Washington State
Liquor Control Board

Washington State Liquor Control Board Strategic Plan 2007-2009

Mission

Prevent the misuse of alcohol and tobacco and promote public safety through controlled retail and wholesale distribution, licensing, regulation, enforcement and education.

Submitted to Office of Financial Management
June 1, 2006

Washington State
Liquor Control Board

Strategic Plan 2007-09 Biennium

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Washington State
Liquor Control Board

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Washington State
Liquor Control Board

Strategic Plan 2007-09 Biennium

Vision, Mission, Goals, Values

Vision

Ensure the responsible sale and consumption of alcohol and tobacco in Washington.

Mission

Prevent the misuse of alcohol and tobacco and promote public safety through controlled retail and wholesale distribution, licensing, regulation, enforcement and education.

Goals

- Maximize financial return to the state by running an efficient business operation with strategically located state and contract stores.
- Continually improve business, regulatory, enforcement and education processes to ensure the highest possible level of public safety.
- Recruit, develop, retain and value a highly competent workforce capable of responding quickly and effectively to challenges in our business and regulatory environment.
- Encourage the innovative use of technology and information tools to ensure efficiency, expand communication and foster continuous improvement.

Values

Respect for people
Professionalism and integrity
Honest and open communication
Internal and external accountability
Public trust and stakeholder involvement

Introduction

Overview
The wholesale and retail sale of alcohol products is a major revenue-generator for the State of Washington. In the last 70 years, the Washington State Liquor Control Board has returned more than $4 billion to the state general fund and to health and human service accounts to support public education, enforcement, local communities, research and many other state and local services. In the next decade, if forecasted revenue growth occurs, the agency will send more than $3.25 billion to the state.

However, revenue generation does not tell the full story of the agency. In fact, revenue generation was a secondary objective when the state established its control system. Protecting the public was of much greater concern to the legislators who passed the Steele Act in the early 1930s.

Alcohol continues to be a closely controlled substance because its misuse can cause significant health and social costs for our state's citizens. A unified and controlled system of distribution, sale, enforcement, licensing and education increases public safety by protecting our citizens from the problems associated with over-consumption.

Balanced Mission
Since its founding after the repeal of Prohibition, the Washington State Liquor Control Board has carried out a balanced mission common to the 18 control states and two control jurisdictions in the United States.

Packaged spirits sales are provided through state and contract stores. Beer and wine are regulated through a three-tier system that separates manufacturers from retailers. Statewide enforcement offices and efficient and fair licensing and regulatory practices stress high-quality customer service and promote increased public safety.

The agency also supports statewide educational programs to reduce youth access, prevent adult alcohol abuse and strengthen prevention programs in local communities. Licensing, enforcement and education activities save the state millions of tax dollars each year by mitigating the negative social effects of alcohol abuse.

Business Operations
The Business Plan included with this report provides more detailed information about our retail and wholesale operations, which generate more than $650 million annually in gross sales. These operations are carried out by three divisions: Purchasing, the Distribution Center and Retail Services.

Additional revenue from wine and beer producer taxes, license fees and penalties raised the agency's total income to more than $700 million in FY 2005. Of that, more than $263 million was returned to the state. The sale of spirits, beer and wine in state stores

accounts for about 72 percent of the total revenue returned to the state. Our network of 315 state and contract stores provides our state's growing population a wide selection of spirits and wines in strategically located stores. These stores are supplied by a highly automated warehouse facility in Seattle, which ships more than 50 million units of product annually.

Business Investments Needed

In the last four years, the agency has implemented planning and management principles used in private business to improve its business operation. A great deal has been achieved, but many more advances are necessary if we are to realize our full revenue-generating potential for the state.

This plan calls for continuing investments in technology and staffing to support business operations.

- Improved methods of data gathering are needed to help us make more informed and strategic decisions throughout the supply chain operation.
- A report to the Legislature due this fall will illustrate how we can improve store productivity by increasing store staffing levels and developing new stores.
- A proposal to create an enterprise funding model for our supply chain operations will strengthen the agency's ability to respond to market forces and maximize revenue.

Public Safety Initiatives

Equally important is the agency's mandate to protect the public from the misuse of alcohol and tobacco through effective licensing, regulation, enforcement and education. Growth in the state's population has driven increased demand for liquor licenses. This has produced challenges for the Enforcement and Licensing divisions.

- There are fewer than 90 Liquor and Tobacco Enforcement Officers assigned to more than 12,600 on- and off-premise licensees statewide. Enforcement officers are working more strategically and using improved technology to help them meet the demands of this increased workload. Additional training, technology and compensation are needed to advance this effort.
- This year, legal challenges to regulatory controls and federal court decisions on direct shipment required the state to change key laws regulating beer and wine distribution. The Legislature has asked the agency to conduct a comprehensive review of the entire three-tier system and issue a report later this year. Major changes in state law may be needed.
- License density issues are being studied by an agency workgroup composed of licensing personnel and stakeholders from the local government, enforcement, business and prevention communities. In-depth studies such as these needed to help deal with issues related to population growth require increased staff resources.

- Increased demands by stakeholders for clarity and simplicity in law and rule will continue to be a major factor in the agency's workload going forward. An investment in a rules coordinator will be necessary to manage this workload.
- Alcohol awareness education also occupies an increasingly important role in our effort to mitigate the social, health and economic costs of alcohol abuse. A new effort to prevent underage drinking is being carried out focused on middle and high school students.

Strategic Plan Organization
The 2007-2009 Strategic Plan is organized into three parts: the basic plan; a business plan; and the agency's 2005 Annual Report, which is added to provide depth and perspective about WSLCB operations.

Strategic Plan
The Strategic Plan is composed of this *Introduction* plus individual sections outlining *Goals, Objectives* and *Strategies* for each of the agency's nine divisions. The Purchasing, the Distribution Center and Retail Services are presented collectively under the title of Supply Chain Operations. Licensing and Enforcement, two other major line divisions, are presented in separate sections. The Administrative Support section consists of Human Resources, Finance, Information Technology Services and Policy, Legislative and Media Relations.

Business Plan
The Business Plan describes, in greater detail, the status of the market for alcohol beverages and our response to perceived trends. This plan provides detail about total annual sales at the state and national level, population trends, consumption trends, store staffing and other information used to develop our business model. The plan also describes how Purchasing, Retail and the Distribution Center work to implement the business model.

FY 2005 Annual Report
The annual report provides additional detail and background about the agency's divisions, our general revenue statement, and many other interesting facts relative to the agency's performance.

Legislative Authority
The Liquor Control Board was established by the Steele Act to carry out a balanced mission of controlled distribution, regulation and enforcement. Controlled distribution makes alcohol less available by limiting the number of outlets, reducing the hours of sale, taxing alcohol at higher rates and restricting advertising. The agency's establishing legislation can be found under RCW 66.08.012.

Board Organization
A three-member board appointed by the Governor and confirmed by the Senate provides strategic and policy oversight for the agency. The Board holds regular public meetings to enact rules, approve policy, develop strategy and hear citizen and stakeholder concerns.

Board members serve staggered six-year terms. An Administrative Director, hired by the Board, manages the agency's operations.

Board Members			**Administrative Director**
Merritt D. Long	Roger Hoen	Vera Ing	Pat Kohler
Chairman	Board Member	Board Member	

Agency Divisions

Purchasing	Retail Services	Distribution Center
Enforcement	Licensing	Policy Legislative, Media Relations
Finance	Human Resources	Information Technology Services

WSLCB Supports Priorities of Government (POG) / GMAP

Each Objective and Strategy in this plan is followed by a page indicating how it supports state government priorities and internal agency priorities. The 'Self Assessment' portion of this page show the agency's principal strengths and challenges as identified by our employees during the planning process. Employees in all divisions, randomly selected, were asked to rate a set of 12 criteria using a Baldridge scoring system (1 low 5 high). Their responses (averages expressed in parentheses) were then calculated to arrive at the top three strengths and challenges.

Strengths

1. **Public Responsibility and Citizenship (4.1)**
    - Senior leaders demonstrate public responsibility.
2. **Organizational Performance Review (3.6)**
    - Senior managers conduct periodic reviews of plan and performance, and establish action plans to assist work units not performing to plan.
3. **Strategic Planning and Resource Allocations (3.5)**
    - How does your strategic plan address agency strengths and weaknesses, current and emerging opportunities and threats?

Opportunities

1. **Employee Well Being (2.2)**
    - Our agency motivates and supports employees in attaining job and career-related learning objectives.
2. **Support Processes (2.2)**
    - Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.
3. **Customer Satisfaction (2.3)**
    - How do you collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve?

Conclusion

The WSLCB intends to become a model state agency. It strives to conduct its affairs with the utmost responsibility and integrity and to successfully pursue all aspects of its mission.

The Legislature made significant investments in the WSLCB during the last two biennia. Still, the agency remains far behind optimal levels of staffing and funding. Lack of funding flexibility is particularly critical when compared to the increasing levels of service expected from our business, licensing and enforcement operations.

The goals, objectives and strategies outlined in this Strategic Plan provide a comprehensive picture of the path we are following as we build the agency's capacity to serve the state and its citizens.

Supply Chain (Retail, Purchasing, Distribution Center)

Overview
The Purchasing Division, Distribution Center, and Retail Services Division work collaboratively to improve business operations, ensure the responsible distribution of products and achieve agency financial and operational targets.

These divisions are being restructured to report to a new Director of Business Enterprises. Although this appointment will occur in 2006, much of the proposed work outlined in this strategic plan will occur in 2007-2009 under the supervision of this new director. A summary of current divisional responsibilities follows.

> **Retail Services**
> Provides direction and support for the 161 state and 154 contract liquor stores. Each state store has a manager, an assistant manager and full- and part-time retail clerks. There are 800 full- and part-time employees, about 780 of whom work in the stores.
>
> **Purchasing**
> Analyzes product consumption trends and recommends the listing and de-listing of products based on sales, price, type and supplier performance. Merchandising programs are established to provide a convenient and informative shopping experience for the retail customers.
>
> **Distribution**
> Receives, stores, and ships products supplied to the 315 state and contract stores throughout Washington. State stores provide liquor to more than 4,000 spirits, beer and wine licensed stores. Store orders are filled by our fully automated warehouse and shipping facility that handles more than 50 million units annually and has a functional storage capacity of 475,000 cases.

Growth in the Marketplace
The outlook for liquor sales growth remains positive, primarily driven by continued growth in spirits and wines. Domestic beer and flavored malt beverage sales are expected to continue to experience some decline while imported beer sales should grow. Washington's population of drinking-age adults is expected to increase 20.42 percent to 5.36 million by 2016.

Per-capita consumption rates have been stable over the last decade after bottoming out in the mid 1990s. Increased alcohol awareness initiatives, the growing effectiveness of our statewide enforcement effort, partnerships with industry stakeholders and increased emphasis on licensee accountability have helped the agency maintain its balanced mission of responsible distribution and maximizing revenue returned to the state.

Retail, Purchasing and the Distribution Center are uniquely positioned to help advance agency priorities. Under new organizational leadership, these divisions will operate more

efficiently and successfully if investments in people and infrastructure are maintained and expanded. Performance management – tracking the results of our efforts and making adjustments as needed – represents a key element in our strategic planning process.

Challenges to Growth in Revenue Return

- Supply chain staffing and infrastructure is not keeping pace with the demands of growth. Increased staffing is needed in our stores to adequately serve our customers. Improved business technology is needed to provide more analytical capacity.
- State law forbids the agency to advertise or engage in product promotion through discounting.
- The state's two-year appropriation cycle slows the ability to respond quickly to a wide range of business challenges – to open new stores and relocate existing stores, for example. The uncertainty of the appropriations process significantly diminishes the agency's ability to plan and perform strategically.
- The Distribution, Purchasing, and Retail Divisions must realign themselves to work more effectively as a seamless supply chain organization that is focused on serving the public responsibly and efficiently.

Organizational Structure

Better coordination among the business divisions will ensure timely and economical product supply and improved customer shopping experience. Although the divisions have worked together, they have not been strategically organized and administered to produce optimal results.

With the hiring of the new Director for Business Enterprises, the agency will introduce modern supply chain management principles in 2007-2009. This will be accomplished in the context of a review of structure, policy, process, and technology. The three divisions will implement a number of basic strategies to achieve targeted operational and financial results.

Focus For General Improvement

Prior to the preparation of this plan, employee teams were formed in 2006 to look for ways to increase efficiencies and revenue while maintaining high-quality customer service. These teams focused on the following key challenges.

- Create revenue enhancement opportunities and best practices in retail operations by identifying sales growth opportunities, expense savings opportunities or some combination of both.
- Improve distribution and purchasing, with particular emphasis on how to favorably impact the cost of goods sold.
- Improve customer service and store presentation, with emphasis on in-store merchandising, design strategies and employee training program
- Improve management tools and technology, with employees identifying management systems, reporting, quality control or corrective action tools for system improvements.

Retail

The Business Plan accompanying this report provides greater detail on Supply Chain operations. Below are the major objectives being advanced by Retail Services. Specific strategic plans covering these objectives follow.

Summary of Retail Strategic Objectives

Revenue Generation

- A report due in October 2006 will recommend increases in store staffing and in agency staffing needed to provide internal support for the stores, including Retail Management, Information Technology and Human Resources.
- The report on store development due in October also will recommended adding new stores to meet increases in demand being driven by population growth. The plan currently estimates that up to six new stores will be needed.
- The strategic relocation of six state stores to major retail-anchored centers will be recommended to increase customer service and accessibility and improve revenue generation.
- Due January 2007, a report on Sunday sales will provide information on the economic feasibility of expanding Sunday sales. The report will recommend whether additional stores should be opened. A Legislative appropriation will be needed to continue and/or expand the program.
- In collaboration with the Marketing Manager, the liquor stores will continue a month-long program to promote Washington Wines.
- Increase inventory turns to 11.5 by June 30, 2008 and to 12 by June 30, 2009.

Efficiencies

- Strategies to increase store decision-making capacity will be implemented: Financial Research Unit, additional District Manager, additional support staff.
- Additional business-driven data will be needed to manage the Retail Division on a store-by-store basis to evaluate and measure store performance.
- Retail, Purchasing and the Distribution Center divisions will be reorganized into a Business Enterprise unit. This consolidation was recommended in the Public Knowledge LLC report issued in September 2005.

Technology

- Continuing upgrades to the store point-of-sale system will improve functionality and secure maximum profitability.
- A new software application will be needed to help the Retail Division allocate store hours more efficiently.
- Time and attendance software also will be needed for state stores to ensure accurate reporting of hours for all employees and improve store operations.
- Additional cameras will be installed in state stores to reduce both internal and external theft and the risk associated with operating a retail business

Customer Service

- Store employees will be required to participate in a comprehensive training program to learn more about all categories of liquor and the level of customer service needed

to improve customer satisfaction. Additional IT Training of store staff also is being recommended.

- Online ordering for licensees and retail customers is being considered to keep pace with private retail organizations.
- Offering wine and sampling opportunities to state store customers, a proposal to issue 'gift cards' and a proposal to introduce the sale of liquor-related products into the stores also are under consideration.

Goals, Objectives, Strategies – Store Development

Goal:	*Maximize financial returns to the state by running an efficient business operation with conveniently located state and contract stores.*
Objective:	**Build capacity to meet current and future demands of retail and wholesale business customers**.
Strategy:	▪ Implement a new staffing model to ensure state stores are staffed with the "optimal level" of store employees. ▪ Add Retail staff based on growth and as defined in the study due October, 2006. ▪ Ensure 100 percent of staff receive basic, required training. ▪ Create plan for new stores and store relocations based on study due October, 2006.
Background:	Retail's existing staffing model does not allocate hours efficiently. Sixty-five percent of the division's budget is allocated to salaries and benefits. Therefore, it is important that an accurate staffing model and staffing plan be developed. Despite significant growth in gross sales and bottle sales between 1996 and 2005, the total number of retail staff fell by two.
Solution:	A new, more accurate and flexible staffing model and staffing plan will increase store productivity, employee morale, and customer satisfaction.
Stakeholders:	WSLCB, Store Employees, Unions, Citizens.
Partners:	OFM and Legislature
Lead Division:	Retail
Participating Divisions:	Financial, Information Technology (HR)
Start Date:	July 1, 2007
Finish Date:	June 30, 2011

Relevance to State Priorities / Agency Performance

Strategy: **Implement a new staffing model to ensure state stores are staffed with the "optimal level" of store employees.**

Initiative	*Objective*	*Contact*
GMAP	Allocate resources based on business decision models.	Finance
POG	*Strengthen government's ability to achieve results efficiently and effectively*.	
Employee Survey	Improved employee responses in the areas of *Job Satisfaction*, *Customer Focus*, *Recognition*, *Trust* and *Respect*, and *Senior Management*.	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats.	
	<u>Opportunities</u> **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.	
	Customer Satisfaction (2.3) We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.	
	We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.	

Goals, Objectives, Strategies - Technology

Goal: *Maximize financial return to the state by running an efficient business operation with conveniently located state and contract stores.*

Objective: **Implement efficiencies in Retail operations.**

Strategy:
- Continue POS enhancements to current system.
- Implement time-and-attendance software.

- Complete Wide Area Network enhancements.
- Implement online ordering for state and contract stores.
- Collect and use better data to drive the business operation.

Background: The current Point of Sale (POS) system was developed and implemented between 2003 and the present. Although the system is substantially complete, continued improvements are needed to increase its functionality and expand capability. Additional technology enhancements are needed to make the stores run more efficiently. Time-and-attendance software, online ordering and optimal business-driven data are currently lacking

Solution: Continued emphasis on technology improvement by store managers, consultants, software vendors and the Information Technology staff will ensure the Retail operation is taking maximum advantage of technology improvements as it continues to achieve greater efficiency.

Stakeholders: WSLCB, Customers, industry partners, employees, unions, licensees.

Partners: OFM and Legislature.

Lead Division: Retail Services

Participating Divisions: Information Technology and Financial

Start Date: July 1, 2007
Finish Date: June 30, 2009

Relevance to State Priorities / Agency Performance

Strategy: **Continue to improve the POS system.**

Initiative	*Objective*	*Contact*
GMAP	**Gather, monitor, and analyze program data.**	TBD
POG	*Strengthen government's ability to achieve results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Customer Focus*, *Communication*, *Direction*, *Senior and Mid Management*.	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** The agency's strategic plan addresses agency strengths and weaknesses, current and emerging	

opportunities and threats.

<u>Opportunities</u>

Support Processes (2.2)
Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.

Customer Satisfaction (2.3)
We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.

Purchasing

Major Objectives

Supplier Scorecard
A Supplier Scorecard program is being developed to provide objective and timely feedback to the supplier community. The program is intended to focus on continuous improvement to core areas of supplier-related activities.

Supply Chain Management
A study of how best to reorganize the management of the three divisions is underway. In 2007-2009, the study results will be used to create a more unified management structure, which will promote improved short- and mid-range retail business planning.

New Inventory Management Model
To carry out product planning, purchasing and delivery, the LCB proposes updating its forecasting system software to make use of new predictive technology and provide a buffer against forecast and execution error.

Business Intelligence / Data Warehousing
The use of data warehousing sources to bridge the gaps among otherwise isolated systems is proposed to allow the agency to capture the data necessary to make business and operational decisions from its major information technology systems.

Goals, Objectives, Strategies - SIOP

Goals: *Maximize financial return to the state*

Continually improve business, regulatory, enforcement and education processes

Objective: **Implement Sales, Inventory, and Operations Planning (SIOP) process to improve business operations.**

Strategies:
- Assemble a cross-functional team with representatives from Distribution, Finance, Purchasing, and Retail to identify key process linkages.

▪ Review and update the forecasting model as necessary.

▪ Develop a Sales, Inventory, and Operations (SIOP) Process.
▪ Establish new calendar of SIOP activities with action owners.

▪ Create SIOP Metrics.

Background: There is too little collaboration among the procurement, distribution, and revenue-generating components of the agency's business operation. Decisions made independently at the division level without appropriate review and collaboration can reduce operational efficiency and impeded effective strategic planning.

Solution: The SIOP process will provide a structure of key accountabilities and measures that involve staff leads from the divisions who have the most influence on the process: Distribution, Finance, Purchasing, and Retail. Led by the Purchasing Director, this team will establish performance targets and orchestrate a seamless supply plan that underscores efficiency, predictability, and service.

Stakeholders: Suppliers

Partners: Suppliers

Lead Division: Purchasing

Participating Divisions: Distribution, Finance, Information Technology, and Retail

Start: June 2007
Finish: June 2009

Relevance to State Priorities / Agency Performance

Strategies:
Assemble a cross-functional team
Review and update as necessary.
Develop SIOP Process.
Establish new SIOP calendar.
Create SIOP metrics.

Initiative	*Objective*	*Contact*
GMAP	▪ Measure accountability for results. ▪ Monitor ability make corrections/improvements. ▪ Measure accuracy of data. ▪ Measure timeliness of decision process. ▪ Conduct const/benefit analysis. ▪ Allocate resources to strategies that work.	Purchasing Director
POG	*Improve the economic vitality of business and individuals; statewide mobility of people, goods and energy; strengthen government's*	

ability to achieve its results.

Employee Survey

Improvement in *Communication, Feedback, Information, Participation, Teamwork, Senior Management.*

Self Assessment

Opportunities

Support Processes (2.2)
Will enable our support processes and supplier processes to be designed, measured and managed to support agency goals, minimize rework, reduce risk, and keep current with emerging needs.

Customer Satisfaction (2.3)
Provides a way to collect actionable information on customer satisfaction/dissatisfaction, follow up with them and use the information to improve.

Goals, Objectives, Strategies – Data Mining

Goal: *Encourage the innovative use of technology and information tools to ensure efficiency, expand communication, and foster continuous improvement.*

Objective: **Improve business intelligence via data mining and analysis from AS/400, NABCA, and WMS.**

Strategies:

- Develop user competencies on ProDiver database.
- Participate in IT Roadmap initiative.
- Design Access Databases to collect and analyze data.
- At the request of the Distillers Representatives of Washington, develop account sales information by brand.

Background: Several parallel databases are used to store and manage the information needed to make operational and strategic decisions. The current system cannot provide the level of flexibility, adaptability and access needed. This lack of analytical capability slows the agency's ability to respond to market trends and impedes efforts to achieve a fully strategic business model.

Solution: New, more flexible ways to collect and analyze meaningful data across existing platforms will strengthen the agency's ability to leverage market forces and maximize revenue.

Stakeholders: Suppliers

Partners: National Alcohol Beverage Control Association

Lead Division: Purchasing

Participating Divisions:	Information Technology, Distribution, and Retail
Start:	In Process
Finish:	June 2009

Relevance to State Priorities / Agency Performance

Strategies: **Develop user competencies on ProDiver database**.
Actively participate in the ITS Roadmap initiative.
Design Access databases to collect and analyze data

Initiative	*Objective*	*Contact*
GMAP	▪ # of decisions made on the basis of accurate, up-to-date information. ▪ # of decisions made on a timely basis. ▪ Amount of program data available to collect, monitor and analyze.	Purchasing Director
POG	*Improve the economic vitality of business and individuals; improve statewide mobility of people, goods, information and energy; strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Direction*, *Participation*, *Recognition*/*Trust*/*Respect*, *Senior* and *Mid Management*.	
Self Assessment	**<u>Opportunities</u>** **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs. **Customer Satisfaction (2.3)** How do you collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve?	

Distribution Center

Major Objectives

Complete DC Expansion
The 2005 Legislature approved more than $20 million to expand and improve the Distribution Center. The project includes 62,000 square feet of additional space, two new shipping doors, eight new receiving doors, additional storage racks and other equipment.

Expand Material Handling System Reliability
The DC will implement a comprehensive Preventive Maintenance program in 2007-2009 by identifying and resolving problems before they occur. Improved purchasing and procurement methods, a new parts inventory management system, new supply-chain management principles, better scheduling and increased training are part of this program.

Improve In-Bound Logistics
The DC will work closely with suppliers and carriers to improve scheduling, shipment tracking and reporting processes. Additionally, we are exploring the use of 'Just-In-Time' delivery methods on a demand-pull basis, which will reduce necessary product storage time and requirements.

Optimize Customer Order Fill Rates
The DC and Purchasing are partnering to maximize customer order fill rates by carrying out the strategies named above: product availability, daily replenishment of all carousels and full equipment availability.

Goals, Objectives, Strategies – Maintenance Issues

Goal: Maximize financial return to the state.

Objective: **Insure the Material Handling System (MHS) and support systems/facility at the Distribution Center are reliable for the next 10 years.**

Strategies:
- Identify weaknesses in maintenance, the material handling system and operations.
- Apply value-based solutions to improve processes and ensure adequate maintenance cost allocation.
- Replace key motorized equipment used to move product in the warehouse

Background: Costs associated with continuing maintenance of the Distribution Center's highly automated material handling system, repair and maintenance of ancillary equipment, computer upgrades and employee training have not been accurately recorded and tracked resulting in maintenance budget deficits.

Solution: Increased accountability and good business management processes similar to those used in private industry will lead to more accurate

	cost forecasting. This, in turn, will enable more systematic and accurate cost allocation in the DC's budget, improving the efficiency of overall operations.
Stakeholders:	Taxpayers, Inbound and Outbound Carriers, Suppliers, Stores, WSLCB Employees, Liquor Control Board members, and Elected Officials.
Partners:	Contractors, WSLCB Employees, and Vendors.
Lead Division:	WSLCB Distribution Center
Participating Divisions:	ITS, Purchasing, Financial, and Human Relations
Start:	In progress
Finish:	Ongoing

Relevance to State Priorities / Agency Performance

Strategy: **Identify maintenance issues/ solutions**

Initiative	*Objective*	*Contact*
GMAP	▪ Measure system reliability in the areas of motorized equipment, deck lanes, carousels and conveyors. ▪ Measure fill rates. ▪ Create cost-benefit models. ▪ Create cost-allocation strategies. ▪ Monitor for continuous improvement.	DC Manager
POG	*Strengthen government's ability to achieve results efficiently and effectively*	
Employee Survey	Expected to produce improved employee responses in the areas of *Job Satisfaction* and *Participation.*	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** The agency's plan addresses strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>** **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.	

Goals, Objectives, Strategies – Carrier Tracking

Goals:	*Maximize financial return to the state.* *Continually improve business regulatory, enforcement and education processes.* *Encourage the innovative use of technology and information* tools
Objective:	**Continue to improve the efficiency of the warehouse operation.**
Strategies:	▪ Work with purchasing, carriers and suppliers to improve tracking and reporting processes so that the contents of trailers headed for the Distribution Center can be determined in advance. ▪ Use this information to develop more efficient warehousing and shipping operations. ▪ Implement just-in-time supplier delivery strategies. ▪ Increase fill rates to a yearly average of 95 percent.
Background:	Trucker no-shows and cancellations have reduced the efficiency of warehouse and shipping operations. Careful tracking of product shipments is needed to ensure greater supplier accountability, improve our ability to schedule work in the Distribution Center, speed store order fulfillment and reducing warehouse inventory.
Solution:	This strategy will save labor hours by reducing the current need to search for or identify specific product loads. It will eliminate costly scheduling problems such as cancellations and no show deliveries and will also improve the ability to respond to product shortages.
Stakeholders:	Taxpayers, Inbound Carriers, Suppliers, Stores, WSLCB Employees, Liquor Control Board members, and Elected Officials.
Partners:	Purchasing, Carriers and Vendors, and WSLCB Employees.
Lead Division:	Distribution Center
Participating Divisions:	Purchasing
Start:	In progress
Finish:	Ongoing

Relevance to State Priorities / Agency Performance

Strategy: **Improve carrier tracking and reporting processes to develop more efficient warehousing processes.**

Initiative	*Objective*	*Contact*
GMAP	▪ Measure out-of-stock. ▪ Measure low stock. ▪ Measure responses to low out-of-stock. ▪ Enter into analytical reporting framework. ▪ Conduct cost/benefit analysis. ▪ Monitor ongoing improvement.	DC Manager
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improved employee survey responses in the areas of *Participation, Teamwork*, and *Job Satisfaction*.	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** The agency's strategic plan addresses strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>** **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.	

Licensing and Regulation

Overview

The Division of Licensing and Regulation issues liquor licenses and permits for more than 14,000 qualified retail and non-retail businesses. Forty-three employees, including license investigators and specialists, provide the following services.

- Determine if new and current business are qualified to hold a liquor license.
- Regulate the production and distribution of beer and wine products.
- Provide oversight for the Mandatory Alcohol Server Training (MAST) program for bartenders and others who serve alcohol.

The Division processed a record 4,336 license applications in FY 2005, an increase of 51 percent from FY 2001. The total number of license applications has increased 31 percent since 1999. The total number of licensees has increased 17 percent in that time period.

Fiscal Year	1999	2000	2001	2002	2003	2004	2005
Licensees (total)	12,141	12,257	12,515	12,619	13,184	13,530	14,264
Retail Licensees	11,195	11,244	11337	11,453	11,791	12,121	12,331
Grocery Stores	4,459	4,539	4,576	4,577	4,651	4,699	4814
Spirits/Beer/Wine Restaurants, Clubs, Sports/ Entertainment	3,373	3,493	3,525	3,832	3,980	4,104	4276
Beer & Wine Restaurants	2,255	2,248	2,408	2,230	2,377	2,506	2602
Taverns	985	903	787	618	559	580	396
Bed & Breakfast, Serve Employees & Guests, Non-Profit Arts Organization, and Motel licenses	61	61	41	196	244	232	243
Non-Retail Licensees'	946	1,013	1,178	1,166	1,393	1,409	1690
Wineries	127	248	248	214	259	360	353
Breweries	94	91	91	82	85	86	84
Distributors and Importers	129	153	153	140	241	253	183
Certificate of Approval Out of State Breweries and Wineries	553	624	624	685	729	766	960
Bonded Wine Warehouses, Distillery Licences, Liquor Manufacturers, Wine Growers, CCI and Ship Handlers	43	62	62	45	79	61	110
Applications Processed	3,304	2,932	2,772	3,251	3,456	3,911	4336
Applications Processed (Retail)	3,240	2,825	2,669	3,123	3,267	3,810	3616
Applications Processed (Non-Retail)	64	107	103	128	189	101	720

New and Continuing Challenges
Growth in the number and types of licenses, lawsuits challenging the state's regulatory authority, community concerns about license density issues, stakeholder concerns about the types of rules enacted by the agency and many additional issues have increased the workload of this division in recent years.

Although successful in reducing the time needed to process a liquor license and in other important service metrics, the Licensing Division is continually challenged to solve complex regulatory and legal issues that have arisen, in part, from business dynamics associated with the state's rapid population growth and from legal challenges issued by the regulated community.

Stakeholder Studies Focus on Growth
In 2006, the division is conducting two complex studies with stakeholders: a Three-Tier Task Force review of the state's system for regulating the importation, manufacture, distribution and sale of beer and wine; and a License Density Workgroup, which is helping identify strategies cities can use to determine the optimal number of liquor licensed establishments in a particular area. The Licensing Division also is set to consider a request from Seattle for an expanded Alcohol Impact Area in its downtown district.

Wine Industry Continues to Surge
The number of state wineries has also continued to increase as increasing numbers of individuals take advantage of the excellent growing conditions found in the state. The division expects there will be more than 442 licensed wineries by the end of 2006, an increase of 25 percent since 2005. Wine production has become a more than $3 billion annual business in the state and its importance is likely to continue to grow.

Core Staffing Has Been Static
Recent staff additions in this division, designed to meet new and specific challenges, are the first the division has received in more than a decade, despite significant growth in the service load. Core service staffing continues to be static while growth in the number of licenses continues to increase.

Major Objectives

Improve Licensing System
The state has more than 30 types of liquor licenses. Many of these were established more than 40 years ago and have not been modified for decades. As the state's population has grown, many new business models have been developed to produce, distribute, manufacture and sell alcohol. Licensing laws have been modified to accommodate these changes, but a comprehensive review of the system has not been undertaken.

Many business and industry stakeholders have indicated they think some of the state's liquor license requirements are too restrictive. Local government and community groups have raised concerns about how many licenses are appropriate for a particular area of a city. Review of the license types and requirements for certain types of liquor-licensed

establishments is needed in light of community concerns and business models of liquor-licensed establishments.

Improve Licensing Process and Service Delivery
Staffing: During the 2007-2009 strategic planning period, the division will seek funding for more resources to keep up with the demand for licensing services from a growing number of license applicants, particularly in the categories of restaurants that sell spirits/beer/wine and in-state wineries.

Technology: Technology upgrades will be necessary to maintain technical systems used to process liquor license applications and maintain licensee information on existing licensees. New technology options will be explored and used to improve efficiencies and customer service.

Evaluation: New research and evaluation methods are needed to ensure alcohol regulations are achieving their intended purposes. The division will seek funding for research and evaluation efforts for the Alcohol Impact Area restrictions and other regulatory initiatives.

Conduct Comprehensive Review of Three-Tier System
The market forces related to the production, distribution, importation and sale of beer and wine have changed substantially since the state's three-tier system was created in the 1930s. Recent court decisions and lawsuits challenging state regulatory controls on beer and wine have narrowed the scope of these controls.

Washington recently approved a new law allowing out-of-state producers of beer and wine to ship directly to in-state retailers. A federal judge ordered the state to amend its direct shipping laws because they did not grant equal shipping privileges to in-state and out-of-state producers. These changes have come at a time when there is heightened public concern about the health and societal effects of over-consumption and under-age drinking. A three-tier task force is conducting a comprehensive of the state's three-tier system for the regulation of the manufacture, distribution, importation and sale of beer and wine. The effect of any changes resulting from this process on Licensing staffing has yet to be determined.

Goals, Objectives, Strategies – Improve Licensing System

Goal: *Continually improve business, regulatory, enforcement and education processes to ensure the highest level of public safety.*

Objective: **Improve licensing system**

Strategies:
- Establish objective criteria for determining when there is an over-concentration of liquor license outlets.
- Modify or remove the statewide formula that limits the number of restaurants that sell spirits/beer/wine.

- Create a new nightclub license.
- Modify license requirements to align with new business models of establishments licensed to sell alcohol.
- Establish research and evaluation methods and criteria to assess the effectiveness of alcohol regulations.

Background: Businesses selling liquor by the drink must be licensed as spirits, beer and wine restaurants. Food service requirements for these licensees have been relaxed in recent years. Some businesses now operate primarily as nightclubs rather than restaurants. Local government officials have indicated they would like to see a separate nightclub license created. This would enable them to regulate these types of businesses more effectively, especially with respect to public safety issues.

. Additionally, social research has linked increases in the number of establishments licensed to sell alcohol to increased public safety risks.

Solutions: The new laws and rules developed from this process will help communities carry out planning for license density issues more effectively, will define the appropriate license categories to meet contemporary business models, will improve the agency's ability to enforce licensing laws and will help establish appropriate assessment models to evaluate success over time.

Stakeholders: Agency staff, legislators, licensees, license applicants, local authorities, public and community-based interest groups.

Partners: Legislature, OFM, Dept of Licensing

Lead Divisions: Licensing & Regulation, Education and Enforcement, PLMR

Participating Divisions: Retail Division, Information Technology

Start: Ongoing
Finish: Ongoing

Relevance to State Priorities / Agency Performance

Strategies:
Establish liquor license density criteria.
Modify license limit formula.
Create a new nightclub license.
Modify licensing requirements.
Establish research and evaluation methods and criteria.

Initiative	*Objective*	*Contact*
GMAP	• Track license density patterns once laws are changed. • Measure changes in public safety statistics. • Survey stakeholders.	Licensing Director
POG	*Improve the safety of people and property.* *Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Higher rating in employee survey responses in the area of *Seeking Customer Feedback* is expected.	
Self Assessment	**Strengths** **Public Responsibility and Citizenship (4.1)** Senior leaders demonstrate public responsibility. Strategic Planning and Resource Allocations (3.5) Strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats. **Opportunities** **Customer Satisfaction (2.3)** We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.	

Goals, Objectives, Strategies – Licensing Service Delivery

Goal: *Continually improve business, regulatory, enforcement and education processes to ensure the highest level of public safety.*

Objective: **Improve licensing process and service delivery with innovative use of technology and appropriate allocation of resources.**

Strategies:

- Use new technology and technology to provide excellent customer service.
- Continue to streamline licensing process by eliminating or modifying steps or excess waiting periods in the process.
- Obtain funding for adequate staffing to maintain high levels of service for a growing number of license applicants.
- Seek an appropriation to fund a full-time coordinator for the Mandatory Alcohol Server Training (MAST) program.
- Implement direct shipment laws (2SSB 6823 and ESB 6537) enacted by the 2006 Legislature.

Background:	The 2006 Legislature changed the laws relating to the direct shipment of wine from out-of-state wineries to Washington consumers (ESB 6537) and direct shipment to Washington retailers from out-of-state producers (2SSB 6823). Implementing these law changes will increase the division's workload. Improvements in online licensing processes and the beer / wine tax collection system will be needed. Increasing demand for liquor licenses also will require improved online licensing services in partnership with the Department of Licensing. The number of liquor licensees renewing their licenses via the Internet increased by nearly 60 percent – from 965 to 1,625 – between 2004 and 2005.
Solution:	Licensing services will be faster, more accessible, reliable and cost effective when advanced online licensing processes are implemented.
Stakeholders:	Agency staff, legislators, licensees, license applicants, local authorities, the public, and community-based interest groups.
Partners:	Legislature, OFM, Dept of Licensing, Dept of Information Services, local authorities
Lead Divisions:	Licensing & Regulation Division
Participating Divisions:	Enforcement and Education Division, Information Technology Division, Financial Division, Human Resources Division, PLMR
Start:	Ongoing
Finish:	Ongoing

Relevance to State Priorities / Agency Performance

Strategies:

Technology enhancement.
Streamline licensing process.
Increase staffing for customer service.
Fund MAST program staffing.
Implement direct shipment laws (2SSB 6823 and ESB 6537).

Initiative	*Objective*	*Contact*
GMAP	• Number of license applications processed • Turnaround time for application processing • Number of applications processes per FTE • Number of MAST providers certified • Wait time for calls on customer service line to be answered	Licensing Director

POG *Improve the safety of people and property.*

Strengthen government's ability to achieve its results efficiently and effectively.

Employee Survey Relevant to employee training and development

Self Assessment

Strengths

Public Responsibility and Citizenship (4.1)
Senior leaders demonstrate public responsibility.

Strategic Planning and Resource Allocations (3.5)
Strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats.

Opportunities

Customer Satisfaction (2.3)
We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.

Goals, Objectives, Strategies – Three-Tier Review

Goal: *Continually improve business, regulatory, enforcement and education processes to ensure the highest level of public safety.*

Objective: **Update licensing laws, WACs and rules to reflect current market practices.**

Strategy:

- Conduct a comprehensive review of the state's three-tier system for the regulation of the manufacture, distribution, importation and sale of beer and wine.

Background: Market forces related to the production, distribution, importation and sale of beer and wine have changed substantially since the state's three-tier system was created in the 1930s. Recent court decisions and lawsuits challenging state regulatory controls on beer and wine have narrowed the scope of these controls.

Washington recently approved a new law allowing out-of-state producers of beer and wine to ship directly to in-state retailers. A federal judge ordered the state to amend its direct shipping laws because they did not grant equal shipping privileges to in-state and out-of-state producers. These changes have come at a time when there is heightened public concern about the health and societal effects of over-consumption and under-age drinking.

Solution:	The Task Force, composed of stakeholders from industry, business, local government, the prevention field and the general public, will establish criteria for evaluating the system's effectiveness and propose alternatives or system modifications.
Stakeholders:	Legislators, industry licensees, consumers, carriers, community interest groups, state agencies, criminal justice system, health care providers and social service agencies.
Partners:	Sterling Associates LLP
Lead Divisions:	PLMR, Financial, Human Resources and Information Technology Services
Participating Divisions:	All divisions
Start:	In progress
Finish:	2007-2008

Relevance to State Priorities / Agency Performance

Strategy: **Conduct comprehensive review of three-tier system.**

Initiative	*Objective*	*Contact*
GMAP	▪ Measure progress integrating review panel recommendations into law. ▪ Monitor and report the effect of the changes on public safety. ▪ Measure the appropriate levels of support Needed to sustain an effective program.	Licensing Director
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee	These initiatives are likely to influence employee *concerns about seeking customer feedback.*	
Self Assessment	**<u>Strengths</u>** **Public Responsibility and Citizenship (4.1)** Senior leaders demonstrate public responsibility. **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>** **Customer Satisfaction (2.3)** We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.	

Goals, Objectives, Strategies – Three-Tier Review

Goal:	*Continually improve business, regulatory, enforcement and education processes to ensure the highest level of public safety.*
Objective:	**Strengthen MIW Regulatory System**
Strategy:	▪ Conduct a comprehensive review of the state's three-tier system for the regulation of the manufacture, distribution, importation and sale of beer and wine.
Background:	The market forces related to the production, distribution, importation and sale of beer and wine have changed substantially since the state's three-tier system was created in the 1930s. Recent court decisions and lawsuits challenging state regulatory controls on beer and wine have narrowed the scope of these controls. Washington recently approved a new law allowing out-of-state producers of beer and wine to ship directly to in-state retailers. A federal judge ordered the state to amend its direct shipping laws because they did not grant equal shipping privileges to in-state and out-of-state producers. These changes have come at a time when there is heightened public concern about the health and societal effects of over-consumption and under-age drinking.
Solution:	The Task Force, composed of stakeholders from industry, business, local government, the prevention field and the general public, will establish criteria for evaluating the system's effectiveness and propose alternatives or system modifications. The new system will accomplish its regulatory objectives within an appropriate legal, economic and social framework.
Stakeholders:	Legislators, industry licensees, consumers, carriers, community interest groups, state agencies, criminal justice system, health care providers and social service agencies.
Partners:	Sterling Associates LLP
Lead Divisions:	PLMR, Financial, Human Resources and Information Technology Services
Participating Divisions:	All divisions
Start:	In progress
Finish:	2007-2008

Relevance to State Priorities / Agency Performance

Strategy:	**Conduct comprehensive review of three-tier system**	
Initiative	***Objective***	***Contact***
GMAP	▪ Measure progress integrating review panel recommendations into law. ▪ Monitor and report the effect of the changes on public safety. ▪ Measure the appropriate levels of support needed to sustain an effective program.	Licensing Director
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	These initiatives are likely to influence employee *concerns about seeking customer feedback.*	
Self Assessment	**<u>Strengths</u>** **Public Responsibility and Citizenship (4.1)** Senior leaders demonstrate public responsibility. **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>** **Customer Satisfaction (2.3)** We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.	

Enforcement and Education

Overview

The Enforcement and Education Division continues to provide statewide enforcement services for more than 12,600 licensees with a staff of 103. Liquor Enforcement Officers are located in offices throughout the state and regularly conduct compliance checks and licensee training sessions. The staff includes 86 commissioned officers and 17 support personnel.

Liquor and Tobacco Enforcement Officers are limited-authority law enforcement personnel empowered to enforce the state's liquor and tobacco laws. All have received extensive specialized training in the areas of liquor and tobacco enforcement. All officers attend 32 hours of in-service training specific to their job responsibilities. All commissioned officers are armed and are empowered to arrest for gross misdemeanor and misdemeanor violations and can issue criminal citations for such violations. As part of tobacco tax enforcement, officers may become involved in felony vehicle stops, felony arrests and the issuance of felony warrants. Officers are required to testify in criminal and administrative proceedings. Officers are also empowered to issue verbal and written warnings for minor infractions and administrative violation notices for more serious administrative violations.

Continuing Challenges

This division continues to have higher-than-optimal turnover cause, in part, by low salaries. The problem of employee retention is especially acute in Seattle, where salaries are far below the cost-of-living index. Statewide shortages of law enforcement personnel have pushed local enforcement salaries to considerably higher levels than our agency is authorized to pay. Younger staff members, attracted to higher salaries, leave the agency for better opportunities.

The division has provided training in Washington's Basic Law Enforcement Academy (BLEA) for nine candidates, but seven of those have left the division for higher-paying jobs in other law enforcement agencies. Currently, the division is unable to place candidates in BLEA for required training and has begun to utilize the Idaho Post Academy for training of its Law Enforcement I candidates.

There is not an easy solution to this challenge. Improved salaries will have some positive effect. However, higher-than-optimal rates of turnover are a feature of most liquor enforcement organizations nationwide. Other ways to reduce turnover must be considered along with increasing salaries. Given the relatively small number of enforcement officers to cover 12,600 licensees, additional staffing may be necessary as the number of licensees continues to grow and enforcement staff face increasingly complex issues.

Major Objectives

Improve Officer Education
During the 2007-2009 strategic planning period, the division will seek approval for a new state-sponsored 400-hour Basic Law Enforcement Academy program for liquor and tobacco enforcement officers. This will reduce turnover, ensure all officers receive adequate training to perform their work and improve enforcement efficiency.

Improve Liquor and Tobacco Tax Enforcement
Increase Compliance Rates
Engage stakeholders in a technology-based, data-driven education plan to develop higher levels of compliance statewide. Improve the strategic allocation of manpower and resources. Better analysis will enable the division to concentrate more intensively on problem outlets.

Improve Licensee Education Efforts
A comprehensive education outreach effort, built with the help of stakeholders, that is technology based and data driven will improve licensee education and strengthen overall public safety efforts.

Goals, Objectives, Strategies - Training

Goals:	*Recruit, develop, retain and value a highly competent workforce. Ensure the highest possible level of public safety.*
Objective:	**Train and retain a higher percentage of Liquor and Tobacco Enforcement Officers.**
Strategy:	Study, create and win state approval for a 400-hour Basic Law Enforcement Academy training program for Liquor Enforcement officers that is CJTC-certified.
Background:	Liquor Enforcement Officers are now authorized to attend 750 hours of BLEA training to achieve state certification. However, because they are limited-commission officers, we have not been able to secure training slots for them at the BLEA, which is experiencing high demand for the training of fully commissioned officers. In addition, an unacceptable number of LEOs who *have* become certified have left for higher-paying jobs in law enforcement agencies. To be promoted to LEO II, officers in the LEO category must receive law enforcement training.
Solution:	A new basic training curriculum with fewer hours will achieve greater specific focus for issues unique to limited-commissioned officers, provide high-quality training leading to state certification, allow more officers to attend BLEA training, and will reduce the tendency for LEOs to seek employment in other law

enforcement agencies. This will ensure a more highly trained and stable workforce for the Enforcement and Education Division.

In addition, the agency is seeking an assignment pay increase for Seattle officers. If approved by the Department of Personnel, the agency will develop and present a decision package to cover the cost of this pay increase.

Stakeholders:	LEOs, citizens, licensees, law enforcement agencies
Partners:	Washington Association of Sheriffs and Police Chiefs, Criminal Justice Training Commission, and other agencies.
Lead Division:	Enforcement and Education
Participating Divisions:	Licensing (MIW), Policy, Legislative and Media Relations
Start:	2007
Finish:	2008

Relevance to State Priorities / Agency Performance

Strategy: **Train and retain a higher percentage of LEOs**

Initiative	*Objective*	*Contact*
GMAP	▪ Track number of officers receiving training. ▪ Track division retention rates. ▪ Track cost/benefit. ▪ Survey employees. Report results. ▪ Recommend modifications as needed.	Assistant Chief
POG	*Improve the quality and productivity of our workforce. Improve the safety of people and property.*	
Employee Survey	Improved employee responses in the areas of *Diversity, Direction, Information, Learning* and *Teamwork* are expected.	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** The agency's strategic plan addresses strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>**	

Employee Well Being (2.2)
The agency motivates and supports employees in attaining job and career-related learning objectives.

Goals, Objectives, Strategies - Compliance

Goals: *Ensure the highest possible level of public safety.*
Encourage the innovative use of technology.

Objective: **Increase compliance rates for youth access to alcohol and tobacco.**

Strategies:
- Develop and deploy a random system of compliance checks to establish objective compliance rates.
- Increase deterrence checks targeted at high-risk locations.
- Seek funding to further enhance the staffing and technical capabilities to support the effort.

Background: Compliance checks are a proven and evolving method of decreasing sales of restricted products to minors. A limited number of compliance checks can be conducted with current staffing levels. The checks being conducted are not truly random and do not present an accurate picture of the statewide compliance rate. There should be greater compliance focus on repeat violators and high-risk locations.

Solution: Devise, obtain and deploy a technology based system that will provide a true random compliance testing protocol and provide data driven information to identify violators and high risk locations.

Stakeholders: Communities, law enforcement agencies licensees and community coalitions.

Partners: Department of Health, state and federal prevention organizations and law enforcement agencies

Lead Division: Enforcement and Education

Participating Divisions: Licensing (MIW), Policy, Legislative and Media Relations (PLMR)

Start: March 2006
Finish: September 2007

Relevance to State Priorities / Agency Performance

Strategies: **Deploy a random system of compliance checks**
Increase high-risk deterrence checks

	Seek funding to support the effort	
Initiative	***Objective***	***Contact***
GMAP	Monitoring and Reporting timelines and accomplishments as outlined.	Chief
POG	*Improve the quality and productivity of our workforce.* *Improve the safety of people and property.* *Strengthen the government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improvement in the survey areas of *Customer Focus, Direction, Feedback.*	
Self Assessment	**Strengths** **Public Responsibility and Citizenship (4.1)** Senior leaders demonstrate public responsibility. **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses strengths and weaknesses, current and emerging opportunities and threats. **Opportunities** **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goals, minimize rework, reduce risk and keep current with emerging needs.	

Goals, Objectives, Strategies - Education

Goals: *Continually improve business, regulatory, enforcement and education processes.*

Encourage the innovative use of technology and information tools.

Objective: **Improve the licensees' understanding of liquor and tobacco laws, with specific focus on youth access, over-service, DUI prevention and public safety.**

Strategies:

- Survey licensees to determine resource and program needs.
- Create a comprehensive, technology-based, data-driven solutions education plan.
- Develop and implement new training programs and services.

Background:	Current education program materials have not been adequately updated or expanded and limited use of new technology (CD Rom, Web-based services) is being made to deliver educational messages.
Solution:	A comprehensive education outreach effort, built with the help of licensees and other stakeholders, that is technology-based and data-driven will improve licensee education and strengthen overall public safety efforts.
Stakeholders:	Communities, licensees and employees and representatives of the retail licensee representative associations.
Partners:	Law enforcement agencies and community advocate coalitions
Lead Division:	Enforcement and Education
Participating Divisions:	Licensing, IT, Financial and Policy, Legislative and Media Relations
Start:	In progress
Finish:	Ongoing

Relevance to State Priorities / Agency Performance

Strategies: **Survey licensees, law enforcement, community groups.**
Develop a data-driven education plan.
Determine funding needed. Seek funding.
Develop and implement new programs and services.

Initiative	*Objective*	*Contact*
GMAP	▪ Program results tracked ▪ Adjustments linked to performance ▪ Cost/benefit analysis	Education Coordinator
POG	*Improve the health of Washington citizens.* *Improve the safety of people and property.* *Strengthen the government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improvement in survey categories of *Customer Focus, Recognition, Trust* and *Respect, Teamwork,* and *Communication.*	
Self Assessment	**<u>Strengths</u>** **Public Responsibility and Citizenship (4.1)** Senior leaders demonstrate public responsibility. **<u>Opportunities</u>**	

Customer Satisfaction (2.3)
We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve?

Goals, Objectives, Strategies - Tobacco

Goal: *Continually improve business regulatory, enforcement and education processes to ensure the highest possible level of public safety.*

Objective: **Implement efficiencies in tobacco tax enforcement program.**

Strategies:

- Reduce the number of reported instances of counterfeit tobacco products through increased routine premise inspections resulting in new initiated cases.
- Increase compliance with cigarette tax indicia stamping requirements through more frequent premises inspections resulting in fewer instances of seizure.
- Increase the amount of tax evasion recovery by conducting thorough inspections and field audit reports forwarded to Department of Revenue for assessment and collection.

Background: The Tobacco Tax Enforcement Program is located within the Enforcement and Education Division. In 2003, a federal partnership with the Bureau of Alcohol, Tobacco and Firearms created a tobacco task force in Yakima. In 2005, the Legislature revised other tobacco products laws requiring licenses and authorizing seizures, resulting in better enforcement potential.

Solution: By redirecting its efforts toward more compliance checks and premises inspections, and implementing efficiencies in its surveillance programs, the Tobacco Tax Enforcement Program will reduce the amount of untaxed tobacco products brought into the state and will increase the amount of revenue collected through taxation.

Stakeholders: Law enforcement, local government, state agencies, industry associations, manufacturers, wholesalers and retailers.

Partners: Federal law enforcement agencies, other state agencies, local health departments, Oregon, California and Idaho Tobacco Compliance agencies and the Governor's Office of Indian Affairs.

Participants: Tobacco Tax Enforcement Program team members working in partnership with other liquor enforcement officers, state and federal agencies and stakeholders.

Start Date: August 1997
Finish Date: Ongoing

Relevance to State Priorities / Agency Performance

Strategies: **Increase routine premise inspections**
Increase compliance stamping compliance
Increase the amount of tax evasion recovery

Initiative	*Objective*	*Contact*
GMAP	Monitor and report outcomes resulting from performance objectives.	Program Manager
POG	*Improve the safety and health of Washington citizens.*	
	Strengthen government's ability to achieve Its results efficiently and effectively.	
Employee Survey	Improved employee responses in the areas of *Information, Job Satisfaction* and *Teamwork.*	
Self Assessment	**<u>Strengths</u>** **Public Responsibility and Citizenship (4.1)** Senior leaders demonstrate public responsibility **Organizational Performance Review (3.6)** Senior managers conduct periodic reviews of plan and performance and establish action plans to assist work units not performing to the plan. **Strategic Planning and Resource Allocation (3.5)** The agency's strategic plan addresses strengths and weaknesses current and emerging opportunities and threats. **<u>Opportunities</u>** **Support Processes (2.2)** Our support processes are designed , measured and managed to support agency goals, minimize duplication of work, reduce risk and keep current with emerging needs.	

Administrative Support (Finance, IT, Human Resources, PLMR)

Overview
These four divisions provide support for the agency's business operations and its licensing and enforcement divisions. Growth in both gross sales and liter sales and growth in the number and complexity of licenses being issued has substantially increased the workload of these key support divisions.

For example, a 2004 benchmark study conducted by Gartner, Inc. and a 2005 organizational and operational review conducted by Public Knowledge, LLC, indicated investment in core technology infrastructure and staff has been insufficient to support the planning and operational needs of the agency.

Staffing also is a major issue for these divisions. As growth has been experienced in the and the retail business and the number of liquor licenses, increases to support Retail business. To manage its operations more strategically, the agency needs added staff have not been made. especially in the areas of policy development and human resources. The caseload in Human Resources has increased significantly with no corresponding increase in staff. There are 11 FTEs to provide services for 1,350 full- and part-time employees, seven fewer than the average of 18 at like-sized agencies.

The number and complexity of legal and policy challenges relative to the agency's licensing and enforcement responsibilities also has increased. A comprehensive review of the state's three-tier system to regulate beer and wine is under way. A licensing density workgroup is examining the number and types of licenses necessary to meet the state's growing needs. Increasing emphasis on Alcohol Impact Areas is being felt.

Financial

Major Objectives

Enterprise Funding

Among the most important initiatives proposed for the 2007-2009 is an *Enterprise Funding Model.* A fully loaded cost model will be developed, along with an agency-wide indirect expense model. The purpose is to permit the agency to retain a percentage of the revenue it collects to fund immediate needs not anticipated in the normal two-year appropriation cycle.

The current appropriations process slows the agency's ability to respond to market forces by delaying innovative business practices. It makes it difficult to

- expand product line
- develop new store outlets
- improve customer service
- fund preventive maintenance
- improve technology infrastructure

Risk Management and Employee Safety Initiatives
The agency has made excellent progress reducing expenditure levels related to risk and reducing risk exposure by implementing a risk management program, including tort review, employee training, policy development and risk communications. This achieved reduced expenses related to tort claims and a subsequent reduction in annual OFM Risk Management Self Insurance premiums.

However, more progress is needed to ensure future stability and security, especially in the area of employee lawsuits. A new Agency Risk Manager is being requested to provide leadership for business continuity, hazard mitigation and disaster training. An expanded employee safety and loss prevention program will reduce cash and product losses, reduce agency risk and improve employee safety and morale.

Goals, Objectives, Strategies – Enterprise Funding

Goals:	*Maximize revenues to the citizens of Washington.*
Objective:	**Move to an enterprise funding model allowing the agency to respond to market needs.**
Strategies:	▪ Develop a fully loaded cost model to use as a budget baseline. ▪ Develop a functional agency wide indirect expense model. ▪ Prepare legislative changes to move from appropriated funding to a more responsive and flexible funding method.
Background:	The current appropriations process slows the agency's ability to respond to market forces by delaying innovative business practices. Proposals to expand product line, store outlets, improve service levels within existing outlets, distribution center maintenance and technology infrastructure require a lengthy approval process that limits the agency's potential to increase revenue.
Solution:	Legislation to provide flexible budget strategies will strengthen the agency's ability to respond to market forces and maximize revenue.
Stakeholders:	The public, Office of the Governor and Legislature
Partners:	OFM – Budget, legislative staff and Business Advisory Council
Lead Division:	Finance
Participating Divisions:	Retail Services, Policy, Legislative and Media Relations
Start:	In progress
Finish:	July 2007

Relevance to Agency Performance / State Priorities

Strategy:	**Fully Loaded Cost Model**	
Initiative	***Objective***	***Contact***
GMAP	Future GMAP objectives will follow after the development of a cost model that allows the agency to measure effectiveness.	Financial
POG	*Strengthen government's ability to achieve its Results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Direction*, *Senior Management*, and *Middle Management*.	
Self Assessment	**<u>Strengths</u>** **Public Responsibility and Citizenship. (4.1)** Senior leaders demonstrate public responsibility. **<u>Opportunities</u>** **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.	

Strategy:	**Indirect Expense Formula**	
Initiative	***Objective***	***Contact***
GMAP	NA	Financial
POG	*Strengthen government's ability to achieve results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Teamwork, Direction, Middle* and *Senior Management.*	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** The agency's strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats?	

Opportunities
Support Processes (2.2)
Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.

Strategy:	**Enterprise Funding Legislation**	
Initiative	***Objective***	***Contact***
GMAP	TBD	Financial
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Customer Focus, Communication, Senior* and *Middle Management.*	
Self Assessment	**Strengths** **Strategic Planning and Resource Allocations (3.5)** The agency's strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats.	
	Opportunities **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goals, minimize rework, reduce risk, and keep current with emerging needs.	

Goals, Objectives, Strategies – Risk Management

Goal: *Maximize financial return to the state by running an efficient business operation with conveniently located state and contract stores.*

Objective: **Reduce WSLCB risk-related losses.**

Strategies:
- Continue to maintain strong risk management practices.
- Obtain resources to meet increased demands for business continuity, hazard mitigation and disaster recovery planning.

Background: The agency's risk program has significantly reduced losses during the last two years. High importance is placed on human resource risk management practices and tort claim management.

	The agency must now commit to an emerging need to implement a comprehensive agency Business Continuity Plan, Disaster Recovery Plan, and Hazard Mitigation Plan to satisfy the requirements of the Governor's proclamation on emergency management.
Solution:	If adequate resources are provided, an effective risk management program will continue to reduce tort losses; improve human resource risk management practices; develop and implement business continuity, disaster recovery, and hazard mitigation plans. A combination of monitoring, risk awareness education, business continuity planning, and implementing policies and procedures to limit risk exposure will provide continuous improvement..
Stakeholders:	LCB employees, the public, Governor's Office, and Organized Labor
Partners:	OFM – Risk Management, Office of Attorney General, Labor & Industries, Washington State Emergency Management Department, Department of Information Services and the Washington State Patrol.
Lead Divisions:	Financial, Human Resources and Information Technology Services
Participating Divisions:	All divisions
Start:	In progress
Finish:	Ongoing

Relevance to State Priorities / Agency Performance

Strategy: **Maintain Strong Risk Management Practices**

Initiative	***Objective***	***Contact***
GMAP	Track the reduction of tort claim payouts and self insurance payments	Finance Director
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Communication*, *Recognition*/*Trust/Respect, Senior Management* and *Mid Management*.	

Self Assessment	**<u>Opportunities</u>** **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goals, reduce risk, and keep current with emerging needs.	
Strategy:	**Obtain adequate resources to meet emerging needs**	
Initiative	***Objective***	***Contact***
GMAP	Process mapping to ensure business operations can recover from a disaster in the established recovery time.	Finance Director
POG	*Improve the safety of people and property.*	
Employee Survey	Improved employee responses in the areas of *Trust/Recognition/Respect*, *Communication* and *Teamwork*.	
Employee Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** The agency's strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>** **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goals, minimize rework, reduce risk, and keep current with emerging needs.	

Information Technology Services

Overview

A 2004 benchmark study conducted by Gartner, Inc. and a 2005 organizational and operational review conducted by Public Knowledge, LLC, indicated investment in core technology infrastructure and staff has been insufficient to support the planning and operational needs of the agency. Funding provided in the current budget cycle needs to be continued in 2007-2009.

Goals, Objectives, Strategies – Data Analysis

Goal:	*Encourage the innovative use of technology.*
Objective:	**Improve agency operations and decision-making through ready access to operational data and analysis.**
Strategy:	▪ Implement an information technology system permitting user access to and analytical use of the LCB's operational data.
Background:	The agency's current information systems capture a tremendous amount of operational data in a variety of electronic databases and in varying levels of detail. Access to the data requires technical computer programming skills. Often, computer programmers are unavailable to respond timely to information requests and the requests become outdated. Analytical capability is limited to raw data downloads and manual spreadsheet manipulation. Insufficient access to data and analysis limits strategic and operational decision-making.
Solution:	Acquisition and implementation of a data warehouse or similar technology system will provide end-users with easy access usable information for improved, data-based decision making.
Stakeholders:	The Board, LCB Management Team
Partners:	All divisions
Lead Division:	Finance/IT Division
Participating Divisions:	All divisions
Start:	August 2007
Finish:	December 2008

Relevance to State Priorities / Agency Performance

Strategy: **Information technology system with analytical capability**

Initiative	*Objective*	*Contact*
GMAP	▪ % of decisions made using new data analysis framework ▪ Amount of accurate, up-to-date information provided ▪ Cost/benefit analysis	Finance Director
POG	*Strengthen government's ability to achieve its results efficiently and effectively.* *Accurate, timely information and analysis leads to data-based decisions and identifies opportunities for program efficiencies and effectiveness.*	
Employee Survey	Improved employee responses in the areas of *Customer Focus*, *Direction Feedback*, *Information*, and *Communication*	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>** **Support Processes (2.2)** Our support processes and supplier processes are designed measured and managed to support agency goals, minimize rework, reduce risk, and keep current with emerging needs. Provides key information to core business and support programs to assist in program management.	

Goals, Objectives, Strategies – IT Infrastructure

Goal: *Encourage the innovative use of technology and information tools.*

Objective: **Strengthen IT infrastructure to support agency planning and operations.**

Strategies:

- Augment IT staffing levels: Service Desk, Applications and Network Operations.
- Reduce the backlog of work requests and change orders.
- Fund equipment/software replacement plans.
- Continue to improve service processes via the Information Technology Infrastructure Library (ITIL).

- Develop IT architectural standards.
- Develop standardized project management processes.

Background: According to a 2004 benchmark study conducted by Gartner, Inc. and a 2005 organizational and operational review conducted by Public Knowledge, LLC, investment in the core technology infrastructure has been insufficient to support the planning and operational needs of the agency. The 2005-07 budget provided funds to begin making improvements in the core technology infrastructure. Additional investment is needed to meet current workload and provide a platform for future growth.

Solution: If funding is provided in the 2007-09 budget, the strategies identified above will enable IT to stabilize levels of support across the agency, achieve increased inter-operability and plan more effectively to meet future needs.

Stakeholders: Executive Management Team, Management Team, all divisions.

Partners: N/A

Lead Division: Finance/IT Division

Participating Divisions: All divisions

Start: Underway
Finish: Ongoing

Relevance to State Priorities / Agency Performance

Strategies:
Augment IT staffing levels
Reduce the backlog of work requests
Fund equipment/software
Continue to improve service processes
Develop IT architectural standards
Develop standardized project management processes

Initiative	*Objective*	*Contact*
GMAP	Evaluate the effectiveness of programs by through performance measures based on international standards. Use ITIL to assist with this process.	Finance Director
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Direction*, *Information*, *Focus*, *Feedback, Learning* and *Communication*.	

Self Assessment

Strengths

Organizational Performance Review (3.6)
Senior managers conduct periodic reviews of plan and performance, and establish action plans to assist work units not performing to plan.

Strategic Planning and Resource Allocations (3.5)
Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats.

Opportunities

Support Processes (2.2)
Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize re-work, reduce risk and keep current with emerging needs.

Customer Satisfaction (2.3)
We collect actionable information on customer satisfaction/dissatisfaction, follow up with them and use the information to improve.

Human Resources

Overview

The Washington State Liquor Control Board has more than 1,350 full- and part-time employees who work in locations throughout the state. Some agency employees are represented by one of two unions. The Human Resources Division provides a wide range of support services for these employees, including recruitment assistance, classification and compensation, policy development, employee safety, employee development training and performance management.

There is an on going need to focus on adequate staffing resources to meet the many challenges and requests placed upon the Human Resources Division. A Human Resources staff of 11 FTEs supports 1,350 agency employees, compared to an average of 18 FTEs for like-sized agencies. There is special focus on labor relations, employee training and employee safety in the 2007-2009 strategic plan.

Major Objectives

Staffing

Increased staffing is needed to help Human Resources meet increasingly complex demands related to a 1,350-member workforce. HR provides resources for the employees of 161 stores and enforcement offices located throughout the state. As noted, this division is under-staffed by seven FTEs when compared to staffing levels of like-sized agencies.

Employee Training
Workforce and succession planning is a critical human resource management activity. As such providing training to help employees achieve their full potential is an important agency objective. In 2005 the agency's training manager began a comprehensive training program funded by a $400,000 Legislative appropriation. All agency employees are receiving mandatory training and many are receiving additional career development training identified in their Performance Development Plans. This program will be expanded and refined in 2007-2009. Ensuring that our human resources possess the skills and required competencies for current and future success will build capacity and focus on maintaining a performance based culture.

Employee Safety
The agency continues to place a high priority on employee safety and wellness. Our focus and priority is to continue to reduce workplace injury claims and impacts and costs associated with workplace injuries. In 2007-2009, the agency's safety program manager will develop a program to increase employee focus on safety, including safety orientations, increased communication about safety issues, employee wellness including a strategy to address a high employee absentee rate; FA/CPR training and a drug/alcohol testing paradigm.

Labor Relations
Under the new master agreement with the state's unions, the agency is responsible for using performance management strategies and tools to develop a performance-based culture. During 2007-2009, the agency's labor relations manager will assist all divisions in develop processes to administer, manage and respond to labor matters in a professional and timely manner, implement a cooperation / compliance approach and conduct contract negotiation, training and administration.

Goals, Objectives, Strategies – Training

Goal: *Recruit, develop, retain and value a highly competent workforce.*

Objective: **Enable employees to achieve their full potential.**

Strategies:

- Develop a Workforce and Succession Plan to ensure a highly competent workforce for current and future vacancies, and plan for anticipated retirements.
- Provide training for employees in all divisions to promote career advancement and meet workforce planning needs.
- Increase staffing and funding to enhance and support training program.
- Create an effective tracking system will enable the agency to monitor, report and fulfill training needs identified in each employee's Performance and Development Plan (PDP).

Background:	Washington's Civil Service Reform Act requires agencies to implement a performance management evaluation process necessary to make a transition to a performance-based culture. Agency employees and administrators have identified workforce planning and employee training as a top priority. The agency management team is developing a leadership development strategy and a Workforce/Succession Plan. Certain training is mandated by statute, executive order, collective bargaining agreements and agency policy. It is difficult to provide training to geographically dispersed employees. Continuing training for field staff including enforcement and retail employees is needed to meet the public safety and revenue goals of the agency's balanced mission.
Solution:	Increased resources will enable the division to fulfill training requirements; minimize tort claims, lawsuits and disciplinary actions; and assist in building management and staff competencies in all divisions. It will improve divisional planning so that training needs identified in each employee's Performance and Development Plan (PDP) and can be met.
Stakeholders:	WSLCB customers, employees, Department of Personnel, Office of Financial Management and labor organizations representing our employees
Partners:	State Department of Personnel
Lead Division(s):	Human Resources
Participating Division(s):	All Divisions
Start Date:	July 2007
Finish Date:	June 2009

Relevance to State Priorities / Agency Performance

Strategy: **Provide training for employees in all divisions**

Initiative	*Objective*	*Contact*
GMAP	▪ Core training completion rates by division ▪ Ratio of internal promotions to external hires (WMS/Exempt). ▪ Number of employee development plans completed with PDP.	Training Manager
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	

Employee Survey	Improved employee responses in the areas of *Direction*, *Participation*, *Recognition*, *Trust/ Respect*, *Senior Management*, and *Mid Mgt.*
Self Assessment	**<u>Opportunities</u>** **Employee Well Being (2.2)** Our agency motivates and supports employees in attaining job and career-related learning objectives.

Goals, Objectives, Strategies – Employee Safety

Goal:	*Recruit, develop, retain and value a high competent workforce.*
Objective:	**Provide a safe and positive work environment to increase employee morale and minimize workplace injuries and reduce employee absenteeism.**
Strategy:	▪ Expand the employee safety program and establish formal health program. ▪ Provide staffing and increase funding to support the employee safety and health program.
Background:	The LCB continues to focus on ensuring a safe environment for employees and customers. Our focus and priority is to continue to reduce workplace injury claims and, impacts and costs associated with workplace injuries and absenteeism.
Solution:	Increased resources for these programs will reduce injury and illness prevention. Broad employee participation will result in a substantial savings on L&I annual premiums and in a more productive workforce. Returning employees to work as soon possible provides significant benefit to employees and the agency. Lower employee absenteeism will result in more efficient and productive agency operations.
Stakeholders:	Employees and external customers.
Partners:	Labor, industries, vocational counselors
Lead Division:	Human Resources
Participating Divisions:	All Divisions
Start Date:	In Progress
Finish Date:	Ongoing

Relevance to State Priorities / Agency Performance

Strategy: **Develop and implement employee safety and health program**

Initiative	*Objective*	*Contact*
GMAP	▪ Cost/benefit analysis ▪ Improved employee morale	Safety Manager
POG	*Strengthen government's ability to Achieve its results efficiently and effectively.*	
Employee Survey	Impact on employee responses to questions About *Direction*, *Job Satisfaction*, *Recognition*, *Trust/Respect*, and the effectiveness of *Mid* and *Senior Management*.	
Self Assessment	**<u>Strengths</u>** **Public Responsibility and Citizenship (4.1)** Senior leaders demonstrate public responsibility. **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats. **<u>Opportunities</u>** **Employee Well Being (2.2)** Our agency motivates and supports employees in attaining job and career-related learning objectives.	

Goals, Objectives, Strategies – Labor Relations

Goal: *Recruit, develop, retain and value a highly competent workforce.*

Objective: **Develop and implement labor relations strategy.**

Strategies:

- Assist all divisions in developing processes to administer, manage and respond to labor matters in a professional and timely manner.
- Implement a cooperation / compliance approach.
- Conduct contract negotiation, training and administration.
- Increase staffing and resources for Labor Relations program.

Background: Under the new Master Agreement with the state's unions, the agency is responsible for using performance management strategies and tools to develop a performance-based culture. As part of this effort, the agency has placed increased emphasis on improving employee training and development through a new training program.

Solution:	Increased resources to address labor relations workload will enable the agency to build a performance-based culture with its unions and increased employee training will reduce tort claims, lawsuits and disciplinary actions, and assist to build capacity within the organization for workforce planning.
Stakeholders:	Legislators, Governor, employees, unions, and other state agencies.
Partners:	LRO
Lead Division:	HR
Participating Divisions:	All divisions
Start:	In progress
Finish:	Ongoing

Relevance to State Priorities, Agency Performance

Strategy: **Professional / timely handling of labor matters**

Initiative	***Objective***	***Contact***
GMAP	▪ Master Agreement training ▪ Track Grievances / Arbitrations ▪ Provide contract interpretation ▪ Provide link to agreements.	Labor Relations Manager
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Direction*, *Participation*, *Recognition*, *Trust/ Respect*, *Senior Management*, and *Mid Management*.	
Self Assessment	**<u>Strengths</u>** **Organizational Performance Review (3.6)** Senior managers conduct periodic reviews of plan and performance, and establish action plans to assist work units not performing at expected levels. **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats.	

Opportunities

Employee Well Being (2.2)
Our agency motivates and supports employees in attaining job and career-related learning objectives.
Support Processes (2.2)
Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.

Strategy: **Cooperation / Compliance Approach**

Initiative	*Objective*	*Contact*
GMAP	▪ Communication with employees, unions, LRO ▪ Pre-decisional input received. ▪ # of determinations upholding the language and intent of the Master Agreements.	Labor Relations Manger
POG	*Strengthen government's ability to achieve Its results efficiently and effectively.*	
Employee Survey	Improved employee responses in the areas of *Direction*, *Participation*, *Recognition*, Trust/ *Respect*, *Senior Management*, and *Mid Management*.	
Self Assessment	**Strengths** **Organizational Performance Review (3.6)** Senior managers conduct periodic reviews of plan and performance, and establish action plans to assist work units not performing at expected levels. **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats. **Opportunities** **Employee Well Being (2.2)** Our agency motivates and supports employees in attaining job and career-related learning objectives. **Support Processes (2.2)** Our support processes and supplier processes are designed, measured and managed to support agency goal, minimize rework, reduce risk, and keep current with emerging needs.	

Policy, Legislative, Media Relations

Overview

Policy Legislative, Media Relations (PLMR) is responsible for policy development, communications, a statewide alcohol awareness program, legislative relations, agency rules and public disclosure.

Major Objectives

Communications

The Communications Office has identified three major strategies for the 2007-2009 planning period.

- Continue to standardize and improve agency publications.
- Continue to develop the employee intranet and Internet.
- Conduct a statewide alcohol awareness campaign aimed at middle and high school students.

Policies, Rules

In 2007-2009 PLMR will continue to place strong emphasis on updating agency rules and completing a revision of more than 800 policies and procedures begun in 2004. The number and complexity of legislative proposals related to liquor law is growing. Lawsuits challenging the agency's regulatory authority, a rapidly emerging workload in tribal relations, GMAP reporting and other emerging issues have placed much greater stress on this area of responsibility.

Goals, Objectives, Strategies - Communications

Goals: Goals 1-4 are supported by the following objective/strategy.

Objective: **Continue comprehensive communication planning, improvement.**

Strategies:

- Continue to standardize and improve agency publications.
- Continue to develop the employee intranet and Internet.
- Continue to run a statewide alcohol awareness campaign directed at middle and high school students.

Background: To accomplish its mission, the WSLCB needs the full support of its employees, its customers, stakeholders, elected officials and the public. Better-informed constituents will help the agency achieve improved legislative and public support. The agency has lacked a comprehensive set of tools and a strategy to communicate more effectively with these important constituent groups. The agency needs to tell its story in a more focused and strategic manner.

Solution: By improving publications and placing them online, by creating improved online environments to facilitate communication, and by

	raising public awareness about underage drinking and over-consumption the agency will save staff time and money, will improve employee efficiency and morale, and will achieve its vision of ensuring the responsible sale and consumption of alcohol in Washington.
Stakeholders:	Customers, legislators, industry partners, news media; community interest groups, employees, unions, state agencies, criminal justice system, licensees, cities/counties, schools, health care providers and social service agencies.
Partners:	Other state communication offices
Lead Division:	Policy, Legislative and Media Relations
Participating Divisions:	All divisions
Start:	In progress
Finish:	Ongoing

Relevance to State Priorities / Agency Performance

Strategy: **Publications Improvement**

Initiative	***Objective***	***Contact***
GMAP	▪ Continue to refine the process used to guide comprehensive publications improvement. ▪ Rewrite publications/forms. ▪ Conduct cost/savings analysis. ▪ Post publications online.	Communications Director
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	Likely to improve employee responses in the areas of *Communication, Information,* and *Direction.*	
Self Assessment	**<u>Strengths</u>** **Strategic Planning and Resource Allocations (3.5)** Strategic plan addresses agency strengths and weaknesses, current and emerging opportunities and threats.	

<u>Opportunities</u>
Support Processes (2.2)
Our support processes and supplier processes are designed, measured and managed to support agency goals, minimize rework, reduce risk, and keep current with emerging needs.

Strategy:	**Intranet / Internet Development**	
Initiative	***Objective***	***Contact***
GMAP	▪ Improve content, organization of division intranet pages. ▪ Train division staff to maintain their divisional intranet sites. ▪ Improve navigability, content and design of main Internet site.	Communications Director
POG	*Strengthen government's ability to achieve results efficiently and effectively.*	
Employee Survey	Likely to improve employee responses in the areas of *Communication, Information,* and *Direction.*	
Self Assessment	**TBD**	

Strategy:	**Alcohol Awareness**	
Initiative	***Objective***	***Contact***
GMAP	▪ Support national Prevent Underage Drinking campaign. ▪ Create a statewide media campaign aimed at middle and high school students. ▪ Create a senior-level advisory group. ▪ Identify and obtain grant funding. ▪ Develop expanded alcohol awareness Web site.	Alcohol Awareness Manager
POG	TBD	
Employee Survey	N/A	

Self Assessment

Strengths

Public Responsibility and Citizenship (4.1)
Senior leaders demonstrate public responsibility.

Opportunities

Customer Satisfaction (2.3)
We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve.

Goals, Objectives, Strategies – Policies/Rules

Goals: *Goals 1-4 are supported by the following objective/strategies.*

Objective: Develop policies, rules and analytical expertise to support agency objectives and meet statewide mandates.

Strategies:

- Coordinate and monitor internal policy and procedure development and GMAP reporting processes, providing analysis and support for continuous improvement.
- Improve ability to respond to externally driven issues that result in the need for revisions to law, WAC, rules and state government mandates: Three-Tier Review Task Force; License Density Workgroup, Alcohol Impact Areas, Costco lawsuit.
- Prioritize and coordinate agency rule development to ensure rules are easy to understand (Plain Talked), are kept current and accessible in different formats (print, online), and are developed in close coordination with new legislation.

Background: The agency carries out its work of controlled distribution, enforcement, licensing and education in an ever-more dynamic environment of social and economic change. Policies, rules, WACs and new legislation are developed in response to political initiatives, stakeholder concerns, challenges associated with increased risk and many other external factors.

Solution: Expanding PLMR's analytical capacity will help the agency and its divisions carry out core objectives more effectively and will provide greater flexibility in meeting change driven by external factors.

Stakeholders: Agency staff, legislators, licensees, local authorities, state agencies, the public, labor unions and community groups.

Partners: TBD

Lead Division: Policy, Legislative and Media Relations

Participating Divisions: All agency divisions.

Start: In progress
Finish: Ongoing

Relevance to State Priorities / Agency Performance

Strategy: **Coordinate, monitor internal policy, GMAP processes.**

Initiative	***Objective***	***Contact***
GMAP	▪ Track and update agency and division policies / GMAP to reduce agency risk. ▪ Post policies / GMAP reports and communicate. ▪ Initiate periodic reviews of policy / GMAP effectiveness. ▪ Provide technical and analytical assistance.	GMAP Coordinator
POG	*Strengthen government's ability to Achieve its results efficiently and effectively.*	
Employee Survey	Relevant to employee *training* and *development*.	
Self Assessment	**<u>Strengths</u>** **Organizational Performance Review (3.6)** Senor managers conduct periodic reviews of plan and performance and establish action plans to assist work units not performing to plan. **Strategic Planning and Resource Allocations (3.5)** Our strategic plan addresses agency strengths and weaknesses, current and emerging opportunities. **<u>Opportunities</u>** Customer Satisfaction (2.3) We collect actionable information on customer satisfaction/dissatisfaction, follow up with them and use the information to improve.	

Strategy:	**Improve ability to respond to externally driven issues.**	
Initiative	***Objective***	***Contact***
GMAP	▪ Develop plan to coordinate legislative initiatives and externally driven challenges or challenges ▪ Provide direct assistance to divisions. ▪ Write, edit provide analysis as needed. ▪ Initiate periodic reviews of effectiveness. ▪ Provide technical and analytical assistance.	Senior Legislative Analyst
POG	*Strengthen government's ability to achieve results efficiently and effectively.*	
Employee Survey	Relevant to employee training and development.	
Self Assessment	GMAP processes require continuing self assessment.	

Strategy:	**Rule Development**	
Initiative	***Objective***	***Contact***
GMAP	▪ Report on existing rule revision and updating. ▪ Report new rule development resulting from legislation. ▪ Record appropriate public/stakeholder input.	Coordinator
POG	*Strengthen government's ability to achieve its results efficiently and effectively.*	
Employee Survey	N/A	
Self Assessment	**<u>Strengths</u>** **Organizational Performance Review (3.6)** Senior managers conduct periodic reviews of plan and performance, and establish action plans to assist work units not performing to plan. **<u>Opportunities</u>** **Customer Satisfaction (2.3)** We collect actionable information on customer satisfaction/dissatisfaction, follow up with them, and use the information to improve?	