

OREGON LIQUOR CONTROL COMMISSION

Changes in Organizational Structure in 2019-2021 Biennium

OLCC EXECUTIVE MANAGEMENT CHANGES
APRIL 2020 COMMISSION MEETING

Rationale: Why Change the Organizational Structure?

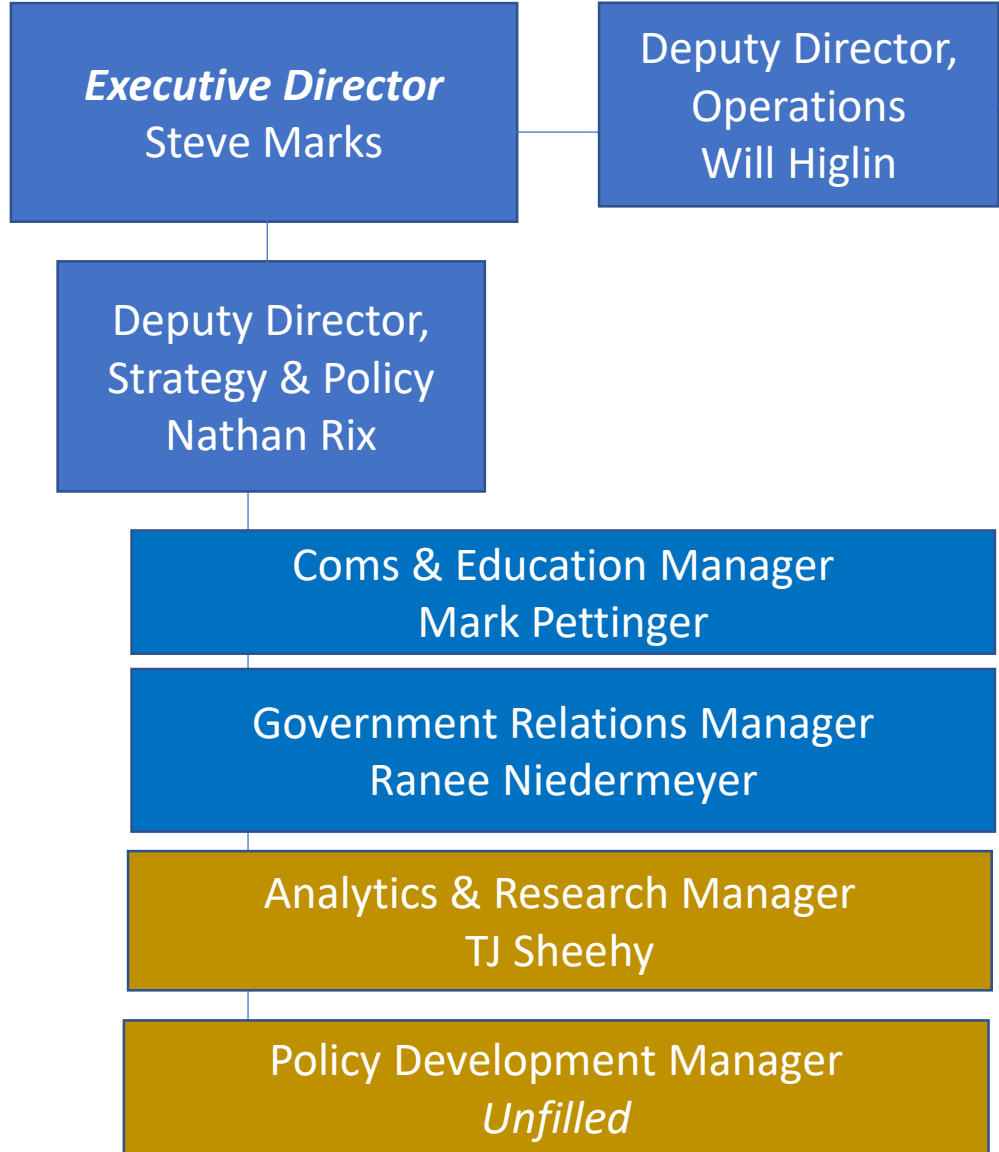
Based on 30+ interviews and Executive Team planning sessions. Quoted text comes directly from OLCC staff.

- Tremendous organizational growth between 2015-2020, from approximately 220 to 367 staff. Staff are stretched beyond limits with so many parts “bolted on to their original roles” it is “nearly impossible” to do work effectively.
- Operation and policy functions are task-focused rather than strategic. Staff are constantly reacting to changes and “have a hard time switching gears” to think about cross-agency alignment and cooperative policy and long-term policy and operational efficiencies.
- Need clarity in roles and responsibilities. Staff feel like they could be more effective and efficient with their time if they were *empowered AND accountable* to “own tasks from end-to-end.” Decisions are delayed because there is not a clear decision maker in charge.
- “I’m worried about retirements.” Senior staff are retiring and intentional cross-training and succession planning is needed to transfer knowledge and maintain operational continuity.

Solution: Immediately Implement New Organizational Structure (2019-2021 Biennium)

- ❖ Defines new Executive Management structure:
 - Adjusts management allocation to reflect the revenue generation value that the Commission provides to the State of Oregon’s General Fund & local government jurisdictions (\$1.5+ billion biennially)
 - Stabilizes management structure after five years of tremendous growth with a focus on leadership development, staff retention, and succession planning
- ❖ Converts “Management Consulting Services” into “Policy, Analytics, Communication, and Education (“PACE”) Program”:
 - Centralizes PACE staff and establishes integrated ‘services’ for Public Safety & Distilled Spirits Programs
 - Creates capacity to develop and implement agency-wide strategic initiatives
 - Implements organizational development strategy to enhance collaboration and knowledge sharing among OPA-level and CS-level senior staff
- ❖ Strengthens Administrative Hearings Program (currently AP&P) by creating capacity to address complexity and backlog of cases
 - Enhances day-to-day management capacity of Administrative Hearings Program Director
 - Transfers rulemaking functions to PACE and maintains legal insight and analysis through cooperation
- ❖ Creates management capacity within Chief Financial Office:
 - Increases accountability for day-to-day operations of Financial Services (e.g. accounting)
 - Increases accountability for budget planning and operations (e.g. tracking & reconciliation)
 - Ensures all programs can access fiscal analysis as a ‘service’ (e.g. POP planning)
- ❖ Create two new positions for business process improvement within Public Safety.
 - Implements LEAN practices to eliminate waste and increase efficiency of marijuana and liquor license and compliance operations

Part 1: Management Restructure



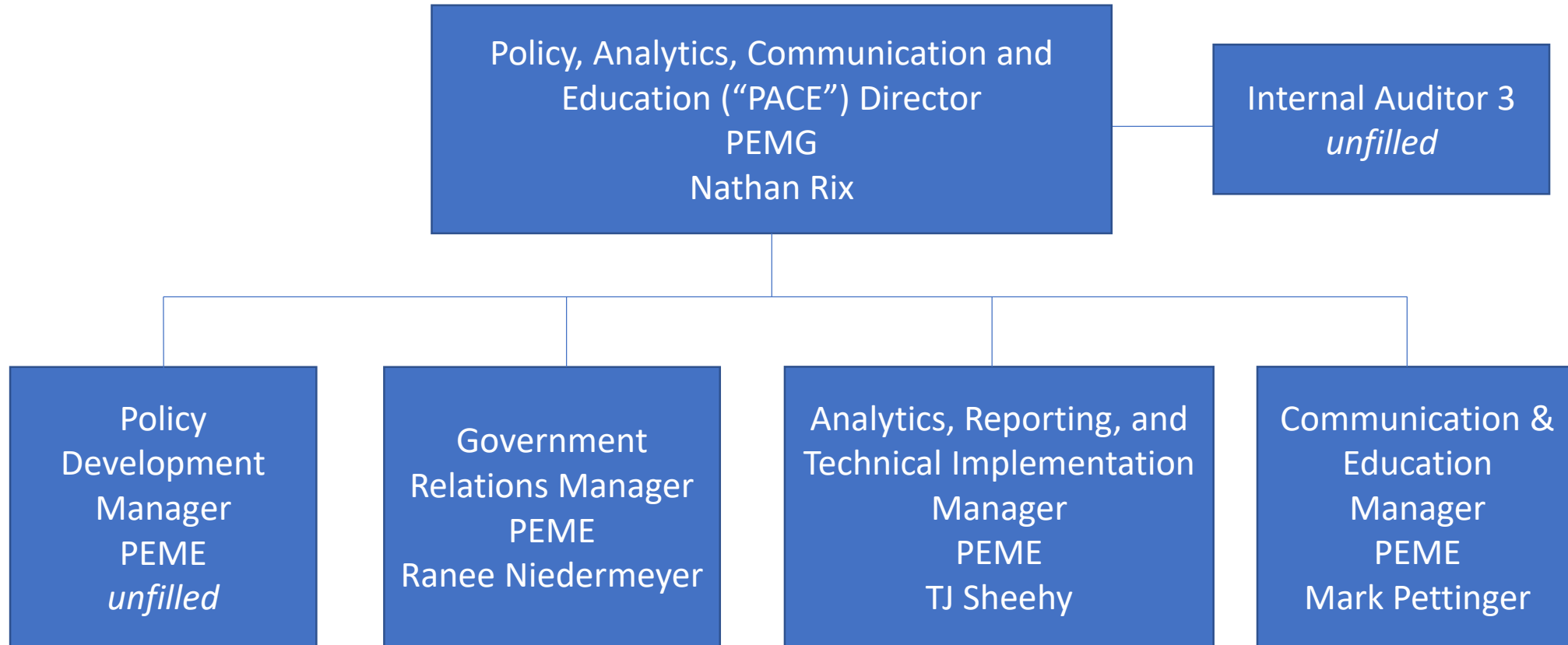
Executive Management in blue



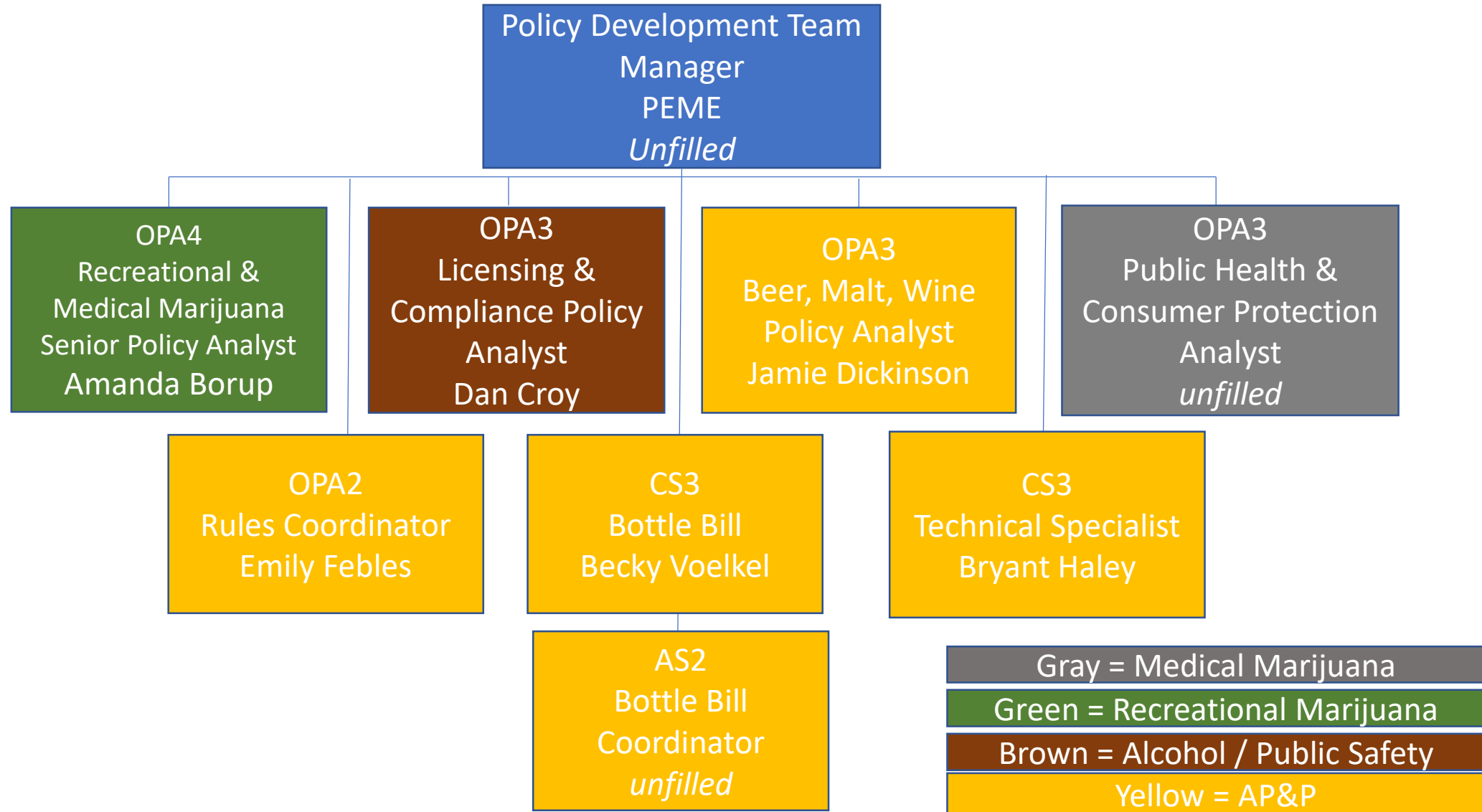
“Expanded” Management in gold



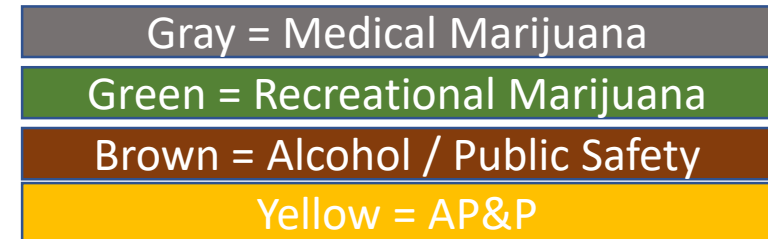
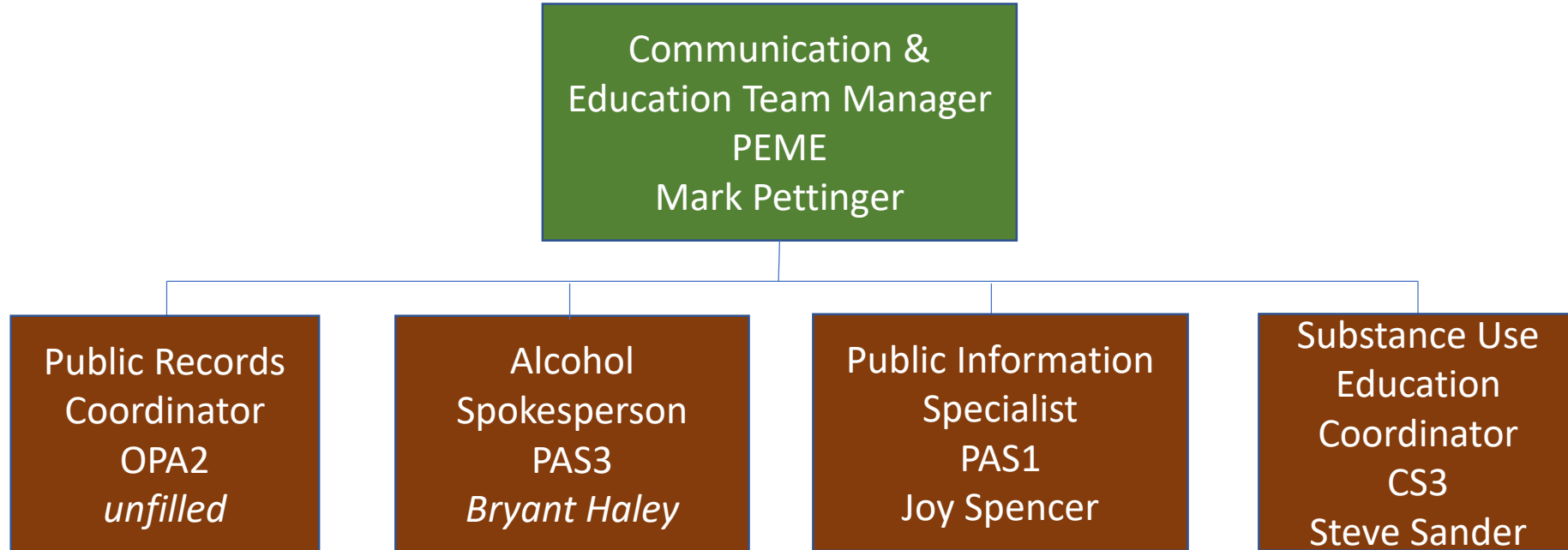
Part 2: Converts Management Consulting Services into Policy, Analytics, Communication, and Education (“PACE”) Program



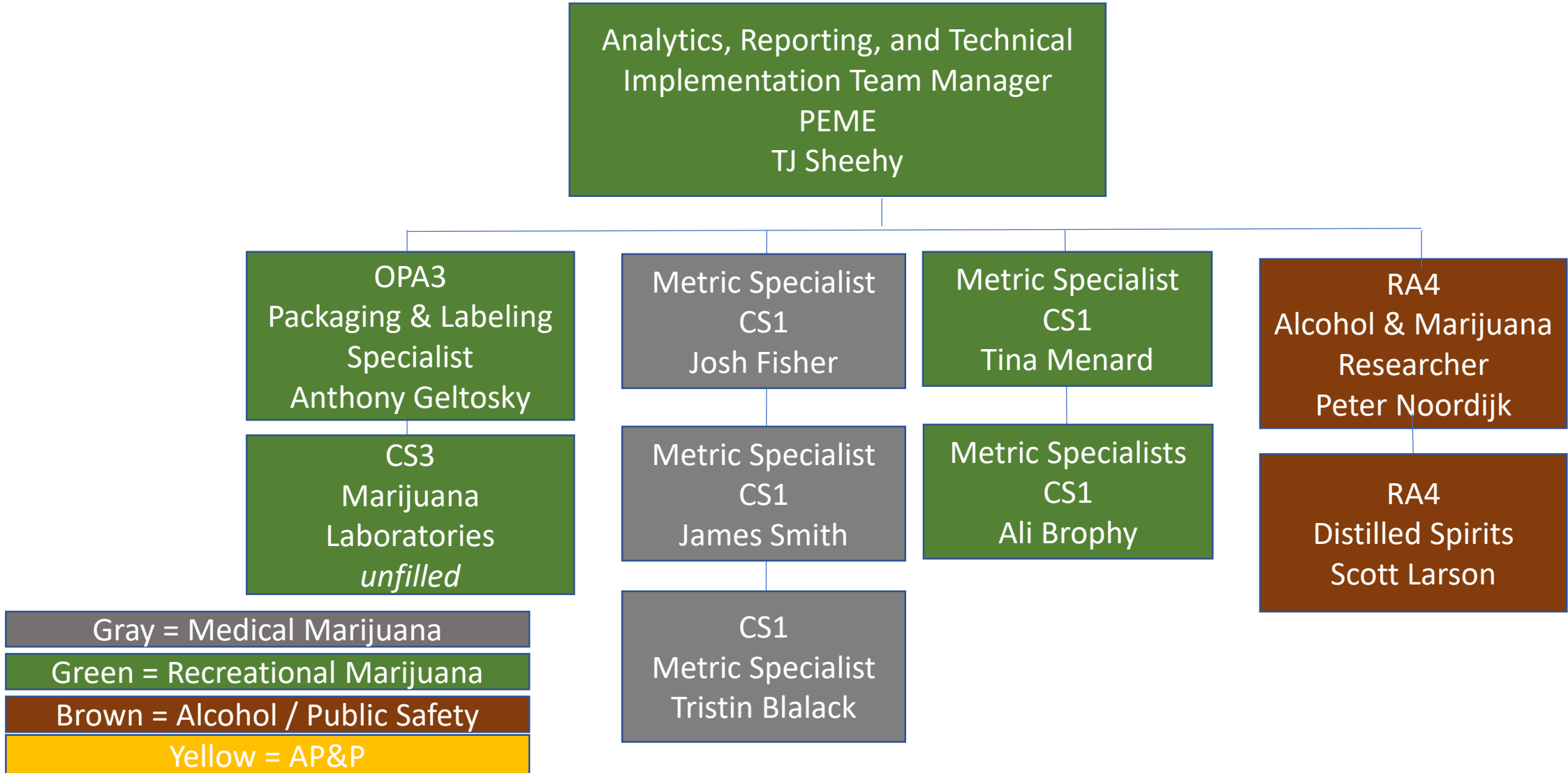
Part 2: Centralized Policy Development Team



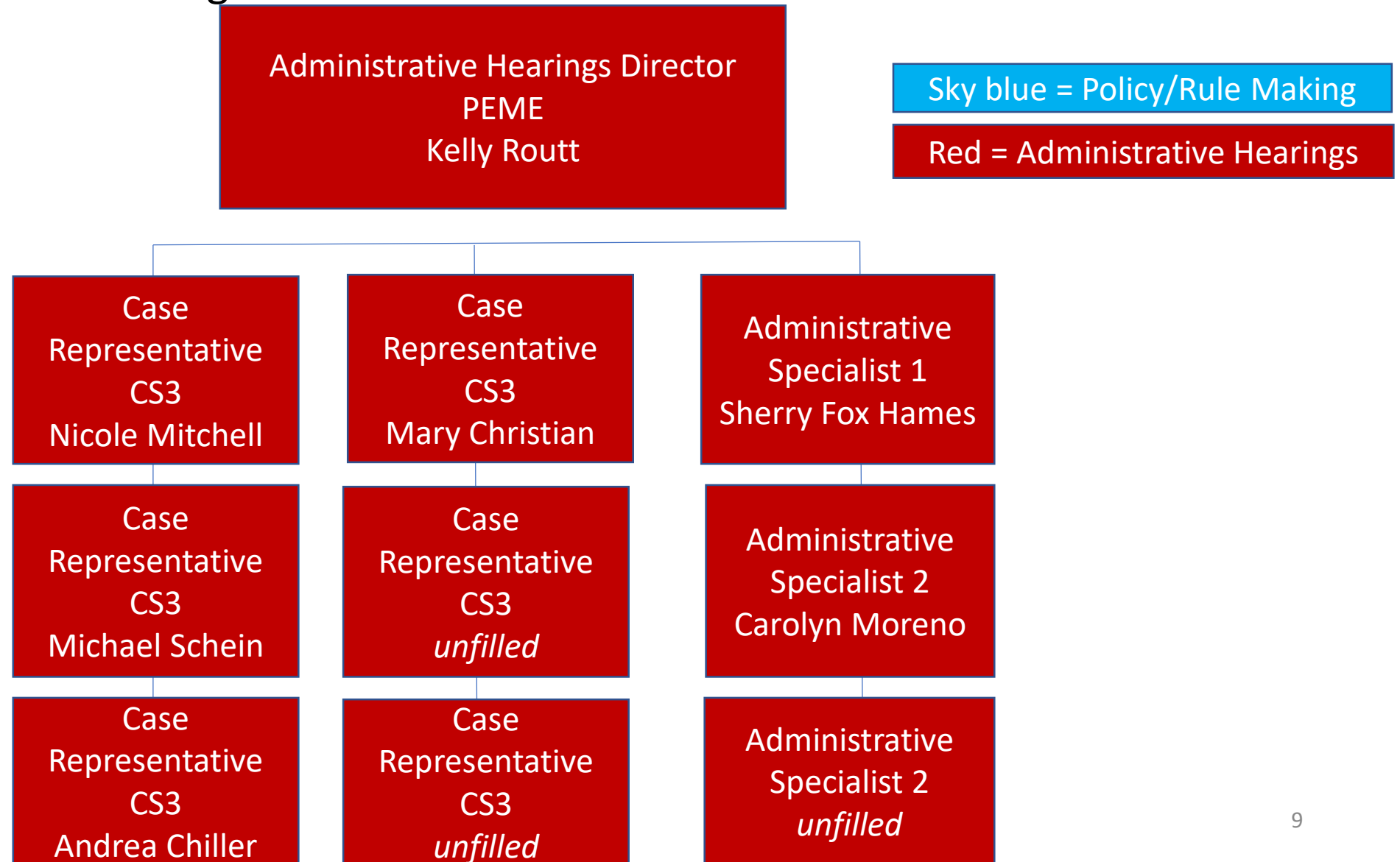
Part 2: Communication and Education Team



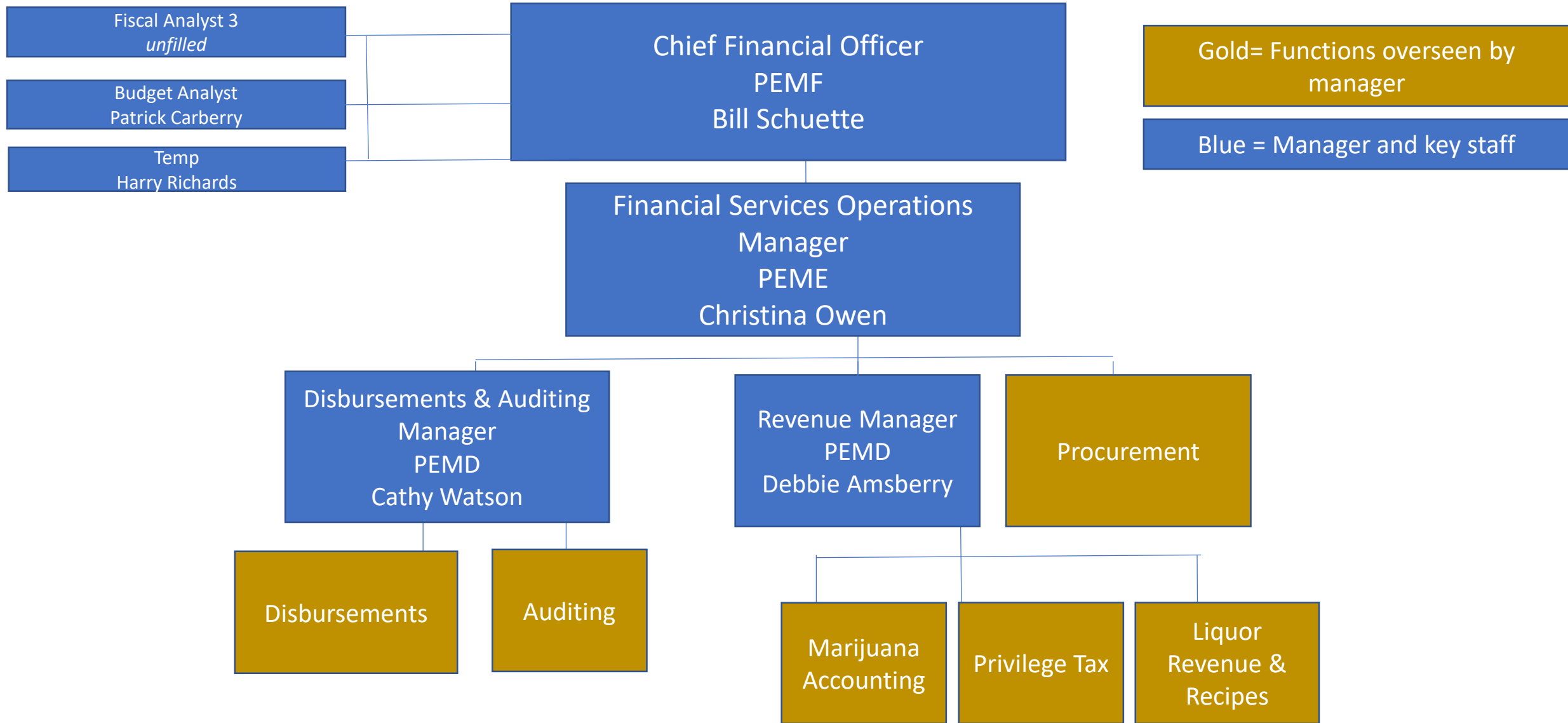
Part 2: Analytics, Reporting and Technical Implementation Team



Part 3: Strengthens Administrative Hearings Program (currently AP&P) by creating capacity to address backlog of cases



Part 4: Add management capacity within Chief Financial Office



Part 5: Create two new positions for business process improvement within Public Safety, Licensing and Compliance

Licensing - Operations and Policy Analyst 3

- Ability to facilitate, develop, and maintain business process maps, business rules, and track changes over time
- Ability to develop AND implement process improvement strategy (e.g. LEAN, six-sigma) in a regulatory context
- Develop and maintain manuals and operational guidance for licensing staff related to all operational aspects of the program
- Take direction from Licensing Director to develop AND implement policy and operational short and long term plans
- Coordinate and develop program budget
- Take initiative to anticipate the needs of the Licensing Director
- Operate fluidly across organizational program areas to solve intra-agency problems (e.g. collaborate to redesign licensing processes when public policy changes or IT systems are enhanced)
- Ability to think critically and creatively about the operational impact of an emerging policy and/or IT proposals on licensing operations
- *Optional: experience developing requirements on a team of policy analysts, licensing staff, and IT project managers to meet business roles and requirements*
- *Optional: experience using organizational change management strategy to influence operational changes*

Compliance - Operations and Policy Analyst 3

- Ability to facilitate, develop, and maintain business process maps, business rules, and track changes over time
- Ability to develop AND implement process improvement strategy (e.g. LEAN, six-sigma) in a regulatory context
- Develop and maintain manuals and operational guidance for licensing staff related to all operational aspects of the program
- Take direction from Compliance Director to develop AND implement policy and operational short and long term plans
- Coordinate and develop program budget
- Take initiative to anticipate the needs of the Compliance Director
- Operate fluidly across organizational program areas to solve intra-agency problems (e.g. collaborate to redesign licensing processes when public policy changes or IT systems are enhanced)
- Ability to think critically and creatively about the operational impact of an emerging policy and/or IT proposals on compliance operations
- *Optional: experience developing requirements on a team of policy analysts, compliance staff, and IT project managers to meet business roles and requirements*
- *Optional: experience using organizational change management strategy to influence operational changes*

Summary: Problem We Are Trying to Solve

- Five years of organizational growth and nearly doubling in size
- Operating tactically rather than strategically
- Need more line-of-sight and clearer roles and responsibilities among senior staff
- Ensure succession planning and continuity of operations with attrition

Solution: Five Part Action Plan

- Define new management structure in the wake of tremendous growth
- Centralize policy, analytics, communication and education staff and operate as a 'service' for Distilled Spirits and Public Safety Programs
- Strengthen AP&P by creating capacity to reduce backlog of cases
- Create management capacity within the Chief Financial Office
- Create capacity for process improvement within Public Safety Program