



# TAKE A BITE OUT OF **CRIME**®

How Crime Continues to Pay...and Pay...and Pay...  
(Legally)

# Rethinking Prison/Jail

First, some disturbing statistics:

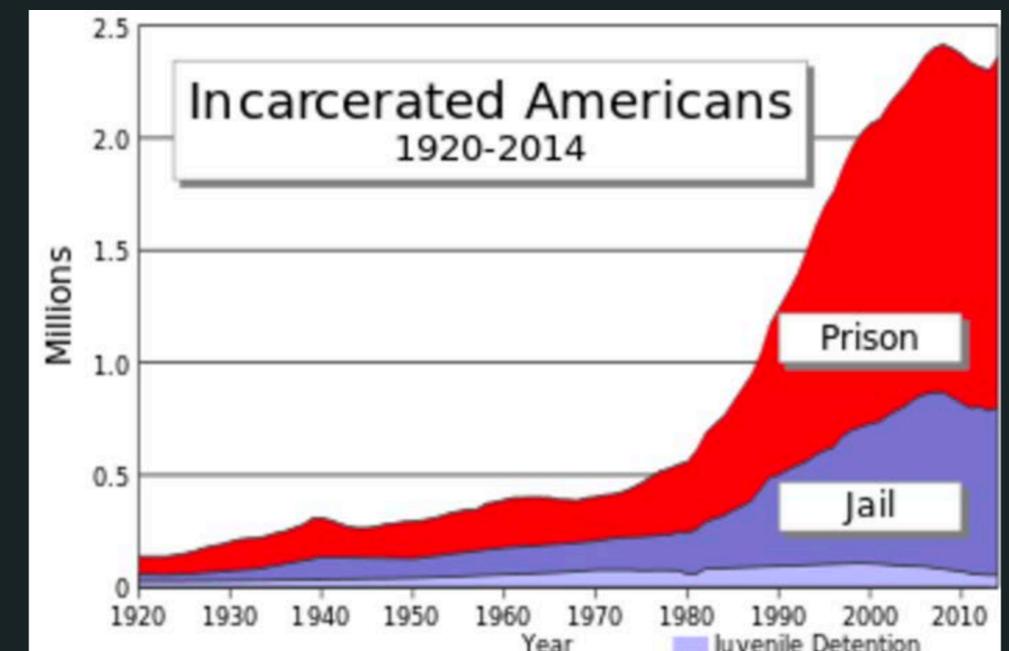
- In the U.S., there are more jails/prisons than colleges. Nearly every county has one, nearly every city has one and every state has many. Not to be outdone, even the Federal government has them.

- There are over 2.4 million people incarcerated at any given time in the U.S.

- Over 700 out of every 100,000 adults are incarcerated

What does all this mean to you in this room?

*Literally, it means a captive market!*



# Corrections as a marketplace

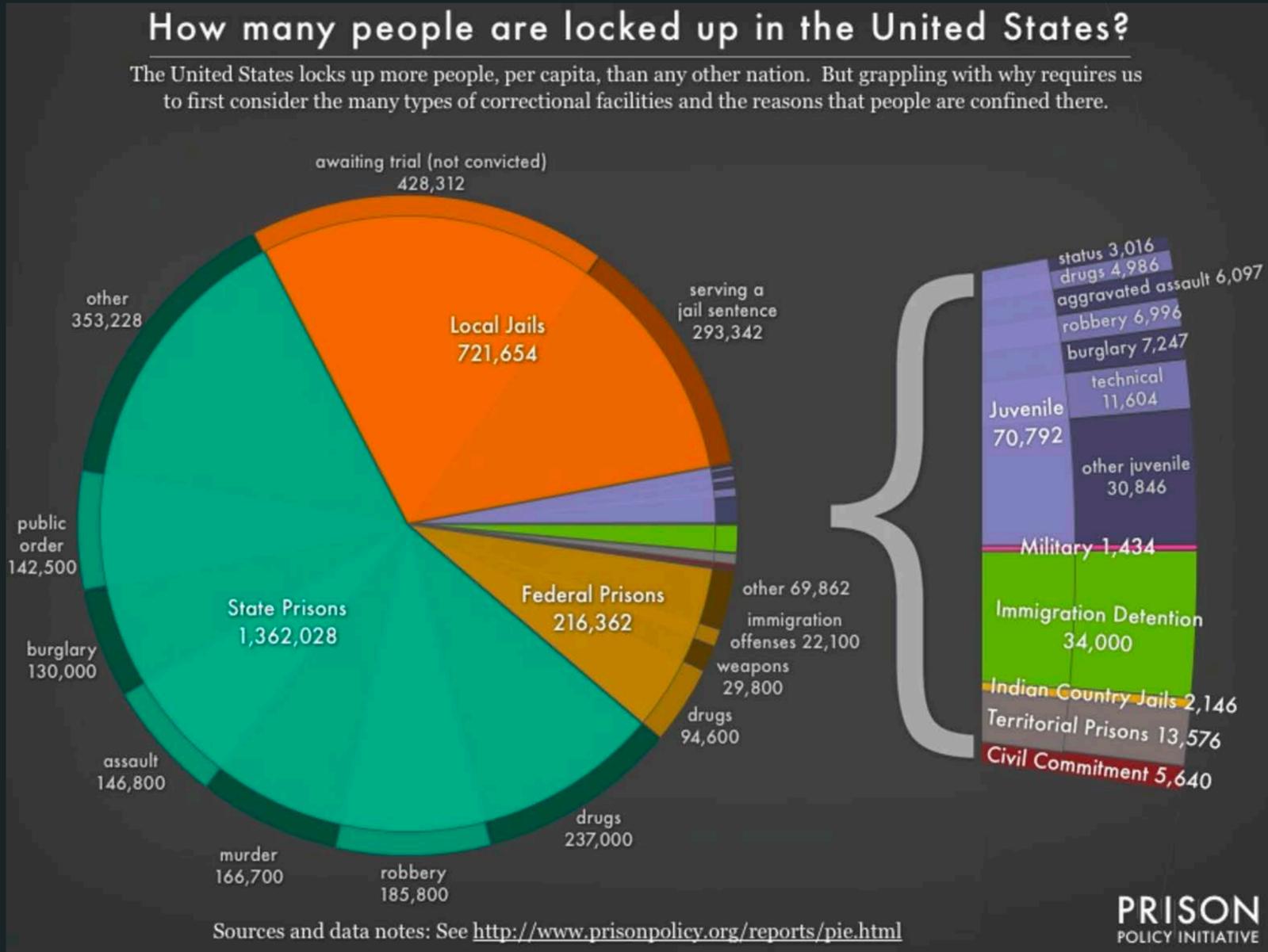
There are multiple industries that fuel the “Corrections Marketplace

These include:

- Phone Providers
- Food Preparations/Cafeterias
- Security
- Bonding Agents
- Legal
- Technology Providers

AND.....

*Retail and Wholesale Commissary Providers!!*



## Commissary as a marketplace

Keefe Group (St. Louis) – Nearly \$1 Billion in Correctional Commissary Sales in 2015 (40% market share)

Trinity Services Group bought Swanson's Corrections for over \$400 million (25% market share)

Overall, the Jail Commissary business has an estimated sales volume of \$1.9 - \$2.3 Billion

There are approximately less than 100 or so companies in the U.S. selling into the jail commissary market with 80% of those with sales <\$1 million.

***So, how do you tap into this market?***



## First: How Does “Commissary” Work?

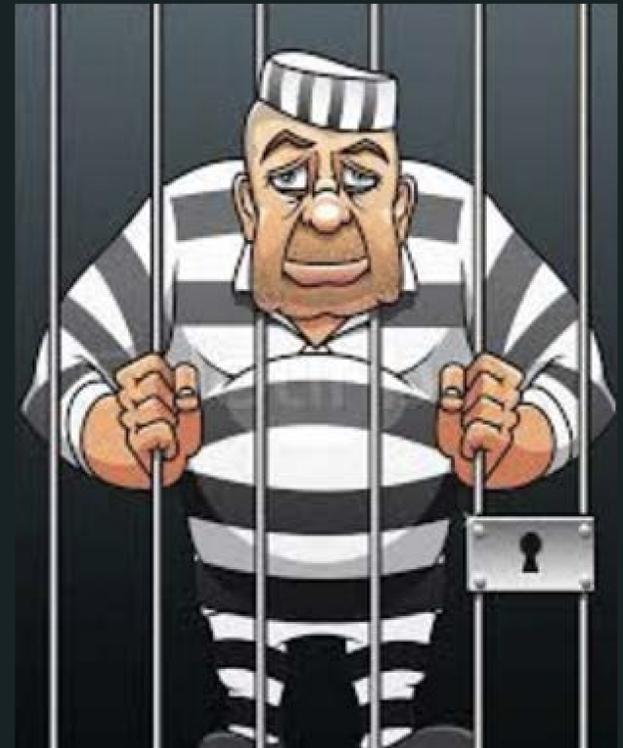
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### Step 1 - Booking

- Inmate Smith booked into jail for 90 days with \$50 in his pocket.
- \$50 is INSTANTLY placed into his commissary account for use in the jail.

### Step 2 – Placing Orders

- Inmate Smith logs into an inmate pod kiosk in jail and orders \$50 worth of chips, sodas and personal items.
- Inmate may also use the kiosk to send email, text, video visits, legal library or other tasks.



# How Does Commissary Work?

## Step 3 – Receiving and Fulfilling

- Inmate Smith's orders are sent electronically to the Warehouse where they are bagged and prepared.
- Order is packaged in clear plastic bags.
- OR It is shipped in bulk on site and bagged on-site.



## Step 4 – Delivery

- Warehouse provider delivers product to the jail on set delivery dates.

## Step 5 – More Orders

- Mom, Dad, Loved Ones deposit more funds via the web or at an onsite lobby kiosk to make future orders.
- The cycle repeats weekly.



## Second: Who am I? Who is VendEngine?

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VendEngine is a cloud-based technology company that specializes in jails and prisons. We have leveled the commissary playing field for independent commissary providers!

We Provide a technology system specifically for corrections that does:

- ✓ Inmate Point of Sale Technology
- ✓ Ordering/Warehouse Management
- ✓ Commissary/Financial Deposit System
- ✓ Jail/Inmate Trust Funds Management/Audit tracking
- ✓ Check writing systems
- ✓ Phone Systems and Phone Deposit Technologies
- ✓ Commissary Debit Card Release Exit Program
- ✓ Inmate email, Grievance Management, medical requests
- ✓ Video Visitation (think Skype or Facetime for Inmates)
- ✓ HARDWARE for all Systems

*The Bottom Line: We make it all work!*



# Technology in a Jail?

VendEngine has turned these jails into a hotbed of technology options. These include:

- ✓ Tablets featuring:
  - ✓ Games
  - ✓ Movies
  - ✓ Books
  - ✓ Music
  - ✓ eMail and Text services
  - ✓ Video Calling (FaceTime)
  - ✓ Onsite and Remote Video Visitation



## Now it is Your Turn - Where you come in

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You have:

- Large warehouses
- Delivery Systems
- Packing and Fulfillment Capabilities
- LIGHTSPEED!
- Established Routes
- Warehouse Management Systems
- Employees
- Bulk Product Pricing and Relationships
  
- Already Established INFRASTRUCTURE!



# How you Make Money

**Assumption: 500 bed jail facility**

- **Average sales = \$20/inmate/week (conservatively)**
- **Annual Sales = \$520,000**
- **Convenience Store Retail Pricing Model**
- **Net Profit Margin Estimate  
(40%) = \$208,000\***

**Estimated at 40% Net profit after product, labor and logistics support**



## Remember that slide about technology?

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Imagine: VIRTUAL COMMISSARY

By working with VendEngine, you bring not only vending products, you also bring the latest in Technology to the jail!

This virtual commissary makes 30 – 40% from:  
.50 cents/text (Avg. 55 texts/month)  
.05 –.08/min tablet time (200 min/week/inmate)  
.38/minute video calling

This is **NO** cost inventory.



## How our Partnership Works

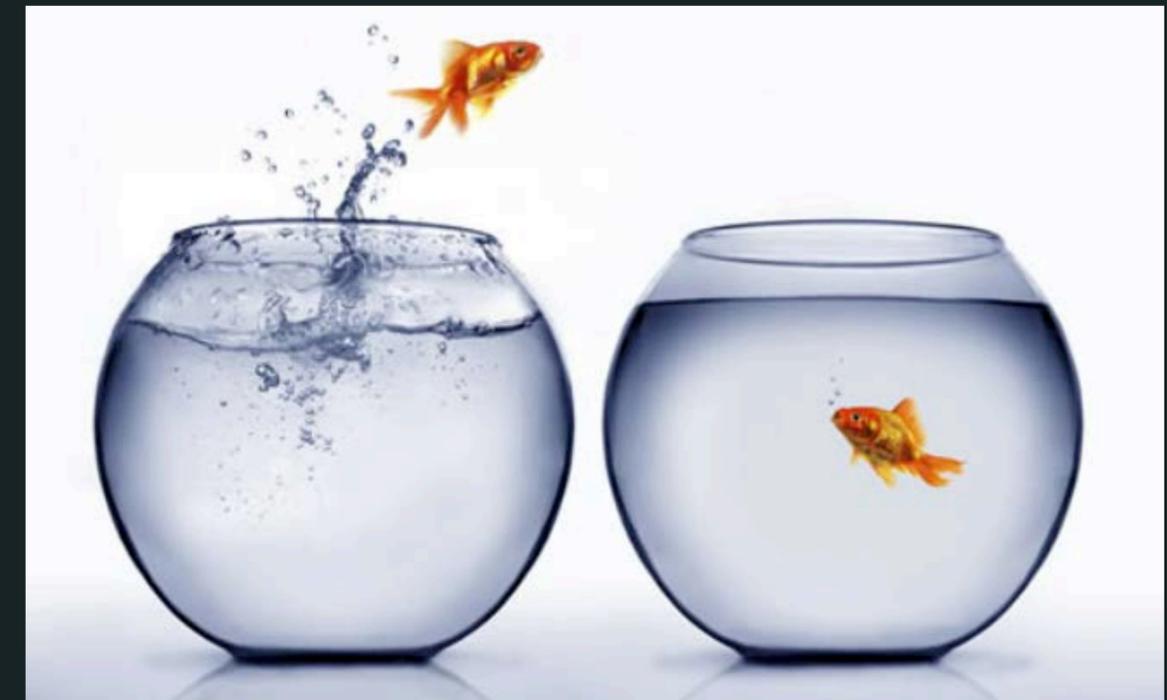
### VendEngine:

-VendEngine Technology levels the playing field and allows you to offer what jails are used to seeing/from large vending companies. Food pricing, hardware, software and customer service are all now equal.

-VendEngine will bid on jail projects in your state, region, area and award all order fulfillment or bulk ordering duties to your company.

OR

-You may bid directly on jail contracts and utilize the VendEngine hardware/software to execute the contract.



## How our Partnership Works

-We handle the bids, the technology, hardware and training. While you handle the logistics, the product and fulfillment. It should just be another stop on your route.

-We have the corrections experience and you have the product and logistics.

-It is a Win-Win!



If you are interested in more on how “Crime Can Pay” for your company, tune in for more by contacting David Marler at LightSpeed or me

Silas Deane, VendEngine

[sdeane@vendengine.com](mailto:sdeane@vendengine.com)

615-319-6007

[www.VendEngine.com](http://www.VendEngine.com).

