



Water Business USA
Manufacturer of Water Purification & Bottle Filling Equipment

A Business Opportunity With Unlimited Potential

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Water Stores

What's Hot? Water stores are; according to Entrepreneur Magazine which noted this in their popular "What's Hot" section. Water Stores are the new waves of the future. The water industry is more than a billion-dollar industry and increasing. Why? I will tell you why. People are making a lot of money. They are finding out that water is their liquid gold.

The Problem:

People do not like the taste of their tap water, and even worse, people are getting sick from their tap water. Every day we hear stories about bacteria in our local water supply. Worldwide, three million people die each year from contaminated water. Health departments warn the public constantly of harmful chemicals hiding in our local tap water and the situation is not improving. The private sector is taking into their hands what the government cannot afford to do which is supplying men, women and children with pure, affordable drinking water.

Alternatives:

In 2020, Americans consumed 15 billion gallons of bottled water, which is a 171 percent increase over 2010 figures and a 4.2 percent increase over 2019. According to the International Bottled Water Association (IBWA), bottled water sales have a per capita consumption of 45.2 gallons, a 386 percent increase over 1997. Since 2010, the United States bottled water per capita consumption has increased nearly 30 gallons for every man, woman, and child nationwide. Bottled water delivery companies are as popular as ever, but their costs are still high compared to water stores. In some cities, five gallons of home delivered water cost \$8.50 or more. At grocery stores, the least expensive store brands sell for \$1 or more per gallon. Importantly, many consumers, regardless of economic times, like to save money. This makes the Water Store a very wise consumer choice.

What is a Water Store?

The Water Store of today is a full service retail outlet that offers local customers pure drinking water and water related products. The Water Store provides service and quality drinking water at a price much less than delivered bottled water or bottled water that they purchase in the grocery store. Water Stores also sell ice and various sizes of water bottles, crocks, coolers and some even sell POU (Point of Use) equipment for the household. Worldwide, we are seeing the Water Store as it should be, as a "mini water plant" that provides needed pure drinking water for the community.

How Can Water Business USA Help?

We specialize in Water Stores. We are a direct manufacturer of Water Store equipment and provide one stop shopping for Water Store owners. We have manufactured and installed our equipment on every continent except Antarctica. We are experts in designing water purification systems for projects, which includes bottling. Water Stores are our main focus. Water Business USA is doing our part assisting our customers in opening their own “mini water plant”, the Water Store.

Getting Started:

There are many factors to consider when opening a successful Water Store. We understand how important opening a business for the first time is for people. Water Business USA works with their clients on a personal one-on-one project basis. We can assist you with opening your store, give you the training and continuing equipment technical support.

Many people call us asking "**How do I get started, or what's the next step?**"

- 1) First you need to choose a location and go through the leasing process. As in most business ventures remember, **location, location, and location**. It is vital to your success!
- 2) After you sign your lease, it is a good time for you to apply for any permits or licensing that might be required. Water Business USA will help you with a floor plan and give you step-by-step instructions on what you need to do to get your store ready.
- 3) It is very important when you sign your lease that you also order your equipment. We feel that you can usually have your store open in four to six weeks. There are times when the business owner negotiates free rent and it is important that you take advantage of this period and get your doors opened as soon as possible. The lead-time on the equipment will be four weeks. There are tenant improvements that need to be done such as electrical, water lines and floor sinks along with an equipment room, finished ceilings, flooring and walls. Water Business USA gives you step-by-step instructions on what you need to do.
- 4) Once you are ready for the equipment, we can travel to your store and do the installation and start up process for you. You do have the option of saving money and installing the equipment yourself. We will train you at our facilities on how to do the installation for free.
- 5) Water Business USA will provide you with all the suppliers for the bottles, crocks and coolers and help you work a deal to get the best prices available for all your store merchandise.
- 6) Water testing may be required by your local health officials. The requirements vary from state to state and country to country. Water Business USA will advise you during this process.
- 7) **Congratulations! You're ready to open the doors!**

Commonly Asked Questions And Answers

- Q.** How great is the demand for clean drinking water?
- A.** According to the **International Bottled Water Association (IBWA)**, Americans consumed some 15.7 billion gallons of bottled water in 2021. Approximately 1 in 4 households in Southern California use bottled water as their source of drinking water and the number is growing.
- Q.** Why do people buy water at Water Stores?
- A.** **Price, quality, convenience, and consistency** all play major roles, but the most important factor is **trust in the product**. People have become very skeptical of the water being delivered to their homes, business or the water they purchase from vending machines or grocery stores, not to mention *tap water*.
- Q.** What type of location and size?
- A.** Supermarkets and shopping centers that people use. Strip mall centers with good visibility and parking. Avoid shopping centers that people only use once a month. Store size should be about 1,000 square feet. Middle class centers work very well. Stay away from high income areas (unless doing alkaline water). High-density areas (apartments) work best. Close, adequate parking is essential.
- Q.** Should I open a franchise Water Store?
- A.** There are several franchises for Water Stores. They charge a franchise fee and a percentage of sales. So, if your store is doing \$12,000.00 per month with operating expenses of \$7,000.00, \$1,200.00 would be 25% of your profit. Some franchises also determine what product you can sell and cannot sell. They can also determine who you purchase from. Start up cost for franchised stores' average over \$100,000.00.
- Q.** What type and how many employees do I need?
- A.** Friendly, part-time employees that can work flexible hours. As part-time help you do not need to provide benefits.
- Q.** Where do I get my supplies and inventory?
- A.** We will furnish you with a list of supplies for all you needs (bottles, coolers, etc.).
- Q.** What about training?
- A.** Training on your equipment is available in our facilities or if we do the installation we can train on site and go over everything.

- Q.** What type of maintenance is needed for equipment?
- A.** There is monthly and annual maintenance of basic filter changing that can be easily done by the owner.
- Q.** What other products might I sell?
- A.** Bottles, coolers, crocks, ice and water filter equipment is standard inventory. Other items such as snacks, ice cream, air purification equipment , emergency earthquake/ survival kits and supplements would also sell well.
- Q.** Water Stores are new to my area. How can I tell if they will do well?
- A.** Many different factors make a Water Store successful. Survey your area to find out where people are buying their water now. Outside water vending machines in front of supermarkets are an excellent sign that your market is ready for a Water Store. This is just one factor of many that we look for.

Water Store Example Package

- 1) Free store design and layout.
- 2) One-year warranty on all systems.
- 3) Free technical training at our facilities.
- 4) Customer phone service support.
- 5) Custom designed reverse osmosis systems for specific applications.
- 6) Contacts for suppliers of bottles, crocks, coolers and other store merchandise at the best pricing.
- 7) The most complete line of water store equipment available. We offer one stop shopping for our customers including fill tables, bottle rinsers and water vending machines, along with the "Cadillac" of R.O. Systems, the **Diamond Skid**.

Here are some equipment package examples that would be used for typical water stores.

Small Store

450-800 square feet
Ave. sales 500 gallons per day

Equipment:

- (1) Diamond Skid DS-1
1,500 GPD RO system
- (1) 300 gallon pure water
storage tank
- (1) Ozone for tank
- (1) Stainless Steel FS-4LB
with 1 ozone bottle rinser
in place of one faucet

Estimated Equipment Cost*

\$20,291

Medium Store

800-1,200 square feet
Ave. sales 1,000 gallons
per day

Equipment:

- (1) Diamond Skid DS-2
3,000 GPD RO system
- (2) 300 gallon pure water
storage tank
- (1) Ozone for tank
- (2) Stainless Steel FS-4LB
and dual bottle rinser

Estimated Equipment Cost*

\$29,377

Large Store

1,200+ square feet
Sells over 1,500 gallons per day

Equipment:

- (1) Diamond Skid DS-3
4,500 GPD RO system
- (3) 300 gallon pure water
storage tank
- (1) Ozone for tank
- (2) Stainless Steel FS-4LB
and dual bottle rinser
- (1) Dual window vend
with coin, dollar bill, and
credit/debit card reader

Estimated Equipment Cost*

\$40,039

*Prices above do not include shipping, installation, or tax (if applicable).

Optional Equipment

- **Feed Pump – Needed when incoming water pressure is too low. This can be a common problem just about anywhere. The system will be starved for water and cannot operate correctly.**
- **Extra pure water tank – 300 gallon plastic PE tank for more storage.**
- **Bottle Rinsers – a rinser can be installed in the sink of any Fill Station, in place of a faucet.**
- **Alkaline Filter – produces a higher quality mineral enriched water with added health benefits. Store owners can sell alkaline water as a premium for a much higher price per gallon.**

Estimate Cost to Open a Store

	<u>Cost</u>	<u>When Due</u>
Medium size water store Shipping cost not included	\$29,327.00	50% Deposit, balance C.O.D.
Leasehold Improvements, Wall Counters, decor, furnishings	16,000.00	50% at start of work, balance upon completion.
Sign (estimate)	6,000.00	As required by sign company
Lease or rent deposit (estimate)	3,800.00	As per lease.
Plumbing and Electrical	7,000.00	50% at start, 50% up completion.
Inventory (bottles, crocks, coolers, etc.)	3,500.00	C.O.D. to suppliers
Advertising and Grand Opening	2,000.00	As needed.
Insurance	2,200.00	As required by carrier.
Miscellaneous supplies	2,500.00	As needed.
Building permits fee, business license (may vary)	6,000.00	As needed.
 Total	 <u>\$ 78,327.00*</u>	

*Prices will vary depending on location and services

Important Considerations

Things to Consider When Purchasing Equipment for a Water Store:

As you are considering the purchase of equipment to open a Water Store, there are some very important things we would encourage you to contemplate before you make a purchase that may not meet your needs. The following is comprised of some very basic questions that will determine how successful your business will be. Please carefully consider these things, as it is our desire at **Water Business USA** that you be successful in your business. These questions will help you look at your store through the eyes of your customers and will enable you to better appeal to them.

- 1) When going to purchase water from a Water Store, what type of location would you prefer to go to?
- 2) When choosing a Water Store to buy water from, would you go to one that looked professional or one that looked homemade?
- 3) If there were two stores near you and only one had a bottle rinse to clean your bottles, which one would go to?
- 4) When looking at the filter system where you buy water, would you feel more comfortable with equipment that was clean, professional and made a good presentation or would you be okay with equipment that had wires hanging, was dirty and looked homemade?

As a business owner, there are some questions that you need to consider also before you spend a lot of money on your equipment. Please consider the following questions before you purchase thousands of dollars' worth of equipment.

- 1) Would you be happy with equipment that was constantly breaking down, required a lot of maintenance and you were not able to get technical support from the manufacturer when you needed it?
- 2) Would you want to make one purchase that would meet all of your needs both now and in the future, or would you prefer to have to make upgrades constantly to keep up with demands?
- 3) Is the appearance of your business important to you and do you think it matters to your customers?

Remember, "If it's worth doing, it's worth doing it right."

Other Important Information to Consider

- ▶ Low overhead/high profits.
- ▶ Sell a high-quality product that people need!
- ▶ Low wage employees.
- ▶ Easy to operate.
- ▶ Can have multiple stores
- ▶ Low maintenance.
- ▶ No large inventories.
- ▶ Great growth potential.
- ▶ Not a franchise (no fees!!).
- ▶ Clean, nontoxic working area.
- ▶ ***Very low*** initial investment!!!

Monthly Sales Projections:

To come up with sales projections there are many variables to consider and will vary in different locations and areas. The first variable is the sale price of the water. In the warmer areas such as Southern California, Arizona, Texas, and parts of Florida water sells for less due to the number of outdoor water vending machines with the average being \$0.40 a gallon. In many areas of the Northeastern U.S. the water is selling for much more at an average of about \$0.60 a gallon and in other areas selling somewhere in between. The second variable is how much water you will sell. On the low side of water sales 300-400 gallons per day would be a good starting number to use as most stores will sell much more. Some store owners average well over 2,000 gallons per day and high days over 3,000 gallons per day. The overall average is 800 to 1,000 gallons a day after the store is established. The third variable is the rent for the building; again, this will vary due to locations and cities, so you will need to check your local area. The fourth variable is payroll; many times, this will be a family business with no employees or the store may be run by employees only. When considering payroll, you will also have other cost such as taxes, workman's comp, and vacation time which the cost can vary in from area to area. A good number to work with would be to add 25% to the hourly pay cost. The total number of hours the store will be open is one more factor to consider. Below is a simple work sheet to figure monthly profits.

Water Sales: Gallons per day X Selling Price X 30 (days) = Total Sales	+
Cost To Produce Water, Gallon per day X .03 x 30 = Total Cost	-
Rent	-
Payroll	-
Utilities	-
Insurance	-
Misc. Supplies	-
Bottle Sales, Ice and other items sold in store:	+
Cost of Bottles and other items sold in store:	-

Total Profit

Methods to Increase Profits

There are several simple yet effective methods to increase the profits of your water store with little additional investment. These methods have proven to be very successful and profitable for many water store owners and have increase profits significantly. The two most cost effective and profitable methods are to establish wholesale bottle distribution channels and to make and sell alkaline water.

Wholesale Distribution Opportunities

Many consumers prefer to have their water delivered to their homes & offices rather than going to the local water store to refill bottles. With a water store you can still capture these customers by establishing distribution channels or routes through private third party wholesale distributors or your own distribution route. For example, you can find local distributors with trucks willing to buy the water from you wholesale, and then distribute that water to their customers on their distribution route. This same concept can also be applied to establishing your own distribution route as well. You can acquire customers and offer delivery by having an employee distribute the water to the customers on the route with a truck. Establishing business with these private distributors or your own distribution route can boost sales upwards of 500 to 1,000 gallons per day and add significant profits to your operations.

Alkaline Water

What is alkaline water? Alkaline water is water with alkaline minerals (calcium, magnesium, and trace minerals) which gives the water an alkaline pH level of around 9 or higher. Alkaline water provides necessary minerals for good health and is claimed to have many other beneficial properties such as antioxidant properties when consumed. It is a very profitable addition because it sells at prices three to four times higher than the price of purified water, while costing less than 1 cent per gallon to produce. Alkaline water typically sells for prices between \$1-3 per gallon. Alkaline water is simple to produce at a low cost by adding alkaline minerals back into to the purified water. The beneficial minerals are calcium, magnesium and trace minerals; all of which are very necessary minerals for good health. There are many health benefits to alkaline water which allows it to be sold for the much higher prices, increasing your profits substantially. Our Alkaline systems are very cost effective because they offer a very low initial investment and high returns making it a profitable addition to retail water projects and water stores. Our alkaline systems can be easily interfaced with your other water store equipment to sell alkaline water to all or selected faucets for filling.

Additional advantages of the Diamond Skid

- The design and components used allow a lower cost of maintenance.
- No proprietary parts are used allowing owners to source replacements easily and at lower costs.
- The Diamond Skids are size according to work efficiently.
- All of the electrical system is composed with basic components that are accessible worldwide.
- All systems are built to order and tailored to your specific needs and design. We work with you on the design of the system to make it the most efficient design possible which lowers operating cost.
- All components that make contact with water are either NSF/FDA
- Free phone and email technical support for the life of the system, in addition to the existing warranty.

About Bottle Rinsers

Our bottle rinse has two bottle rinsers. It shoots water with ozone up into the bottle. With a 10+ second blast it will kill all biological matter in the bottle. The upper cabinet is enclosed top so water does not hit the ceiling. Most water stores have eight fills and it take 10-15 seconds to wash a bottle and about one minute to fill it. So, at a rate of 1 to 4, it is more efficient than many other typical setups that have 8 fills with only one rinse. Also, many other bottle rinsers do not have ozone so you are not technically sanitizing, just washing the dirt out of them.

Guidelines To Opening A Water Store

Water Store Owner's Guide

1. Find location. This is one of the most important steps - **Location, Location, Location!**
2. Sign lease - call power, phone, gas, water and insurance. Obtain fictitious business name statement. Obtain business license from the City Hall. Obtain a resale license from the State Board of Equalization. Obtain IRS taxpayer ID from the State Board of Equalization. Obtain state ID number from state. Obtain all required state, federal, and Local licenses. Have a lawyer look over your lease and make sure it is contingent on Obtaining all necessary permits to open a water store.
3. Order your equipment from us. Please allow 4-6 weeks for delivery. If you need the equipment sooner, Ask! We may be able to make special arrangements.
4. Store layout plans. Assistance available from Water Business USA for rough sketch.
5. Have contractors bid for improvements.
 - A) Get at least 3 different contractors to give you bids.
 - 1) You may act as your own contractor and hire sub-contractors and save money.
 - 2) You can hire a contractor to do all the work for you.
 - B) You may need some or all of the following tradesmen for the work - carpenter, plumber, flooring/tile, electrician, painter.
6. Get permits for building and tenant improvements from building department. You may also need to sign a permit.
7. Start construction.
 - A) Plumbing - floor sink, water line with back flow.
 - B) Carpentry - walls, windows, etc.
 - C) Electrical - 220 v. Single phase, 30 amp, 110 v plugs, lighting.
 - D) Painting - walls, ceiling tiles, window advertising painting.
 - E) Flooring – tile, epoxy, cove base should be installed prior to installation of the equipment. *No Carpet
8. Call Food and Drug Administration for water testing requirements.
 - A) Get names, times frames, prices of testing services in area. Phone numbers are located in the manual.
9. Order inventory.
10. Advertise Grand Opening - your almost there!

11. Requirements needed before equipment installation -

- a) 220 volt 30 amp with neutral receptacle located in the equipment room(we provide the plug). Leviton 275 for 278 system draw 18 amps.
- b) Equipment room complete with paint.
- c) Flooring complete in equipment room and cove base installed.
- d) 12x12x2" Floor sink installed.
- e) 1" Water line with shutoff. System requires min 40 P.S.I.
- f) Backflow device installed before shutoff valve in water line above floor sink.
- g) 1" water meter installed if required by landlord.

After Construction:

12. Depending on your location, Water Business USA can deliver, install, set up, and train you on your equipment (at your location or ours).

13. Have your water tested and call for store inspection after receiving water test results.
A) Water test requirements include Lead, Bacteria, and VOC testing.

14. Set up store displays, shelving, etc.

Congratulations, you're ready to sell your first gallon!

Important Information for Store Layout

Here is a list of do's and don't for laying out a water store.

1. Equipment room should be a minimum of 11' x 11' inside measurements.
2. Equipment room should be located on a sidewall that is on the same side the fill station is on.
3. The floor sink should be next to a sidewall so that all pipes that need to be plumbed to it can be easily run to it. The floor sink needs to be located so all pipes do not have to cross any doorways.
4. Equipment room door should be located so all the equipment can be taken in and out, this means a door 36" or wider. An 8' sliding glass door in the front of the room works very well.
5. A 1" water line which needs to be installed on the sidewall next to the backside of the system. It also needs backflow preventer on the incoming water line. The water line should be located 5' up from the floor.
6. The electrical needs to be a 30Amp. 220-volt single-phase with a neutral and ground. It should be located next to the water line about 4' up from floor.
7. When looking at the system from the front, the water line and electrical are located on the right backside of the system.

Room Layout

