



Washington State
Liquor and Cannabis Board

Strategic Plan 2015-17

STRATEGY

A detailed close-up of a mechanical watch movement. The image shows intricate brass gears, plates, and jewels. A prominent red hand is visible, along with a large gear and a smaller gear. The background is dark, and the lighting highlights the metallic textures and the precision of the watch mechanism.

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Message from the Board and Agency Director

October 28, 2015

Dear Citizens of Washington State,

It is our pleasure to present the Washington State Liquor and Cannabis Board (WSLCB) 2015 – 2017 Strategic Business Plan. This plan represents our agency roadmap for the coming two years, where we will place resources and how we will apply strategies for success.

Engaged Employees

In creating the plan, we instituted a new process by engaging our employees in the beginning of the development process. The objectives, strategies and tactics to meet our goals come directly from staff rather than agency leadership. It was an intentional effort to invert the pyramid of leadership and engage employees early. We believe this process resulted in a clear plan that LCB employees understand, support, and are inspired to implement. This plan will drive our everyday effort to carry out our agency mission while striving for excellence in all that we do.

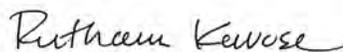
Highlights

- The WSLCB will implement a modernization of our agency legacy enforcement, licensing, imaging and stand-alone systems to better support today's dynamic business needs and better serve our customers.
- The WSLCB will seek ways to simplify the complexity and number of existing and new licensing regulations using Lean principles.
- The WSLCB will continue to evolve our Lean and performance-based culture to ensure sustainability, promote efficiency and achieve our desired results.

We hope you take the time to review the elements of this 2015-17 Strategic Plan and follow our progress throughout our journey. Thank you for your interest in the WSLCB.



Jane Rushford
Board Chair



Ruthann Kurose
Board Member



Russ Hauge
Board Member



Rick Garza
Agency Director

Vision, Mission, Goals, Values

Vision

Safe communities for Washington State

Mission

Promote public safety and trust through fair administration and enforcement of liquor, tobacco and marijuana laws.

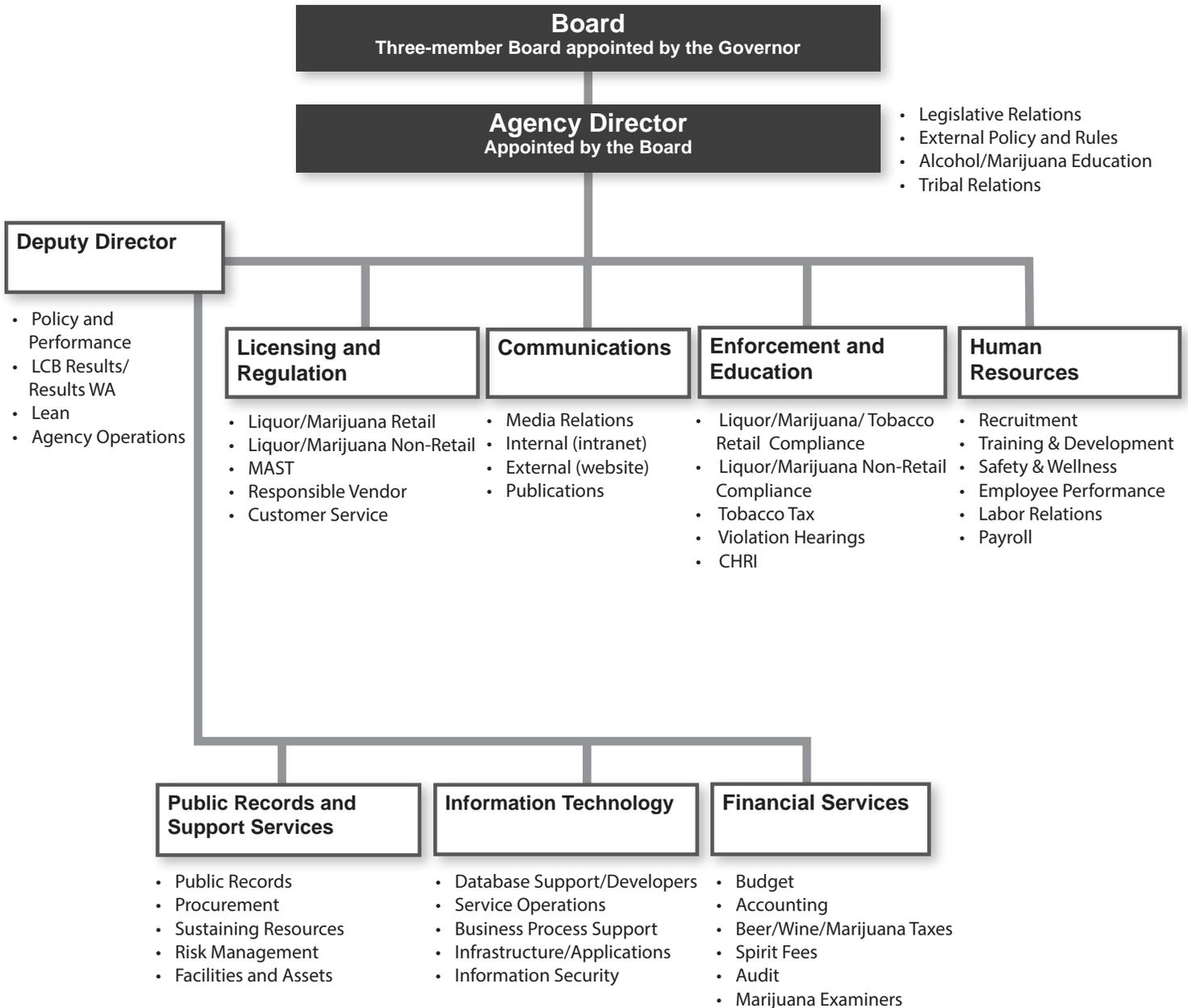
Goals

- Ensure the highest level of public safety by continually improving and enforcing laws, regulations and policies that reflect today's dynamic environment
- Educate and engage licensees, the public and other stakeholders in addressing issues related to our mission
- Maintain and value a highly-motivated, competent and diverse workforce
- Build a culture that inspires and fosters excellence

Values

- Respect and courtesy
- Professionalism
- Open communication
- Accountability and integrity
- Continuous improvement and meaningful results
- Customer focus

Agency Organizational Structure



*MAST: Mandatory Alcohol Server Training
*CHRI: Criminal History Records

In 1933, the Steele Act created the Washington State Liquor Control Board (WSLCB) to regulate the importation, manufacture, distribution, and sale of alcohol. In July 2015, the name was changed to the Washington State Liquor and Cannabis Board to reflect new oversight of medicinal and recreational marijuana.

The three-member board, appointed by the Governor, is charged to promote public safety and trust through the fair administration and enforcement of liquor, tobacco, and marijuana laws. The Board conducts their business through public meetings and work sessions with stakeholders, sets agency policy and budget decisions and adjudicates contested license applications and enforcement actions on agency licensees.

Significant changes in the agency's business have occurred over the years. Through the innovative leadership of the Board and its staff, the WSLCB has become a proven leader in public safety, adaptability, transparency and accountability that reflect today's dynamic environment. Significant changes include:

- The 2011 voter-enacted Initiative 1183, which privatized the sale and distribution of spirits in the state. Within six months, the WSLCB successfully transitioned from a control state to an open state where liquor is distributed and sold by the private sector.
- The 2012 voter-enacted Initiative 502, directed the WSLCB to implement a legal recreational marijuana market. Through WSLCB's leadership and innovation, Washington State built from scratch a comprehensive system of producing, processing and retailing recreational marijuana to persons over age 21. The agency adopted rules and became the regulator that issues the licenses and enforces the law. The first retail recreational marijuana store opened as planned in the summer of 2014.
- To further public safety and align the medical marijuana market with the state-regulated recreational market, Senate Bill 5052 was signed by Governor Jay Inslee in 2015. This bill mandates that all medicinal marijuana dispensary sales be under the same regulatory framework as recreational marijuana retail outlets by July 2016. This bill also directed the agency name change to the Washington State Liquor and Cannabis Board.

These changes in State and agency priorities have been met straight on by the WSLCB and created a culture of empowerment, open communication, and leading by example. The workforce is committed to public service and continuously seeks ways to improve processes to exceed customer expectations.

General Overview

Enforcement and Education

Enforcement officers educate licensees and enforce retail and non-retail state liquor, cannabis, and tobacco tax laws and regulations at over 18,000 licensed locations statewide. Enforcement Officers inspect premises, investigate complaints, conduct compliance checks and are empowered to take administrative and criminal action against licensees, employees and the public who violate these laws. This division also:

- Conducts criminal history background checks on potential licensees;
- Conducts pre-settlement hearings; and
- Implements the Food and Drug Administration (FDA) Tobacco Inspection Program that requires FDA-commissioned credentials aimed at federal regulation of the manufacture, distribution and marketing of tobacco.

Licensing and Regulation

The Licensing and Regulation Division issues liquor and cannabis licenses and permits and promotes compliance. On any given day, division employees:

- Determine if new and current businesses are qualified to hold a liquor or marijuana license;
- Regulate the production, importation, distribution and sale of spirits, beer and wine products;
- Provide oversight for the Mandatory Alcohol Server Training (MAST) program for workers who serve alcohol; and/or
- Process special occasion license applications for nonprofit organization events and banquets.

Key Program Activities

The Director's Office oversees legislative and tribal relations, strategic planning and performance, Lean project management, media relations, agency communications and public health education.

Key activities include:

- The Alcohol and Marijuana Education Program that supports public safety by addressing the prevention of underage drinking and marijuana use and misuse of alcohol and marijuana by adults;

- The agency's long-standing performance program, LCB Results, which holds monthly sessions involving senior leaders and program staff to address and track agency issues and goals and discuss data trends, program targets and results;
- The Lean@LCB program fosters an agency-wide mindset and culture of strategic leadership, employee ideas to improve processes, problem solving and reporting progress that is aligned with the agency's strategic goals and customer values;
- The WSLCB tribal liaison promotes and fosters government-to-government relationships between the state and sovereign tribal nations to assist in our mission to protect public health and safety, assisting tribal governments as a resource for consultation, education, and law enforcement needs. With our expanded role into cannabis regulation granted by the Legislature, the WSLCB can now enter into compacts with tribes to partner in the licensing and regulation of its production and sales, ensuring an accountable and well-regulated market statewide.

Administrative Support Functions

- Finance proactively works to provide accountability and transparency in all actions and communications surrounding agency financial collection, audits and revenue distribution. Through its efforts, the division maximizes financial benefit to all Washington State residents;
- Information Technology Services provides and supports technology systems that allow agency operations to be flexible and make data-driven decisions;
- Human Resources leads the recruitment and development of a highly competent and diverse workforce capable of responding quickly and effectively to challenges in the regulatory and business environment;
- Public Records and Support Services leads the agency's purchasing and contracts, asset management, fleet management, facility planning and day-to-day operations, risk management, sustainability monitoring, public records, records management, and other project support activities.

Goals, Strategies, Key Objectives/Activities

Goal: Ensure the highest level of public safety by continually improving and enforcing laws, regulations and policies that reflect today's dynamic environment.

Strategy: Reduce complexity and simplify existing and new regulations.

Key Objectives/Activities:

1. Create regulatory reform work-plan including activities related to both existing and new laws and rules.
2. Reduce complexity in existing structure of license types and privileges.
3. Examine licensee regulatory life cycle and review and improve workflows.
4. Establish regulations for the medical marijuana market (SB 5052).
5. Implement recreational marijuana reforms (HB 2136).
6. Negotiate marijuana compacts with Tribes (HB 2000).
7. Expand enforcement scope of authority to appropriately address public safety issues.

Goal: Educate and engage licensees, the public and other stakeholders in addressing issues related to our mission.

Strategy: Increase transparency internally and externally through greater availability of data, building relationships, and clear understanding of priorities and expectations.

Key Objectives/Activities:

1. Ensure Modernization Project is built with intent for easily accessible data that supports transparency.
2. Identify key stakeholders and partners for regular engagement.
3. Understand stakeholder/partner expectations.
4. Educate stakeholders and staff on new legislation.
5. Complete outreach campaign that includes the public, stakeholders, and media.
6. Bolster communication through data, visuals, and public accessibility to information.
7. Clarify agency priorities to customers and employees and ensure they are reflected in operational policy.

Goals, Strategies, Key Objectives/Activities

Strategy: Use existing technology better and modernize technology where needed.

Key Objectives/Activities:

1. Implement Modernization Project to replace Licensing and Enforcement business and case management systems (HB 1965).
2. Build/expand capacity for improved online services such as payments, ListServes, and public records.
3. Clearly identify business needs before funding or technology is applied.
4. Provide employee training on current and new technology.
5. Identify efficiencies (i.e. SharePoint) in existing LCB technology to maximize effective use by staff/public.
6. Evaluate existing and replacement technology systems to ensure privacy interests are considered in data-retention and/or protection decision-making.

Goal: Maintain and value a highly-motivated, competent and diverse workforce.

Strategy: Continue to build culture, leadership, and provide tools and resources that support the workforce.

Key Objectives/Activities:

1. Provide training and development and connect it to career opportunities that include building staff expertise through inter-divisional project work teams.
2. Clarify laws, rules, and policies to enable staff to have confidence and consistency in their answers.
3. Promote LCB as an employer of choice that effectively supports employee values and addresses the needs of a diverse workforce.
4. Promote work/life balance.
5. Formalize succession plan with transparency including opportunities for job shadowing, mentoring and cross-training.
6. Ensure that facilities and equipment meets the needs of our business and staff in serving the public.

Goals Strategies, Key Objectives/Activities

Goal: Build a culture that inspires and fosters excellence.

Strategy: Continue to build a Lean and performance-based culture that is sustainable, promotes efficiency and achieves results.

Key Objectives/Activities:

1. Adopt the nine-step problem solving methodology.
2. Ensure projects are built with user engagement.
3. Continue to build and align management systems such as huddles, leader standard work and results reporting.
4. Empower employees to identify problems and facilitate change.
5. Empower leaders to coach and mentor.

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Mission

Promote public safety and trust through fair administration and enforcement of liquor, tobacco and marijuana laws.