



Store News

April 2015

Keeping Oregon in Good Spirits - Agent Education Day

by Christie Scott, OLCC Public Affairs Specialist

The OLCC's first comprehensive training for liquor agents was held on March 11, 2015. Improving the marketing, merchandising, and promotion functions at retail liquor stores was the main goal and the intent was to provide agents with the tools to take back to their stores and staff. Additionally, OLCC wanted to equip agents with new skills and a refresher on existing skills that would help them increase profitability responsibly. Other goals included:

- Enhance customer service at liquor stores
- Identify opportunities to maximize revenue to the state
- Enhance partnerships with liquor store agents
- Establish the basis for an annual liquor agent training



Main meeting room filled to capacity with agents, store staff, speakers, vendors, and OLCC staff

Customer service

Improving the customer experience was the theme that permeated the day. Diageo's category management experts encouraged stores to reduce clutter to create an easy shopping experience. "Customers are our guests," was the message Pat Dodd from Gallo University impressed upon the audience. Liquor agents learned how to engage guests in meaningful dialogue to help him/her make better informed purchases. Liquor agents also learned strategies to use in-store merchandising to improve customer convenience. If the customer needs to buy items such as ice, tonic water, or coca cola, why not buy it all in one place instead of the shopper making a trip to the grocery store for those products?

Shelf management



Whiskey wall with decor loaned for the event from 1180 Tualatin

A few changes to the layout of the store can make a big impact on potential purchases. Understanding how the customer shops and designing the store to be clutter free, and easy to navigate is key. Each store received a customized report card created by Brown-Forman and OLCC to help them identify products that could be accentuated or products to be eliminated based on sales statistics for that specific store and seasonality. Speakers from Diageo suggested re-shelving the product in a way that is easy to find and helps the guest find products in his/her price range.

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Category knowledge

Whiskey is one of the largest growing distilled spirits categories in the United States. Because of the increase in demand for the products, OLCC staff decided to increase liquor agents' knowledge of the products as well. Attendees benefitted from presentations by Master Distillers from leading whiskey makers, Buffalo Trace, Jack Daniels, and Maker's Mark. The Master Distillers provided in-depth information about different varieties of whiskey, how it's made and the history behind the products.



Master Distiller Harlen Wheatley, Buffalo Trace (left)
Master Distiller Greg Davis, Maker's Mark (center)
Assistant Master Distiller Chris Fletcher, Jack Daniels (right)

Agent Education Day recognition

At our recent Agent Education Day the following stores were recognized for superior sales performance:

Top sales increase, Non-Exclusive stores CY 2014

#1	1123	Pacific City	Bob Cowan Thompson	63.47%
#2	1159	Fields	Sandra Downs	54.46%
#3	1147	Willamina	Ila Skyberg	27.02%
#4	1005	Enterprise	Mike Goss	17.46%
#5	1203	Detroit	Dean O'Donnell	13.46%

Bob Cowan-Thompson was the top performer in non-exclusive category. Bob's store is located in a first class, small town grocery store that takes pride in caring for its customers and giving back to the community. Bob has increased the footprint dedicated to spirits and has seen tremendous growth. Great job to Bob and the Pacific City team!

Top sales increase, Exclusive stores CY 2014

#1	1187	Portland MLK	Riaz Jiwan	45.42%
#2	1220	Keizer	Oliver Coker	23.68%
#3	1180	Tualatin	Carl Goodspeed	17.46%
#4	1199	Portland, Center	Todd Holden	16.70%
#5	1158	Lake Oswego, Lake Grove	Dick McGregor	13.42%

Our Portland location on Martin Luther King Jr. Blvd came to life with "rookie agent" Riaz Jiwan, who brought a very determined work ethic and passion for the customer.

Riaz expanded his selection, added fixtures and lighting to enhance the store, extended store hours and is open 365 days a year for his customers. It looks like all of that hard work is paying off with Riaz seeing a 45.42% increase!

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Top sales, conversion stores

The third area looked at for performance leaders is our newest model, stores that have converted from Exclusive to Non-Exclusive and are primarily one-stop beverage shops. This category has been evaluated on the basis of performance in the first 6 months after conversion.

#1	1218	Eugene Downtown	Ken Hand	49.22%
#2	1242	Bend, West	Giorgio Roccasalva	30.12%
#3	1200	Portland, 10th Avenue	Vance Burghard	27.64%
#4	1074	Portland, Hillsdale	Bruce Randall	16.28%
#5	1182	Portland, Hollywood	Dan Miner	15.29%

Ken relocated his store about 18 months ago and converted to non-exclusive. He expanded his interior space from 2,600 sq ft. to 3,600 sq ft. and purchased new shelving, new flooring and implemented a consistent, neat and clean interior and exterior.

The combination of great service to their community – the convenience of beer and wine – and an upgraded facility – turned into the perfect storm. Great job to Ken and his team in Eugene Downtown!

Hometown Hero

The last store recognized was a special award called “Hometown Hero”. This recognition was for the store with the greatest percentage of SKU’s of Oregon products.

The winning store takes great pride in supporting the local spirit producers and currently carries 313 of a possible 424 Oregon-produced items or 74% of the available codes.

Glenna Bartlett from Store 1239 Aloha, TV Highway, recognizes the importance of supporting Oregon businesses and ensuring her store is a destination for unique local items.

Her customers may call her “Mom”, but we call her our “Hometown Hero”!



Commissioner Michael Harper with District Managers, Deputy Director Merle Lindsey and Agent Glenna Bartlett, Store 1239 Aloha TV Highway



Celebrating 35 years of service



(l - r) Merle Lindsey, OLCC Deputy Director, Jack Ingvaldson, Store 1076 Grants Pass DT
Brian Flemming, Director, Retail Services

The commission, as well as many fellow agents, distributor reps, other associates and especially the store staff want to congratulate and wish Jack Ingvaldson, former Agent of Store 1076 Grants Pass Downtown a fond farewell as he retires after 35 years of service to the citizens of Oregon.

Jack came into the liquor commission's employ in 1979 when he was appointed the Coquille Store 1055. After several years in Coquille, he was granted Store 1097 North Bend where he spent additional years learning the ins-and-outs of operating a liquor store alongside the OLCC. Jack was open to transitioning to a new location when Store 1076 Grants Pass came available. In 1986, Jack was appointed agent of Grants Pass Downtown where he served the remainder of his 35 years with the commission. Over the years, Jack was active with the state legislature and worked side by side with the commission serving on a variety of committees and boards. Agents today benefit from many significant changes that Jack was instrumental in bringing about.

Jack thoroughly enjoyed handling the day-to-day operation of his store, being engaged with his customers, and working with the OLCC; which makes his retirement a bittersweet decision. But as with most life decisions, there's always a flip side and for Jack, retirement will be full of sweeter moments like spending more time with his wife and grandchildren and improving his golf game.

Again, from the bottom of our hearts, the commission wants to wish Jack our very best on his well-deserved retirement as he moves toward the next chapter life brings his way.

Two new agents in southern Oregon *Family Matters: chapter 1*

The commission would like to welcome two new agents to District 2 in the southern region of Oregon.

Grants Pass

In Grants Pass, Patrick Voris is taking on a second store: Store 1076 Grants Pass Downtown from retiring agent Jack Ingvaldson. (see *article on page 4*).

Pat had spent about 15 years in the spirits industry as a distillery rep when he decided to expand his career and become the liquor agent in Ashland in April 2012. Pat completely remodeled and upgraded the Ashland store to make it a destination liquor store. He has similar plans to remodel and expand the Grants Pass store in the coming months by modernizing and expanding it to make it a one stop shopping experience for the Grants Pass community. We'll all be looking forward to seeing how this store will look a year from now.

Medford

In Medford, Charles Horton has taken over the Medford East 1217 store. Chuck, as most call him, had been working at the Medford liquor store for over 5 years helping out part time to keep busy; having semi-retired from owning a popular jewelry store in the Rogue Valley mall for many years. After retirement he wanted something to keep himself busy and landed at Store 1217 with Herb Heir, previous agent, who has now become Chuck's mentor in the liquor industry. Chuck pursued this new career in the liquor industry and when Herb wanted to retire, Chuck became very interested in the idea of being a liquor agent. He was granted the store and took over operation of it in early January 2015 and hit the ground running.

Along with his wife, Johanna, Chuck plans to make many improvements to the store and started making some minor changes the day they took over. The two plan to be very active in this store taking it to a new level of customer service and convenience. We look forward to the developments that will be made at the store and working together for many years to come.

Congratulations to both new agents:

First in a series



(l-r) Corby Riley, Colleen Riley, Tracy Rice.

The small community of Chemult, Oregon (Population 300) is located on Highway 97 just 30 miles from the north entrance to Crater Lake National Park. Chemult's scenic surroundings offer a wealth of opportunity for outdoor recreation in both summer and winter. Summer features hiking, biking, camping, boating and fishing while winter brings snowmobiling, skiing and dog sledding.

Located in the center of town is DD Mountain Market, home to the Chemult liquor store among many other things. The store features grocery, deli, camping supplies, fish and game licensing, hardware and automotive and an abundance of friendly service. (Agent) Colleen and husband Corby Riley bought the market in 2007 after more than 20 years of resort campground hosting. They humorously added the DD, as in dumb and dumber, reflective of their decision to take such a step at that point in their lives. Daughter Tracy Rice joined the fray shortly after and 3 years later, the Riley clan purchased Dawson House Lodge, a rustic hotel located next to the store.

While liquor is a recent addition to the market, having landed in January 2015 from a previous location about 10 miles south of town, Colleen Riley says, "the greater convenience for the local folks seems to be a positive experience."

Today the complex that is DD Mountain Market and Dawson House runs like a well-oiled machine with Colleen in charge of the lodge, Tracy as sergeant in the market and Corby the master of all things mechanical and structural.

Watching this trio work together in all aspects of the business is indeed a vision of family matters. The Commission is pleased to welcome Colleen Riley and her family as a partner in the business of serving the citizens and travelers of Oregon.

Store 1039 Amity Market gets a new owner

Mr. Kim (pictured 2nd from right) has sold his business to “Sunny” Singh (pictured 2nd from left), a progressive convenience store operator that owns several throughout the Willamette Valley. Agent Steve Kim (pictured far right) decided to resign his appointment with the sale of his uncle’s business stating “it just wouldn’t be the same.” Mr. Kim worked the past 18 years from 5:30 am to 11:00 pm without taking any vacation time and was a true fixture of the community. The new owner took over the liquor portion of the business on a temporary appointment at the end of February, and already has plans to modernize and expand the store footprint into an adjoining space. We wish Mr. Kim and his wife an enjoyable, well earned retirement and hope to see Steve Kim sometime in the future apply for another store. We also extend a warm welcome to “Sunny” Singh, and are confident he can take the store to a new level.



House Spirits Distillery wins “Best New Specialty Retail Concept”

According to a press release provided to Retail Services, House Spirits Distillery, a leader of the American craft distilling resurgence, was honored with the award for “Best New Specialty Retail Concept, Small Operator,” at the 2015 Airport Revenue News (ARN) Awards. The award recognizes the craft distiller’s immersive retail experience at Portland International Airport (PDX) operated directly by House Spirits Distillery staff and offers an entire catalogue including limited edition spirits and the critically acclaimed Aviation American Gin. In addition, branded apparel, cocktail ware, and other local products such as chef Andy Ricker’s PokPok Som are available to showcase the bounty of Portland. The educational display includes the very first pot still that House Spirits Distillery used when in started up more than ten years ago.



The ARN awards recognize the achievements of the many exceptional airports and companies driving innovation within airport concessions. The entire awards process is conducted online, with nominees, finalists and winners selected by the industry at large. The House Spirits Distillery airport experience is the embodiment of Portland’s renowned culture, and it brings the airport’s 14 million annual travelers closer to the city’s legendary craft distilling culture.



“Portland International Airport is consistently ranked as one of the best airports in the world, and we are proud to be a part of the PDX experience. We are honored to accept this award from ARN and we believe it recognizes our ability to bring Portland’s craft culture to life through a unique airport experience,” said Thomas Mooney, CEO and co-owner of House Spirits Distillery.

Assistance needed in re-packs



The distribution center needs your help to reduce the amount of manpower spent on re-pack. Ideally, re-pack orders should be under 40 cases or less than 100 picks per order. (Pick is number of items ordered through re-pack).

Each week a report is generated which identifies stores with high amounts of re-pack on their order. District managers will assist these stores in reducing their re-packs to lessen the amount of labor used in the re-pack section of the distribution center. Agents are encouraged to focus on the need to order in full case where appropriate.

In January some additional items were eliminated from the re-pack section but this alone will not be enough. In April, the distribution staff will be removing even more items from re-pack. Please focus on each order the need to order in full case where appropriate. Thanks for your attention to this!

On a side note: If your order is received late the re-packs will be canceled; this includes if your store is contacted regarding a late order, the distribution center will not be able to accommodate it's re-packs.

Automated receiving process



The OLCC Information Technology department recently worked with Retail Services and store agents to put in place the ability for point of sale providers to automate the inventory receiving process. All point of sale vendors have been notified of the parameters of this enhancement. Steve Kelly has implemented this capability with his Kelly Meyer point of sale system and initial feedback is great. Stores can now view the packing list electronically, with actual quantities shipped – eliminating the need to reconcile the packing list against the purchase order.

The functionality does need to be enabled by Retail Services and there are a few steps involved. If interested, reach out to your District Manager and point of sale provider for more details. Thank you to everyone who was involved in streamlining this process!

Message from Relationship Services (formally Merchant Services)



Can an agent take a chip card without using the pin pad?

The only way for the terminal to take the chip cards is not to have a pin pad. If there is a pin pad attached to the terminal, then the program will always default to the pin pad for the chip read.

If an agent chooses to do this, is there a download required or can they just pull the plug on the pin pad?

A partial download will be required. However, if they are IP, the download should be less than 10 minutes.

Relationship Services: 800-725-1245, Option 2

Licensee return reminder

There have been several Licensee Returns recently in which a store did not follow the process, creating errors and delays in processing the returns for the licensee. Please take a moment and review the following information from Section 4 pg. 31-32 of the Retail Operations Manual.

3. Refunds and Exchanges

When a current licensee returns a small amount of liquor (up to \$500), the agent should issue a credit for the returned bottles against a current licensee invoice. In normal circumstances this means the returned items do not exceed the overall dollar value of the invoice before the return is applied. For a return in excess of \$500, an agent will need to attach a copy of the original licensee invoice(s) for all returned items indicating the purchase price. The amount credited to a new invoice must be the same as the original purchase price. Complete a Refund Report if the return creates a monetary gain or loss. Distribute per the instructions on the report.

If a licensee has a return in excess of \$500 without a copy of the original invoice or if a licensee goes out of business, they may return resalable merchandise for a refund from OLCC. **No product should be accepted from the licensee prior to the completion of steps a and b.**

- a. The licensee is required to send a letter to OLCC, attention Retail Services, or an email (OLCC.RetailServices@state.or.us) detailing the return and including the reason. It must also include an address where the refund check will be sent and the business name or individual's name as check payee. This can be done by mail or fax (503-872-5355).
- b. Retail Services must approve the licensee's written request to return the liquor. When the request is approved, a memo will be sent to the agent authorizing the store to accept the return and a separate letter will be sent to the licensee instructing them to contact the agent to set up a convenient time for the return.
- c. The agent should examine the return with the licensee present and accept only currently listed products. Decline items that have been delisted, are closeouts or have broken seals. Also decline items that

have old, faded or defaced labels. Give all declined merchandise back to the licensee. If there are questionable items, they may be left for the DM to make a decision.

- d. On all items that are accepted, complete a hand written Stock Transfer form leaving the prices blank or create a credit invoice on the store computer. Cross out all the prices for the product if using a computer invoice. Be sure to not apply this product to the store inventory at this time. Have the licensee sign the Stock Transfer form or the invoice acknowledging the invoiced product was left at the store.
- e. Leave the accepted items boxed and isolated in the stockroom and contact the district manager when the return is ready to be inspected.
- f. Once the return has been inspected, the district manager will submit paperwork to Financial Services for processing. The licensee will receive a check in the mail in about 30 days. Prices for the product will be determined by using the licensee invoice amount (if available) or the lowest retail price during the last 60 days, minus the five percent discount. An eight percent handling charge will also be assessed. OLCC will generate an invoice to charge the liquor store inventory for the value of the product. When the agent receives the invoice the product must be applied to the store inventory and the merchandise can then be offered for sale.