

Liquor Control Commission

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August 29, 2016

Dear Liquor Agents

When significant changes take place – unanticipated effects of the change can begin to be seen. And that appears to be the case with the way new orders are fulfilled through our conveyor and sortation system investment. I have heard that the new system is making receiving of large deliveries more time consuming as the products are not picked or packed linearly by the new system. As our customers, we are very concerned about this change for you.

First, we are interested in hearing from you. Second, while we will get better at operating the system, we will likely never have the structured product orders that we had in the past. After all, the efficiency of the new picking and shipping system is that it allows non-linear picking which produces the speed to deal with growth in shipments well into the future.

Distribution staff will do all that they can to provide for operation of the system and for dependable deliveries to your stores. This is a new system and no doubt there is room for some fine tuning. However, that will likely not get us back to "business as usual" so we are all going to have to evolve around the operation of this tremendous system for the state.

The good news here is that this system provides us an incredible return on investment. It allows the state, through your sales, to capture more revenue. Providing the OLCC the opportunity to also make investments in your efficient operations and compensation as we move into the future. We need to be concerned about your efficiency as a part of the overall responsibility we have as revenue generators for the state.

Please share with us your issues and your adaptions to the system, and we will work with you to smooth operations and deal with unforeseen cost, within our purview, as we continue to work to provide fair compensation. We realize, that your independent businesses are taking on additional costs, like all other businesses in Oregon. It's important for us to be able to work with you to ensure the legislature understands these issues, within our system, as they set our budget limitations. It is significant, to that conversation with the legislature, that we communicate the value of the investments we are making in the overall system and the revenue generation capability. The goal is that they understand...if we are producing more, there is more to invest in the work of agents and more returns for the citizens of Oregon.

Let me take the opportunity to ask all of you to work carefully and diligently to prevent alcohol sales to minors. The system needs to show some improvement in this regard so this is a friendly reminder as we value you as the frontline of the control system. As we expand and grow to work for increased investments in the system, prevention of sales to minors remains a critical part of our work and success.

Thank you for all you do to make the Oregon system the best in the county.

Sincerely,

Steve Marks

Executive Director

Star Propler

OLCC