Oregon Liquor and Cannabis Commission Strategic Plan Annual Assessment Report

June 1, 2025

Executive Summary:

This year the OLCC IT department is pleased to share the updated and refreshed 2025 IT Strategic Plan aligning with the new OLCC Agency Strategic Plan. This Annual Assessment Report addresses the initiatives and metrics identified in 2023 in retrospective. There have been many successes in the last year and a half particularly regarding OLCC's modernization efforts. OLCC has been engaged in modernization projects across the agency for several years. Modernization milestones include:

- The Oregon Privilege Tax Online (OPTO) project reached completion in February 2025.
- The Cannabis and Alcohol Management Program (CAMP) has seen several successful phased implementations for phases 1-3, the final phase to go live autumn of 2025.
- The Distilled Spirits Supply Chain (DSSC) project has had a successful kick off event in March 2025 and continues to move through planning with partners at EIS Strategy & Design, EIS P3, EIS DCS, Resource Data, Inc., Accenture, and Gartner.

As OLCC continues to modernize systems and address deficiencies, we aim to become an Organizational Partner to align the strategic use of technology with agency goals. Although we feel we are still in Firefighter mode, we believe the accomplishments we've achieved bring us closer to Trusted Operator than was identified in our previous strategic plan. By actively decommissioning the applications no longer needed from the CAMP implementation, there are fewer moving parts to monitor and increased reliability to data and processes for our end users. When DSSC goes live, OLCC will have more than 40 unique outdated applications that can be decommissioned, most of which are 20-40 years old. Until that time, the fragility of the current state AKA "spaghetti monster" remains a battle that IT staff must engage to keep the distilled spirits portion of our agency in operation. These systems require manual manipulation at least once per week.

Strategic Objectives:

In 2023, OLCC identified five IT strategic objectives: Workforce Empowerment, Stakeholder Relationship Improvement, IT Operational Excellence, Infrastructure and Systems Modernization, and Compliance with Legislative Mandates. While we continue to focus on improving in these cornerstone areas, there has been progress made specifically in the following areas:

- **Workforce Empowerment:** Several IT staff have experienced opportunities to grow through succession planning initiatives. Training opportunities have been made available to staff to learn new skills and/or get certified in existing skill sets. For example, the project management team has gone through Project Management boot camp as well as attending an Agile course to prepare for the large modernization projects. The development team has taken Microsoft Dynamics 365 training to prepare for the implementation of the DSSC project. OLCC has recently purchased 12 months of Microsoft Unified support to provide training and assistance in standing up Power BI to the Database Administrator and Report Writers also to prepare for the DSSC project.
- **Stakeholder Relationship Improvement:** Through lessons learned from the OPTO project, CAMP staff were able to address a number of deficiencies around stakeholder engagement. In addition to holding several stakeholder meetings, webinars, and inviting customers to participate in testing, OLCC also provided several emails, post cards, and letters to licensees and permittees. Another area of improvement includes user guides and video tutorials stepping customers through the new online processes. An added benefit is that the CAMP aids were also translated into the top 4 non-English languages spoken/read in Oregon including Spanish, Russian, Vietnamese, and simplified Chinese.
- **Infrastructure and Systems Modernization:** Migration of OLCC's M365 tenant to the state's Enterprise M365 tenant has been a significant step toward Infrastructure and Systems Modernization. The true benefits of the large modernization projects will be achieved by the close out of the CAMP (Autumn 2025) and DSSC (Winter 2026) projects. Many outdated and unsupported applications will be decommissioned once both projects are tested, validated, and in production. OLCC is also making improvements to the Change Advisory Board and Project Intake processes. As the agency is heavily involved with several large projects, resource management is critical to our success. Through the construction of the new warehouse in Canby, Oregon, OLCC will see a digital transformation with a new conveyance system, server room, switches, audio/visual, and networking connectivity to improve performance and enhance security. Five years following the Pandemic, there are vast improvements to remote work capabilities across all OLCC location statewide including workstations and tools such as SharePoint and Big IP Virtual Private Network (VPN).
- **Compliance with Legislative Mandates:** As OLCC closes on another legislative session, the CAMP solution has proven to be a flexible architecture to accommodate several changes in statutes and subsequently in rules. The design practices allow flexibility to accommodate legislative mandates and changes as needed through mature change management processes. Due to the design of the underlying architecture, it is much faster to address and implement changes than to develop a custom application.
- **IT Operational Excellence:** While the agency has seen vast improvement during the CAMP project, the OLCC will see a significant improvement in digitization and automation when the CAMP and DSSC projects are finalized. The OLCC IT Leadership also participated in a weeklong workshop with InfoTech to build the structure for IT Governance to include data governance, cyber security governance, and project governance. The agency aims to begin quarterly IT Governance Review sessions on or around the beginning of the 25-26 fiscal year.

Metrics and Targets:

The baseline for Workforce Empowerment in 2023 was 3.59. In the most recent Gallup survey November 2024, the Engagement Mean increased to 3.85 for the IT department. The questions that scored the highest were "In the last seven days, I have received recognition or praise for doing good work," "My manager, or someone at work, seems to care about me as a person," and "This last year, I have had opportunities at work to learn and grow."

In Stakeholder Relationship Improvement, we have implemented the ability for liquor licensees to pay by credit card. As of June 1, 2025, not all licensees have been through a renewal period. However, 99% of new license applications and renewal payments were made online by credit card or ACH payment. OLCC will engage in the next stakeholder engagement survey in summer 2025. At that point in time, we will be able to evaluate if there is an improvement based on recent online application investments.

When CAMP phase 4 is implemented in autumn 2025, we will have the data to evaluate the tracking and management of case assignments and compliance investigation time to determine a change, if any, for IT Operational Excellence and Compliance with Legislative Mandates.

For the Infrastructure and Systems Modernization objective, by streamlining processes and reducing manual manipulation, the time from liquor license application submission to license issuance has gone down 66% from 81 days to 28 days since implementation of CAMP. Cannabis license times have dropped 65% from 91 days to 32 days. Exceptions for scanned uploads of documents is down to 4.35%. Sixteen separate standalone applications are now in the process of or being planned for decommission since the initial implementation of CAMP.

Cannabis Alcohol Management Program
High-Level Schedule - as of 05/19/2025
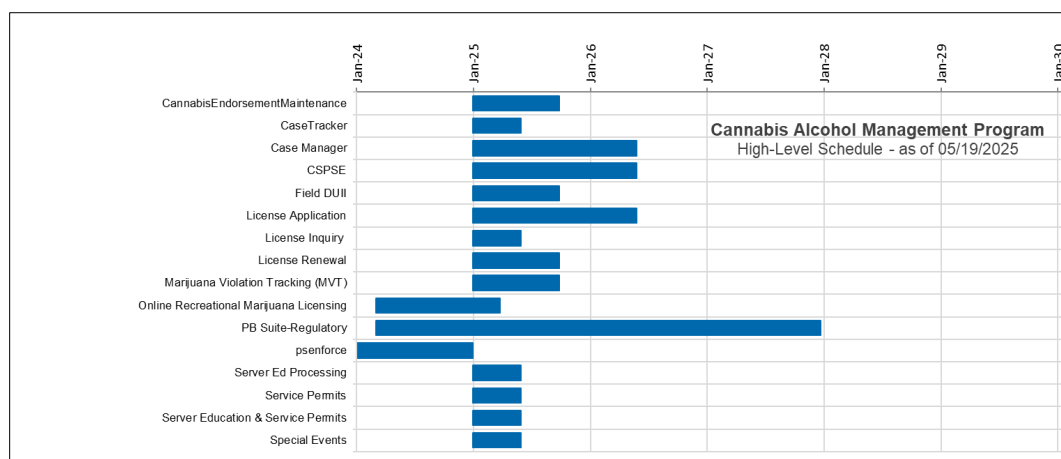
Initiatives:

Rapid modernization across all program areas has resulted in growing pains and learning opportunities. Details of the initiatives or projects undertaken to support the strategic objectives. Including updates on the status of each initiative, any challenges encountered, and how they are being addressed

- **Implement CAMP Online Application**: The CAMP project has successfully implemented three out of four phases on time and on budget. Learning from the OPTO project, there has been a significant amount of stakeholder engagement which has resulted in a positive experience for both OLCC staff and our external users. Upon the very first go-live, we solicited feedback from power users within the cannabis industry. These users provided great suggestions on how to further improve the system for clarity and ease of use. After implementing the changes, this made the roll out of liquor licenses and permits even smoother.
- **DSSC: New WMS, POS, ordering and inventory software**: The DSSC project spent approximately nine months in contract negotiation with the solution vendor, Accenture. Implementing the contract in segments, the final contract was executed April 8, 2025 with a planned completion date of September 2026. Although the project officially kicked off in March 2025, OLCC and the contractor have been engaged with EIS since September 2024 to identify and map architectural needs for a State of Oregon hosted solution.   The project is still in the planning phase.
- **Build New Warehouse & Conveyor System**: The IT department is very engaged with Cumming Group, the Owner's Representative for the warehouse construction project. Regular sessions are held to identify low voltage, server room, and network connectivity needs among others. The new server room will have modern hardware and easily accessible cable/wiring throughout the building. The general contractor, JE Dunn has hired DMW&H as a subcontractor to implement the conveyance system. OLCC is working closely with Cyber Security Services and DAS Procurement Services to ensure security measures and contractual agreements are in place.
- **Implement Privilege Tax (OPTO**): The OPTO project was the first of the large modernization projects. Several hiccups were encountered along the way such as adapting to an iterative process, lack of organizational change management, lack of stakeholder engagement, and limited resources in terms of people and funding. The lessons learned through the implementation have been incorporated into the Warehouse Construction, CAMP and DSSC projects to avoid the same mishaps. Fortunately, the OPTO project completed in February 2025, creating bandwidth for the Finance subject matter experts (SME's) to dedicate more time to the other projects.

Resource Allocation:

The OLCC is a small agency with roughly 350 employees in total. Personnel right sizing has been a struggle since the beginning of 2019 with the OPTO project and continues today. With the change in leadership at the OLCC, we are seeking double fill positions (two people in one position) to build capacity of staff to concentrate on project work while not letting their daily tasks slide.

As an "other funded" agency and the third-largest revenue producing agency in the state, OLCC is in a better position to receive project funding than general funded agencies. That being said, the projects are governed by legislative process and budget approval. With inflation following the pandemic, project costs have increased, resulting in OLCC asking for additional funds to complete the projects. OLCC was granted bonded funds in the 2021-2023, and 2023-2025 biennia, which unused funds have been requested to be rolled over into the 2025-2027 biennium. If funds provided in Governor's Recommended Budget are approved by the legislature, the CAMP and DSSC projects will have enough funding to complete the projects.

OLCC's technology at the new warehouse will be modernized and up to date. In a parallel effort, the agency is using the state's cloud forward approach to move more systems to the cloud in order to relieve dependencies on hardware in the OLCC's server room. OLCC is engaged with Enterprise Information Services (EIS)/Data Center Services (DCS) to host the DSSC solution in the Microsoft Azure cloud using Microsoft SQL as a Service.

Risks & Mitigation Strategies:

The largest risk among the modernization projects is the capacity of staff to complete the overlapping projects. The mitigation strategy is to recruit limited duration staff to back fill positions, creating the ability for staff to dedicate time to the successful implementation of the projects.

Another risk that impacts the IT strategic objectives is turnover among staff. Single layer resources create a big risk for the project, if that resource leaves the agency. Documenting processes and having a desk manual as well as cross-training staff are all mitigation strategies shared with cross-functional teams.

Although the Governor has generously provided additional budget funding for the 25-27 biennium in the Governor's Recommended Budget, the request must be approved by the legislature. Project funding continues to be a risk as project blockers and unidentified requirements may arise at any stage of the project.

The DSSC project schedule is very aggressive. Any deviation from the project schedule may result in delays and change orders. The OLCC plans to communicate the schedule early and often with SME's and stakeholders.

The DSSC architecture is unconventional and new to many EIS and OLCC staff. While they are eager to jump in and assist, not having done the tasks before can result in repeated tasks and unforeseen blockers. Leaning on our partners at Microsoft and Accenture who have experience

with the solution has mitigated some of the issues. Enhanced communication with EIS partners alerts OLCC to potential issues sooner so that they can be addressed.

Next Steps:

While the ongoing major projects are still aligned with OLCC's new Agency Strategic Plan, updates have been made to remove projects that have been completed such as OPTO and the M365 migration. The updated 2025 IT strategic plan places emphasis on customer service and diversity, equity, and inclusion. In working with the current IT department staff, the mission, vision, strengths, weaknesses, opportunities and threats section is more fleshed out to represent the current landscape of the division. The metrics have also been updated to reflect the goals and desired outcomes of the DSSC project. Once the DSSC and CAMP projects are fully implemented, OLCC will conduct a comprehensive technical architectural assessment to ensure that the remaining workflows are no longer reliant on labor intensive manual processes per the 2024 CIO approval letter dated January 9, 2024. This assessment will further contribute to the overall efficiency and effectiveness of OLCC's IT computing infrastructure.

Conclusion:

The IT division is focusing on providing excellent customer service as a support department. Understanding that for many new hires, their first impression of the agency comes from how they are onboarded by IT. To enhance this experience, staff documented the "as is" onboarding process and are now reviewing areas of opportunity for process improvement. Another area that has had significant attention is that of information assurance and improving the agency's cyber security posture. An Information Assurance Manager was hired in December 2024 to oversee OLCC's risk mitigation and compliance activities. The position was brought on board following two audits for cyber security: 1) an internal agency audit and 2) an audit from Cyber Security Services (CSS). Additionally, after the retirement of the previous identity administrator, a new hire has been onboarded and has implemented many new standards such as quarterly access audits and improvements to Active Directory. The 2025 IT Strategic Plan will have a stronger focus on shoring up OLCC's cyber security posture as well as providing excellent customer service in addition to completing the modernization projects. We look forward to continuing our strategic journey in 2025 and beyond and supporting the mission, vision, and values of our OLCC Agency through excellence in IT service.

Appendix:

Figure 1.0 – CAMP Posse Base System Network Design
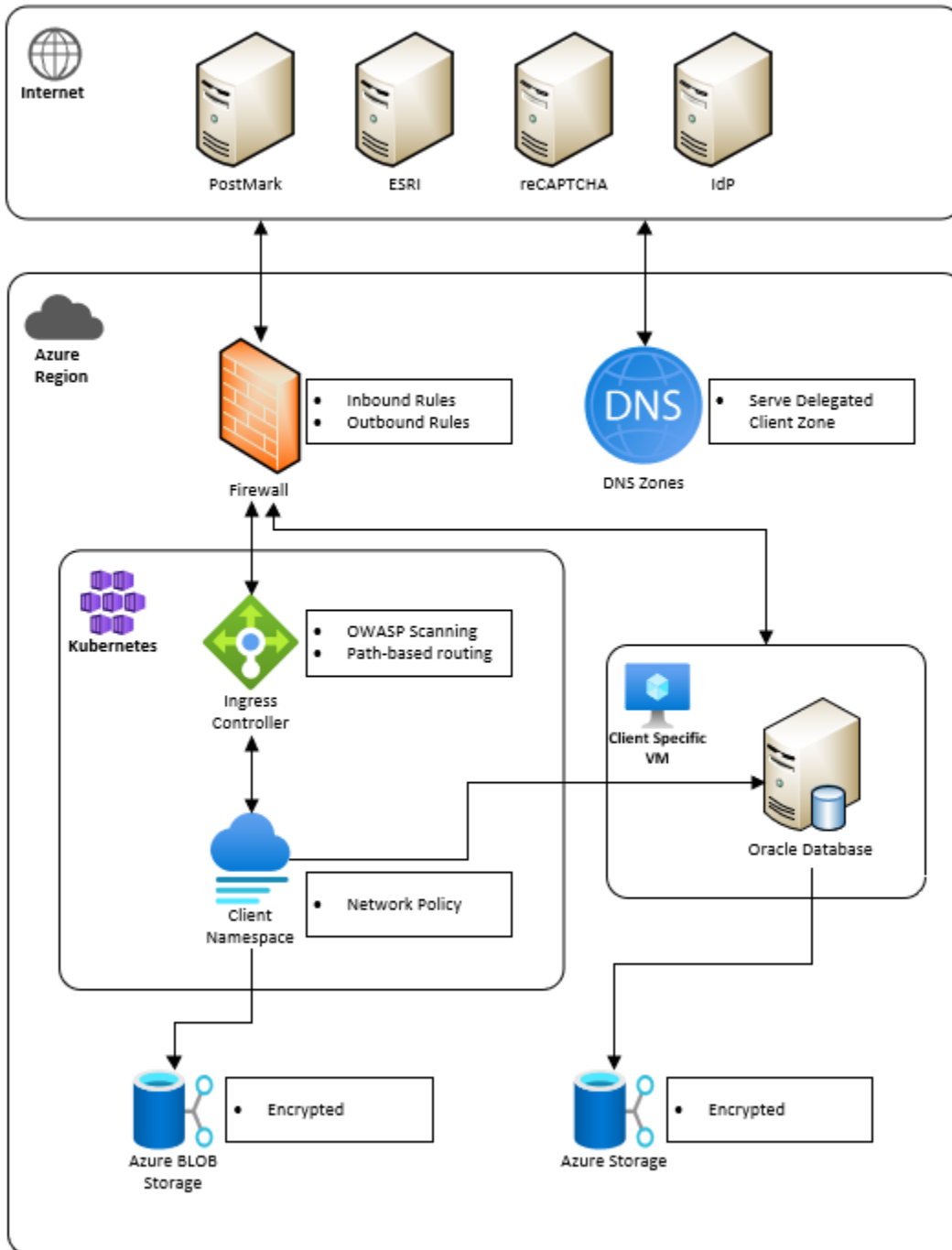

POSSE Cloud Network Diagram

Figure 2.0 – CAMP Posse Azure B2C OAuth Authentication and Authorization Interface Diagram
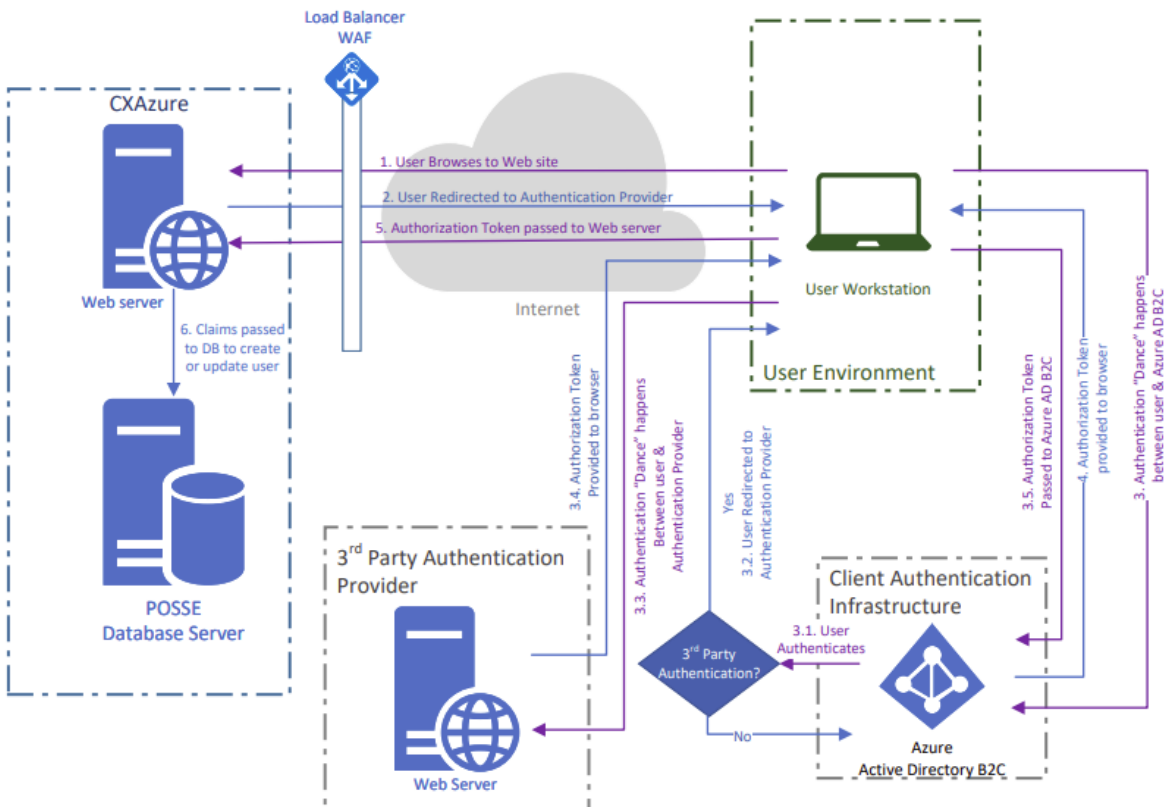

POSSE Azure B2C OAuth Authentication and Authorization Interface

Figure 3.0 – DSSC Microsoft Dynamics Server Map

OLCC DSSC Dynamics 365 Implementation Server Map