
Washington State
Productivity Board

Teamwork Incentive Program – Final Report

August 2009

AGENCY: Washington State Liquor Control Board
TEAM: Purchasing Team – Supplier Directory Project
PROJECT PERIOD: December 2007 – December 2008

OVERVIEW: The Liquor Control Board sends out 12 bulletins a year to its suppliers (plus numerous other bulletins that are distributed amongst the agency's staff). The Purchasing Team collected all regular mailing addresses and created an Access database containing all contact information. This database could be accessed electronically, and all bulletins were converted to e-mail to save on printing, postage and staff time.

TEAM ACHIEVEMENTS: Through implementation of this project, the team has been able to help the Liquor Control Board save \$2,092.45 by reducing printing and mailing prices, along with staff time. This new procedure also helped the agency approve its ability to communicate with its suppliers.

ACTUAL NET REVENUE:	Meagan Renick	\$130.77
\$ 2,092.45	Kimberly Ward	\$130.77
	Robin Hall	\$130.77
AWARD APPROVED BY AGENCY:	Peggy Lynch	\$130.77
\$523.08		



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WSLCB

Complete this form **AFTER** the project has been implemented.

This report serves as the application for teams that apply to the Productivity Board after their team project has been implemented. Teams must meet the following criteria:

1. Submit the completed application form to the Productivity Board within one year of full implementation of the team project.
2. The report must be submitted to the Productivity Board by the agency, with the agency head's approval.
3. Teams should demonstrate plans to operate at a lower cost or with an increase in revenue with no decrease in the level of services rendered.
4. Provide a list of all team members and the percentage of savings the team members will share. Note: The percentage of savings/revenue is up to 25%, with a maximum of \$10,000 per person. Also, include the percentage of the share each team member shall receive.
5. The completed team application should include the Team Member Authorization Form and the Agency Authorization Form.

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APPLICATION FORM

TEAM NAME Purchasing Team – Supplier Directory Project

AGENCY Liquor Control Board

PROJECT PERIOD 12/2007 – 12/2008

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Productivity Board

TEAM OVERVIEW

This project began back in December of 2007, when the Purchasing Division was sending out via regular mail, about 12 bulletins a year to all of our Suppliers (plus numerous other bulletins that go out on a monthly basis from staff within the Purchasing Division). The project was to take all of our regular mail addresses and info which was printed on a regular basis and kept in a binder in Purchasing (out of the database), and convert it to an Access database which could be accessed electronically by all and convert all bulletins to electronic mailing via email to save on printing/postage/staff time. This also improved our ability to communicate with our suppliers in a much timelier manner.

ACHIEVEMENTS

During the project period, the team achieved the creation of the electronic database, converted all supplier information to a more up to date way of keeping the info, and successfully implemented sending out all bulletins and correspondence to suppliers electronically, creating a cost and time savings. Our original projections were based on 12 bulletins per year, when in fact we sent out 15 total, so the cost savings were slightly higher than projected.

PERFORMANCE MEASURES

Performance measures used:

In 2008 there were 15 All Supplier Bulletins sent out electronically to all suppliers, instead of being mailed out via regular mail as they were in years past. This process has now been successfully implemented for all future bulletins. All cost projections as outlined in attached TIP application form were recalculated to reflect 15 bulletin savings.

TOTAL ACTUAL NET SAVINGS AND/OR REVENUE

Paper Savings for one year \$62.55 (based off our original projection of \$50.00)

Envelope Saving for one year \$131.25

Postage Savings for one year \$106.58

Manpower to stuff envelopes \$300.00

\$2092.45 per year

Note: Awards are paid by the agency in which the team is located and/or from the benefitting fund. Awards are based on the total actual net savings or revenue generated by the team during the project period.

PERCENTAGE OF SAVINGS AND/OR REVENUE THE TEAM IS ENTITLED TO FOR AN AWARD:

25%

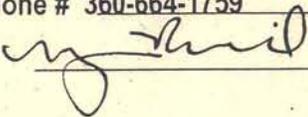
Note: The percent of savings or revenue (up to 25%, with a maximum of \$10,000 per person) the team is entitled to for an award, shall be agreed upon by the agency and team, prior to submitting this report to the Productivity Board.

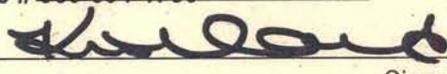
TOTAL TEAM AWARD

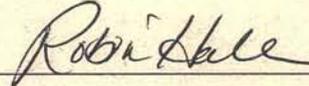
\$523.11

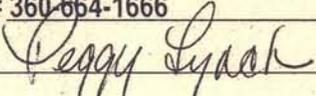
TEAM AUTHORIZATION FORM

As certified by my signature below, I approve the application as submitted and agree with the information provided in the report.

Meagan K. Renick
TEAM MEMBER NAME (type or print) _____
JOB TITLE **Administrative Assistant 4** _____
Phone # **360-664-1759** _____ E-mail Address **mkr@liq.wa.gov** _____ AWARD RATIO **25%** _____
X  _____ **04/13/09** _____
Signature Date

Kimberly Ward
TEAM MEMBER NAME (type or print) _____
JOB TITLE **Buying Manager** _____
Phone # **360-664-1786** _____ E-mail Address **kwa@liq.wa.gov** _____ AWARD RATIO **25%** _____
X  _____ _____
Signature Date

Robin Hall
TEAM MEMBER NAME (type or print) _____
JOB TITLE **Spirit Buyer** _____
Phone # **360-664-1658** _____ E-mail Address **rch@liq.wa.gov** _____ AWARD RATIO **25%** _____
X  _____ _____
Signature Date

Peggy Lynch
TEAM MEMBER NAME (type or print) _____
JOB TITLE **Assistant Buyer** _____
Phone # **360-664-1666** _____ E-mail Address **ptl@liq.wa.gov** _____ AWARD RATIO **25%** _____
X  _____ _____
Signature Date

TEAM MEMBER NAME (type or print) _____
JOB TITLE _____
Phone # _____ E-mail Address _____ AWARD RATIO _____
X _____ _____
Signature Date



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Complete this form BEFORE you begin a project.

This report serves as the application for teams that apply to the Productivity Board before their team project has started. Teams must meet the following criteria:

1. Submit the completed application form prior to starting the team project with agency head approval.
2. Teams should demonstrate plans to operate at a lower cost or with an increase in revenue with no decrease in the level of services rendered.
3. Provide a list of all team members and the percentage of savings the team will share. Note: The percentage of savings/revenue is up to 25%, with a maximum of \$10,000 per person. Also, include the percentage of the share each team member will receive.
4. The team will need to set a project period i.e., 3, 6, 9, 12 months. The team will be entitled to a percentage of savings for the project period.
5. The completed team application should include the Team Member Authorization Form, and the Agency Authorization Form.
6. The team will need to submit a mid-point review during the project period and a final report at the conclusion of the project. Productivity Board staff will assist agencies during this process.

APPLICATION FORM

TEAM NAME Purchasing Team-Supplier Directory Project

AGENCY WSLCB
PROJECT PERIOD ~~12/07-3/08~~ 12/07 - 12/08

TEAM OVERVIEW

Provide a brief summary of the project. Please include attachments if needed.
Currently the Purchasing Division, sends out via regular mail, about 12 Bulletins a year to all of our suppliers (about 260). The project is to convert this to an electronic mailing. This will save money and manpower as well as improve our ability to communicate with our suppliers in a much timelier manner.

GOALS & MISSION

We will create an Access database that will store all contact information from the supplier.
We will contact the suppliers to:

- Make sure the bulletins are going to the correct person/people
- Obtain an email address for all suppliers

We will enter all these email addresses into the database
We will send a test Bulletin to all the suppliers to correct any incorrect email addresses

sent 6/11/08 to PB

2/4/09
After needs to be done

We will send a final mailing to all suppliers notifying them of this change and make sure that they received the email.
We will begin sending all bulletins electronically

PERFORMANCE MEASURES

Performance measures that will be used:

We created an Access database that would allow us to store this information, easily maintain this information, and merge to Outlook. We figure this saves us 3120 pieces of paper a year, 3120 envelopes a year, 3,120 postage stamps a year of paper a year, 15-20 manpower hours a year.

TOTAL ANTICIPATED NET SAVINGS AND/OR REVENUE

Please provide information showing how the savings will be derived.

* Paper Savings for one year-\$50.00 yr	-4.17	(42.55)
Envelope Savings for one year-\$105.00	8.75	
Postage Savings for one year-\$1279.00	106.58	131.25
Manpower to stuff envelopes a year \$240.00	20	1598.70
	\$1674	300
		<hr/>
		2092.45

The higher level of customer service to our suppliers is priceless.

Note: Awards are paid by the agency in which the team is located and/or from the benefiting fund. Awards are based on the total actual net savings or revenue generated by the team during the project period.

PERCENTAGE OF SAVINGS AND/OR REVENUE THE TEAM IS ENTITLED TO FOR AN AWARD:

% 25

Note: Awards are paid by the agency in which the team is located and/or from the benefiting fund. Awards are based on the total actual net savings or revenue generated by the team during the project period. The percent of savings or revenue (up to 25%, with a maximum of \$10,000 per person) the team is entitled to for an award, shall be agreed upon by the agency and team, prior to submitting this report to the Productivity Board.

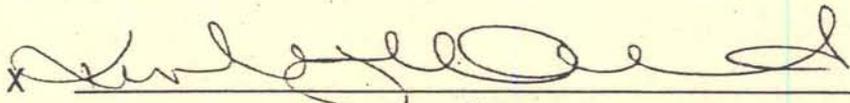
TEAM AUTHORIZATION FORM

As certified by my signature below, I approve the application as submitted and agree with the information provided in the report.

TEAM MEMBER NAME Kimberly Ward

JOB TITLE Buying Manager

Phone # (360) 664-1786 E-mail Address kwa@liq.wa.gov AWARD RATIO 1

X  Signature 4/19/08 Date

TEAM MEMBER NAME (type or print) Robin Hall

JOB TITLE Spirits Buyer

Phone # (360) 664-1658 E-mail Address RCH@liq.wa.gov AWARD RATIO 1

X Kobu Hall Signature 4/9/08 Date

TEAM MEMBER NAME (type or print) Peggy Lynch

JOB TITLE Assistant Buyer

Phone # 360-664-1666 E-mail Address PTL@liq.wa.gov AWARD RATIO 1

X Peggy Lynch Signature 4/9/08 Date

TEAM MEMBER NAME Meagan Renick

JOB TITLE Admin Assistant

Phone # 360-664-1759 E-mail Address mkr@liq.wa.gov AWARD RATIO 1

X [Signature] Signature 4/9/08 Date

TEAM MEMBER NAME Missy Aulabaugh

JOB TITLE Merchandise Coordinator

Phone # 360-664-1652 E-mail Address mka@liq.wa.gov AWARD RATIO 1

X [Signature] Signature [Date] Date

AGENCY AUTHORIZATION FORM

AGENCY LCB

UNIT/DIVISION Purchasing

TEAM NAME Supplier Correspondence Directory

As certified by my signature below, I approve the above named unit/division to participate and receive the agreed upon award in the Teamwork Incentive Program. Awards up to 25 percent of net savings or revenue gains resulting from improvements made during the project period will be distributed according to the agreements made by the agency and team. The Agency Head may determine whether to waive the requirement of signatures from the unit supervisor, and/or fiscal/budget officer. The Agency Head must sign the report if he/she agrees with the team becoming an official Teamwork Incentive Program team.

As certified by my signature below, I have reviewed and agree with the information provided in the team report, and support the team receiving the award recommended in the report.

AGENCY PRODUCTIVITY BOARD COORDINATOR

Date

AGENCY HEAD

Date

Note: The agency head has the authority to waive the following signatures:

Deli J. Besser

8/13/08

UNIT SUPERVISOR

Title/Date

AGENCY FISCAL OFFICE

Title/Date

Washington State
Productivity Board

Teamwork Incentive Program – Final Report

August 2009

AGENCY: Washington State Liquor Control Board

TEAM: Customer Comment Card Team

PROJECT PERIOD: October 2007 – October 2008

OVERVIEW: The Liquor Control Board has always sought feedback from its customers by setting up comment cards at each of its retail outlets. This process created extra work and cost that limited the agency's effectiveness at responding to valuable feedback. The Customer Comment Card Team developed and implemented a new process of collecting feedback by creating an 800 number and an e-mail address that would forward all comments to Headquarters, which would then be monitored by the Retail Department. The team also created a spreadsheet listing the store, comment, date, and contact information of the customer. That data would be collected on a daily basis and forwarded to the proper party for resolution.

TEAM ACHIEVEMENTS: The implementation of this process has enabled the agency to respond to customer comments within a week of the initial suggestion, and has cut down on staff time and overall operational cost. The new process will save the Liquor Control Board \$9,562.32 in the first year alone, and enable the agency to stay better in touch with its customer base.

ACTUAL NET SAVINGS:
\$ 9,562.32

AWARD APPROVED BY AGENCY:
\$2,477.94

Meagan Renick	\$792.94
Debbie McVicker	\$792.94
Shayna Burmeister	\$792.94
Brad Rinke	\$99.12

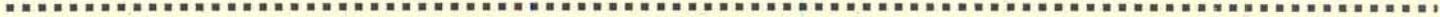


WASHINGTON STATE PRODUCTIVITY BOARD TEAMWORK INCENTIVE PROGRAM

Complete this form **AFTER** the project has been implemented.

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3. Teams should demonstrate plans to operate at a lower cost or with an increase in revenue with no decrease in the level of services rendered.
4. Provide a list of all team members and the percentage of savings the team members will share. Note: The percentage of savings/revenue is up to 25%, with a maximum of \$10,000 per person. Also, include the percentage of the share each team member shall receive.
5. The completed team application should include the Team Member Authorization Form and the Agency Authorization Form.



APPLICATION FORM

TEAM NAME Customer Comment Card Team
 AGENCY Liquor Control Board
 PROJECT PERIOD 10/2007 – 10/2008

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 Productivity Board

TEAM OVERVIEW

This project began back in approximately October of 2007, and consisted of revamping our customer comment card system to create a more effective way of gathering customer feedback and dealing with customer complaints. Please see attached GMAP slides and Business Case for additional information.

ACHIEVEMENTS

The team explored options to make the customer comment cards more visible to the public, and more effective for tracking purposes within LCB. We explored different price points for revamping the system to save time and money.

4

PERFORMANCE MEASURES

Performance measures used:

With the new system, we have the ability to better track customer feedback and better address customer concerns/complaints. We tracked this through our GMAP for approximately one year as we were in the implementation stages of the new system as well.

Please see attached documentation:

GMAP Action Plan

Correspondence to CLS Managers RE: Pilot

Business Case

TOTAL ACTUAL NET SAVINGS AND/OR REVENUE

Prior Cost of Comment Cards with no effective or valuable feedback:

Prior Labor Expenses:

District Manager AA: 20 hrs/month at \$14.93 = \$298.60

Retail Director AA: 4 hrs/month at \$19.88 = \$79.52

District Managers: 12 hrs/month at \$28.85 = \$346.20

Purchasing: 5 hrs/month at \$22.52 = \$112.60

Other Expenses:

Printing: \$150.00/month (averaged over 15 months)

Postage: \$62.93/month (averaged over last 3 months)

Total monthly cost of prior program: = \$1,049.85/month

Actual New Reduced Cost (04/13/09) with effective and valuable feedback:

Reduced Labor Expenses:

District Manager AA: 6 hrs/month at \$14.93 = \$89.58

Retail Director AA: 1 hr/month at \$19.88 = \$19.88

District Managers: 2 hrs/month at \$28.85 = \$57.70

Purchasing: 0.5 hr/month at \$22.52 = \$11.26

Other Expenses:

800 line expenses: =\$19.57

monthly fee for the 800 Line =\$55.00

Total monthly cost of new program: = \$252.99/month

Total Monthly cost savings of \$796.86.

\$9,562.32 per year

Numbers listed above: as verified by Margee Thompson

Note: Awards are paid by the agency in which the team is located and/or from the benefitting fund. Awards are based on the total actual net savings or revenue generated by the team during the project period.

PERCENTAGE OF SAVINGS AND/OR REVENUE THE TEAM IS ENTITLED TO FOR AN AWARD:

25%

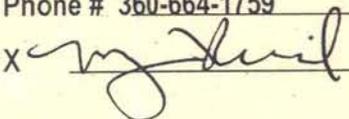
Note: The percent of savings or revenue (up to 25%, with a maximum of \$10,000 per person) the team is entitled to for an award, shall be agreed upon by the agency and team, prior to submitting this report to the Productivity Board.

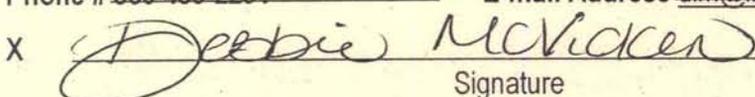
TOTAL TEAM AWARD

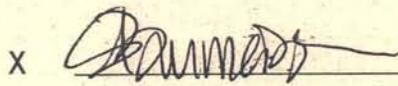
\$2477.94

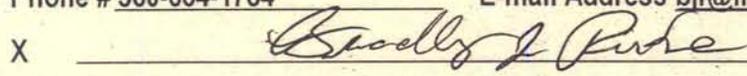
TEAM AUTHORIZATION FORM

As certified by my signature below, I approve the application as submitted and agree with the information provided in the report.

Meagan K. Renick
TEAM MEMBER NAME (type or print) _____
JOB TITLE Administrative Assistant 4
Phone # 360-664-1759 E-mail Address mkr@liq.wa.gov AWARD RATIO 32%
X  04/13/09
Signature Date

Debbie McVicker
TEAM MEMBER NAME (type or print) _____
JOB TITLE District Manager
Phone # 360-480-2291 E-mail Address d1m@liq.wa.gov AWARD RATIO 32%
X  4/13/09
Signature Date

Shayna Burmeister
TEAM MEMBER NAME (type or print) _____
JOB TITLE Administrative Assistant 5
Phone # 360-664-1730 E-mail Address ssb@liq.wa.gov AWARD RATIO 32%
X  _____
Signature Date

Brad Rinke
TEAM MEMBER NAME (type or print) _____
JOB TITLE Graphic Designer
Phone # 360-664-1784 E-mail Address bjr@liq.wa.gov AWARD RATIO 4%
X  _____
Signature Date

TEAM MEMBER NAME (type or print) _____
JOB TITLE _____
Phone # _____ E-mail Address _____ AWARD RATIO _____
X _____
Signature Date



Washington State
Liquor Control Board

Retail Customer Comment Card Program

Business Case

Version 2.0 Draft 1 – October 17, 2008



Washington State Liquor Control Board

1. Maximize Financial Return
 2. Promote Public Safety
 4. Innovative use of Technology
- ↓
Customer Satisfaction

ACTION PLAN

- By April 30, 2008 define a Customer Service Feedback plan and the underlying strategies to include evaluation of private sector retailers, required to improve retail customer input and identify all potential agency resources impacted including increases in phone calls, tracking results, IT support and budget costs.
- By June 30, 2008 redevelop our customer feedback processes including possible redesign of feedback methodology.
- By July 15, 2008 implement 15 pilot stores to evaluate program and gather feedback.
- By August 15, 2008 evaluate pilot store feedback.
- By September 30, 2008 implement a replacement feedback program statewide based upon industry best practices.



Background

Briefly describe the background or situation for building this business case.

The LCB currently receives feedback from the Retail outlets by way of Comment Cards. These cards mandatorily displayed at all State Stores. We advise Contract Stores to display these as well. The comment cards are self addressed, stamped postcards which are mailed into HQ. HQ receives, reads, sorts, copies, faxes and requests follow up. Follow up is currently not measured. During a typical month, the Liquor Control Board received an average of 120 comment cards. These postcards include a scoring grid for customers to evaluate our service utilizing a five standard criteria.

Business Problem or Opportunity

Briefly describe the business problem to be solved or opportunity to be gained. Also describe what will happen if this Project is not done and any potential risks associated with completing the project.

Often the comment cards do not reach the Store, Purchasing or DM until 4-8 weeks after the feedback is received. During Q408, we received an average score of 4.6 out of a possible 5 point rating from the postcards submitted. However, during this same period we received comments through emails and direct calls that reflected many opportunities for improvement. These concerns were not reflected through the use of our postcards. We frequently receive feedback with no constructive comments or comments that require no follow-up. When the comment cards require action or follow-up, often too much time has elapsed and follow up is untimely and meaningless. Currently, it costs the Liquor Control Board a minimum of \$1031 to process approximately 120 cards per month.

Below is a sampling of our Postcard feedback program which includes 10 districts for 30 days:

106 postcards were received: Of the 106 cards, 71 cards received had contact information which included the following information:

- 56 were from State Stores, 15 were from Contract Stores.
- 7 had no comments
- 4 were repeat customers (same person filled several cards)
- 35 had general statements (you're great, thanks, etc...)
- 25 contained informative responses.

The remaining 25 postcards had no contact information; the cards included the following information**:

- 18 positive, (9 with general statements)
- 2 negative
- 3 with no comments
- 3 with product inquiries

**Total does not equal 25 as there was some cross-referencing.

Out of all 106 customer postcards received, 25 provided valuable feedback that could be used to improve our store operations and provide feedback to our employees.

In reviewing our current process, we've determined that we need to develop a method to collect more useable and measurable data. Currently, we do receive a large number of cards; however, would like to generate more honest comments and feedback in a timely manner. As a result a pilot project was undertaken 9-12-08 with the following objectives:

1. Actionable feedback
2. Constructive feedback
3. Time feedback and response time
4. Lower cost of gathering, processing and responding to feedback
5. Measure results form alternative collection methods.

Below is the statistical recap of our Customer Comment pilot program which included 2 Districts for 30 days.

We received 22 email or phone responses.

- 10 were emailed through comments@liq.wa.gov.
 - 2 were forwarded to Licensing
 - 3 were product inquiries
 - 2 were Enforcement questions
 - 2 related to questions regarding special orders
 - 1 was in reference to our check writing policy.
- 12 responses utilized our 800 number
 - 4 to Licensing (2 were regarding banquet permits)
 - 3 were product questions
 - 2 inquired as to store policies
 - 2 regarded inappropriate treatment by a store employee
 - 1 was a question that was forwarded to Enforcement.

We consider **all 22 comments** to have provided valuable feedback and were able to respond to each customer regarding their comment or complaint in a timely fashion. All of the customers, whether they provided positive or negative feedback, were extremely pleased that we followed up with them regarding the information they provided.

Results

Describe the business objectives or outcomes expected. Make your objectives Specific, measurable, attainable, realistic, time-bound, concrete objectives for achieving the goal.

As a result of the Pilot:

1. The Pilot provided immediate feedback to our Customers for resolution in comments or concerns.
2. The Pilot provided immediate feedback to our Stores for ways of improving our Service.
3. We provided immediate feedback to our Purchasing Department for immediate assistance in product issues.
4. The Pilot allowed the manager, an opportunity to rectify any situations.
5. The Pilot provided the 800 number as an option for customers.
6. The Pilot provided an email address as another option for customers.
7. The Pilot filtered unnecessary work and costs for the LCB.

Due to the results of the Pilot Program, we recommend to implement this Statewide.

Funding Source

Describe where and how you anticipate funding this project. Also state if this project is within your current budget allocation.

This project is a cost savings to the Liquor Control Board.

Estimated Costs

Describe the estimated cost to complete this request. The estimate does not have to be exact; it can be a ball park figure.

Cost Applications:

Current Cost of Comment Cards with no effective or valuable feedback:

Labor Expenses:

District Manager AA: 20 hrs/month at \$16.87 = \$337.40

Retail Director AA: 4 hrs/month at \$19.03 = \$76.12

District Managers: 12 hrs/month at \$25 = \$300.00

Purchasing: 5 hrs/month at \$20.99 = \$104.95

Other Expenses:

Printing: \$150.00/month (averaged over 15 months)

Postage: \$62.93/month (averaged over last 3 months)

Total monthly cost: = \$1031.40/month (current costs averaged)

Proposed Pilot Cost with effective and valuable feedback:

Labor Expenses:

District Manager AA: 12 hrs/month at \$16.87 = \$202.44

Retail Director AA: 4 hrs/month at \$19.03 = \$76.12

District Managers: 12 hrs/month at \$25 = \$300.00

Purchasing: 5 hrs/month at \$20.99 = \$104.95

Other Expenses:

800 line expenses: .02 per minute, per phone call - 100 calls at 3 minutes each = \$19.67

\$55 monthly fee for the 800 Line

Projected Total monthly cost: = \$758.18/month

Total cost savings of approximately \$273.22 per month.

A one time cost of \$930 for self-inking stamp will be required for implantation of Contract Liquor Stores.

Estimated Timeframe

Indicate the estimated timeframe you are thinking about having this start and finish.

Currently we are undergoing a pilot program in Districts 3 and 4. Statewide implementation for our state stores could begin within 10 days of approval. Contract Liquor Stores would require ordering a self-inking message stamp with our tag line. The one time expense for this stamp would be \$930.

Stakeholders Impacted

Impacted stakeholders complete this section with the time and cost this idea will have on the stakeholder.

Identify *internal* stakeholders and get their feedback about how they might be affected and what impact the project will have on their people, process, tools, and money.

Stakeholder	Fiscal and Resource Impacts
Director's Office	**
Licensing	**

Stakeholder	Fiscal and Resource Impacts
Enforcement	**
Human Resources	**
Business Enterprise	**
Retail	**
Purchasing	**
Distribution Center	**
Administrative Services	**
Information Technology	**
Contracts Office	**
Finance	**

** The only impact on other agency resources would be responding to complaints that are fielded through our program but relevant to different divisions.

Identify *external* stakeholders that may be affected and what impact the project will have on their people, process, tools, and money.

Stakeholder	Fiscal and Resource Impacts
Washington State Agencies	Na
Vendors	Na

1. Acceptance

Approval by Key Stakeholders for the final Business Case.

We have reviewed this document and approve resources for project definition:

Name and Title	Signature	Date
Division Manager		
Project Sponsor		
Project Manager		



Washington State Liquor Control Board

Date: August 22, 2008
To: CLS Managers
From: Debbie McVicker, District Manager
Subject: Customer Comment Pilot

Greetings,

You have been selected to partake in a pilot program to improve our feedback which we receive from our Customers. This process is to not only provide a better service to our customers, but to provide immediate feedback to you, the store. Currently, our process often takes 4-8 weeks for our stores to receive feedback. This feedback could be vital in improving a customer service issue, a store condition or product request.

After discussing with stores, the purchasing team and looking through many options; we have developed a Program that will help us to receive immediate feedback. While the Governor's mandate slowed some "extras" that we were hoping to roll out, we feel that we have an immediate, simple program, comparative to other Retailers which we can build on for the future.

First, we would like to give you, the manager, an opportunity to "fix" any situations that have gone amiss in your store. This is an important factor that Managers have an opportunity to rectify situations first.

For customers who would like another option, we are supplying a 800 number and a e-mail address that will forward them to Headquarters. The 800 volume and the e-mail will be monitored by Retail. We have a plan to press on this program and we will continue to provide information. Once the program is rolled out, the information is recorded and forwarded to the proper Stores, District Manager, and Purchasing Department. This entire process beginning to completion is expected to occur within one week. After the comment is responded to, the item is closed.

In order to roll-out the Pilot Program, you have a few responsibilities to accomplish before August 30th.

They are as follows:

1. Adhere the attached labels to the back of your Business Cards to distribute as you feel necessary.
2. If you are able on your POS system include the following "tag" line to your receipt:

Questions or Comments
Please Contact Store Mgr @ (your number)
Or visit Us @ comments@liq.wa.gov
Or Toll Free @ 877-comment

3. After the above is changed, pull all Comment Cards in your store. (please place these aside for now)
4. Email your District Manager upon completion.

5. Explain the new Customer Pilot with your employees, this should include: If a concern is brought forth that needs more assistance than the employee can help with and the SM is not available, the employee should hand the business card to the customer and encourage the customer call the SM letting them know that the phone number is listed at the bottom. The customers, upon referencing the card will see that they have additional options, should they deem it necessary to pursue.

After the above is changed, you are ready to start the pilot program. HQ Retail is ready to accept any questions or concerns that may pop up. You will be notified by email on any voicemail or emails received.

Thank you for your help in implementing this pilot, please call your DM if you have any questions or concerns.

Debbie McVicker
Retail Customer Comment Project Lead

Washington State
Productivity Board

Teamwork Incentive Program – Final Report

August 2009

AGENCY: Washington State Liquor Control Board
TEAM: Shooting Stars (Combined License Interview Process Team)
PROJECT PERIOD: August 2007 – August 2008

OVERVIEW: The Shooting Stars created the Combined License Interview Process (CLIP) to improve both the retail and non-retail application processing time, and generate retail liquor sales. The Shooting Stars revised forms currently used by the Liquor Control Board, and also created entirely new forms to better clarify information for the applicant. The team then combined their efforts with IT and put all forms on the internet, allowing the applicants to complete the forms online.

TEAM ACHIEVEMENTS: The efforts of the team not only led to quicker turnarounds in processing time (cut from 22 days to 13 days), they also generated revenue from both liquor sales and licensing fees. In addition to revenue, the new process also helped save the agency money through reduction in mail usage, time and money. Overall, the team helped the Liquor Control Board generate revenue and savings of \$37,493.

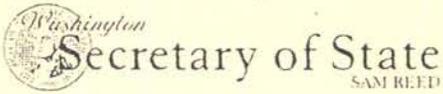
ACTUAL NET REVENUE:
\$ 37,493.00

AWARD APPROVED BY AGENCY:
\$9,372.00

Employee	Award \$
Jan Harrell	\$1,562.00
Sandy Brown	\$1,562.00
Cheryl Foster	\$1,562.00
Marcy Wilsie	\$1,562.00
Sherry Gutweiler	\$1,562.00
Delores Conwell	\$1,562.00

* Reviewers: Linda Villegas Bremer and Kathleen Brockman

Finalized copy 6-1-09



WASHINGTON STATE PRODUCTIVITY BOARD TEAMWORK INCENTIVE PROGRAM

Complete this form AFTER the project has been implemented.

This report serves as the application for teams that apply to the Productivity Board after their team project has been implemented. Teams must meet the following criteria:

1. Submit the completed application form to the Productivity Board within one year of full implementation of the team project.
2. The report must be submitted to the Productivity Board by the agency, with the agency head's approval.
3. Teams should demonstrate plans to operate at a lower cost or with an increase in revenue with no decrease in the level of services rendered.
4. Provide a list of all team members and the percentage of savings the team members will share. Note: The percentage of savings/revenue is up to 25%, with a maximum of \$10,000 per person. Also, include the percentage of the share each team member shall receive.
5. The completed team application should include the Team Member Authorization Form and the Agency Authorization Form.

.....
APPLICATION FORM

TEAM NAME SHOOTING STARS

AGENCY LIQUOR CONTROL BOARD / LICENSING DIVISION

PROJECT PERIOD AUGUST 15, 2007 TO AUGUST 15, 2008

TEAM OVERVIEW

Provide a brief summary of the project. Please include attachments if needed.

See : SUMMARY SHEET

CLIP SAVINGS PAGES

EARLY FEE EARNINGS PAGE

25

RECEIVED

JUN 30 2009

Productivity Board

ACHIEVEMENTS

Provide an overview of what the team achieved during the project period.

See : SUMMARY SHEET

CLIP SAVINGS PAGES

EARLY FEE EARNINGS PAGE

PERFORMANCE MEASURES

The team will need to show how the improvement will be measured, as the process currently exists, and with the anticipated improvements. Please describe and provide the following:

1. Flow chart showing origins, handling, and destination of the process before and after project.
2. List specific team tasks and the associated costs of doing business. Before and after.
3. Process used to track the team's progress.

Performance measures used:

See : CLIP SAVINGS PAGES

EARLY FEE EARNINGS PAGE

SUPPORTING INFORMATION.

TOTAL ACTUAL NET SAVINGS AND/OR REVENUE

Please provide documentation showing how the savings was derived.

\$ 37,493

Note: Awards are paid by the agency in which the team is located and/or from the benefitting fund. Awards are based on the total actual net savings or revenue generated by the team during the project period.

PERCENTAGE OF SAVINGS AND/OR REVENUE THE TEAM IS ENTITLED TO FOR AN AWARD:

25 %

Note: The percent of savings or revenue (up to 25%, with a maximum of \$10,000 per person) the team is entitled to for an award, shall be agreed upon by the agency and team, prior to submitting this report to the Productivity Board.

TOTAL TEAM AWARD

\$ 9,373

TEAM AUTHORIZATION FORM

As certified by my signature below, I approve the application as submitted and agree with the information provided in the report.

TEAM MEMBER NAME (type or print) JAN HARRELL

JOB TITLE Special licenses + permits Supervisor

SOCIAL SECURITY # (for payment purposes only) 00372826 AWARD RATIO \$1,562

X Jan Harrell Signature 10-7-08 Date

TEAM MEMBER NAME (type or print) SANDY BROWN

JOB TITLE Liquor License Investigator Supervisor

SOCIAL SECURITY # (for payment purposes only) 346184 AWARD RATIO \$1,562

X Sandra Brown Signature 10-7-08 Date

TEAM MEMBER NAME (type or print) CHERYL FOSTER

JOB TITLE Liquor License Investigator Supervisor

SOCIAL SECURITY # (for payment purposes only) 454061 AWARD RATIO \$1,562

X Cheryl Foster Signature 10/7/08 Date

TEAM MEMBER NAME (type or print) Marcy WILSIE

JOB TITLE Liquor License Investigator Supervisor

SOCIAL SECURITY # (for payment purposes only) 104891 AWARD RATIO \$1,562

X Marcy Wilsie Signature 10/7/08 Date

TEAM MEMBER NAME (type or print) SHERRY GUTWEILER

JOB TITLE Liquor License Investigator

SOCIAL SECURITY # (for payment purposes only) 00270817 AWARD RATIO \$1,562

X Sherry Gutweiler Signature 10/07/08 Date

TEAM AUTHORIZATION FORM

As certified by my signature below, I approve the application as submitted and agree with the information provided in the report.

TEAM MEMBER NAME (type or print) DOLORES CONWELL

JOB TITLE LIQUOR LICENSE INVESTIGATOR SUPERVISOR

SOCIAL SECURITY # (for payment purposes only) 156789 AWARD RATIO \$1,562

X Dolores Conwell 10-7-08
Signature Date

TEAM MEMBER NAME (type or print) _____

JOB TITLE _____

SOCIAL SECURITY # (for payment purposes only) _____ - _____ - _____ AWARD RATIO _____

X _____
Signature Date

TEAM MEMBER NAME (type or print) _____

JOB TITLE _____

SOCIAL SECURITY # (for payment purposes only) _____ - _____ - _____ AWARD RATIO _____

X _____
Signature Date

TEAM MEMBER NAME (type or print) _____

JOB TITLE _____

SOCIAL SECURITY # (for payment purposes only) _____ - _____ - _____ AWARD RATIO _____

X _____
Signature Date

TEAM MEMBER NAME (type or print) _____

JOB TITLE _____

SOCIAL SECURITY # (for payment purposes only) _____ - _____ - _____ AWARD RATIO _____

X _____
Signature Date

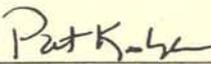
AGENCY AUTHORIZATION FORM

AGENCY LIQUOR CONTROL BOARD
UNIT/DIVISION LICENSING + REGULATION
TEAM NAME SHOOTING STARS

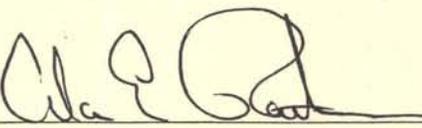
As certified by my signature below, I approve the above named unit/division to participate and receive the agreed upon award in the Teamwork Incentive Program. Awards up to 25 percent of net savings or revenue gains resulting from improvements made during the project period will be distributed according to the agreements made by the agency and team. The Agency Head may determine whether to waive the requirement of signatures from the unit supervisor, and/or fiscal/budget officer. The Agency Head must sign the report if he/she agrees with the team becoming an official Teamwork Incentive Program team.

As certified by my signature below, I have reviewed and agree with the information provided in the team report, and support the team receiving the award recommended in the report.


AGENCY PRODUCTIVITY BOARD COORDINATOR 6/29/09
Date


AGENCY HEAD 6/25/09
Date

Note: The agency head has the authority to waive the following signatures:


UNIT SUPERVISOR Director Licensing & Regulation 6-16-09
Title/Date

AGENCY FISCAL OFFICE _____
Title/Date

SUMMARY SHEET

TEAM OVERVIEW

The Combined License Interview Process (CLIP) was created to improve the retail and non-retail application processing time and generate earlier licensing fees and retail liquor sales. The CLIP pilot testing period was 8/15/07 to 8/15/08. The savings resulted from restructuring the licensing process, creating applicant e-mail/internet access of letters and documents, reducing the applicant telephone interview and reducing the document return period. The applicant telephone interview now takes 50% less time to complete and the documents are returned 50% quicker than before.

~~We revised currently-used forms and created new forms to better clarify information for the applicant. With the assistance of IT we put all the forms on the internet allowing the applicants internet-accessibility by merely clicking, opening, and completing the form. Previously all forms were mailed to the applicants. Applicants with no internet service still have the mail option.~~

The following statistics show 13 days reduction in processing time while completing 22 additional applications. The CLIP has proved to be timely, efficiently, and monetarily effective to applicants, licensing staff, and Washington State.

ACHIEVEMENTS: \$36,894 additional management approved revenue generated from retail liquor sales

\$ 599 additional revenue generated through reduced telephone usage

The CLIP enabled us to process additional spirits, beer, and wine restaurant license files in fewer days resulting in our generating \$36,894 additional management approved revenue to the State through earlier liquor sales plus \$599 additional revenue generated through reduced telephone usage. (See Statistics pp. 1, 2, and 3 following for more information.)

\$24,208 for LCB earned license fees

Additional realized savings, not included in the award request, is \$24,208 for LCB earned license fees. (See Statistics pp. 3 and 4 following for more information.)

ADDITIONAL SAVINGS

Additional savings were generated through earlier revenue obtained from six other liquor license types* that we process, mail reduction due to increased e-mail usage, time and money through fewer file withdrawals, and "morale" on the part of the applicants and investigators alike through more efficient processing.

* The other six license types, all generating additional savings, are described in the following statistical information; however, their savings were not calculated and included in this TIP Application.

PERFORMANCE MEASURES

Refer to CLIP Savings & Additional State Revenue Statistics following as well as statistical information and associated paperwork for more detailed information.

In accordance with WA State Productivity Board Law & Policies:

- RCW 41.60.110 Employee teamwork incentive program—Evaluation of Savings
- WAC 383-07-085 Application format for application submitted after the project period
- WAC 383-07-115 Evaluation of Savings

the following is a statistical explanation of the additional estimated annual revenue earned by the Liquor Control Board and Washington State through our creation and implementation of a process called Combined License Interview Process (CLIP). The earnings estimate is conservative because the statistical base is a small percentage of the CLIP's entire range. The base is:

- One of seven classes of licenses which utilize the CLIP. This class, spirits, beer, and wine, comprises 35% of all retail and applicable non-retail licenses. (See the asterisk on Statistics p.2 for the description of the remaining seven classes of licenses.)
- Statistics from only five of the 13 investigators who daily use the CLIP in their investigations are noted below. Of the remaining eight: four were in training, two did not respond to the telephone questionnaire, and two planned to begin at a later date.

The statistics covered the assignment, investigation and reporting processes of Christina Kim, Joy Rosado, Mistie Jones, Sherry Gutweiler, and Linda Brock. This is the period the investigators are most in control of the application process. After this period the file goes to their supervisor for review and then to commitment for minor procedure/documentation finalization or to the issue desk for approval of the permanent license.

The pilot period for the CLIP was August 15, 2007 to August 15, 2008. The CLIP has been so successful it has since become a permanent process.

The CLIP statistics were obtained from AS400 reports as well as the ORACLE Imaging System (package Time2) System. The following information outlines the statistics and revenue generated/earned.

*PROCESSING TIME SAVING for all retail license applications**

The Oracle's statistics are ongoing and cumulative in nature, so, statistics were run for all license application types at the end of the CLIP period, August 18, 2008, to obtain the most accurate data. This data is shown in comparison to six months prior to the CLIP period as follows:

Pre-CLIP statistics:	1/1/07 thru 6/15/07	= 735 applications processed in 65 days
CLIP statistics:	1/1/08 thru 6/15/08	= <u>757</u> applications processed in <u>52</u> days
		22 more applications 13 fewer days **

*Unlike the statistics shown on the following pages the above statistics include all retail license types such as spirits/beer/wine restaurants, beer and wine restaurants, taverns, grocery stores and other miscellaneous retail licenses, which are few in number. These statistics show the CLIP saved 13 fewer days processing time while processing 22 add'l applications!

**It was determined by our Financial Division that the average time the nine sampled licensees took to purchase spirits after their liquor licenses we approved was 5.7 days. Therefore, beginning on page two of the Statistics, all future mention of "fewer processing days" will show 8 days not 13 days.

RETAIL LIQUOR SALES GENERATED through 23 fewer processing days

The average number of spirits/beer/wine licenses* issued for fiscal years 2006, 2007, and 2008 is:

$$2006 = 798$$

$$2007 = 750$$

$$2008 = \underline{770}$$

$$2,318/3 = \underline{773}^* \text{ average}$$

Calculations

Average licensee weekly purchases from the Liquor Stores: **\$715** (See p. 11 for more info.)

Average number of days to process a license 13

Average number of days to purchase liquor = 5

$$13 - 5 = 8$$

Average Daily Profit \$19

$$\$19 \times 8 = \$152$$

$\$152 \times 773 = \$117,496$ Total management approved revenue generated through improved processing

$$\mathbf{\$117,496 \times 31.4\%^{**} \text{ (markup allowed)} = \$36,894}$$

*Only spirits, beer, and wine restaurant license information is included in the above statistics. Due to the difficulty in determining exact monetary savings of all other liquor licenses (beer and wine restaurants, taverns, grocery stores, other miscellaneous retail licenses, which are few in number, wineries, breweries, and distributors/importers are not included even though they all realized monetary savings.) This data was obtained from Karen McCall, Sr Policy/Leg. Analyst.

**Markup and sales figures were obtained from the Financial Division.

Cost Savings through reduced telephone usage

- Reduction in applicant-investigator telephone interview time by 50+%*
- Scan rate for the years 2006, 2007, and 2008 is 5 ½ cents a minute** (See p. 16 for more information)
- Interviews took 25.14 minutes prior to the CLIP and was reduced to 11.06 minutes using the CLIP

$$773 \text{ calls lasting } 25.14 \text{ minutes} \times .055 \text{ (scan cost)} = \$1,069$$

$$773 \text{ calls lasting } 11.06 \text{ minutes} \times .055 \text{ (scan cost)} = \underline{470}$$

\$ 599 annual savings

*Statistics are from **all** license types.

**Telephone data was obtained by JoAnn Sample, Administrative Assistant.

SUMMARY of MONEY GENERATED and/or SAVED through the IMPROVED PROCESSING TIME

Additional mngm't approved revenue generated through early liquor sales: **\$36,894**
 Additional revenue generated through reduced telephone usage: 599
TOTAL: \$37,493

ADDITIONAL REALIZED SAVINGS

1. LCB LICENSE FEES EARNED through 23 Fewer Processing Days

Processing spirits, beer, and wine license applications in 8 fewer days generated the following additional revenue: (See p. 14 for more information)

- Annual license fees: (Data was obtained from Karen McCall, Sr Policy/Leg. Analyst)
 - Service bar \$1,000
 - Restaurant/lounge with 50% and above dining availability \$1,600
 - Restaurant/lounge with less then 50% dining availability \$2,000
- The average number of spirits, beer, wine restaurant licenses issued for the above fee types in fiscal years 2006, 2007, and 2008 are:
 - \$1,000 = 134 average licenses issued
 - \$1,600 = 324 average licenses issued
 - \$2,000 = 279 average licenses issued
- The prorate for 8 fewer days getting into business is .02 (8/365 = .02)
- Revenue generated through earlier fees earned:
 - \$1,000 x 134 x .02 = \$ 2,680 additional fees
 - \$1,600 x 324 x .02 = 10,368 additional fees
 - \$2,000 x 279 x .02 = 11,160 additional fees

\$24,208 additional fee revenue*

* When a liquor license is issued, license fees are prorated according to the applicant's master license renewal date. Fees that are not earned by the LCB are refunded to the applicant. Therefore, if the license is issued 8 days sooner this results in refunding less money to the applicant and earning up to 8 days additional fees.

2. The average # of retail licenses generating additional fees and revenue from earlier liquor sales excluding **all** spirits, beer, wine restaurant licenses are: (Data was obtained from Karen McCall, Sr Policy/Leg. Analyst. (See p. 15 for reference.)
 - 2006 – 1,373 retail license types
 - 2007 – 1,379 retail license types
 - 2008 – 1,340 retail license types

$4,092 / 3 = \mathbf{1,364}$ average annual number of non-spirits licenses issued early
3. E-mail used to send letters/documents to most applicants in place of the U.S. Postal System
4. Time, energy, and resource savings generated through reduced application withdrawals as follows:
 - i. 349 withdrawals processed from 8/15/06 to 2/16/07
 - ii. 247 withdrawals processed with the CLIP from 8/15/07 to 2/8/08
102 fewer withdrawals within the six-month CLIP period
5. Internal and external customer morale builder
6. Increased efficiency through consistency of operation making our process cleaner, easier, and more effective
7. Increased customer satisfaction
8. Increased investigator satisfaction per each investigator's survey response
9. Increased internal and external customer service, efficiency, and time savings through form availability by internet hyperlink

SUMMARY: The above information proves the CLIP's effectiveness and shows conclusively that the process is extremely effective and earns the State a sizeable amount of additional revenue as well as enables the License Investigators to process their work more quickly thereby leading to more satisfied licensing customers.

Page 5 was deleted through revision

Statistical backup reference
information follows on pp 6-18

Description of CLIP Teamwork Incentive Program (TIP)

A team from the Licensing Division developed several operational changes aimed at streamlining the process of evaluating and ultimately issuing a license to sell liquor in Washington. The amendments to the licensing process included expanding internet and e-mail access to forms and letters (in comparison to hard copy thru the US mail), shortening the telephone interview of applicants and reducing the document return period for applicants. These procedural changes were tested over a one-year period and were specifically measured on one specific license type (spirits/beer/wine restaurant). The data demonstrated an average decrease in processing time from 65 days to 52 days for a 20% reduction in processing time.

The team claims \$190,931 in additional revenue from liquor sales and \$48,416 from earlier earned license fees. Additionally, they claim telephone charge savings of \$599. Their total claim is for \$239,347. Based on 25% of actual savings/revenue this totals a requested award of \$59,837.

Evaluation of CLIP team's claim for Net Savings/Revenue

This suggestion claims substantial increased revenue rather than cost savings. Because a liquor license is processed more quickly and the license granted sooner, the licensee begins purchasing spirits from our liquor stores earlier resulting in the state realizing revenue earlier. Therefore, for each new license holder there is a one-time revenue enhancement because they enter the market place 13 days earlier than before the procedure change. The challenge in evaluating this suggestion is that the Liquor Board does not systematically track purchases by license holders.

This team claims increased revenue based on two assumptions:

- Once licensed, each licensee immediately begins purchasing spirits from our state liquor stores; and
- Each licensee purchases spirits at the average dollar value for all licensees purchasing within Washington (\$715 per week).

As part of the evaluation, we obtained data on purchases from 9 licensees who were licensed during this one-year test period. While two licensees purchased the same day of licensure and two more the next day, the others began purchasing from 3 to 21 days after obtaining a license. The average of these nine licensees was 5.7 days until their first purchase. The median was 3 days until their first purchase.

It is not practical to get data on each of the 770 licenses issued within the test period. Given this random sample, our evaluation acknowledges that licensees purchased spirits on average eight (8) days (13 minus 5) earlier than before this process improvement.

Therefore, following the team's revenue calculations, additional revenue (markup only) would total:

- 8 days x \$19 markup per day x 773 average licensees = \$117,496
- The markup on spirits includes both operating expenditures for the Board and "profit" which is returned to the state. With the Board's operational costs already accounted for, the new money gained by the state (relative to this improvement) pertains to the profit which is 31.4% of the markup.
- Total increased revenue equals $\$117,496 \times 31.4\% = \$36,894 + \$599$ (telephone savings) = \$37,493
- 25% of this dollar value = \$9,373 which would award \$1562 per team member

The team also claims increased revenue from licensing fees. Liquor Licensing procedures require the applicant to pay the required fee at time of application. This fee includes the cost of the annual license for their first year of operation. Depending on the business entity type (other than sole proprietorship), once the license is issued the amount a prorated fee is refunded to the applicant based on when their business entity

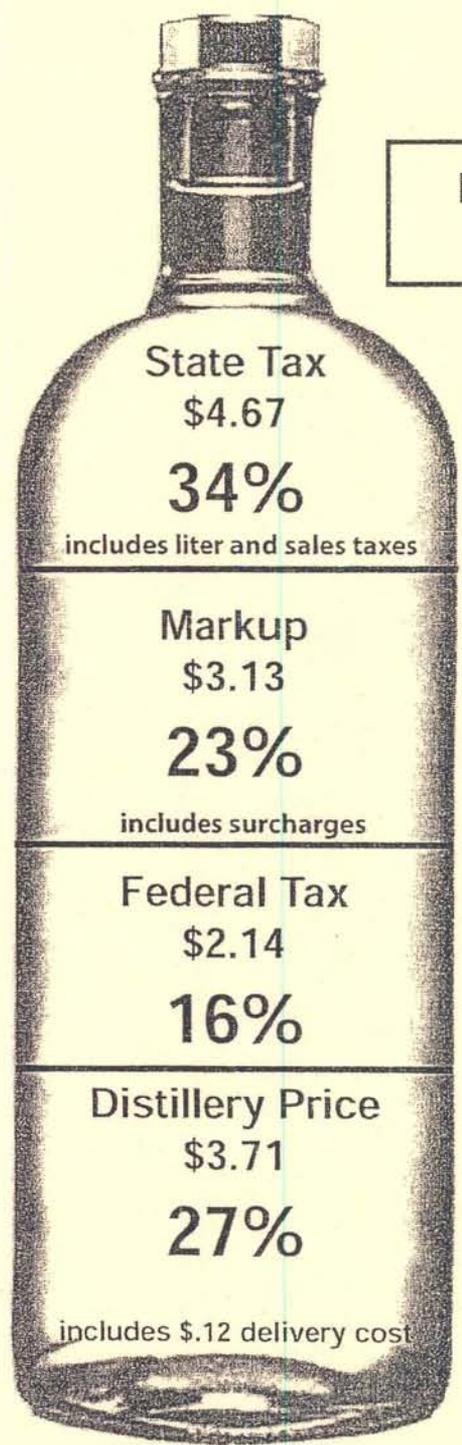
Cost / Taxes / Markup

WHERE YOUR LIQUOR DOLLARS GO . . .

More than 42 percent of the price of each bottle supports programs and services for Washington citizens.

Taxes, markup and fees collected provide more than \$322 million in FY 2008 for state programs and services.

Price at Register
\$ 13.65



Early Fee Earnings

(14)

Conwell, Dolores

From: McCall, Karen J
 Sent: Thursday, October 02, 2008 9:14 AM
 To: Conwell, Dolores
 Subject: CLIP

Dee,

Sandy asked that I send you the numbers of how many S/B/W licenses were approved for FY 06, FY 07, and FY 08, broken down by category. The information is as follows: *

	Service Bars \$1000 fee	Over 50% Dining \$1600 fee	Under 50% Dining \$2000 fee
FY 06	135	339	307
FY 07	123	299	260
FY 08	$\frac{143}{401} \div 3 = 133.666$	$\frac{334}{972} \div 3 = 324$	$\frac{270}{837} \div 3 = 279$

If you need anything else, just let me know.

Karen

* Figures include only common S/B/W licenses such as restaurants. Less common S/B/W licenses such as convention center, etc. are not included due to time constraints.

- Fee for early issuance (13 loop), $365 \div 13 = .04$ pro yr

- Avg. annual # of file broken down by classification:

- a) Service Bar (\$1,000) = 133.666
- b) Lounge (\$1,600) = 324
- c) Lounge (\$2,000) = 279

$$\begin{array}{r}
 1000 \times .04 \times 133.666 = \$ 5,347 \\
 1600 \times .04 \times 324 = 20,736 \\
 2000 \times .04 \times 279 = 22,320 \\
 \hline
 \$ 48,403
 \end{array}$$

Retired only - not including spirits

off - prem	FY06	FY07	FY08
0426-0433	132	101	131
0448-0457	623	659	580
0458-0466	755	760	711
off - prem			
0452-0466	536	544	563
0478-0486	33	27	37
0478-0480	49	48	29
	<u>618</u>	<u>619</u>	<u>629</u>

doesn't include spirits

~~0452-0466~~
~~0478-0486~~
~~0478-0480~~

totals

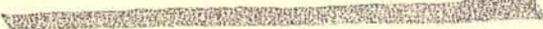
	FY06	FY07	FY08
	1373	1379	1340

Conwell, Dolores

From: Sample, JoAnn
Sent: Wednesday, July 30, 2008 10:52 AM
To: Conwell, Dolores
Subject: RE: TIP TEAM FOR CLIP PROCESS

Dee,

This is a good idea because it gives us another quantifiable measure of the effectiveness of the process. Scan charges are the same rate for everyone so that makes it easy. The current scan rate is 0.055 or 5½¢ a minute.



Jo Ann Sample
Administrative Assistant 4
WA State Liquor Control Board
Phone: (360) 664-1611
Fax: (360) 753-2710

From: Conwell, Dolores
Sent: Wednesday, July 30, 2008 10:14 AM
To: Sample, JoAnn
Cc: Brown, Sandra J; Foster, Cheryl L; Wilsie, Marcy J; Harrell, Jan M; Conwell, Dolores
Subject: TIP TEAM FOR CLIP PROCESS

One of the procedures changed through the clip process that appears to generate a savings for the state is the reduction in time for applicant telephone interviews. The average time was reduced from 25.14 minutes to 11.06 minutes.

To figure the savings (for our TIP Team use) I was thinking that if we knew the cost of an investigator's "scan minute" from 1/1/07 to current time I can use this cost vs the number of files in which interviews were done to get the savings. I.E. what is the cost for each minute of scan time per investigator?

Also, would the supervisors' (noted in the cc above) scan minute be the same cost as the investigator's?

If you have an easier way to figure this--let me know I am happy to receive suggestions!

Thanks.

Additional staff for application processing will reduce the wait time for businesses to receive a liquor license.. The optimal caseload for each fully-trained license investigator is 250 applications per year. In FY 02, license investigative staff had an average caseload of 296 applications processed in 53 days. In FY 06, the processing time was 71.6 days and the average caseload was 413 per investigator. Since FY 02, the complexity of applications, as well as growing volume, has contributed to longer processing times despite process improvements and streamlining efforts. Every day the processing time can be reduced, alcohol selling days for licensees go up; conversely, the longer applicants must wait for their license, the greater the negative economic impact on their business. (See attachment 5 - Projected Growth of Completed Annual Applications and Days in Process)

* WSLCB will lose approximately \$1.4 million in retail sales by a two-week delay in processing applications for SBW restaurants at the current licensing staffing level. This \$1.4 million impact is based on FY 06 data and following calculations: SBW restaurant licensees made an average weekly liquor purchase of \$836 per licensee from WSLCB liquor and contract stores; of the 3,496 annual license applications processed 846 were SBW restaurant license applicants. Therefore, in a one-week period, the 846 licensees' \$836 purchase from liquor stores total \$707,256.

Based on the expected continuing increases in license applications and workload, the processing time is projected to increase by 15 days (at current staffing level), to 87.7 days in FY 09 (See attachment 7-Projected Growth of Completed Annual Applications and Days in Process.) This means that without additional staffing, the processing time would be extended by two weeks, resulting in lost sales of \$1.4 million to liquor stores if SBW restaurant applicants have to wait two weeks longer to get a temporary or permanent license to sell alcohol.

If the staffing level was increased as requested to achieve a 65-day processing time average, this would be a three-week reduction in processing time. A gain three-week gain in sales to SBW restaurant licensees is approximately, \$2,121,768.

Beyond the direct impact to LCB retail sales, the economic impact on the business applicants and local communities are substantial, contributing to the booming restaurant and thriving wine industries in this state. Thus, additional staff in the Liquor License Specialist, Customer Service, Office Assistant and Enforcement classifications is critical to achieve a 65-day processing time. Without additional staffing resources, the wait time for liquor license issuance will adversely impact the licensed business economically; decline in customer service delivery would increase public safety risks of non-compliance with liquor regulations.

Impact on other state programs:

The Department of Revenue will receive more sales tax revenue when the number of alcohol-selling days increases for retail businesses when their wait time for liquor license issuance decreases. Data and analyses gathered and used can be shared with DSHS and other state agencies and programs that provide prevention and alcohol treatment services.

2007
2006 Decision pkg