



# Utah DABC Presentation

to the

## Utah State Business, Economic Development and Labor Appropriations Committee

January 21, 2022

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# Commitment to *Service and Innovation*

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- Serving ALL Utahns - whether or not they drink alcohol
- Public health and safety top priorities
- Supporter of Utah hospitality, food, and beverage businesses
- Elevating customer service across platforms:
  - Prevention Education
  - Compliance and Licensing
  - Retail



# FY 2021 Fiscal Report

The DABC helps to keep taxes low for hardworking Utah families

## \$214.72 million

to state and local communities in  
fiscal year 2021



Total revenue: \$517.39 million

\$123.69 million → General Fund

\$91.03 million

- School lunch fund
- Parents Empowered
- Public safety
- Local sales taxes



# Preventing Underage Drinking

*The DABC funds, and works alongside, Parents Empowered to reduce harmful underage drinking*

## YOUTH ALCOHOL USE TRENDS

GRADES 6, 8, 10 AND 12 COMBINED (2005–2021)



\*Source: Utah Student Health and Risk Prevention (SHARP) Statewide Surveys, 2005–2021

## How does it work?

- Statewide community events
- Robust media campaign
- Broad community collaboration and commitment



# Our Workforce



## 667 Team Members

597 Retail Team Members

34 Warehouse Team Members

*Essential workers - working throughout pandemic*

## SB 137

- Includes annual market analysis for possible additional pay adjustments based on average pay for workers in similar jobs
- Anxiously awaiting full deployment of SB137

## Doing our part to maximize outcomes

- Strategic plan
- Employee education and training, focus on customer service
- Increasing employee engagement, including employee survey



# Budget Requests

Building blocks towards improved service and greater success

<u>Building Block Request</u>	<u>One Time</u>	<u>Ongoing</u>
IT Compliance System upgrade	\$1,059,600	\$668,300
Online Click and Collect Pilot Program	\$2,496,000	\$688,000
Retail Store Technology upgrade	\$2,311,200	\$454,400
Roving Team Staff		\$383,000
Pop Up Stores	\$200,000	
Fleet Increase	\$75,000	
Store Security		\$300,000
<b>Total</b>	<b>\$6,066,800</b>	<b>\$2,568,700</b>



# IT Infrastructure for Compliance Team

DABC staff needs tools that match our modern world to help local businesses succeed

“Any chance we can get an online portal for the Utah Department of Alcoholic Beverage Control? It would make it so much more convenient for citizens to upload docs online, rather than schlep them up to SLC.... C'mon DABC, go digital. Get with the times!!!”

*-Local business owner in Utah County, Pizzeria*

## Investment—

One Time Cost  
\$1,059,600

Ongoing Cost  
\$688,300

## Return on Investment—

- Support local businesses so they continue contributing to Utah's economy
- Ensure businesses operate legally and safely
- Modernize and improve efficiency for staff and Utah business owners
  - Online payments and applications
  - On-site digital tools for consistency and ease of operation



# Click & Collect: Buy Online, Pick Up in Store

Safe conveniences for better efficiency and service

**Investment**  
\$3,184,000

**Return on Investment (operational at two stores)**

- After one year, 10% growth = \$2,028.432 added revenue
- Over years 3, 4, 5 = \$10,000,000 in growth each year



- ✓ **Safe**
- ✓ **Convenient**
- ✓ **Customer focused**
- ✓ **Benefits all Utahns**





# Store IT Infrastructure

Ensuring DABC stores have the tools they need to best serve Utahns



**Investment—**  
\$2,765,600

**Return on Investment—**

- Become in-line with industry standards
- Improved business operations:
  - wireless internet, scan guns, Apple Pay
- More efficient workforce and operations
- Better customer service: shorter lines and more time for product knowledge and education
- Maximize outcomes for revenue growth



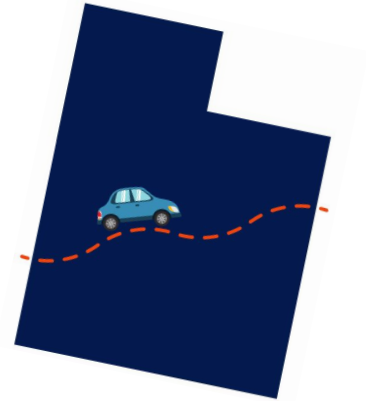
# Roving Team

Effective, innovative solution to common problem

**Investment—**  
\$383,000

**Return on Investment—**

- Keeps stores opening, preventing revenue loss  
Average daily revenue for a retail store = \$35k
  - Ensures responsible fiscal management for the state and all our partners
  - Helps meet customer needs (individuals and businesses)
- Ready to deploy at a moments notice
- Assist with operations during distressed workforce scenarios
- Enable permanent store staff to "catch up" on trainings and product knowledge enrichment



# Pop-Up Stores for One-Time Event

Anticipating high-visitor events and thinking ahead to plan for quality service



## Investment—

One time cost    \$200,000

## Return on Investment—

- Temporary pop-up stores during NBA All-Star games to handle influx of Utah visitors - contributing to tourism economy
- Valuable insight into whether this innovative approach to serving high-tourist events is effective for meeting the needs of our guests and supporting hardworking DABC staff
- Frees up capacity at existing stores for our hospitality industry customers (restaurants, bars, hotels) to order and pick up



# Increase for Fleet and Security

Safety in required travel, and in stores for both staff and customers

## Fleet Investment

Ongoing Cost

\$75,000

Compliance team travels to local businesses to advise and inspect to ensure laws and safety measures are being adequately followed. Proper and safe vehicles are crucial to this aspect our statutory obligation.

## Security Investment

Ongoing Cost

\$300,000

DABC seeks to contract with private security companies to bolster the safety of our expanding operations in a fiscally responsible manner.



# New Retail Stores

## Stores completed and in progress

\*Saratoga Springs

\*Farmington

\*Taylorsville

West Valley Relocation

Downtown Relocation

Foothill Relocation

East Sandy

## Status

Opened November 2020

Opened January 2021

Opened June 2021

Complete February of 2022

Completion summer of 2023

Completion summer of 2023

Completion spring of 2023

## Proposed FY 2023

St George Market Area

Park City Market Area



# New Retail Stores



**Taylorsville**  
(2700 West 4400 South)



# New Retail Stores

Taylorsville





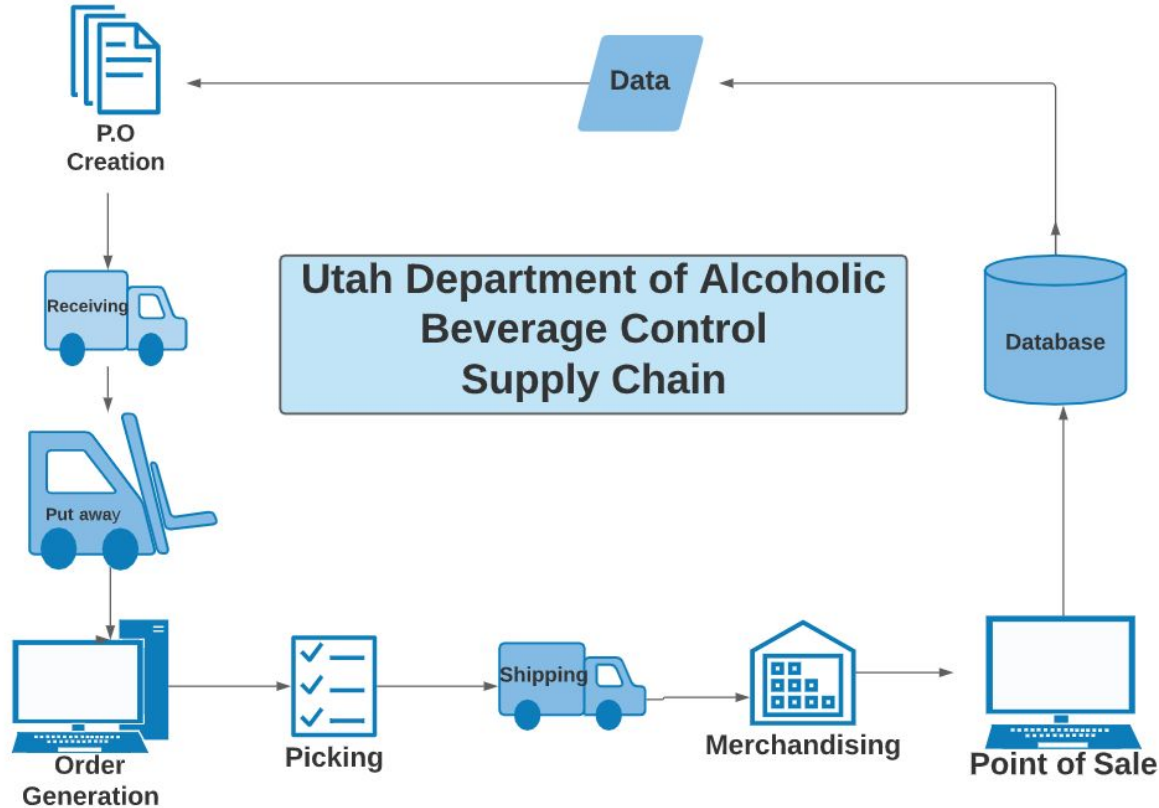
# New Retail Stores

It's getting colder in here.





# Performance Measure Warehouse Turns



# Performance Measure Warehouse Turns

Company	Warehouse Turns	Industry
Walmart	8.48	6.59
Smith's Food	4.07	8.25
Target	5.42	6.59
Nike	7.1	4.89

# Performance Measure Warehouse Turns

<b>FY22 Year</b>	<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>	<b>Nov-21</b>	<b>Dec-21</b>
<b>COGS</b>	\$284,360,818.00	\$286,544,886.00	\$292,277,368.00	\$288,170,486.00	\$289,938,311.00	\$293,125,377.00
<b>Beg Inv</b>	\$31,565,834.00	\$32,481,911.00	\$28,269,011.00	\$33,471,330.00	\$34,545,157.00	\$30,135,805.00
<b>End Inv</b>	\$27,938,542.00	\$30,477,744.00	\$31,125,960.00	\$29,778,848.00	\$22,686,828.00	\$23,366,404.00
<b>Avg Inv</b>	\$29,752,188.00	\$31,479,827.50	\$29,697,485.50	\$31,625,089.00	\$28,615,992.50	\$26,751,104.50
<b>Turns</b>	<b>9.56</b>	<b>9.1</b>	<b>9.84</b>	<b>9.11</b>	<b>10.13</b>	<b>10.96</b>



*Thank you*

