

Completed VDLC Operational Changes

Purchasing

Bailment Replenishment Requests:

The Department has transitioned to a Bailment Replenishment Request system effective 1/1/17

Listed product classifications:

The Department will create five types of product classifications for three thousand s.k.u.s. effective 10/1/16.

Symbols will be assigned to the following classes:

- ***Regular Distribution** status would include all high volume s.k.u.s. These would be the only codes eligible for programming.*
- ***Limited distribution listing** status would be created to retain and develop medium/low volume s.k.u.s..*
- ***Special order***
- ***Allocated** is a code designation that would convey to the public that the product is highly allocated*
- ***De-listed /Manufacture Discontinued listed***

Programming:

- ***Two week deals were discontinued effective 11/1/16.***
- ***VDLC underwriting of supplier programming will be changed to create greater incentives for supplier programming support.***
- ***One to one funding matches will be discontinued in the third quarter of the fiscal year.***
- ***Suppliers will be allowed to program six times annually within the State's fiscal year.***
- ***The State will contribute two 2:1 and two 3:1 deals each fiscal year. Three-dollar discount will be minimum allowed to qualify for floor stacks.***
- ***Back to back deals months will not be allowed.***
- ***Two-dollar shelf price reduction will be the minimum discount amount allowed***

Special orders:

- *Dept. will maintain a special order link on our website.*
- *Require a three bottle minimum purchase. Effective 10/1/16
Exception will be made for merchandise retailing for over \$49.99*
- *Agency store where the special ordered product is delivered will be required to retail the remainder of the split case where the floor size allows.*
- *Re-classify consistent selling special orders as limited distribution s.k.u.s to facilitate regular ordering and inventory.*
- *Discontinue allowing agency stores to place special orders*

Listing Process:

Listing meetings will be held on a quarterly basis on the first Tuesday in June, September, January, and April.

- *Suppliers may present six listing proposals each meeting.*
- *Bullet point sales proposals will need to be submitted with each proposal to highlight need.*
- *Each supplier will have 20 minutes to present proposals before the committee.*
- *De-list rebuttal process will be discontinued.*
- *New listings will be granted trail status for 12 months with a quantifiable sales expectation to maintain listing status.*

Warehousing:

We have re-configured our warehouse facility to improve efficiencies.

- *Added shelving capacity for an additional 250 products*
- *Re-purposed an existing small compactor to sell recycled plastic wrapping material.*
- *Purchased a new cardboard trash compactor to sell recycled cardboard.*
- *Purchased scan guns to increase efficiencies in product distribution and delivery and store inventory audits.*
- *Instituted shipping manifest documentation to identify shipping errors immediately and reduce wasted time with inventory reconciliations.*
- *Re-classified all line positions to increase wages and minimize the wasted resources of chronic employee turn-over.*
- *Initiated a BGS site location review to identify potential locations for a new warehouse facility.*

Information Technology:

- *Completely updated our Department website*
- *Completed and posted an RFP to initiate replacement of our retail point of sale hardware and develop an interfacing warehouse platform.*
- *Began work on an agency web portal for licensing and educational purposes*
- *Installed credit card chip reading machines in our agency stores*
- *Virtualized our IT central processing unit to guard against system failures*

Marketing:

Marketing Director was hired effective 11/14/16

- *Theresa Barrows joined the DLC with an extensive resume from the private sector.*
- *She will be responsible for our re-branding efforts and development of social media applications*
- *Responsibilities include:*
 - *Print and electronic advertising*
 - *Monthly publication of the agent newsletter*
 - *Interacting with the press*
 - *Creating a department event calendar*

802 Spirits Publication re-boot:

- *Publish 802 Spirits magazine monthly to line up with State's fiscal calendar.*
- *Replaced frontline pricing with programmed pricing only.*
- *Use front cover for promoting deep deals*
- *802 spirits magazine now published in Vermont.*
- *Increased supplier advertising investment to support increased publishing costs.*
- *Added distribution in the southern part of the State.*

Retail Operations:

- *Revised agent contract*
- *Developed a retail store operations manual*
- *Developed store performance evaluation criteria*
- *Established agent communication committee*
- *Created new store inventory standards*

- ***Hired and trained two new district coordinators***
- ***Working on store standards for s.k.u. counts and shelf sets***
- ***Initiated work on customer service training and product knowledge on-line training modules***