations Manager

★ **The Tahoe Vending team, headquartered in Reno, NV,** has a unique history of hard work, grit, determination and perseverance that makes their continued success come as no surprise. In 2014, Duxbury and his partners sold their Tucson, AZ, branch to Canteen and signed a franchise agreement for their Yuma, AZ branch. Tahoe Vending then opened its northern Nevada warehouse in July 2018 and it was able to expand operations. What's most impressive, however, is the team's ability to expand and grow during a pandemic. The Tahoe Vending team has grown revenues by 180% over pre pandemic levels in the face of the most volatile economic conditions the industry has seen in over a decade. This is no small accomplishment and they have only been able to do it as a



dedicated and competent team.

The Tahoe team has been and continues to be customer focused. In fact, they believe so heavily that the problems with procuring product cannot become Tahoe's customers' problems. That said, they are sometimes buying single products from up to six different vendors to ensure being able to merchandise what customers want. Additionally, the Tahoe Vending team invests in technology and industry partnerships to provide the best experience for their customers. What makes this vending company so successful, however, is the teamwork that happens within the organization and the forward-looking, optimistic attitude of its leadership. ■

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They'll Take It To Go!

Prepackaged convenience food may just be more relevant than ever thanks to post-pandemic shifts in consumer mindsets, routines and needs

By Emily Cambriello, Contributing Editor

CONVENIENCE FOOD HOLDS an indispensable place in the lives of most consumers, whether in transit, at work, at play or at home. It's a go-to when time's tight for the speed and ease of procuring it, along with the effortless preparation and cleanup.

But the category took on a whole new level of prominence when the pandemic disrupted routines and mobility, forcing consumers to either cook more, take out or rely on convenience foods to replace trips to restaurants and grocery stores to minimize exposure to the virus. Prepackaged

foods in c-stores and supermarkets also became a go-to for the extra barrier of protection they provide from human touch.

Juggling at-home work demands, alongside kids' remote schooling for many, led to quarantine fatigue that put an extra premium on easily procured ready-to-eat meals that fit easily into busy days with the whole family to feed 24/7.

The pandemic also amplified consumers' focus on adopting a healthier lifestyle, a trend already years in the making driven by millennials. The same consumers who seek the convenience of quick, ready-to-eat meals don't want to sacrifice nutrition or quality ingredients, especially given their increased reliance on and frequent consumption of them.

Another COVID phenomenon that bodes well for the convenience services industry is that reduced onsite populations and social distancing spurred the closure of many onsite



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cafeterias and transition to prepackaged foods sold through vending machines and micro markets. This move enables on-demand feeding of a downsized workforce and can satisfy not only lunch and dinner, but also be an easy take-home dinner fix, eliminating the need to stop in transit.

With restrictions continuing to ease, today's consumers remain hyper-conditioned to get more done in less time when out and about in the COVID-19 era. Many are back to their pre-pandemic routines and looking for food that fits into their busy schedules and makes both their home and work lives easier. And vending and micro market operators and their suppliers are rising to the occasion.

TRIED, TRUE AND NEW

E.A. Sween Co., founded in 1955 and located in Eden Prairie, MN, has stood the test of time as a convenience food pioneer. It's a recognized name in vending and micro markets. Its signature Deli Express and Market Sandwich lines stay closely attuned to consumers' ever-changing preferences with a constant focus on quality and variety.

Newest to its lineup are premium breakfast sandwiches and other on-trend additions to the Market Sandwich line in response to consumer demand for more premium options.

Breakfast on the go has been a booming segment but declined sharply during COVID quarantine while many consumers stopped commuting to work. Technomic's May 2021 "The New State of C-Store Foodservice" report found that 57% of c-store retailers had reduced their number of breakfast



E.A. Sween

“Consumers are stopping during morning hours to grab breakfast items but also picking up lunch options.”
Melissa Hanson, E.A. Sween

items as a result, but 75% said they expect to increase item counts in the coming year.

Convenience service operators can meet the anticipated upswing in demand with E.A. Sween's new upscale Market Sandwich breakfast line. Packaged with a clear window to showcase the product, they are microwave and warmer safe. Top sellers include 6-oz. omelet with ham and cheese on a croissant and 6.3-oz. sausage and jalapeno bacon with egg and cheese on a biscuit.

Also new to the Market Sandwich lineup are artisan-style flat sandwiches, formulated with less bread and more flavor. All have a 21-day shelf life.

“At the beginning of the pandemic, consumers spent a lot of time at home,” recalled E.A. Sween's Melissa Hanson. “Cooking at home for all meals

became the norm. As the pandemic progressed, they shifted to purchasing convenient prepared items and bringing them home for meals including ready-to-eat sandwiches that are safely made and packaged tightly. Prepackaging gives consumers confidence in their safety and freshness.” As restrictions have eased, consumers continue to look for “safely made” options, she added.

BACK TO BUSINESS

As consumers begin to move back to their offices and resume more routine schedules, E.A. Sween has seen ready-to-eat sandwich demand continue as consumers remain focused on limiting their number of stops. Purchasing food at their workplace vending machines and micro markets is a simple way to do so.

According to Hanson, “food as medicine” is a key theme stemming from the pandemic, with consumers seeking fare that is beneficial to their health, including less fried and processed food and products that are high in protein. In addition, purchase patterns increasingly center around breakfast options all day long.

“Consumers are stopping during morning hours to grab breakfast items but also picking up lunch options,” Hanson observed. “Concerns about COVID-19 are still real, and the fewer stops someone makes limits exposure to other people and the virus.”

LABOR SHORTAGE DRIVES DEMAND

Despite the growing popularity of breakfast on the go, the lack of labor



E.A. Sween

plaguing businesses of all kinds throughout the nation is making it hard for many convenience stores to keep their warmers filled during the peak morning demand. This is prompting many of them to offer options in the refrigerated area that consumers can heat and eat when they get to their destination.

“If c-store locations are struggling to keep the warmer filled, we advise ensuring there is enough in the refrigerated section and to offer point-of-sale signage to direct consumers to that area,” Hanson said.

This is even more reason for vending and micro market operators to be sure to include heat-and-eat breakfast items in their offerings to capture that business and provide the ultimate convenience by eliminating their customers’ need to stop on the way to work.

TARGET THEIR TASTES

“Geographically, wraps are big sellers on the West Coast, for example, while bagels are a top option on the East Coast,” Hanson noted. “Demo-

graphically, millennials and younger consumers seek options with flavor and spice and on-trend ingredients like sauces and spreads.”

Likewise, older generations and certain demographic groups simply want “all-American basics.” The bigger factor is the purchasing need state driving them to the store and if kids are present, Hanson observed.

E.A. Sween’s suggested retail prices range from \$2.99 to \$6.19. “Consumers want a good sandwich at a reasonable price,” Hanson commented. “In general, some groups are willing to pay more for healthy products. They understand healthier ingredients usually cost more.”

Supply chain disruptions have forced E.A. Sween, like other manufacturers, to raise its prices commensurate with raw material and logistic price increases. Given supply and raw material challenges, the company is pausing innovation to focus on its core items, which for now is plenty ample, diverse and innovative to live up to its commitment to serve consumers’ contemporary demands.

SPICING IT UP

Lynbrook, NY-based Jamaica Choice Foods LLC entered the convenience food arena in May 2020 to fill a void that its founder saw for restaurant-quality convenient ethnic foods with big, bold taste that also fit the bill for healthier lifestyles.

Its NormDe line of classic Jamaican favorites includes 11.5-oz. Curried Chicken and Curried Goat with white rice and Brown Stewed Chicken and Oxtail Stew with rice and peas. They come with a side of cabbage and

carrots. Each meal has no more than 430 calories, and no MSG, preservatives or sugar are added. Also in the development are keto-friendly and vegetarian options.

Launching in the heat of the pandemic proved to be strategic serendipity for the packaged food newcomer.

“People were afraid to go out and stand in queues to buy food. They preferred to have the option of where they could pick up multiple packages of ready-to-eat meals—frozen or otherwise—at a reasonable price,” recalled Jamaica Choice Foods’ Tony Bowen. “This presented an opportunity for us. There are no other manufacturers making our product and we knew how to make it well and how to make it cost effective based on market conditions. All they need is a microwave and they are able to enjoy a delicious, smart-portioned meal.”

Jamaica Choice Foods bills its fare as restaurant quality and commands a retail price of \$12 for its chicken entrees and \$16 for its goat and oxtail product which has higher ingredient costs.

“Our experience is that there are different types of consumers. There are people who will buy the product just because it’s new and they have not had the option available to them before,” Bowen instanced. “Then there are the customers who will like the fact that our food contains less calories and ingredients that would be more detrimental to their health. And finally, there’s the customer that is looking for a bargain on all their food purchases. We feel like we check all the boxes, and our consumer will gravitate to the product because they are getting value for their money.”

SUPPLY CHAIN WOES

That value is relative not only compared with more typical convenience fare, but also in a post-COVID world with supply chain issues that have



forced pricing higher. Bowen lamented that the cost of raw materials, lack of people in the workforce and rising cost of fuel have changed the marketplace for what most experts predict will be an extended period. Jamaica's Choice is doing everything in its power to hold its prices at their current level even as input costs continue to rise.

"We have taken steps to price the product based on smart portion sizes, using technical formulas to minimize our cost per unit," Bowen explained. "There is no 'off ramp' for the consumer. No matter which option they choose in terms of feeding themselves and their families, they will be faced with higher prices. There is a domino effect, and all sectors are affected by the actions of the other. Ultimately, someone will bear the burden of all this volatility and unfortunately that will be the consumer. We in the industry must figure out how to keep our costs down or unchanged for the consumer. This is a monumental task for some versus others, but it's critically important to making it through this economic quicksand and coming out intact on the other side when things start to stabilize."

Despite these challenges, Bowen expressed his confidence that Jamaica Choice Foods anticipates an upward growth trajectory for its products since it serves consumers in niche markets with unique cuisine in terms of both taste and nutrition that they can purchase in small or large quantities as needed.

"We know where our central customers are located but our food crosses ethnic and racial geographic lines, so we anticipate growth across all demographics," he predicted.

NATURAL CHOICE

Fruit stands in a category all its own with enduring and universal appeal. With limited mobility and a heightened focus on health throughout the

“

Healthier snacking options have always been a top concern for consumers, but the definition of 'healthy' has continued to evolve."

Earl Williams, Dole



pandemic, demand ramped up for it in a shelf-stable, packaged format.

Dole Packaged Foods, based in West Lake Village, CA, has cornered the market on delivering fruit as a healthy meal or convenient snack in vending and micro markets as those lines continue to blur for on-the-go consumers.

Individually sealed for safety and convenience are 4-oz. Dole Fruit Bowls in 100% Fruit Juice; 7-oz. Fruit Bowls in 100% Fruit Juice; and 7-oz. Fruit in Gel.

"Healthier snacking options have always been a top concern for consumers, but the definition of 'healthy' has continued to evolve," according to Dole's Earl Williams. "We are seeing a focus on functional benefits of foods as an influence for snacking choices." He cited a 2020 report from Statista that found 84% of consumers are more likely to buy snacks rich in vitamins and minerals.

"To expand on the changing definitions of healthy, we have seen it is not only about function but about quality ingredients," Williams added. "Products that are free of artificial ingredients including dyes and artificial sweeteners are becoming a priority when choosing snacks."

Additionally, Dole has seen demand for individually sealed grab-

and-go products skyrocket, which Williams attributed to safety and sanitation concerns amplified by the pandemic.

DOWN UNDER FAVORITE

Patties Foods' iconic Four'N Twenty brand of savory beef pies are steeped deeply in Australian culture and burst onto the U.S. scene in 2017 in convenience stores and at stadiums. Its U.S. presence continues to expand, with vending and micro markets in Patties' crosshairs.

Since its U.S. debut, the flaky pastry filled with 100% Australian beef and gravy has been available in single-serve 5.6-oz. Traveller format, which retails between \$3.49 and \$3.69. The Four'N Twenty Slider, popular Down Under, will soon be making its way to U.S. consumers, in a bite-size format.

"Consumers tell us this is good value for a product made with 100% Australian beef which is a good source of protein," said Patties Foods' Jonathan Harnish.

CHANNEL FOLLOWING

Four'N Twenty Traveller Beef & Cheese meat pies have reportedly proven a hit where they got their U.S. start in Rutter's convenience stores in Pennsylvania, Maryland and West Virginia. They're merchandised in self-serve hot hold cabinets offering a

meal or snack for consumers on the go throughout the day. Peak sales are at lunchtime, with a growing fan base reporting that they prize them as a filling and tasty comfort food, according to Harnish.

“While there is a skew toward males aged 18 to 45, and people who routinely purchase through the c-store channel such as day workers, truck drivers, etc., our product is still consumed regularly across all geographic areas where it is available for purchase as it is a comfort food that can be eaten one handed.”

CSP Daily News further validated Four’N Twenty’s growing popularity stateside with consumers ranking the Beef & Cheese Traveller eighth among its short list of America’s “30 Must-Try Sandwiches for 2020,” alongside established brands such as 7Eleven and McDonald’s.

Another key partner instrumental to Patties’ U.S. launch and growing fan base is the Philadelphia 76ers. The basketball team sells the meat pies during home games at Wells Fargo Arena. This is no small feat in the land where the legendary Philadelphia cheesesteak has a cult following and is the typical game meal of choice.

PREPACKAGED PREFERENCE

“C-stores increased their reliance on pre-packaged foods that limited con-



The Four’N Twenty flagship beef and cheese pastry easily competes with a Philly cheesesteak sandwich.

Patties Foods

“

As restrictions ease, we are starting to see a return to normality in sales across c-store sectors and some restaurant categories, with sales rates showing strong growth for our products.”

Patties Foods’ Jonathan Harnish.

tamination exposure and staples like self-serve roller grills took a significant hit due to the risk of COVID contamination that they posed,” said Patties Foods’ Harnish.

Many of these changes have continued to impact where consumers purchase key products and individually packaged food items have maintained strong consumer favor for safety reasons, he added.

“As restrictions ease, we are starting to see a return to normality in

sales across c-store sectors and some restaurant categories, with sales rates showing strong growth for our products,” Harnish commented. “Coffee sales are a significant indicator that the market is recovering, as sale volumes are approaching – and in some cases exceeding – pre-pandemic levels. We gained this insight from industry associates who have indicated that ancillary coffee products are also experiencing a sales boost.”

Launched in 1947 in Australia, Four’N Twenty pies grew to become a national phenomenon synonymous with “the footy” (Australian rules football) and the ritual of the game in stadiums across the country. Patties Foods, which began in 1966, purchased the “Four’N Twenty” brand in 2003. It continues to innovate the “Four’N Twenty” brand to keep up with consumer trends and reflect the diversity of its consumers.

TEST OF TIME

Tyson Foods, founded in 1935 and headquartered in Springdale, AR, is another longtime convenience food leader tuned into meeting the ever-evolving needs of consumers in a world that is everything but constant.

“Pre-packaged and on-the-go snacking have been noticeable both during and post-pandemic,” according to Tyson Foodservice’s Tim Klinedinst, who heads up channel development of lodging and vending. “We are seeing more contactless micro markets which suggests these types of items



Tyson Foodservice

are going to continue to be important to the operator and consumer. Even though the world is reopening, there is definitely a new normal.”

Klinedinst also pointed out that in commercial foodservice, pickup and delivery is still up over table and counter service, according to NPD Crest data, which points to an opportunity for convenience service operators who serve consumers on the go.

Tyson Foodservice has a vast portfolio of products for vending and micro markets including sandwiches, burgers, prepackaged snacks and handheld items.

Among its on-trend offerings, with upscale appeal and trusted national brand recognition, is its Hillshire Farm Flatbread Sandwich line, which includes 9.2-oz. Cold Cut Combo and 8.6-oz. Italian Combo and Turkey Bacon Club. Clear, hand-wrapped packaging showcases the premium, fresh-from-the-deli-style quality ingredients inside.

White Castle’s iconic hamburgers have been a fixture in vending since 1987 when its retail division was formed. Available for vending and micro markets in convenient micro-wavable 2-packs are 3.16-oz. Classic Cheese Sliders made with 100% beef, American cheese and grilled onions; 5.22-oz. Chicken Breast and 5.68-oz. Chicken Breast with Cheese made with all white meat; and 5.36-oz. Sausage, Egg and Cheese sliders with sausage patty, whole egg and American Cheese. All are served on its signature bun and contain 9g to 22g of protein per serving. Prices range from \$2.50 to \$3.25.

“We have learned over the years that great taste and convenience are essential for consumers, and that value perceptions are based on more than just price alone,” said White Castle’s Jamie Richardson.

He emphasized that the onset of the pandemic had probably the most

pronounced impact on consumer behavior seen in the food business since rationing during World War II. Early on, the changes were most pronounced, because typical patterns of going to work and commuting were turned upside down.

LOYAL FANS AND NEWCOMERS

“Consumer freezers became fortification zones, where meals were stocked and stored to withstand the siege. Meanwhile – our front-line manufacturing workers everywhere were making it happen every day – and grateful they could source Sliders from their vending machines at work – whatever shift they might be on – a consolation and source of comfort in spite of uncertain times,” he recalled. “We do know many people tried White Castle for the first time ever. And based on their experience, they have gone from non-users to fans, so that makes us happy that we’ve been able to be there for so many when they have craved us most.”



As White Castle navigates the next phase, one thing for certain is that things that mattered most before the pandemic still matter most now, according to Richardson.

“People want hot and tasty food, and they also crave convenience,” he stated. “Being able to share food that not only sates physical hunger but also feeds the soul is a definite plus, and we feel fortunate, because that’s why we exist and what we do best.”

WHAT’S NEXT?

Food makers everywhere are going to continue to stay focused on what’s next – what’s temporary, and what’s lasting, according to Richardson.

White Castle reaps the benefit of being an iconic fast-food brand with distinctive taste and unique properties that make it an ideal snack or a meal, which transcends all generations.

“From a demographic perspective, in addition to our base of loyalists, we’ve seen growing interest from consumers of the future – especially Gen Z and millennials,” he said.

Like most food manufacturers, White Castle is grappling with supply chain challenges but sees a light at the end of the tunnel.

“We remain hopeful that as vaccination rates rise, and adjustments continue to be made regarding supply chain that we return to a world that’s more predictive and less pressured,” Richardson said. “As a family-owned business, we consistently monitor all our costs, evaluate pricing, and take a

long view that focuses on making sure we continue to represent value to our customers everywhere.”

As consumers continue to return to their busy routines outside of their homes and are more strapped for time, convenient, quick bites will be in high demand. Safety will also continue to be a top priority giving individually wrapped foods a sales boost as consumers gear back toward a new normal. ■

Two is Better Than One

365 Retail Markets chief executive sees promising growth opportunities with Avanti merger and LightSpeed acquisition

By Nick Montano, Editor

THE MICRO MARKET INDUSTRY is poised for unprecedented growth, according to 365 Retail Markets founder and chief executive Joe Hessling. And so is his Troy, MI-based unattended retail technology group. The 13-year-old company recently completed a merger with a longtime rival, Seattle-based Avanti Markets, another pioneer in micro market hardware and systems for vending operators. At the same time, 365 acquired LightSpeed Automation, the leading product-picking tool used in operators' warehouses.

Hessling and Avanti Markets' founder and chief executive Jim Brinton announced the merger in September in a YouTube post recorded at Avanti's headquarters; but discussions and planning leading up to it were ongoing for several years. Brinton said the merger was a "long time coming." The transaction combining the two micro market leaders cleared the Federal Trade Commission's merger review process earlier this year.

"We did a lot of legwork," Hessling said. "Since this transaction needed to go through the FTC, we had lengthy discussions about it with operators – and rightfully so, because when two big players come together in the same space it has to be good for the consumer. That's mainly why the FTC investigates mergers like this."

During a merger review process, FTC lawyers and economists investigate market dynamics to determine if a proposed merger will harm consumers. In the case of a 365 and Avanti merger, the combined entity would need to ensure a vibrant marketplace for both operators and their customers. "We had to get things really vetted...to make sure we were making the right moves for our customers," Hessling said. "If we didn't, the FTC would have said no."

There was plenty of feedback from operators, Hessling said. One of the biggest concerns about a merged 365-Avanti entity was the potential loss of brand variety as operators often



identify as a “365 operator” or an “Avanti operator.”

“Today, 365 and Avanti are separate product lines,” Hessling noted. “And in the future, you can expect the same choices of products and the ability to work on both platforms.”

Including the Avanti and Light-Speed mergers, 365 Retail Markets has so far made seven M&A transactions. The others are Stockwell (Aug. 2020), an AI platform; Company Kitchen (Sep. 2019), another micro market provider; ReadyTouch (Apr. 2017), a foodservice software company; and AirVend (Feb. 2013), which made an interactive touchscreen that retrofits to vending machines. 365 reportedly has also closed on an eighth technology asset not yet announced.

“We’re going to be buying at minimum two or three companies a year,” Hessling revealed. “We’re an inquisitive company and that’s not going to stop. The need for self-service is going to grow and our size allows us to apply different technologies to a bigger set of customers.”

TIMING DRIVES

365-AVANTI MERGER

For several years, Avanti and 365 had been “dancing gently around” what a merger of the two would look like. It made perfect sense when looking at their overlapping efforts. For instance, the companies’ combined R&D spend was basically doubled to accomplish the same results. “We looked at this and always thought it made sense, but the timing was never correct, whether it was for business or personal reasons,” Hessling told VMW.

“365 was always ready, but we needed things to line up on Jim’s end,” he added. “People might jump to conclusions that the COVID-19 crisis brought about the merger, but it had nothing to do with it as both businesses remained relatively strong throughout the pandemic.”



The biggest change COVID brought out was not in the convenience services industry. It was in every other



industry that realized unattended and self-service is what they need to help recover and grow their businesses.”

Joe Hessling, 365 Retail Markets founder and CEO

That statement may sound flawed when you think about the devastating blow COVID delivered to most operators throughout 2020. “In the context of COVID, ask anybody about a business that provides services primarily to offices and their reaction is going to be, ‘My God that must’ve been horrible.’ But the reality was that people still needed food, snack and beverage services and we were able to manage that demand.”

The 365 chief executive underscored that good timing carried the merger over the finish line. “When the timing was right, we knew it would be a great combination,” Hessling said. “We kept on pestering Jim, and 365’s investors and private-equity groups got to know him. We realized that over time, as separate entities, we were not going to be damaging to each other, but coming together was a better fit.”

The micro market company’s principal investors are Providence Equity Partners, a Rhode Island-based private equity firm, and Omaha, NE-based McCarthy Capital. Providence made a majority investment in 365 Retail Markets at the beginning of the year.

A veteran vending operator, Brinton and two partners founded Avanti Markets in 2009, one year after 365 Retail Markets opened for business. Two years later, Brinton purchased a majority interest from partners Kevin Bailey and Aaron Speagle, who started up another self-checkout product

geared toward foodservice management companies. Brinton’s vending, markets and office coffee operation, renamed Evergreen Refreshments in 2020, was founded in 1976. It has offices in Seattle and Olympia, WA, and Portland, OR.

For Hessling, taking the merger path was an easy decision. The challenge will be the integration of 365 and Avanti.

SCALE AND MARKET SHARE

Both 365 Retail Markets and Avanti Markets are privately held and, thus, the value of their merger transaction was not disclosed. The merger result, however, has created an enterprise with a market share of more than 50% in self-checkout technology in the vending space, which mostly serves business and industry venues. The combined companies employ 400 people and are expected to generate \$200 million in sales this year.

Hessling pointed out that unattended retail in the vending space accounts for a small fraction of self-service applications when it’s added to the same pie with all other markets. “We tend to think of micro markets as being in the vending space, but once we dig deeper, we find all kinds of what could be considered ‘micro markets.’ There are micro markets in hospitality, like hotels, and in airports and transportation depots ... there are micro

markets all over. And there are mobile and point-of-sale checkout systems, along with unattended shopping powered by computer vision technology. So, the vending industry probably represents a small share of the self-checkout market universe.”

The vending industry coined the term “micro market” and positioned it around the workplace convenience services, 365’s founder explained.

PRESERVING MICRO MARKET BRANDS FOR OPERATORS

The Avanti and 365 product lines are expected to remain whole. “We’re not going to change too much on future products. An Avanti operator is an ‘Avanti operator.’ They have an Avanti backend system, kiosk and add-on products that revolve around those. Operators build their processes around those technologies, and they don’t like change. These rules apply to 365’s products, too.”

How do 365 and Avanti differ and what is the strength of each? 365 is more of an enterprise solution used by large operations in need of a self-checkout technology that focuses on the entire organization. A 365 solution is ideally suited for organizations with thousands of devices. In contrast,



To make it better, we intend to remove some of the friction between the LightSpeed system and the Avanti, 365 and Company Kitchen systems – to make a single product, something even more than integration.

Joe Hessling, 365 Retail Markets founder and CEO

Avanti is designed for small and mid-size businesses (SMBs).

“The combination will now allow all operators to have the professionalism, security, compliance and assurance levels of an enterprise relationship, coupled with the thought process of an operator-led business, which Avanti was. By rolling up the two we hope to bring the best of both worlds to an operator,” Hessling said. “At the same time, the products will definitely be on the forward path from a technology perspective for an operation of any size.”

Hessling pointed out that operators want less complexity, but many are still administering different equipment assets and locations with a vending management system (VMS). Sometimes a particular product may not be a good fit for a VMS brand, which

makes it difficult for the operator to manage. To reduce these complications, the merged company’s plan is to develop technology that will enable 365, Avanti or Company Kitchen kiosks to feed to LightSpeed and a combined VMS. According to Hessling, most operators are looking for this cleaner solution.

“VMS is really a holdover from when vending machines ruled the roost,” Hessling said. “Operators relied on those systems to manage a bunch of different systems to run their business. As micro markets are now taking over the vending space, in terms of revenue, operators rely on the Avanti, 365 and Company Kitchen backends to manage the larger parts of their businesses; but they still require another system to manage their vending machines. Over time, I think VMS will become less important because more people are moving toward micro markets than they are vending. It’s no secret that that’s what’s taking place in the marketplace.”

Large enterprise-level operators, however, usually build proprietary systems rather than use a VMS. “They might use pieces of a VMS, route management software or some little pieces of modules,” Hessling noted, “but they moved beyond VMS.”

Moreover, supersized route operations have created enterprise resource planning (ERP) systems that can integrate directly with 365’s backend. ERP applications are designed to automate business processes, and provide



Avanti Markets founder Jim Brinton (r.) welcomes 365 Retail Markets founder Joe Hessling to Avanti’s Seattle office.

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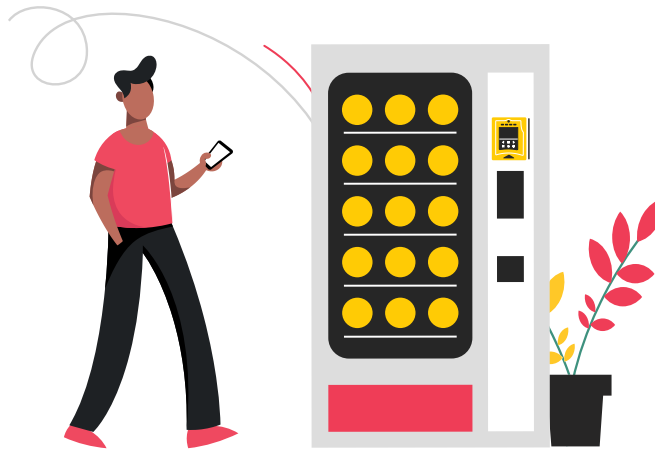
Management
Suite



Telemetry
System



Consumer
Engagement



Loyalty programs
& Gamification



Real-time alerts



Multi-vend



Retrofittable



Remote Refund



Monitoring and
reporting system



4G LTE, EMV
(tap/insert enabled)



Future-proof

insights and internal controls, drawing on a central database that collects inputs from accounting, supply chain, sales, marketing and human resources, among other company departments.

Hessling also noted that 365 devices are web-enabled, compared with most VMS designs that use Vending Data Interchange (VDI) protocols to read DEX. “The 365 management system gets a lot more information and it enables the execution of modern needs, in contrast to moving DEX files back and forth,” he said.

AUTOMATION WILL SAVE INDUSTRY

Founded by former vending operator Randy Smith, LightSpeed Automation



LightSpeed founder Randy Smith is now part of 365 team.

has become the gold standard in the vending operator's warehouse. When it arrived on the scene 13 years ago, Lightspeed proved that it could automate the processes

that used to be done by an Excel worksheet or with pencil and paper.

LightSpeed is a system for picking merchandise in a warehouse, using either of two options to guide the stock-pickers to the precise shelf location of each item in a route order. The original implementation used a light at each shelf location to speed the stock picker to the next item on the list, thus, at “LightSpeed,” metaphorically. The other option is to equip the stock pickers with wireless tablets that display the items required and shows their shelf locations. Employing either option, the system leads a picker to the product and indicates how many are needed.

Today, LightSpeed has 48 integrations with technology partners, oper-

ates in nine countries and picks over two billion items a year.

“In the past, LightSpeed was simply a layer that received information from different data sources,” Hessling said. “To make it better, we intend to remove some of the friction between the LightSpeed system and the Avanti, 365 and Company Kitchen systems – to make a single product, something even more than integration. And we'll still be able to improve support for third-party POS systems and other data sources. But when it's all under one roof, you can take out unnecessary steps.”

Amid a major labor shortage that's expected to last another two years, LightSpeed Automation will play an increasingly important role for vending operators. LightSpeed was designed to improve warehouse employee output and drive efficiency. Hessling believes there are currently not enough workers to support the needs of the industry, which he predicts is going to grow significantly beyond its pre-pandemic performance peak reached in 2019.

“There's more opportunity for this industry on the horizon,” he said. “If I'm an operator I look at this and say, ‘I got more opportunity in the future than I can service. Now what?’”

The answer is automation. “You must automate nearly everything you do,” Hessling advised, “and you have to focus your resources on product, customer service, IT and delivery. There's just no other way operators will be able to manage it all. And this is what excites me about the combination of LightSpeed and our self-service micro market systems. We are going to add time to the operator's day by removing time from their processes.”

“The biggest change COVID brought out was not in the convenience services industry. It was in every other industry that realized



If I'm an operator I look at this and say, ‘I got more opportunity in the future than I can service.

Now what?’”

**Joe Hessling, 365 Retail Markets
founder and CEO**

unattended and self-service is what they need to help recover and grow their businesses” – Joe Hessling

For its part, 365's merger with Avanti is not going to result in staff reductions. In fact, the combined company will leverage its newly enlarged technical team to bring new products to the marketplace faster. And the company is looking to add people, quickly. It now has 50 open positions listed and that number is likely to grow to 100 in the months to come. “We could take all the help we can get,” Hessling said.

So, what can operators expect from this merger? Hessling offered:

- Improvement in engineering and customer service;
- Incremental improvements to technology and automation;
- More product variety and investment;
- Avanti, 365 and Company Kitchen market brands to remain intact;
- Avanti to focus on SMB operations – allowing more opportunities for pilot projects;
- 365 to focus on enterprise-level businesses – “What will work for a thousand units?”;
- Fewer individual products doing the thing – a 365 Pico device, for instance, will at some point also be branded for Avanti and Company Kitchen; and
- Continued emphasis on meeting the operator's needs. ■



It's Time to Shine

Enter Your Product into the
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Product entry deadline: January 7, 2022

If you launched a NEW vending, OCS, or micro market product in 2021 and would like to enter your product(s), please send a product photo accompanied by the launch month/year and a 100-word description to editor@VendingMarketWatch.com with subject line: **POTY 2022 submission | Company Name**, no later than January 7, 2022. If you have any questions, please call Nick Montano, editor, at (646) 325-6477.

Please note that all products considered for the award MUST have been launched in 2021.

Products of the Year
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K&R Market Fresh

THIS MID-ATLANTIC OPERATION
is proof that sticking to core values
can strengthen a company during
the most difficult times

By Nick Montano, Editor



WHEN BRADLEE WHITSON

joined K&R Vending 15 years ago, it was supposed to be a short-term commitment to help the Bridgeton, NJ-based family business, which was led by his father at the time. The company had instantly doubled its size after acquiring a local competitor, so he agreed to take the role of operations manager to support the transition.

As fate would have it, he's still there, now serving as president of the rebranded K&R Market Fresh. As it happened, he joined the vending firm right before the Great Recession (officially lasting between December 2007 and June 2009), a historical period of hardship for the vending industry. But little could have prepared him for the shockwaves produced by the COVID-19 pandemic, except maybe a deeply rooted connection to vending operations.

Whitson, 37, is a third-generation operator whose earliest childhood memories harken back to his time spent at the K&R office or filling machines on a route. The original K&R Vending was founded in 1978 by brothers Konrad and Richard Stutzmann who were working as custodians in a high school before becoming vending entrepreneurs. Konrad, Whitson's grandfather, and Richard, who died three years ago, purchased 13 machines – a mix of snack, coffee and cup soda venders – placed in six locations. The contract included a seventh location with a Pepsi machine that was leased.

"When I was in kindergarten, they used to pick me up in a vending truck," Whitson recalled. "I'd fill the bottom shelves of snack machines with my grandfather and grand-

Shown here is the original machine purchase contract that launched Konrad and Richard Stutzmann's vending endeavor on Sep. 22, 1978.

mother. During high school, I served as the route jumper and helped putting orders away, among other tasks."

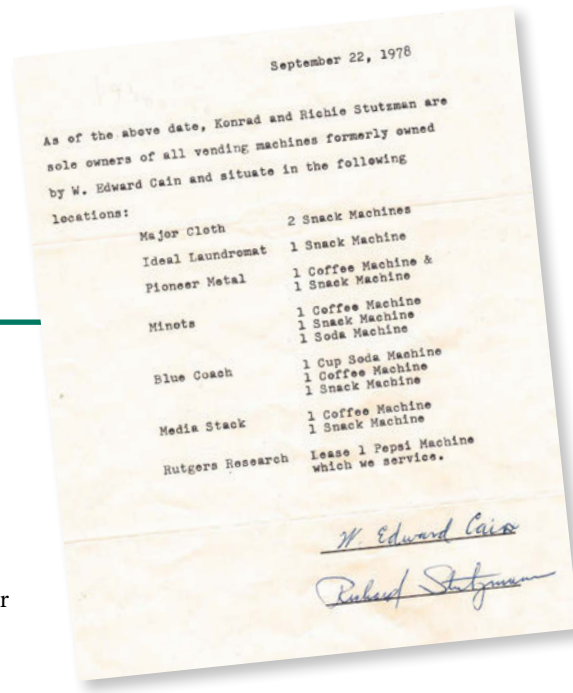
His father, Brad Whitson, was an engineer for the Campbell Soup Co. before he joined K&R in 1988. "The business grew to a point where my grandfather and uncle could no longer manage it themselves. My father said he would come in for a year to help them get through some things. He stayed there to this day, and is just beginning his retirement now," the younger Whitson said.

THE APPLE FALLS

After college, Bradlee Whitson sought new experiences outside the family vending business. He took a job selling software in midtown Manhattan, but that did not last too long. In early 2007 he received an email from his father with a copy of a non-disclosure agreement attached to it. K&R had entered a contract to purchase another Bridgeton, NJ, vendor, which would instantly double the size of the family business, adding considerable debt to it, too. "We had dinner that night, he asked me to come on board and I gave him the same line of, 'I'll give it a year to help with things and see how it goes' – and I'm still sitting here today," Whitson said.

The Whitson duo has more in common than dramatically extending their time commitments. They both embrace technology. "By the late 1980s, K&R was already using a vending management system," Whitson said. "We used handheld [DEX] computers to start to track inventory."

The company was an early adopter of cashless vending, remote machine monitoring and automated warehouse order picking. The successful deployment of these technologies led K&R



to USConnect. "Now we offer the USConnect loyalty platform and their Savant smart cooler, along with touchless vending options" Whitson noted. "If there's a technology that's out there, we're either using it or have looked at it very seriously."

Additionally, K&R was among the first independent vending operations to deploy Cantaloupe Inc.'s Seed vending management system across all service platforms – vending machines, micro markets, and OCS and pantry delivery.

"Cantaloupe ended up being the best option," Whitson said. "As a business owner looking at this, I needed one spot to control all service segments. Before unifying all route types, if I wanted to find out how many Chips Ahoy I'm carrying and selling, I didn't like the fact I had to log into a vending program and see how all my vending machines were doing. And then I had to log into a micro market backend and see how they were doing there."

And it could get even more tedious. When working with multiple micro market platforms, as many operators do, data on those networks are managed separately. "Now I have two or three different micro market platforms, separately tracking my Chips Ahoy sales," Whitson instanced.

"For me, it seemed like there were misses that were happening because

Service manager Rich Stutzmann shows off one of the company's maintenance vehicles with new K&R Market Fresh logo.

Photos courtesy of K&R Market Fresh

I want to see, for example, how I'm doing with Chips Ahoy, but I'm forgetting to pull from different sections or segments," he continued. "Further, if I want to analyze one of my customers and see how they're doing, I didn't want to have to go to one program to see how their vending was performing, another to see how their market is doing and then a third program to see how much coffee I'm selling. That's ripe for problems. The Cantaloupe platform puts everything in one place."

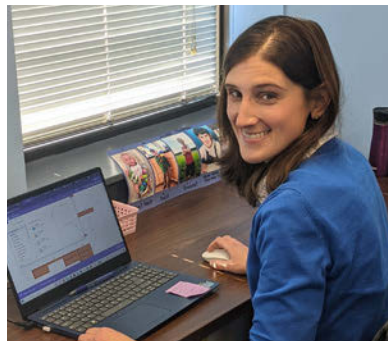
DYNAMIC ROUTING

Until recently, the industry's conventional practice was to separate micro market and vending routes, known as static routing. Today, more operators are combining the two to increase efficiencies, a practice called dynamic routing. For its part, Whitson's operation is now fully dynamic, combining not only micro market and vending service, but also office coffee and pantry.

"Because everything's under one platform, we are dynamically scheduling all routes," he said. "We no longer operate dedicated routes, but instead use the same truck to service vending, markets and OCS locations.

"Since we're using one platform, my drivers don't have to understand two, three, four or five different systems," Whitson added. "From a route optimization standpoint, obviously, it's allowing me to target a geographic area much more closely, rather than having to send three different trucks to touch three different lines of the business."

Still more, the Delaware Valley operation is breaking down its micro markets into subsections. "Originally, in vending, the old-school mentality held that you'd do an entire bank of vending machines when you stopped the truck at a location. When dynamic scheduling started, we began to think, 'Well, I'm only going to service the snack machine but not the drink



Lauren Whitson, Bradlee's wife, and Don Bove, below, manage K&R's business development. While business is booming in K&R's Delaware Valley market, supply shortages are impeding the company's ability to meet demand.



machine.' Then when micro markets came along, we slipped back into thinking we would restock an entire market every time we'd go out to a location. But now, we're stepping forward by breaking markets up into sections and choosing which parts of it need to be filled during a service visit."

Accordingly, Whitson sends a driver to a location only to top off one or two cold drink coolers and/or a snack section, but nothing else in that market. As a result, route service becomes more efficient without impacting the customer's experience.

"When we started servicing markets, we had a ton of product. We went out there with a dozen totes of various products, running all over a market trying to fill it," Whitson recalled. "Now, our drivers get in and get out to the next place, and our customers are still getting a good experience. Without that kind of efficiency, I don't know how we would survive the COVID period."

MARKET FRESH REBRAND

This summer, K&R Vending, which recently opened a second office in New Castle, DE, updated its name to better reflect its increasing involvement in self-checkout micro markets, which can offer a wider array of fresh foods. Vital to the new K&R Market Fresh is USConnect's Bistro To Go self-service market brand. K&R, a founding member of USConnect, has been a part of the foodservice technology group for almost a decade.

Headquartered in Greensboro, NC, USConnect LLC is a nationwide integrated technology provider that manages vending, micro markets, corporate dining, OCS and other foodservice options over a wireless network. It's part of GlobalConnect, an international network of independent foodservice companies.

"Vending is where we started, and I truly believe vending is always going to be a component of this business, but we realize where we were heading," Whitson said. "But to say we were just a vending company felt like we were limiting our scope. The concept of K&R Market Fresh shows that all of our offerings – whether they're being delivered through vending, markets, pantry or OCS, or new technologies like smart coolers – are always going to bring new, fresh and creative products to our clients."

In addition to micro markets, pantry service was a new area into which K&R was rapidly branching before the pandemic closed many office locations. Still, micro markets are currently experiencing the greatest volume of growth in K&R's service sphere. Whitson said that markets now represent about 70% of the company's revenues. The company began operating the self-checkout stores in 2012.

MAKING CONNECTIONS

"USConnect has been crucial to our business," Whitson emphasized.



Pictured here is one of K&R's USConnect-powered Bistro To Go micro markets with vending machine complement.

"Groups like USConnect, which are giving us new tools like a loyalty platform, charitable donations, cash back on cards and promotions – things that allow me to go out there and sell new benefits to customers."

Even before the pandemic and the current labor predicament, these perks complementing a workplace food and beverage service were becoming increasingly valuable incentives for employers. In today's environment, they're essential tools in attracting new employees and rewarding existing ones who leave remote work behind.

"For K&R Market Fresh, USConnect plays a really pivotal role because it allows us to punch above our weight," Whitson explained. "We wouldn't have been able to pull off a loyalty program on our own, or roll out the technology it has. Our membership in a group like that allows us to take another step in a business that otherwise was only restricted to the larger national players."

The operator network offers the USConnectMe mobile app, which allows customers to make purchases, receive promotions, and earn and redeem reward points.

USConnect allows vend brokers to help create product promotions. "BBI and other broker organizations

can meet with the USConnect group and suppliers to put together programs that we would like to run. We can work directly with USConnect and with operators like Bradlee Whitson," said Mike Kelley, national account project manager and northeast account manager for Burdette

Beckmann Inc., a national vend broker. Kelley has worked closely with Whitson over the years.

The main advantage to a network like USConnect, according to Kelley, lies in the collection of channel-specific data that brokers can present to the consumer-packaged goods

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OPERATION PROFILE

K&R Market Fresh

Year founded: 1978

Founders: Konrad and Richard Stutzmann

Offices: New Castle, DE, and Bridgeton, NJ

Chief executive: Brad Whitson

President: Bradlee Whitson

Office/warehouse space: 22,000 sq.ft. (13,000 NJ /9,000 DE)

Refurb center: Bridgeton, NJ

URL: krvending.com

Service area: South Jersey, Delaware, eastern Maryland, Philadelphia metro area

No. of employees: 49

No. of vending machines: 1,200

No. of micro markets: 129

No. of vending routes: 16+ (dynamic intersegmental)

Fleet: 30 vehicles

Technology and equipment providers: Avanti Markets, Cantaloupe, Crane, Co., LightSpeed Automation, USConnect, Vendors Exchange International

manufacturers which supply operators. “All other foodservice industries had some type of telemetry or reporting system that allowed them to show manufacturers what consumers were buying,” he observed. “So, in the past, any programs we presented to manufacturers and operators were based on retail or convenience store data. Thanks to USConnect and Cantaloupe, we now can show manufacturers what’s selling in the workplace ... this is what people are actually eating and drinking when they’re sitting at their desks.”

And it’s not just what they’re eating, Kelley pointed out, but USConnect can provide data on what sizes they’re buying and the times of day they’re buying. “It’s just very valuable to have that information for an industry that’s expanding and changing,” he said. “We never knew this before; we were always going off of what people are buying in other sales channels.”

COVID DAYS

“I’ve never had to work harder for a dollar. Having bought a company right before the Great Recession of 2008, I thought I knew adversity and what it was like managing a business in difficult conditions,” Whitson told *Automatic Merchandiser*. “But When COVID hit, it made managing through the Great Recession seem like an entry-level class.”

The K&R president said COVID tested every premise of the business and challenged him to find a new way to do things. A nursing home client at the start of the pandemic lockdown, for example, initially prohibited K&R from entering the building. A week later, however, the vending client reached out for help: “Our employees are getting incredibly upset because we’re not letting them leave, but there’s no food and drink left in the building for them. What can you do?”

Whitson recounted.

Amid the panic and confusion

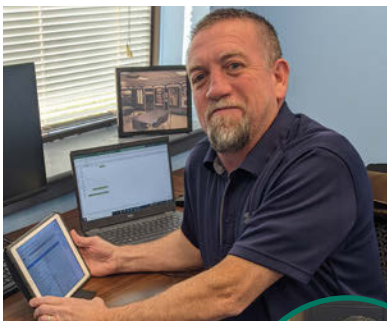
at the pandemic’s onset, K&R came up with the only rational solution. “We set up a service that involved building pre-kits, driving them to a location and dropping them off with a set of vending machine keys on top of the box,” Whitson said. “Then we used Facetime with employees in the building to teach them in real time how to fill vending machines. If three years ago I suggested, ‘Hey, I’ve got an idea. I’m going to take a set of vending keys and hand them to a customer,’ you would laugh me off the stage. But when COVID happened, we started doing things we never dreamed of doing.”

Like all vending operations during the height of COVID, K&R Market had to make hard decisions and adjust on the fly. “Whereas we used to send out a plan, for the next day, to our managers, during COVID the joke was we’re going to switch the agenda for the day to the plan for the next 15 minutes,” Whitson quipped.

“Using a white board, we tracked accounts that were closing or reopening, which ones were letting us in, and which required test results,” he continued. “We constantly pivoted and reshaped ourselves”

COVID-19 dominated 2020. In January that year, the World Health Organization announced a mysterious coronavirus-related pneumonia in Wuhan, China, and news stories about disease’s alarming levels of spread and infection began to propagate. Just before the WHO declared COVID-19 a pandemic on March 11, 2020, Whitson was attending an annual USConnect meeting in Florida where fellow operators were speculating “is this a real thing, should I be worried?” he said.

Whitson related: “I remember watching press conferences about restrictions. The governor of New Jersey announced it would take two weeks to flatten the curve ... but a couple of months later, the business segments that were once robust all



Above, Tim Couch is K&R’s customer service manager.



Right, Garry Hill is K&R’s office administrator.

dried up. Office coffee is gone; many micro markets are gone. Locations shut down. What do we have to do? When will people start coming back to the office, and how do you operate a micro market that used to serve 700 people now only needs service for 20?”

Still, thanks to micro markets, K&R ended 2020 better than expected. While the company’s vending and OCS sales were down 20% and 50%, respectively, its micro market business began to take off again in the second half of the year. Whereas K&R’s education and healthcare business suffered throughout 2020 and into the first half of 2021, new micro market business at logistics accounts, especially Amazon fulfillment centers, enjoyed robust growth.

As online shopping surged in 2020, Amazon and other online retailers added millions of square feet to their

fulfillment center space. Amazon said it increased its network capacity by about 50% last year. K&R Market Fresh was among the operators across the country that benefited from this trend that is likely to stick around.

SUPPLY CHAIN CHALLENGES

And as office locations are coming back online, business for operators is not exactly booming, as product shortages in the United States pile up. “Although our current COVID challenges are – knock on wood – not quite as bad, disruptions in the supply chain are proving to be almost as tough,” Whitson noted. “People are starting to come back to our workplace locations, and they want to buy stuff, but I have no product to sell.”

Not unlike most foodservice providers today, K&R Market Fresh is



K&R route manager James Mikesell checks in with office and warehouse manager Danielle Gravley.

navigating the pitfalls of a food desert, a far contrast from March 2020, when operators had too much inventory and had to discard tens of millions of dollars’ worth of products because their locations shut down. Whitson advises other operators to do the best they can to fill their shelves. ■

Marketplace

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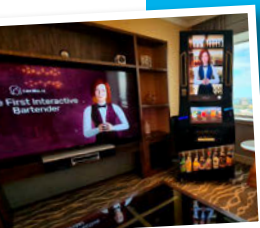
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in THE OFFICE



Nir Cohen Paraira
 Marketing Director of
 GKI Group, Cecilia.ai
 and Cozyflow

Thank you **#Miami**, we'll definitely be back 😊 It was a pleasure to personally meet and showcase Cecilia.ai to top-tier professionals across various industries: Brian Connors from Bacardi Center of Excellence, Jason Douglas from Holland America Line, Mark Rodriguez, Mark Rodriguez Jr., Andres Limones Cruz and great others.



Christian Lau
 Technology Leader

The future of retail has arrived at Banc of California Stadium in Los Angeles 🤖 We've partnered w/ ViaTouch Media to deploy their VICKI IoT self-checkout systems throughout the stadium. The response from guests has been incredible and sales are off the charts. We will be expanding our autonomous retail operations over the next few months because the ease-of-use and reduction in lines and friction for the customer is undeniable... Stay tuned 🙌

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