



2013 ANNUAL REPORT

ADVANCING THE INDUSTRY WITH YOUR SUPPORT



With Your Support, Great Things Are Happening

Your generous investment in the NAMA Foundation has helped ignite enthusiasm and excitement about the future of the vending and refreshment services industry.

I join my association colleagues in celebrating the tremendous success of our capital campaign. As we move into our second year of programming, I'm pleased to report that your support of the NAMA Foundation is paying dividends, helping to make measurable and significant progress on our strategic initiatives: Advocacy, Education and Information.

This annual report provides an overview of the accomplishments we've achieved and is a key component of the Foundation's ongoing commitment to transparency and accountability.

On behalf of everyone at NAMA and the NAMA Foundation, I thank you for your leadership in moving our industry forward.



Mark Dieffenbach, NCE5, *Chair*
NAMA Foundation Board of Trustees

POSITIONED FOR GROWTH

In 2013, the NAMA Foundation celebrated the success of Positioning for Growth, its largest fundraising campaign in over a decade.

Fueled by the generosity and enthusiasm of member companies, individuals and state councils, we exceeded our goal of \$5 million in just 15 months. An increase in overall donors and significantly broader participation among operators were a testament to the relevancy of the case and the strategic direction of the organization.

The Foundation is working hard to steward these investments wisely, helping NAMA build its core competencies and position the vending and refreshment services industry for growth. We are doing this in three key ways, each showcased in this report:

■ **Advocacy:** Serving as the leading advocate for the industry, informing debates at the federal, state and local levels; driving favorable policy outcomes; and raising awareness of the value and impact of the industry.

■ **Education:** Providing members and future leaders with relevant, high-quality thought leadership and education, preparing them to take advantage of emerging business opportunities and tackle current challenges.

■ **Information:** Establishing NAMA as the definitive source of industry information for members, elected officials and the general public, including conducting research and acquiring information from outside sources.

With a strong team in place, spadework completed on a range of projects and your ongoing participation, the NAMA Foundation has already begun to make progress in propelling our industry forward.



Celebrating the success of Positioning for Growth at the 2013 OneShow (clockwise from upper right): Lindsey Nelson, the NAMA Foundation's first-ever executive director, and Rick Ruth of Mars Inc.; campaign co-chairs (from left) Howard Chapman, Jim Terry and Marc Whitener; and the team from Coca-Cola posing for a group photo in front of the Donor Recognition Wall

Your Investment at Work: ADVOCACY



Top left: NAMA Regional Legislative Director Sheree Edwards — joined by Shayron Barnes-Selby of DS Services of America and Scott Plaisted of Southern Refreshment Services — leads a conversation with a representative from the office of U.S. Congressman John Lewis (Georgia District 5) / **Right:** NAMA Board members and CEO Carla Balakgie at the 2013 Public Policy Conference / **Above:** NAMA Board member Vic Pemberton, founder of The Pepi Companies, hosts U.S. Congresswoman Martha Roby (Alabama District 2) at the company's headquarters in Dothan, Alabama

GAINING VISIBILITY IN WASHINGTON

Thanks largely to your support of the NAMA Foundation, NAMA ended 2013 having expanded its presence in Washington and fostered broader awareness of our industry.

A key accomplishment was raising the profile of NAMA's Public Policy Conference in October. Foundation support resulted in more prominent industry speakers; increased attendance, including members of NAMA's Emerging Leaders Network and Government Affairs Committee; a record 16 personal meetings with members of Congress; higher-level federal agency visits on issue-specific matters; and expanded media coverage.

In fact, one of the Capitol Hill meetings during the Public Policy Conference had an immediate impact: a member of Congress who had planned to co-sponsor the Cents and Sensibility Act (to change the metallic makeup of coins) declined to do so after being educated by NAMA on the burden such a change would entail for the vending industry.

In a direct outcome of relationships developed at the conference, several federal and state officials visited NAMA member businesses in the last few months of 2013. These visits give elected officials firsthand knowledge of how the industry operates, the jobs it provides and issues that impact NAMA member businesses — all of which helps promote fair treatment for the industry in legislative and regulatory debates.

“

None of the outreach to elected officials would have been possible without the guidance of NAMA's Government Affairs team and the support of the Foundation.

» Pete Tullio, NAMA Board Chair

”

PROGRAMMATIC OUTCOMES

Foundation support helped to:

- Expand NAMA's government affairs activity and engagement at all levels, including arming elected officials with the information they need to better understand the issues facing our industry.
- Lay the groundwork for driving a positive, industry-led conversation around nutrition and wellness after Foundation-funded research revealed that health-related issues were the top advocacy priority for NAMA members.
- Advance NAMA's PR and marketing efforts, resulting in significant national and trade media coverage, increased exposure through social media campaigns, and greater awareness of the value provided by the vending and refreshment services industry.

Your Investment at Work: EDUCATION



Top: Micro Market Seminars in four U.S. cities drew sellout crowds / **Bottom right:** A graphic from the cover of the Micro Market Operational Guidelines manual depicts the popularity of this growing channel / **Bottom left:** NAMA's Executive Development Program is one of several ways the Foundation helps prepare members for leadership and business growth opportunities

PREPARING FOR EMERGING OPPORTUNITIES

Education on micro markets exploded in 2013, as NAMA created a multifaceted product line around this fast emerging market opportunity.

Research funded by the NAMA Foundation drove the development of the first two offerings in a multiyear product line focused on micro markets: a seminar series and publication of operating guidelines.

The practical, interactive Micro Market Seminars were held in four cities across the country, drawing some 400 participants. The two-day agenda covered everything from merchandising and promotions to technology to fresh and frozen food options. It also discussed trends, growth projections and how to create a meaningful customer experience.

In conjunction with the seminars, a comprehensive, first-of-its-kind Micro Market Operational Guidelines manual was created. The 80-page document is designed to help businesses make the most of this growing business opportunity.

As NAMA helps the industry learn and develop new business practices and revenue through this channel, it is establishing itself as the go-to resource for micro market operation. Foundation funding will help ensure that this trend continues.

“

I was able to gain insight and experience from the best minds in the industry. This seminar would be worth twice the cost.

» Robert Powell, Canteen,
Philadelphia Micro Market Seminar Participant

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PROGRAMMATIC OUTCOMES

Scholarships are one of the principal ways the Foundation advances NAMA's educational agenda. In 2013, the Foundation:

- Awarded over \$30K in educational scholarships across a variety of programs, including the popular NAMA Foundation Undergraduate Scholarship program.
- Provided two scholarships to NAMA's prestigious Executive Development Program at Michigan State University.
- Subsidized training costs associated with the hiring of a new instructor for the one-of-a-kind Vending Machine Repair Program at the A. Philip Randolph Career & Technical High School in Philadelphia.



Your Investment at Work: INFORMATION

NAMA NUTRITION & WELLNESS CENTER

OUR COMMITMENT FIT PICK MICRO MARKETS FAST FACTS RESOURCES NEWS SUCCESS STORIES NAMA WEBSITE



**fit
pick**[®]

Foundation support helped launch NAMA's new Nutrition & Wellness Center, an important tool in the organization's strategy to lead the national dialogue and shape perceptions around nutrition issues. The eye-catching, user-friendly site makes industry information, case studies and nutrition resources easily accessible to members, elected officials and the public.

LEADING THE NUTRITION CONVERSATION

In 2013, NAMA initiated a major refresh of its long-range strategy around nutrition and wellness to better shape perceptions around nutrition issues, lead the national dialogue, and influence government officials and the general public.

A key part of this strategy was the development of the new NAMA Nutrition & Wellness Center, made possible with funding from the Foundation. With a modern look and feel, and a special focus on Fit Pick, the dynamic site provides the platform to showcase NAMA's nutrition commitment to a broad audience of stakeholders and greatly expands information for members, public officials and consumers.

A public rollout is planned for the 2014 OneShow to generate buzz and engage members with the site. It will be a prominent vehicle for communicating new regulations and nutrition guidelines and showcasing the industry's proactive leadership in this area.

The Foundation will continue to play a prominent role in efforts to drive a positive, industry-led conversation around nutrition and healthy choices.

CASE STUDY

NAMA's Fit Pick program is increasingly being adopted by businesses, educational institutions and government entities. For example, the U.S. Army's Soldier Fueling Initiative is promoting healthier eating through standardized menus, provision of nutrition education and the introduction of more nutritious foods identified as Fit Pick in vending machines. The initiative has earned the recognition of the Bipartisan Policy Center, which has urged its expansion to all branches of service.

PROGRAMMATIC OUTCOMES

Providing current industry research for members and public officials is one of the most important contributions the Foundation makes. In 2013, the Foundation:

- Produced research related to three main industry business lines: CTW, micro markets and vending. These included Hot Beverage Consumption Data, Micro Market Benchmarks — the first-ever operating census data on this channel — and the Operating Ratios Report.
- Initiated the planning of NAMA's comprehensive member/industry needs assessment. This market research will uncover and/or validate the research and business insights that are most valuable to NAMA's core members — vending, CTW and micro market operators — for their continued profitable growth and success. Results will guide the development of products and services for all relevant business lines.

Thank You, Investors!

Thank you to all of the companies and individuals who generously contributed to the NAMA Foundation's Positioning for Growth Campaign. Your investment is hard at work, advancing the quality and visibility of the vending and refreshment services industry.

Pinnacle Investor » \$1,000,000+

PepsiCo Foodservice

Legacy Investor » \$500,000+

Coca-Cola Refreshments

Founder Investor » \$250,000+

Mars Inc.

Cornerstone Investors » \$100,000+

AdvancePierre Foods
ARAMARK Refreshments
Services
Canteen Vending
Dr Pepper Snapple Group
General Mills, Inc.
Green Mountain Coffee
Roasters
The Hershey Company
Kellogg's Food Away
From Home
Mondelēz International
Vistar Corporation

Heritage Investors » \$50,000+

Buffalo Rock Company
Crane Merchandising
Systems
DS Services of America, Inc.
G & J Marketing and Sales
Gaviña Gourmet Coffee
Kraft Foods Group
MEI Conlux
Royal Cup Coffee
U.S. Roasterie
Vend Catering Supply
SEVA

Ambassador Investors » \$25,000+

365 Retail Markets
A.H. Management
Group, Inc.
Avanti Markets
Bunn
Burdette Beckmann
California Automatic
Vendors Council
Cargill-Truvia
Company Kitchen
Everpure, LLC
Flowers Foods/Mrs.
Freshley's
GES
Holiday House/BrewTek/
Kool Tek
MD-DC Vending
Association, Inc.
Nestlé Professional
R.C. Bigelow
Red Bull North America
Sodexo
Tri-State Automatic
Merchandising Council

Friends Circle Investors » \$10,000+

Alabama Vending
Association
All Star Services, Inc.
Associated Services
Cantaloupe Systems
Canteen of Coastal
California
Coin Acceptors, Inc. and
InOne Technology
Continental Vending, Inc.
Evergreen Vending
Follett Corporation
Georgia Automatic
Merchandising Council
Gourmet Coffee
Service, Inc.
Inventure Foods, Inc.
LightSpeed
Automation LLC

Lincoln County Vending
Mark Vend Company
Mississippi Automatic
Merchandising Association
Monumental Vending, Inc.
Newco Enterprises, Inc.
The Pepi Companies
ProStar Services, Inc.
Refreshment Solutions, LLC
Smith Vending Corp./
Canteen
Southern Refreshment
Services - Canteen
Sugar Foods Corporation
Tomdra Inc.
U-Select-It Corporation
Vending Machine Operators
of Louisiana

Supporters Circle Investors » \$5,000+

All Brands Foods, Inc.
Arizona Automatic
Merchandising Council
Atnip Co., Inc.
Automatic Food
Services, Inc.
Automatic Merchandising
Association of Florida
Avtobar J.S.C.
Carla Balakgie, FASAE, CAE
Chicago Vendor Supply, Inc.
Cloverhill Bakery
Excelso Coffee And Tea
FOCUS 365
Greg Breland
Illinois Automatic
Merchandising Council
Indiana Vending Council
Jack Link's
Jimmy Wilmore
Kentucky Automatic
Merchandising Council
Kimble's Food by
Design, Inc.
M & M Sales Co.
Monogram Food Solutions

New York State Automatic
Vending Association
Northwest Automatic
Vending Association
Patterson Co., Inc.
Pod Pack International, Ltd.
PrairieFire Coffee Roasters
Premier Broker Partners
Royal Vending, Inc.
Saverino & Associates, Inc.
Tennessee Automatic
Merchandising Association
Texas Merchandising
Vending Association
United Food Group, Inc

All Other Investors » Up to \$5,000

Acme Music & Vending
Co., Inc.
Baker & Baker Vending, Inc.
Brella Productions
Connecticut Vending
Association
D/FW Consulting
Dan Mathews, NCE5, CCS
Finn Partners - John Healey
Heritage Coffee Co./KNJ
Sales
Iowa Automatic
Merchandising Association
J & S Vending
Jonathan T. Howe
Lima Enterprises, Inc.
Lindsey K. Nelson
Mid-America Automatic
Merchandising Association
Midlantic Vending
Minnesota Automatic
Merchandising Council
PRG
Rocket Vending, Inc.
South Alabama Vending
Company
Sylvia Rowe
Vertex Water Products
W. Eric Dell, Esq.

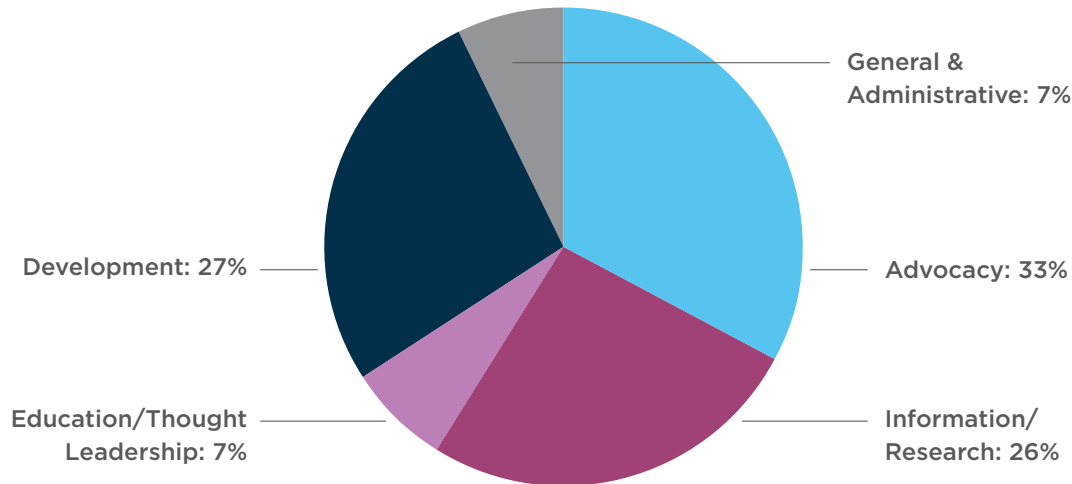
FINANCIALS



Total Revenue: **\$2,319,711***

Total Expenses: **\$823,491**

2013 Expense Summary**



*Accrued revenue reflects campaign commitments pledged over five years

**2013 expenditures reflect paced programmatic spending based on cash receipts and investments in the areas of Development and General & Administrative. Beginning in 2014, and over the five-year funding period, expenditures will naturally shift to key programmatic areas.

2013 NAMA Foundation Board of Trustees (term ending June 30, 2014)

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