20 Best Practices for Vending Success
#1

Use the software component of most vending solutions to document the value you are providing to customers with vending.

“We need to prove to the customer on the documentation that it’s not costing them money to do business with us.”

- Randy Bergstrom, implementation manager, Deco Tool Supply
Partner with customers to develop the right solution for their needs – they will notice if the system isn’t working for them.

“If you do a good job, the customers know it. If you’re doing a bad job, they’re going to know it. There’s no hiding these errors.”

- Scott Nadler, University of Central Arkansas’ College of Business
Understand the unique requirements of your customers.

“From a higher level, ultimately it’s all the same. You have a customer that consumes goods. They want them in an automated vending process. But what really makes a program successful is being able to sit with a customer to understand any unique requirements they may have in the plant, understand from a historical perspective how a plant has evolved, its tribal knowledge.”

- George Ponce, president, Machine Tools Supply
#4

Understand your customer’s processes.

“If you understand processes, you can build something that solves the problem for your customers.”

- Susan Hebrank, marketing services coordinator, Cribmaster, vending & software solutions provider
#5

Be proactive in your approach to vending services.

“If you’re just trying to defend your top three accounts, in the long run, you’re going to lose, because your heart’s not in it, you’re not going to put the resources in it, you’re not going to spend the time to really get your people trained and ingrain it into your organization.”

— Steve Pixley, founder, Autocrib, vending and software solutions provider
#6

Make sure expectations are clear from the start. When customers are hit with unexpected restocking fees or surcharges, or products are swapped without the customer’s knowledge, it can cause conflict. Build transparency into the vending agreement.

- Cari Palmer, chief relationship officer, SupplyPro, vending & software solutions provider
#7

Consider whether your product types are well-suited to vending.

“The thing I think we’ve discovered is that the most natural product for this type of distribution is things that people use in mass, like gloves, personal protective gear, safety glasses, things like that.”

- Will Oberton, CEO, Fastenal
Refine your product packaging to fit the vending machines.

“Think about breaking quantity packs and putting them into French fry packages or different packaging to make sure it dispenses properly.”

- Brian Norris, vice president, inventory management, Grainger
#9

Work with customers to find the right product mix.

“Typically when we start the process, we are fine with a long list of various types of products and equipment that they want to manage because we have other solutions and offerings that may be a good system for the other things that they are trying to achieve. We'll take that long list of products, refine and define the right solution and see where vending fits in and where other options might be a better, more effective solution.”

- Doug Osborne, vice president, Motion Services, Motion Industries
#10

Recognize that “one machine doesn’t fit all for vending.”

- Bill Welch, director of vending solutions, MSC Industrial Direct Co.
Consider product resets when examining underperforming accounts.

"We can break it down based on what type of a business they are. Are they a truck shop, or a manufacturer or a small contractor? We can look at our data and do a comparative analysis and say 'Here are the top 20 items or 30 items that sell on a broad scale. We believe you may use the same ones.'"

- Will Oberton, CEO, Fastenal
Figure out “how much of what how often” customers need.

“If you go into an installation not knowing that, that can create a need to then circle back to them and reconfigure, and it’s a lot more time consuming than if you knew how to approach those in the beginning.”

- Brent Scott, technical solutions manager & vending program manager, Martin Industrial Supply
Don't be intimidated by vending technology.

“If you’re not used to using technology, the advice is you get used to using it because your competitors are using it against you. Get educated, get up to date and recognize that using the technology can save your customer money.”

- Cal Bauer, vice president, marketing, Vendnovation, vending software provider
#14

Retrain your sales team to help a customer see the inventory management problems that already exist and how vending can solve them.

“When you're selling a cutting tool, you know that that person has a need for that tool. With vending, you have to show them that they have a need for that sometimes.”

- Greg Losey, general manager, Rocket Supply
Don't look at a customer's vending sales in isolation. A significant portion of indirect spend for every industrial customer is spot buys.

“At the end of the day, whoever has a vending solution is going to get a preferred look on spot buys and one-offs where there are higher margins.”

- Mark Higgins, vice president & managing director, Affiliated Distributors, Industrial Supply Division
#16

Don't look at a customer's vending sales in isolation. The conversation about vending may open the door to other opportunities.

“Use it as a tool to gain the customer's business for all of the customer's consumption, not just what they've deemed convenient to put in a vending machine.”

- George Ponce, president, Machine Tools Supply
#17

Don't limit the products you provide to the products you already provide.

“Customers are always pushing us to look at MRO and other product lines that they might have. Although we're focused on core products, we continue to have discussions with our key customers on other products that we might be able to supply through our supply chain management program.”

- Ken McDowell, vice president, supply chain management, Airgas
#18

Don't focus on vending; focus on the total solution.

“If customers care about driving cost out of their business of managing their inventory, they don't really care if it's a vending machine or if we're managing that for them. All the data and the research that we have done, the customer cares most about having the right product when and where they need it.”

- Brian Norris, vice president, inventory management, Grainger
Customers and distributors both have to be committed to the process for success.

“We're not going to come in and wave a magic wand and all of the inventory management problems are going to go away. It requires a customer that's committed to the process, committed to the execution and the implementation of the process and the ongoing support of the process as items change, requirements change – it takes the customer and the distributor working together to make the program successful.”

- George Ponce, president, Machine Tools Supply
#20

Embrace the vending revolution before it's too late.

“The small distributors that quickly jump on board and get educated and buy into this program, the less impact they will feel from the Fastenals, MSCs and Graingers. The small guy needs to realize that the world has changed, and vending is a permanent part of that. Those who make that shift will be far more competitive than those that don’t.”

- Cal Bauer, vice president, marketing, Vendnovation, vending software provider