

Your Future, Our Focus

2018 ANNUAL REPORT



NAMA
FOUNDATION



The NAMA Foundation's mission is to strengthen and advance the convenience services industry through strategic support of advocacy, education and research initiatives.



Working Better for You

2018 marked a new era for the NAMA Foundation. With investments from Positioning for Growth having successfully concluded in 2017, the Foundation was able to work exclusively this past year on advancing its mission and goals.

The overarching focus of the NAMA Foundation is on the future and helping industry business to grow. This is accomplished in three key ways:

- 1) By seeding research that enables smarter business decisions and informs educational meetings with elected officials
- 2) By providing education that challenges businesses to be forward thinking, and scholarships that enable future industry leaders to learn and grow, making the whole industry stronger
- 3) By advancing advocacy — from raising awareness about the impact of the convenience services industry to helping members be more effective in their grassroots efforts

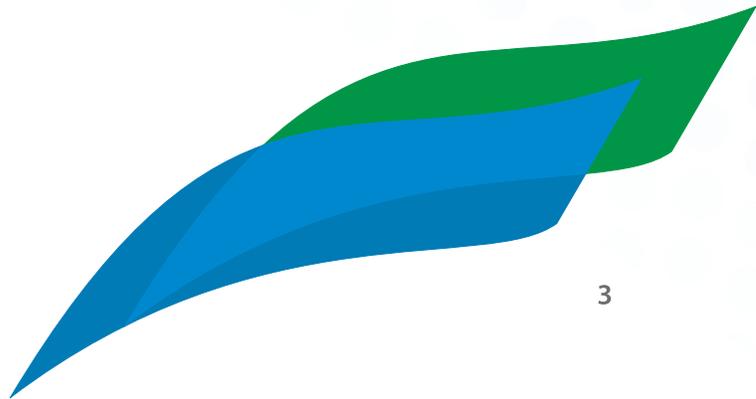
The best part is that today's NAMA Foundation is proactive and responsive, clearly connecting the mission to industry priorities. It provides the metrics that are needed and the transparency that is expected.

The NAMA Foundation has made laudable progress this year, thanks to so many who have generously contributed their time and resources to its success.

As you read this report, keep in mind all the ways the Foundation is focused on YOU and on driving the convenience service industry forward. This work could not be done without your continued support, so thank you!



Heidi Chico
Chair, NAMA Foundation
Board of Trustees





Helping You Represent the **Industry**

ECONOMIC IMPACT STUDY

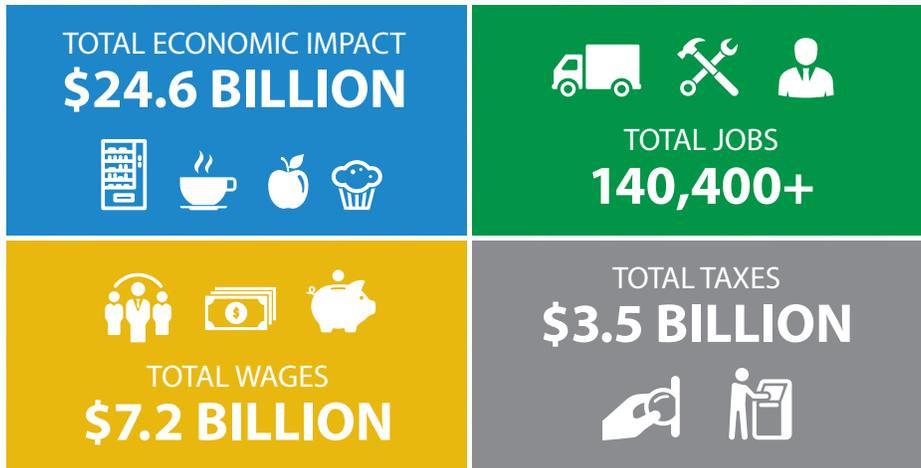
Advancing its commitment to support advocacy through research, the NAMA Foundation funded the most comprehensive report to date on the impact of the convenience services industry. Conducted by John Dunham & Associates, the research calculated overall economic impact, as well as jobs, wages and taxes generated. The data revealed a powerful engine of job creation and economic growth nationwide.

After being unveiled and utilized at the 2018 NAMA Fly-In, the research empowered NAMA members in telling their stories to elected officials at Convenience Services Days across the country. The data is easy to access and customize with a robust online tool that allows members and stakeholders to calculate the impact of the convenience services industry at the federal, state, congressional district and county levels. The study's web page had nearly 2,000 visits and over 450 downloads in 2018.



Funded by the NAMA Foundation, the most defining research ever undertaken by the convenience services industry was unveiled at the National Press Club, serving as a momentous kickoff for the 2018 Fly-In.

The Convenience Services Industry



Telling the Story
Key industry data from the Foundation-funded economic impact study was presented in a visually appealing infographic to easily inform members of Congress at the Fly-In.

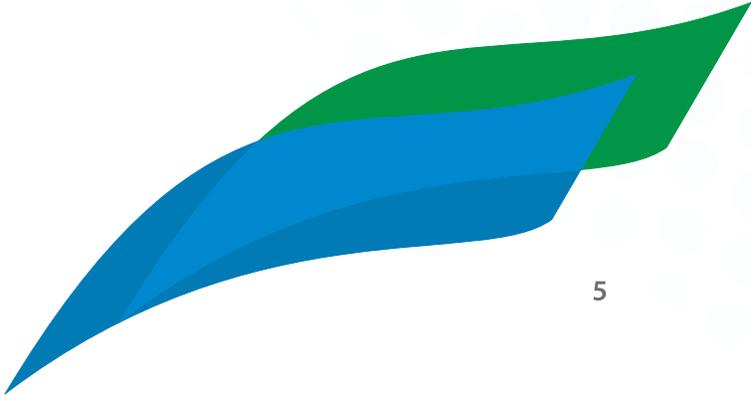
FLY-IN SCHOLARSHIPS

The Foundation awarded scholarships to the 2018 DC Fly-In for two of the four students who attended from the A. Philip Randolph School Vending Technology Program. Not only was the experience valuable for these future convenience services careerists, but it also gave elected officials insight into our diverse, multi-faceted industry.



The students are mostly from inner-city Philadelphia, so this was a tremendous opportunity for them to experience meeting the leaders of our industry — and the leaders of our country.

—BUD BURKE, RSA MANAGEMENT GROUP





Arming You With Information

WHITE PAPERS

Guided by a newly created volunteer Research Task Force, the NAMA Foundation developed two white papers in 2018:

- **Millennial Food Purchasing Decisions and Trends**, released in December, highlights the findings from USDA research and draws helpful conclusions for the convenience services industry on millennial consumption preferences and behaviors.
- **Leveraging Pantry Services to Retain Talent**, released in January 2019, is an operator's toolkit for getting started in pantry services, including common challenges to consider, helpful operational tips, and strategies and leave-behinds for selling the service to clients.

NAMA FOUNDATION

Millennial Food Purchasing Decisions and Trends

Findings from the USDA and Implications for the Convenience Services Industry

#4 Millennials value time savings when it comes to food consumption and preparation.

Millennials dedicate less time to eating and preparing than older generations. This supports the finding that they purchase more ready-to-eat foods and spend less time on food preparation. As one of the authors of the USDA report put it, "Even if they eat something as quick and easy as cereal, they don't want to deal with 'cleaning up the bowl'."

TIME SPENT PREPARING FOOD, BY GENERATION

Generation	Time Spent (Minutes)
Millennials	~45
Gen Xers	~65
Baby Boomers	~75
Traditionalists	~85

#5 Millennials spend significantly less time eating at home.

Millennials are much likely to eat outside the home than other generations. Compared with traditionalists, for example, they eat over 15% less of their meals at home. This might mean consuming food at the workplace, on the go, or at a restaurant or bar, where millennials eat far more frequently than their older cohorts.

Millennials eat at restaurants and bars almost **30% more often** than any of the older generations.

Opportunities for the Convenience Services Industry

To better serve millennials, consider the following takeaways from the USDA research. While these ideas may not all be new, they can now be presented based on sound scientific data.

- ✓ **Give them the products they want.**
Because prepared and ready-to-eat foods are more likely to appeal to millennials, our industry is uniquely positioned to meet their needs. The key is research and targeting. Conduct a survey and try new products based on your customer-specific preferences. Perhaps they'd love frozen pizza, ready-to-bake entrees or bagged salad mixes that they can purchase in their office micro market for that evening's dinner. Or fresh salad or soup in their university's vending machine. The possibilities are endless.
- ✓ **Make products available where they are.**
Millennials are more likely than other generations to eat away from home — including at the workplace and while dining. Our industry can make this even more appealing by ensuring customers have options wherever they are. For example, what workplace clients might you talk to about upgrading from vending machines to a micro market?
- ✓ **Make purchasing easy.**
Millennials seek quick and easy transactions, presumably favoring self-serve options. This might explain why they are more inclined to purchase groceries online, for example. Our industry is ideally positioned to cater to this preference. With the majority of vending transactions still cash-based, there's tremendous opportunity for innovation and improvement. Examine your payment systems to make sure they are frictionless. Add credit card and mobile pay options, upgrade your card reader, anything to ensure smooth, stress-free payment process. Communicating with customers is critical — ask them what they want and do your best to deliver it.



By making timely research applicable to our industry, the NAMA Foundation does the work for us. It helps us make smarter business decisions.

—KEITH KOSTY, IMPERIAL COMPANIES



Preparing You for the **Future**

NAMA KNOWLEDGE CENTER

In 2018, the NAMA Foundation helped NAMA achieve a long-term goal of transforming its education offerings via an online platform. A Foundation grant aided in the development and delivery of new and improved courses via the NAMA Knowledge Center, including the Essentials of Convenience Services and Mastering Micro Markets. These and other in-depth, interactive courses include manuals as well as certificates of completion — all advancing the knowledge and professional development of attendees.

SCHOLARSHIPS

Elevating the operator through education continues to be an important Foundation priority. In 2018, the following scholarships were awarded, giving small and emerging operators new opportunities to learn and network:

- **Executive Development Program:** Steve Boucher, Canteen // Ashley Hubler, U-Select-It // Hanz Lutkefedder, Vend Natural Holdings // Jonathon Holden, All Star Services
- **Dan Mathews Scholarship to attend the NAMA Show:**
M. Gaye Tankersley, Food Service Solutions, LLC // Kyle Dunn, Machine Cuisine Vending
- **Dan Mathews Scholarship to attend Coffee, Tea & Water:**
David Mynar, Emerald Hills Coffee // Shari-Ann Sasu, Let's Improve! Healthy Vending, LLC



My favorite part of the NAMA Show was seeing continued creativity emerging... we are a vibrant industry!

—M. GAYE TANKERSLEY,
DAN MATHEWS SCHOLARSHIP RECIPIENT



Ensuring the Foundation's Health and **Longevity**

STRATEGIC PARTNER PROGRAM

The NAMA Foundation closely collaborated with NAMA on the execution of a sustainability strategy to help ensure the long-term health of both the Foundation and the Association. The Strategic Partners program enables companies to continue their financial support to both organizations, and direct it to the areas of greatest interest, priority and value to them.

The NAMA team met with Strategic Partners at the NAMA Show and CTW, as well as visiting a number of member businesses throughout the year. These visits gave NAMA valuable insight into members' needs and concerns, and resulted in commitments from 10 companies in 2018.

Site visits to Associated Service, Royal Cup, Buffalo Rock Company and many others helped deepen relationships that will benefit the NAMA Foundation and the industry overall.





SPECIAL EVENTS

Enthusiasm for the mission of the NAMA Foundation exploded in 2018, with two new events attracting record participants and helping to supplement and diversify support for the Foundation's mission.

Fundraiser » The NAMA Foundation was the grateful beneficiary of the proceeds from 365 Retail Markets' first Basketball Jam. The spirited game of full-court basketball took place during the NAMA Show, with players representing Team 365 and Team Lightspeed on court at the University of Nevada-Las Vegas. Team 365 pulled off a victory, but everyone was a winner with the event raising over \$3,000 for the Foundation.

Coffee Crawl » Kicking off the 2018 Coffee, Tea and Water Show in true New Orleans fashion, the NAMA Foundation hosted its first-ever Coffee Crawl through the historic French Quarter. The guided tour featured four famous coffee establishments, including the renowned Café du Monde, allowing participants to experience the one-of-a-kind coffee culture of New Orleans while also networking with their peers. With a sellout crowd of 93, the event raised more than \$6,000 to help advance the Foundation's work.



I enjoyed sampling the local coffees and learning what makes New Orleans so special, all while supporting the Foundation.

—TONY LAUDAZIO, CADILLAC COFFEE CO.

Thank You, Supporters!*

STRATEGIC PARTNERS

Thank you to the support of the following companies that made commitments to NAMA and the NAMA Foundation Strategic Partner program. Your support provides NAMA the opportunity to expand its proactive advocacy efforts and the NAMA Foundation the ability to support its mission to provide education and research to the industry.

\$500,000+

The Coca-Cola Company

\$250,000+

Canteen

\$100,000+

Aramark Corporation

Mars Wrigley Confectionery

Vistar

\$50,000+

365 Retail Markets

G & J Marketing and Sales, LLC

Royal Cup Coffee & Tea

\$25,000+

Associated Services

Buffalo Rock Company

USA Technologies, Inc.

\$10,000+

All Star Services, Inc.

Canteen of Coastal California

Flowers Foods/Mrs. Freshley's

Monumental Vending

Premier Broker Partners

Southern Refreshments

\$5,000+

Twinings North America, Inc.

2018 ANNUAL SUPPORTERS

Thanks to the support of the following companies, and the dozens of others that contribute annually, the Foundation continues to work toward fulfilling its mission to advance the industry through advocacy, research and education.

Visionary Circle

\$25,000+

Keurig Dr Pepper

The Coca-Cola Company

Leaders Circle

\$10,000+

GES

Vendors Exchange

International, Inc.

Wittern Group, Inc.

Presidents Circle

\$5,000+

Aramark Corporation

A. H. Management Group, Inc.

Canteen

Mars Wrigley Confectionery

National Association of

Blind Merchants

Royal Cup Coffee & Tea

Vistar

Friends Circle

\$500+

365 Retail Markets

Accent Food Services

All Star Services, Inc.

American Food & Vending

Corporation

Associated Service

Buffalo Rock Company

Canteen of Coastal California

Flowers Foods/Mrs. Freshley's

G & J Marketing and Sales, LLC

Imperial, Inc.

NAMA Emerging Leaders
Network

NAMA Women in the Industry

Premier Broker Partners

Southern Refreshments

Twinings North America, Inc.

USA Technologies, Inc.

Vend Natural Holdings, Inc.



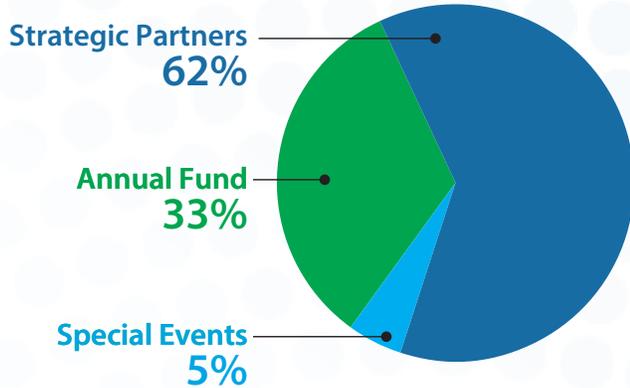
Thank you to all the other donors who support the annual fund.

For a complete list, visit namanow.org.

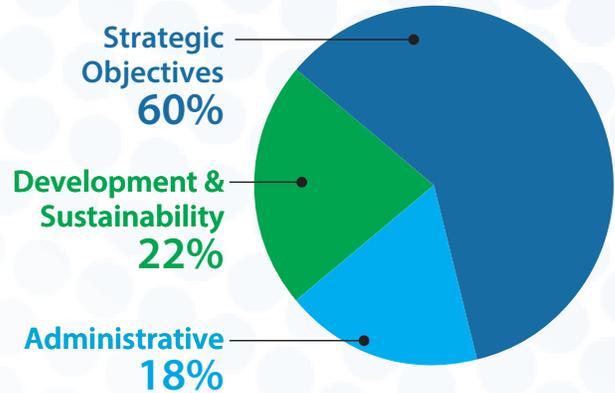
*Reflects commitments as of 12/31/2018

Financial Snapshot

FY2018 REVENUE SUMMARY



FY2018 EXPENSE SUMMARY



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