Harnessing the Power of Data
Reopened for Business:
Pandemic-Inspired Micro Market
Designs Reimagine the Possibilities

America is Getting Back to It
FEATURES

10 To Get Back to It, Congress Must Address Stresses
14 Harnessing the Power of Data
19 Retail 365 Markets 365Pico Platform
20 Understanding Business Agility as an Entrepreneur
29 Reopened for Business: Pandemic-Inspired Micro Market Designs Reimagine the Possibilities

DEPARTMENTS

06 A Closer Look with Carla Balakgie
08 News & Views with Joe Hessling
18 NAMA Foundation Scholarships
22 Up Close with Tammy Stokes
24 Up Close with Louis Baresh
As the world reopens this summer, my rallying cry has been something we all know to be true: The convenience services industry will continue to do what it does best — meet consumers where they are.

For quite some time, gone were the impromptu meetings in the office breakroom over refreshments, snacks or warm cups of coffee. Schools, restaurants and entertainment venues where people gathered for work and play were dark, but now there’s a renewed energy for reengaging in shared spaces. Opportunity awaits, and Americans are officially back to it.

Along with that comes the looming trend of remote work as a permanent tradition — creating uncertainty, change and yes, opportunity, to rethink how people will behave in the workplace. One of the pitfalls of remote work touted weekly in the headlines is the absence of organic collaboration. I can point to several moments in my career where the big ideas came from a casual conversation in the breakroom. What once was a place where questions from coworkers like “Any fun plans this weekend?” were routine (even mundane) has a newfound appreciation. It’s one of the many rituals people now realize they took for granted.

Once again, our world has changed. While it may feel like you have little control over what’s playing out, you do have a voice and a choice. As companies evaluate and reevaluate their office occupancy policies, the convenience services industry is in a unique position to create connection, communication and influence culture. We are at the center of what brings people together in the workplace. We can help shape the future of how people engage with each other, and with our services.

NAMA is striving to help the industry capitalize on this moment. Here are the three ways we’re centering our focus on the relentless pursuit of supporting the industry through its latest opportunity.

1. Cohort and Community
   While #AloneTogether ads flickered on TV and neighbors took to their front yards for socially distanced cookouts, it became evident that human connection is essential. The value of community is unquestionable in our personal lives. We quickly learned just how important a cohesive industry is for business. So, we’re finding new ways to connect people — by shared interest, professional role or challenge. And we’re bringing more people to the table, convening a cohort of industry leaders,

— Carla Balakgie, President & Chief Executive Officer of NAMA

Social is much more than media — it’s how business gets done.
innovators and collaborators both existing and future. Together, we’ll work through these changes and expand on the community we’ve built together through the years.

2. Equip and Enable
It appears we won’t see the invention of a crystal ball any time soon and hindsight is quite literally, 2020. But how can we utilize the tools that do exist to better understand what’s to come? From shifting consumer preferences, to emerging challenges with labor, inflation and supply chain, there are indicators all around us on which to base decision making. At NAMA, we’re developing tools to provide meaningful and actionable business intelligence so operators can make decisions grounded in data. And we’ll pave the way with a strategic advocacy agenda that supports growth — read “To Get Back to It, Congress Must Address Stresses” on page 10 for more about that important work. We are committed to removing barriers and opening opportunities so the industry is well-positioned to meet changing client and consumer needs, whatever that means.

3. Educate and Evolve
The convenience services industry has the customer experience down to a science. Especially in the pre-pandemic world — we knew our clients, what they needed and how to provide it for them. But lately we’ve found ourselves holding back the words that bring teenage romances to a halt: “you’ve changed.” It’s true — your customers, client sites and business operations have been altered by events of the past 18-24 months. So what must we do? We’ll look for innovation based on the way consumers are interacting with this new world and the technologies that come with it. And we’ll bring them to you. It may be counter-intuitive to deviate when the time-tested way of doing things could and should work. But the business environment has shifted in ways that are still unfolding, and it’s imperative to explore the effects. NAMA will provide tangible strategies for implementing these new ideas and actionable steps to get there. As always, we’ll help operators adapt to the new way of doing business.

There have been silver linings from the pandemic for many of us, and our recovery has the potential to be the ultimate prospect. This is a fresh start that none of us really wanted or needed. But if any industry can turn the greatest challenge of our time into an opportunity for growth, it’s this one — by bringing convenience to life. So, let’s get back to it!
I am delighted and proud to take my post as Chairman of the NAMA Board of Directors. First, I would like to express my gratitude to you, the board and NAMA leadership, for entrusting me with this charge. It is an honor to serve the convenience services industry.

What we have endured over the last 18 months exposed the value of a strong trade association. It brought what many already knew to the forefront — NAMA plays a critical role in supporting our business goals. While most of us were heads down and focused on the preservation of our businesses, NAMA was doing what it does best. Examples of the NAMA impact during the pandemic includes everything from the early-on designation of “essential” for convenience services, which ensured we could continue to operate, to the COVID-19 Resource Center, which provided the information and tools we needed to operate. For these reasons and many more I am committed to the long-term success and stability of NAMA and how it supports you and me.

Back in 2008, I started 365 Retail Markets out of my garage in Birmingham, Michigan — our country was amid a financial crisis, and it was not an easy or ideal time to start a business. The concept of Micro Markets emerged as the solution for companies that needed a new alternative to business as usual. Something that offered innovation and flexibility instead of the status quo — and we seized the opportunity.

As I look back at the challenges we faced in the early years of 365, I am incredibly thankful. The challenges taught me how to build stronger relationships, focus on innovation and to respect team, community and industry. All things that have prepared us for today.

Fast forward to now — the parallels are obvious.

The economic realities, labor shortages, competitive pressures and supply chain disruptions we face today leave me with déjà vu. As a business owner, sure, it can be unsettling. But the entrepreneurial spirit in me is re-energized.

It is my firm belief that the convenience services industry is made up of the toughest, hardest-working and smartest individuals in the world.

For us, meeting client and consumer needs comes naturally; it is who we are and what we do, no matter how the marketplace changes or what obstacles are thrown our way. You could almost argue that for this industry, business as usual doesn’t exist. We are constantly evolving and that is why I cannot think of any industry better positioned to rise to the occasion — the opportunity is ours for the taking.

NAMA is here, as usual, to help the industry navigate recovery and the future that will follow. I am excited to be a part of, and experience, new initiatives that will help accelerate growth and remove barriers for all of us.

Thank you for letting me be a part of this great industry and organization.

“Business as Usual Doesn’t Exist”

Joe Hessling, Founder and CEO, 365 Retail Markets Chair, NAMA

Embracing innovation, culture and collaboration for the future of convenience services.
Harnessing the Power of Data

By Dr. Michael Kasavana
This summer, NAMA’s professor emeritus, Dr. Michael Kasavana, moderated an online panel discussion centered around the revenue-generating and cost-cutting power of accumulated data.

Below are key takeaways and excerpts from the discussion. The full webcast recording in its entirety is available on namanow.org.

Payments — Myth: No one carries cash anymore. Fact is that the Federal Reserve Bank of San Francisco (FB of SF) found that in nearly every age category consumers carried a higher proportion of cash.

At all age categories, it appears there is sufficient cash to complete under $10 purchases. The following two charts separate payment instrument by purchase amount and by demographic (age).

So, an operator’s preferred payment method should not be cash or credit, but rather a cash and credit payment methodology. Additionally, when accepting dollar bills for payment, it is wise not to limit the consumer to using just $1 and $5, but enabling $5, $10, and $20 acceptance (via note recyclers). This can drive significant sales lift by expanding the population of consumers who can make a purchase. This sales lift is similar to the sales lift from credit card acceptance.

It is interesting to note that when $20 bills are accepted, the sales lift can exceed that of credit cards.

Mobile Apps — the trend today is toward employing mobile apps for route data collection. Unlike the prior generations of machine activity recordation, with the possibility of illegible entries, failed batteries and end of day processing, mobile apps enable real time data visibility and route management.

In addition to multiple operational efficiencies, mobile apps enable real time prekitting, service calls can be immediately acknowledged and acted upon, and remote communications enable more effective cloud-based operations.

Average Daily Holdings by Age & Year

Source: 2020 Findings from the Diary of Consumer Payment Choice (FB of SF)
Mobile Options — connectivity to payment devices enables unique levels of data analytics, including: machine health status including alerts and alarms, diagnostic and troubleshooting video access, and an array of performance analytics, as well as over-the-air software/currency updates.

Digital Advertising — on-machine digital advertising can increase sales by as much as 15%. Also, there tends to be a sales lift benefit for adjacent machines as well. The fact is that ad-induced machine sales lifts also can affect other machines. Interestingly, two-thirds of the sales lift associated with a digital ad campaign is often retained even after the campaign has ended! There is a real power around digital advertising.

Suggestive Selling — machines with shopping cart capabilities tend to be more effective than those not offering a cart metaphor. Research indicates that one in five consumers is unsure of what to purchase when approaching a vending machine. Suggestive selling has been shown to more than double targeted item sales. When combined with digital advertising, suggestive selling can increase daily targeted product sales by 166%.

Product Margins — operators are encouraged to review product margin reports and to be mindful of the impact product margins can have on bottom line profitability. This is an example of a report that should be actionable.

Summary — key takeaways involve accepting both cash and credit payments, enabling larger denominations of bill acceptance, being aware mobile apps provide real time communications and data analysis and the effectiveness of digital advertising and suggestive selling.

Data Analytics provided by Chuck Reed, CPI.
Understanding Business Agility as an Entrepreneur

By Indiana Lee

Staying afloat in the face of any crisis can be difficult. But as the most recent economic downturn proved, the state of your business and industry can change at any second. Developing the ability to pivot and stay agile can be your biggest asset as an entrepreneur.

When things go wrong, business plans and even crisis plans can only take you so far. It’s impossible to predict the hazards you may face (who could have imagined a global pandemic in 2020?), so the safeguards you create are merely that. Your business may be protected from the initial blow, but on the tough journey back to normal operations and growth, an agile mindset is invaluable.

We’ll dive deeper into the benefits of business agility for entrepreneurs, then offer some tips on how to increase your agility over time.

Why Business Agility Matters
If you’ve ever played a team sport, you know that agility matters. You always need to be conscious of where the ball and each player are, so you can move efficiently and accurately. Scores and passes can happen at any moment, and if you’re not ready to defend, you could put your team in a tight spot.

**Agile methodology** looks at business from a similar perspective. It treats change as inevitable and plans as flexible. Business ideas are constantly tested and iterated upon before release — and after release, each product or service is expected to grow outdated. At that point, agile business leaders retire the old idea and collaborate with team members and stakeholders on brand new ones. You’re constantly thinking on your feet.

Rather than make your business dependent on things going smoothly, an agile methodology values collaboration, reflection and adaptivity. This means you’ll notice changes in the market faster and adapt faster to them, keeping your revenue from sinking.

Harnessing Data to Stay Agile
Business agility is about making quick decisions, but you need to do so wisely. **Real-time data** — ranging from social media metrics to website analytics — is now available to help you make strategic and proactive decisions about your business.

So, what data should your business focus on? It depends on your goals. With your business goals in mind,
Providing the best deal doesn’t necessarily mean offering sales on top of sales. You can also offer value by:

- Listening to reviews to improve your product or service quality
- Focusing on customer service to create a standout experience
- Rewarding returning customers with a loyalty program
- Posting educational posts related to your industry
- Offering more convenient ways for clients to shop with or contact you

Listening to reviews and social media comments, proactively sending out surveys and simply talking to customers are huge for staying agile. These offer rich, qualitative data. You’ll be able to learn when your customers’ priorities change to understand what you need to do to continue providing the value they expect.

**Empowering Yourself with Continuing Education**

Want to buff up your business agility? Staying up to date with modern entrepreneurial practices can help. Just as the business landscape is constantly changing, strategies and methodologies can too.

Regularly taking courses, webinars and conferences can help you boost your business knowledge and understand what other business owners are doing successfully. You can use your learnings to help your own company adapt to changing times — perhaps even networking with other business owners along the way.

If you want to maximize your business prowess, you can even consider returning to school for your Master of Business Administration. An MBA can help you maximize your career stability, while offering the core knowledge you need to adapt, including financial literacy and efficient operations practices. You’ll be able to lead your team with ease through any crisis.

**Be Willing to Change**

Change is inevitable. The most successful business leaders are the ones who lean into it, rather than resisting it. When you change with your industry and your customers, you can continue satisfying your stakeholders, while maximizing your returns. Staying agile can provide the best security possible when unexpected events come your way.

Indiana Lee lives in the Northwest and has a passion for the environment and wellness. She draws her inspiration from nature and makes sure to explore the outdoors regularly with her two dogs. Indiana has experience owning and operating her own business.

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Tammy Stokes
Vice President Refreshment Services
Five Star Foodservice

- University of Louisville; Education K-12
- 13-year member; Panel member for NAMA education sessions with Culture by Choice, WIN member

How did you get into the convenience services industry? After college, I began working for Pepsi (General Bottlers) placing soft drink vending machines across higher education, entertainment and B&I. Eventually, I found my way to Five Star Foodservice and then to Canteen Southeast before returning home to Five Star in Chattanooga, Tennessee.

Give us an overview of your role and key responsibilities. Currently, I lead our Refreshment Services division for the company. Along with our senior leadership and my incredible team, we focus on all things coffee, water, pantry and food programs where associates receive these items as a benefit in their place of work. I support Five Star’s vision for innovation, technology, sales, operations and our newly acquired roasting facility.

What are the skills you use most in your career? At the top of the list is staying up-to-date with industry knowledge. I also think it’s important to communicate and collaborate with manufacturers, vendor partners and colleagues to meet the demands of the changing client expectations. Building a strong team through all levels by understanding each member’s strengths has been a solid focus throughout my career.

What do you believe are the biggest challenges you face in your business? In today’s world, finding people in a tough labor market continues to place stress on our industry. Longer term, I believe the consumer’s expectation of immediate gratification of products and services is a challenge, and so is the fact that technology is moving faster than our industry is prepared for.

What are the greatest opportunities? Companies are asking for unique and innovative ways to keep associates engaged at work. As we listen to our clients, if we are willing to try new service models and think outside the box, then we have a great opportunity to grow exponentially over the next few years. This will allow us to not only deliver superior products but more importantly provide services we may not have previously offered. We have the chance to embed our people into our customer’s companies and become...
part of their culture and an invaluable part of their team.

How has COVID-19 impacted your life and business? (i.e. did your company pivot in a unique way?) For most of the world, the pandemic was a pause in time. However, at Five Star, our senior leadership team took a great amount of time looking at the business model and how we could become more focused on retail execution for our customers. We also connected with our clients more frequently to have deeper conversations about what we see in the industry and best practices other companies were implementing. By connecting more and creating this dialogue, we set new standards for reopening and worked to identify new ways to grow as business partners.

Is there something special you accomplished during this time? What lessons have you learned? I believe the biggest lesson learned during the pandemic was not to stay idle. Even in the toughest of situations, our industry needs to look ahead and identify ways we can be the leader in convenience services and to own being the expert every day for companies looking to impact their associates positively.

Moving forward, what are your personal/professional goals? Hands down my personal and professional goals are one in the same. After 29 years in the industry, for me it is ALL about the PEOPLE along the way, both personally and professionally. I would like to continue to be of service to those people I meet along this journey in life.

Tell us about the most memorable work experience you have had? This one is tough because many come to mind. It was a few years back, and we were leading a concentrated training forum in south Florida with Canteen on the campus of Florida Atlantic University. The weather turned a bit wild with tornado sirens and a touchdown a few miles away. In great industry fashion, we did not stop the training; we hunkered down in the stairwell (all 50-plus of us) and continued to have our presenters speak and learn together. That moment taught me the passion that comes along with our industry! Luckily, the bad weather passed, and no one was affected by it.

What is one thing, either industry-related or not, you learned in the last month? There is always someone waiting to help. With the stress of a reopening country in our business, times can become demanding and difficult. We aren’t meant to handle it alone, so we need to raise our hands and ask for help, and the team will come to the rescue!

What advice would you offer young people starting their careers in this industry? There are so many directions to go in this industry, so take your time ... watch, listen and ask questions about everything. Try to gain perspectives from people who are not like you. Enjoy your front-row seat for how America works because this is the only place you will get that front-row seat into so many companies and industries. Take away every best practice you see and think about how you could utilize that to help another company who will be your client one day.

What is a favorite piece of advice you have received that has helped you in your professional career? “Culture trumps money” any day! A very wise person once told me that if I look for the people in life who get culture and how to treat others, I’d find myself at home and happy in my professional career. I never forgot this and can honestly say I have worked for the best companies and for some amazing leaders.

As a Women in the Industry (WIN) member, in your own words, what is the value of participating in group? WIN is a phenomenal group where I have met and collaborated with some of my closest peers. There is a power in connecting with mentors and industry leaders who will support you through your career and be a part of your success each step of the way. The group is includes both male and female supporters and connects to our industry in a way which most groups are not able to. The group allows you the freedom to explore and connect at your pace, which has been so helpful as I navigated job responsibilities of my own in this industry. The group also provides you the opportunity to give back and support other women in their careers.

What is something about you (a fun fact) that not many people know? I have a long history in the cheerleading industry! After cheering in college, I went on to coach at the collegiate level for 10 years. (GO TOPS! WKU) I also spent the better part of 20 years judging cheerleading all over the United States and even in Costa Rica. I have many friends all throughout the world through cheerleading and will always have a special place in my heart for these young athletes.
Louis Baresh
Sales Manager, Executive Refreshments

- Bachelor in Business Administration (Major: Management, Minor: Marketing)
  Oklahoma State University
- ELN Member & NAMA 2021 Speaker

How did you get into the convenience services industry? I actually “grew up” in the industry. My dad started the company in 2003 after a career in the food industry with General Mills. Starting in elementary school, I would spend time with him during the summer and weekends, working a route, delivering coffee and breakroom supplies and filling vending machines. I fell in love with the fact that there truly is never a dull moment and wanted to be involved once I graduated and gained some general professional experience elsewhere!

Give us an overview of your role and key responsibilities. My primary responsibility is centered around company growth and customer retention. My team brings our partnership approach to life with all of our customers. In addition, I am involved in marketing Executive Refreshments through social media, the website and other venues which promote our services and reputation.

What are the skills you use most in your career? With the industry continuously changing and each day presenting either new opportunities or problems to resolve, I would have to say adaptability and purpose-driven leadership. After the first month of working here full-time, I quickly realized that to fulfill the partnership approach we take with customers, you always need to be prepared to rearrange your schedule if an issue or new opportunity arises. Fortunately, I can share several skills like adaptability with our employees to grow a purpose-driven company culture and tie their passions into the company’s vision.

What do you believe are the biggest challenges you face in your business? The convenience services industry is changing rapidly due to new technology and consumer preferences. An operator must be emersed in new software and new equipment and identify which technology will drive incremental sales. The primary issue is that technology is expensive and making the right investment in new technology is crucial. Secondly, consumers are inundated with new products, health trends and current gratification preferences. We must stay educated on current and future trends to be successful.

What are the greatest opportunities? The opportunities in our industry are limitless. We can sell to anyone, and we can sell anything. Where there are consumers, there are opportunities.

How has COVID-19 impacted your life and business? (i.e. did your company pivot in a unique way? Is there something special you... "Something my dad says is to always be moving forward, knowing we will make a lot of mistakes along the way, but what matters is learning and growing from those mistakes.”
accomplished during this time? What lessons have you learned?)

COVID-19, as all of us realize, was an arduous time for the convenience services industry. We were fortunate to have customers in the essential manufacturing, distribution and transportation industry. Our sales focus was on these industries, and we developed new customers by staying active in the sales function. We became hyper-focused on being fiscally conservative; however, we did not retreat into a defensive mode but found new business through aggressively pursuing opportunities.

Moving forward, what are your personal/professional goals?
Professionally and personally, I enjoy helping others succeed. Whether I am working in the office or assisting friends, I love learning and sharing those experiences with others in hopes of helping them toward their path to success.

Tell us about the most memorable work experience you’ve had. This past year, COVID-19 affected everyone with loss of business and the need to lay off employees. With our company having to do the same, I made it a goal for myself and team members to get everyone hired back and receive end-of-the-year/beginning-of-the-year bonuses. Through my team’s amazing effort, we were able to make this goal come to fruition. The smiles and joy our employees showed when coming back is something I will always hold near to my heart.

What’s one thing — either industry-related or not — you learned in the last month?
In preparation for my NAMA presentation, I have spent a lot of time researching and talking to manufacturers about the future of AI “artificially intelligent” vending.

What advice would you offer young people starting their careers in this industry? I would tell them to come into each day with an open mind, ready to learn new things and always put 100% effort into your work.

What’s a favorite piece of advice you’ve received that has helped you in your professional career? Something my dad says is to always be moving forward, knowing we will make a lot of mistakes along the way, but what matters is learning and growing from those mistakes.

What’s something about you (a fun fact) that not many people know?
I always enjoy being outdoors; any free time I have, I am either golfing or at our ranch hunting and assisting with various tasks.

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