



INVESTOR'S GUIDE TO ICE AND WATER VENDING



IS THE ICE VENDING MACHINE BUSINESS RIGHT FOR ME?

There are many benefits to entering the ice vending industry, the most significant one: it will be a great return on your investment without costing too much of your best asset—your time. In the United States alone, the ice industry's annual revenue is approximately \$4 billion. Another advantage of an ice vending machine: there is no sell-by-date and many consumers bulk-buy for events, or simply to fill up a cooler. Though summer is a booming season, ice remains in constant demand year-round. Our ice machines enable buyers to capitalize off entering into the already blooming market, as well as leverage our company's recognizable brand to increase sales. Each of our models are designed to provide an attractive ROI; however, there are factors to consider before you get started. These considerations can help you determine whether the ice vending business is the right fit to help on your journey to creating consistent residual income. In this guide, we'll explore these factors and give you helpful tips along the way.



TABLE OF CONTENTS

Section 1: What You'll Need

- Expected Investment
- Potential Financing Options
- Time

Section 2: How to Find the Right Location

- What to Look For
- A Few Examples
- Resources

Section 3: What to Expect

- Business Management
- Profitability
- Risk
- Be Your Own Boss

SECTION 1

WHAT YOU WILL NEED





EXPECTED INVESTMENT

All business opportunities require an initial investment. Luckily, the startup cost for an ice vending machine is very low in comparison to other businesses. There are three options to choose from, and which is right for you will depend on how much you want to invest, your financing options, and your location, which we will explore later in the guide.

The three ice vending models vary in size, capacity, and price, ranging from \$43,000 to \$150,000, depending on the options you select to meet your business needs.



ICE HOUSE (IVM)

The first and the largest model, IVM, holds up to 6,500 lbs. of ice and can serve up to 50,000 customers a year. We refer to this as a destination model because it is ideal for high-traffic locations.



ICE KIOSK (IVK)

The IVK, which is also a destination model is mid-sized and works well for areas with less space and traffic than the IVM. The buyer has the option to select a 2,400 or 3,000 lbs. bin, to meet their business needs.



ICE MERCHANT (IVT)

The IVT is the newest and most compact model, making it ideal for business owners that want to target customers arriving at their final destination. This machine is referred to as a convenience model because customers are willing to pay more to avoid leaving the location. Its compact design and low investment requirements make it ideal for existing retail stores, campgrounds, and marinas.

POTENTIAL FINANCING OPTIONS

Deciding how to finance your ice vending machine will depend on your situation and your goals. There are a few ways that business owners may choose to finance their machine.

SAVINGS: To eliminate interest and start profiting from their machine right away, many business owners use savings or the sale of other investments to finance their machines.

SBA LOAN: Ice House America works with the Small Business Association (SBA) to give business owners access to fast, reliable, low-interest loans.

PERSONAL LOAN: Investing some of your funds and making terms with friends or family can be a good way to finance your machine with minimal risk.

PARTNERSHIP: Funding your investment in partnership with others is a common way to finance the project. This structure is good for individuals who do not have the financials necessary to fund the entire amount of the project themselves.

EQUIPMENT FINANCING: Typically, an equipment financing company will have a much less involved process compared to SBA or conventional loans from a bank.

TIME

Managing your ice vending machine doesn't require as much time as other businesses, there's no need to restock, and no employees to supervise. Once the machine is placed, it requires little monitoring and maintenance. Here is what you can expect to put in, and options you can use to make this process easier.

REGULAR MAINTENANCE: All ice vending machine models are designed for minimal maintenance. Setting aside a few hours regularly will keep your machine in full working order. An effective maintenance schedule might look like this:

Weekly-monthly: clean coin mechanisms and bill acceptors.

Quarterly: change the sediment filter.

Biannually: check all filters and clean ice maker.

Annually: replace bulbs and lubricate components.

REPAIRS: As with any machine, repairs are sometimes needed, though this does not happen often. These can sometimes be unexpected, so it's a good idea to monitor your machine, so you know when something isn't right.

MONITORING: With the Smartice cloud-based platform, you can access and monitor your machine(s) from your computer or smartphone at any time. You can schedule maintenance, correct issues, view sales, and utilize many other features to make your business management easier. You are the boss, so you can spend as much or as little time monitoring the business as you'd like.

SECTION 2

HOW TO FIND THE RIGHT LOCATION





The location of your business plays an integral role in its success. While you can't know for certain how much business your vending machine will get, analyzing key factors beforehand can help you make an approximation. Ice House America helps buyers analyze the market potential in the proposed area to determine that the location is right.

If you already have a location in mind and you're wondering if an ice vending machine is suitable, consider the following factors.

WHAT TO LOOK FOR

The most successful locations for ice vending machines have a few things in common: visibility and high traffic. It should also be accessible, which makes parking lots and existing stores ideal locations. Here are a few other commonalities:

- Location is on the main street with a high traffic flow
- The machine can easily be visible from the busy road
- The speed limit is around 45 MPH
- The location is easily accessible from the main road
- A truck or trailer can navigate around the machine easily

A FEW EXAMPLES

Many people visit ice vending machines on their way to work, so placing them near other popular, nearby stores is a good way to leverage their customers and increase sales. Generally, the following stores have large parking lots, accessible utilities, and they are located on busy roads, so they are often good locations to consider:

- Dollar Stores
- Laundromats
- Pawn Shop / Title Loans
- Rent-A-Centers
- Bulk Stores
- Liquor Stores
- Discount Stores
- Small Grocery Stores
- Car Washes

RESOURCES

Your ice and water vending machine has few demands, but there are some necessities it will need to work properly. If you don't own the property you're considering, you'll also have to work with the owner. Keep in mind that some landowners have already volunteered their property for lease with Ice House America. Here are a few considerations as you pick your location.

- Is electricity available?
- Is water hookup available?
- Can the ice vending machine drain properly?
- Is the owner open to leasing their space?
- Has an owner already volunteered to lease space near you?

SECTION 3

WHAT TO EXPECT





Knowing what your business will require day-to-day and how much you can make from it is perhaps the best way to decide whether or not an ice vending machine is a good fit for you as a retirement business. Consider what you're looking for in a business and investment, including time, energy, profitability, and risk.

BUSINESS MANAGEMENT

Your ice vending machine requires relatively little time and does not require you to be present at the location all the time. If these aspects sound attractive to you, an ice vending machine business may be ideal for you.

- Minimal time demands
- Ability to travel freely
- Manage your business from your laptop or computer
- Work alone, or delegate maintenance or management as needed
- Choose your investment, location, hours, and level of involvement

PROFITABILITY

How much you will make will mainly depend on your location and the size of your machine. You can estimate this based on your traffic calculations from the previous section, or [work with an Ice House America expert](#) to calculate the area's business potential. As you consider profitability, ask yourself the following questions.

- How much do I want to make in a year?
- How much am I willing to invest?
- How much time do I have or want to put in?

RISK

Although investments come with some level of risk, there are minimal risks involved in entering the ice vending industry; with careful consideration of your location, ice vending machines are steady, low-risk investments. Ice House America sets the proper expectations so that buyers know the investment costs the time needed to run business, and earning potential, leaving little room for speculation or volatility.

NO SPECULATION: You know how much you are investing, and what you are getting out of that investment.

REAL PROPERTY: A vending machine is not an intangible stock or share, it's a physical item with a valuation.

LOW VOLATILITY: Once you approximate the location's business potential, you can forecast your annual revenue.

BE THE BOSS

If you're interested in a low-maintenance business to earn a consistent residual income, contact us.

We can help you analyze the business potential in your area and select an ice vending machine that will meet your needs.

LET'S GET STARTED

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