

# Chapter 1

## Introduction

**B**efore investing time, energy, money, and, most important, yourself in any business, it's just plain good sense to know something about what you're getting into. History, current issues, and future trends all impact the steps you take toward becoming a successful entrepreneur.

In the case of this book, it's also important to know who's giving you the advice. Do they have similar backgrounds? Are they from towns that are similar to yours? How do their businesses compare to the one you're planning to start?

The more you know, the more likely you are to prosper. So without further ado, let's answer the questions we've already asked as well as a few more.

### **What Are We Talking About?**

If you visit your dictionary (we used *American Heritage*), you'll likely discover the definition of "vending machine" is "A coin-operated machine that dispenses merchandise." Of course, if you've purchased food, beverages, or sundries from a vending machine lately, you know that paper money and even plastic are used for purchases.

Perhaps a more thorough description of vending is the one suggested by the National Automatic Merchandising Association (NAMA) in its booklet *Vending 101*: "The business of buying, placing on location, filling with product, removing cash, and maintaining vending equipment."

Just like boiling down the theory of gravity to "What goes up must come down," the day-to-day realities of a successful vending operation are also a bit more complicated. But NAMA's definition is an excellent place to start.

### **Where It All Began**

According to *A Concise History of Vending*, written by respected professor, prolific author, and NAMA president emeritus G. Richard Schreiber, the earliest known vending machine was an Egyptian liquid-distribution device dating from 215 b.c. Not surprisingly, the device dispensed holy water at places of worship when a coin was deposited.

In the United States, it is generally accepted that vending began in 1888, when the Adams Gum company introduced its penny machines. From this humble beginning, vending has grown to an industry with annual gross sales estimated between \$24 billion and \$34 billion.