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THE LAS VEGAS
CONVENTION CENTER

The Changing Workforce:

Getting the Most out of Your Employees

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Where People, Products & Possibilities Meet

Session Details

- What will you learn in this session?
 - Legacy Vending Models vs. Technology-Driven Models
 - Transition Role - Telemetry Project Lead
 - Positions Affected by Technology
- Who are the panelists?
 - Leading, successful, and growing companies
 - Proven, innovative, and forward-thinking leaders
 - High performers on the Parlevel platform

Agenda

- Introductions
- Overview
 - Legacy Vending Models vs. Technology-Driven Models
 - Transition Role - Telemetry Project Lead
 - Positions Affected by Technology
- Conclusions
- Q&A

Introductions



Chris Stave

Director of Business Development



Michael Ray

Business Development & Customer Services



Eric Leal

Chief Operating Officer



Where People, Products & Possibilities Meet

Overview

- Legacy Vending Models vs. Technology-Driven Models
- Transition Role - Telemetry Project Lead
- Positions Affected by Technology

Legacy Vending Model

- Static route schedule
- Two trips per stop
- Rolling warehouse vehicles
- Drivers call in orders for the next day or pick themselves
- Not item specific
- Driver determines planogram - poor merchandising
- Cash accountability based on meter readings

Legacy Vending Model (Cont.)

- Very little cashless vending
- No telemetry
- Routes producing \$6,000 - \$10,000 in weekly revenue
- Dependent on customers to call in services issues
- No analytics
- Dex irrelevant

Technology-Driven Vending Model

- Blend of static and dynamic routing
- Products prekitted for drivers
- Prekitting results in one trip machine fills
- Vehicles load what is needed and return close to empty
- Item-specific data allows for merchandising
- Management determines planogram
- Ability to consolidate cash and cashless sales

Technology-Driven Vending Model (Cont.)

- Routes blend of cashless, telemetized, offline machines
- Route analytics readily available
- Routes producing \$12,000 - \$20,000 per week in revenue
- Service issues reported via telemetry
- Real time inventory
- Promotions and loyalty programs =
- CONSUMER ENGAGEMENT and INSTANT GRATIFICATION

Transition Role - Telemetry Product Lead

Temporary position that may lead to route scheduler / merchandiser

- Lead, manage, and evangelize the project
- Knowledge of old and new system
- Plan & Coordinate with a team to transition routes logically
- Set clear timelines for each transition step
- Goal oriented to complete on schedule

Transition Role - Telemetry Product Lead (Cont.)

Temporary position that may lead to route scheduler / merchandiser

- Merchandising / retail background
- Familiarity with DEX & eprom upgrades
- Knows machine setup, telemetry devices, cashless readers, etc.
- Works closely with technology provider

Positions Affected by Technology

Owner - General Manager

- Needs to understand the VMS from a 10,000 ft level
- Must know the upfront investment and ROI
- Has to learn and understand new capabilities
- Needs to set expectations to use the benefits of the system
- View VMS as a new employee

Positions Affected by Technology

Route Supervisor

- Large Company - remain as is, but understand basics of route management in new system. Needs computer knowledge. Add position of scheduler / merchandiser
- Medium / Small Company - add the scheduler / merchandiser role to the duties of route supervisor. Need training to understand capabilities

Positions Affected by Technology

Warehouse

- Supervisor needs to define targets for the team to hit
- Keep production flowing efficiently
- Manage piece counts and time parameters
- Accurately receive products
- Pull accurately and quickly
- Social media user, some gaming - good computer knowledge
- Maybe work Sunday, evenings or early mornings

Positions Affected by Technology

NEW - Prekit line

- Part-time, high school, or college kids 3 to 4 hours per day
- Require Sunday, evening, or early morning work
- Pull products accurately and fast. Lifting required
- Very little computer knowledge required
- Paper tickets are okay to start, but must transition
- Use tablet for quickness, flexibility, real time updates
- Pick-to-Light system - fast and accurate

Positions Affected by Technology

Coin Room

- Old model - all revenue needs to be counted
- New Model - Only a small portion needs to be counted
- Cashless revenue can be around 50%
- High cashless - you can service without collecting
- New model provides additional efficiencies
- Paperless system is much faster
- As you transition - cut hours or people

Positions Affected by Technology

Driver

- Very high impact by technology
- Paperless efficiency
- Products prekit - time saved
- No more ordering products and breaking down cardboard
- Basic computer skills
- **Must adjust to management control**
- Driving directions provided and more machine info means easier replacement and route jumpers
- Devil is in the details

Positions Affected by Technology

Driver Compensation

- Key issue due to competition from other business sectors
- From Glassdoor
 - Average delivery driver \$35,560 VS. Vending specific \$35,000 - \$40,000
 - Route sales rep \$40,000 - \$70,000
 - UPS / FedEx Drivers \$60,000 - \$80,000
- With continuing growth of internet purchases, competition for drivers increases
- For the transition: if you are paying commissions, consider converting drivers to fixed compensation. Take an average of last 13 weeks. Develop new compensation based on new metrics

Positions Affected by Technology

Service Mechanics

- Must learn how to work on telemeters and cashless bezels
- Realize that not all service calls received are caused by new tech
- Need training regarding technology and diagnosing issues
- Know how to use VMS provider support
- More proactive, less reactive
- Qualifications
 - Same skills of vending mechaning, but adding technology
 - May require more compensation
 - Good with computers / smartphones

Positions Affected by Technology

Sales Staff

- Learn how to sell using the benefits of technology
- Help clients overcome fear of not having static service
- Understand analytics of the system to show
 - Percentage of healthy products
 - Poor-selling products
 - Products in multiple spirals
 - Machine monitoring
 - Inventory
 - Merchandising
- For Markets - loyalty programs, customer promotions, consumption data

Conclusions

- Most of the industry is in the transition or has already transitioned to the new business model
- Key Role Changes
 - Scheduler / Merchandiser - Key role that provides ROI
 - Route driver - Competitive salary pressure will only get worse
 - Service mechanic - Training needed, but basic skills apply
- Issues with people can and have caused the failure of telemetry conversions

Q/A





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