

Board Meeting Minutes

Virginia Alcoholic Beverage Control Authority Board Meeting

ABC Headquarters – June 15, 2021 – 9:00am

Pursuant to Governor Northam’s Declaration of Emergency due to the Novel Coronavirus (COVID-19) and best social distancing practices, today’s Board Meeting was held electronically.

Call Meeting to Order

Authority Board Chair Maria J.K. Everett called the Board Meeting to order at 9:00 am.

Attendance

Board Chair Maria Everett
Board Vice-Chair Beth Hungate-Noland
Board Member Mark Rubin
Board Member Greg Holland
Board Member William Euille
Chief Executive Officer, Travis Hill
Deputy Secretary, Chris Curtis
Chief Government Affairs Officer, John Daniel
Chief of Law Enforcement, Tom Kirby
Chief Communications and Research Officer, Eddie Wirt
Chief Information Officer, Paul Williams
Chief Retail Operations Officer, Mark Dunham
Chief Administrative Officer Jerome Fowlkes
Director of Finance, Doug Robinson
Director of Marketing, John Shiffer
Financial Process Analyst, William Wheeler
Kathleen LaMotte, Administrative Assistant
Kristie Miles, Legal Assistant
James Flaherty, Attorney General’s Office Representative

Approval of Minutes

Board Vice Chair Hungate-Noland moved to approve the minutes from the May 12, 2021 board meeting as presented. Board Member Holland seconded the motion and with all in agreement, the minutes were approved through a roll-call vote of 5-0.

New Business

Approve recommendations of Real Estate Committee (REC)

Board Member Holland moved to accept the REC’s recommendations for one relocation, Store 328 (Chesapeake). The REC also recommended two expansions, 316 (Dumfries) and 349 (Chesapeake). Board Member Euille seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 5 – 0.

Listings Presentation

Marketing (John Shiffer)

Mr. Shiffer reported that:

- Mr. Shiffer reviewed the listings reviewed and recommended by the committee. This presentation is attached to these minutes as Appendix A.

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- 177 products were submitted, 65 were selected to present, 33 are recommended to list , 9 special-order, and 23 were declined.
- The Authority's Safety Officer advised that OSHA rules do not permit stores to schedule tastings at this time, but Mr. Shiffer is hopeful that this may be able to start in September. The Authority continues to closely monitor this evolving situation.
- Supply issues are not anticipated on the newly accepted listings.
- The items today will be available to the Board to sample at their July meeting.

Board Vice-Chair Hungate-Noland moved to approve the recommendations of the listings committee, Board Member Holland seconded. With all in agreement, the motion passed in a roll-call vote of 5-0.

Budget Approval

Mr. Hill introduced the budget presentation and gave thanks to the finance team for their work on this budget. This budget reflects the incredible year the Authority had with profits far above the forecast, a result of hard work, dedication and commitment from retail employees, and enforcement with helping licensees. This budget is a response to where the Authority finds their strongest need, which is investing in our people. Measures must be taken to ensure that the Authority is an employer of choice where employees are fairly and competitively compensated. The Authority is not immune to the difficulties in hiring and inflation that are in the news. A new Chief position was created to support the Project Management Office and Business Transformation Office and to engage in Diversity, Equity and Inclusion, improving ourselves in both business and cultural terms. There are also some recommendations and proposals to improve various aspects of our operations as we prepare to welcome people back to work and continue to grow into the future. This budget takes a conservative view on year-over-year growth given the explosive growth in the past year.

Mr. Fowlkes reported that:

- The operating budget process starts with a load of personnel and their base salaries. The division chiefs were then given the budget to load costs and projected increases and those budgets were reviewed by their respective chiefs.
- The division chiefs submitted new program proposals or significant increases to existing programs as budget decision briefs. Those briefs were presented to the leadership team for transparency, and then the chiefs met with Travis to discuss and agree on whether those programs would be submitted to the Board for approval.
- The budget that is presented today includes existing programs with normal adjustments plus budget decision briefs that have been recommended by the C-suite.
- Mr. Fowlkes and Mr. Robinson reviewed the slides included in the packet provided to the Board in advance of the meeting.
- The Authority expects to exceed our FY 2021 profit requirement due to increased pandemic sales and expense control. The Authority is forecasting the year to end at \$1.33B, up from an estimate of \$1.21B.
- COVID had an impact on the Authority's expenses in addition to our revenues. There were \$15.3M in COVID related expenses; much of that was the commitment to service pay \$10.6M (incentives for employees on the front line who were unable to telework) and the balance was cleaning and cleaning supplies, plexiglass and PPE. The Authority received a partial reimbursement from the CARES Act.
- The budget amount for Cost of Goods Sold as percentage of sales is in line with FY 2021 estimated actual at 48.1% to be consistent. Excise tax as percentage of sales was also budgeted consistent with prior year

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at 16.5%. Credit card fees are budgeted at a rate consistent with the prior year, the change in this metric is driven from an increase in the number of credit card transactions.

- Mr. Fowlkes reviewed the profit requirement from the General Assembly for FY 2021 and FY 2022 and the required transfers to specific programs per statutory requirements. The projected increase in profits reflects the expectation from the General Assembly for increased profits from FY21 to FY22. The carryover of \$11.1M that was transferred in August of 2021 was included in the Authority's requirement of FY 2021. Additionally, during FY 2021 the Authority recognized that it was performing above expectations and communicated that to the General Assembly proposing an additional \$20M transfer, that led to the \$228.9M profit transfer expectation that the Authority will exceed.
- For FY 2022 the notable items are the \$2.5M reduction in profit transfer to account for the state payroll increase of 5% for state employees and 8% higher for sworn employees, so the Authority will exceed the \$2.5M shown in the Board's packet. Also of note, there is an expected gain of \$14.7M for sale of the Hermitage location, leading to a profit transfer requirement of \$214.3M.
- The service commitment pay received by retail wage and salary staff during the pandemic was made a permanent part of the base pay for those employees. It is important to recognize that this increase is already included in the FY 2021 numbers as it was paid last year, so that doesn't reflect an increase over FY 2021.
- The state's 5% pay increase to all workers is included and the sworn members of the Enforcement division will receive the additional 3% increase plus the \$100 increase in base for every year of service above 3 years to align their increases with those for other Commonwealth sworn officers. The budget also includes \$8.5M in compensation adjustments to align ABC compensation with the market. This is done in two phases. The first phase is a 3% across the board adjustment for all ABC employees and an additional 2% above that for sworn ABC enforcement staff. The second phase will be specific pay adjustments determined by the Mercer compensation study and achieving the midpoint of the compensation range for that specific position or pay range.
- A vacancy factor was applied to all divisions.
- Finally, 73 positions were included for retail growth as included as part of the DPB submission for retail specific positions and 36 positions were budgeted for enforcement.
- The Authority is projecting a stores sales forecast of \$1.35B. To arrive at this number, Finance and Research and Planning examined the sales trend pre-COVID and saw that it was trending at 5.51%, which would have taken us to \$1.23B, \$120M below the current estimate. The forecasting team considered industry estimates which ranged from a loss of 3% to an increase of 3%. There are multiple factors impacting these estimates: generally, there are concerns about interruptions in the supply chain and the industry's ability to provide enough supply to meet demand. Additionally, sales in FY 2021 were driven by increased income from the federal stimulus payments, the uncertain impact from the decriminalization of cannabis, and uncertainty about how licensee activity returns and its impact on store sales.
- The Profit and Loss Statement Slide demonstrated how the FY 2022 Budget roll-up compares to the prior year budget and the FY 2021 estimated actual. The Authority's Budgeted Net profit is \$218.4M, \$4.1M above the current general assembly profit requirement. The FY 2021 Estimated Actual Profit of \$240.2 to the FY 2022 Budgeted profit of \$218.4 are due to the net impact of increased sales and gains on the sale of real estate are more than offset by higher salaries wages and benefits, higher project costs, depreciation on the new building and warehouse and POS software amortization. Other significant variances above \$1M not already covered include enforcement which was impacted by higher salary and benefit due to the state mandated and ABC increases as well as additional budgeted positions.

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- Increases in Human Resources are driven principally by unemployment comp directly related to COVID 19 and increased salary and wage costs. The Maximum Employment Level (MEL) is at 24 under budget before decision packages and only 10 under after the 14 MEL requested in the decision packages.
- Budget risks are the same as last year, though COVID may be less of a factor.

Mr. Hill reviewed the recommendations for decision briefs provided to the Board.

- All packages received were provided to the Board along with the recommendations to implement, defer, or deny.
- The top packages concern the compensation adjustments, and the addition of a Chief Transformation Officer. An additional Change Management Specialist position is added to support the BTO. Additional training for the finance division to fully utilize the financial management software is budgeted, along with a contracted service to consolidate bills from Dominion Power as well as allowing the use of a portal and also free up some resources in the Authority's AP department.
- Several positions have base pay increases to be more competitive to recruit and retain top talent.
- Subscription renewals are included to have more virtual training and a compensation review software tool.
- Leadership development programs are included, the Authority often receives feedback from surveys that career progression and advancement opportunities are important to the employees and this will help meet this need.
- Our current safety officer, Lynn Lunze, has been a vital component to the Authority's pandemic response. Ms. Lunze has suggested some additional safety reforms.
- A wage increase for summer hires in 2022 is suggested to be a more competitive employer for summer internships.
- A software tool for compliance software will help monitor access controls and move the Authority away from tracking on spreadsheets.
- An external Information Security Assessment is budgeted to ensure the Authority's safety as it moves away from VITA.
- Positions are included for the Digital and Web Unit, Marketing, Logistics, Communications and several positions for Information Technology to better enhance the Authority's capabilities.
- An increased budget for summer marketing promotion is included, this was not done in FY2021 due to the pandemic.
- There is a budget to fund research on reusable bags in the store, this will also support Governor Northam's efforts to move Virginia away from single-use plastic bags.
- The Authority is adopting new signage to identify spirits and make stores more engaging, this effort will support those initiatives.
- A cardboard perforator will take old cardboard boxes and shred them to turn it into packing material. This will reduce the use of plastic and re-use a material the Authority already has.
- Some items were recommended for approval contingent on MEL received from Ecommerce and Store Growth Submissions, including additional store support staff and increasing some positions to full time.

Board Vice-Chair Hungate-Noland moved to approve the FY2022 Budget; Board Member Rubin seconded. With all in agreement, the motion passed in a roll-call vote of 5-0.

Board Member Rubin moved to approve the proposed Decision Briefs; Board Member Euille seconded. With all in agreement, the motion passed in a roll-call vote of 5-0.

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Decision of May 12, 2021 Hearing

FS BEVERAGES, LLC FS BEVERAGES, LLC
21 BRENTWOOD CT
BASKING RIDGE, NJ 07920
Product Approval

Moved Into Closed Session

At 10:36, Board Chair Everett moved that the Board enter closed session pursuant to 2.2-37.11(A) (8) to receive legal advice from counsel concerning the Board's decision in the above-captioned hearing. Board member Holland seconded and the motion passed unanimously on a roll-call vote. Attending the closed session in full were Maria Everett, Beth Hungate-Noland, Mark Rubin, Greg Holland, William Euille, Chris Curtis, James Flaherty, Travis Hill, Kristie Miles and John Daniel.

Certification for Closed Sessions

Upon the Board's return from Closed session at 10:48 am, Vice-Chair Hungate-Noland moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but legal advice pursuant to 2.2-37.11(A)(8), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Holland seconded; the motion passed on a roll-call vote of 5-0.

Board Member Holland moved to uphold the decision of the Hearing officer in the matter of FS Beverages LLC; Board Member Euille seconded. With all in agreement, the motion passed in a roll-call vote of 5-0.

Chief Executive Reports

CCRO Report (Eddie Wirt)

Mr. Wirt reported that:

- A review of Virginia ABC's Education and prevention's grant program was shared on screen and will be sent to the Board after the meeting. It is attached to these minutes as Appendix B. The Authority reviewed 20 proposals and selected ten of them to receive grants from the ABC. Grantees must submit progress reports to receive all of their funding.

Mr. Rubin asked about how the amount of grant money available was determined. Mr. Wirt responded that there was a federal grant program previously available to fund these grants, but the Authority carved out money in their budget to continue funding once the federal program ended.

- Reviewed a calendar for organizations to fundraise outside of an ABC store. This will be promoted on the website. Only 501(c)3s may apply. With this process handled centrally, this will free up retail resources to not have to take their time to manage these requests.
- Invitations were sent for the Groundbreaking ceremony for the Authority's new Office and warehouse on June 21. Nick Schimick in Communications is taking the lead.
- FOIA requests received, and Press releases sent since the last Board meeting along with the most recent KPI report were provided in the Board's binders. There was nothing out of the ordinary on FOIA requests. A News release was sent encouraging the public to vote for a Virginia Spirit to be placed in the time capsule, the winning spirit was John J. Bowman. The KPI demonstrated a downturn in online ordering. Some concerns remain about in-stock positions, and turnover improving slightly.
- Last week a strategic planning meeting was held where the mission statement, analysis of strengths, weaknesses, opportunities and threats and potential focus areas were reviewed. Next month or via email

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expect an update on mission statement and SWOT analysis. The update is attached to these minutes as Appendix C.

- Reviewed a draft document, attached as Appendix D, reviewing focus areas, goals and initiative in place to review what the Authority has in place and what can be done in the future to tie initiatives to goals and objectives.

CLEO Report (Tom Kirby)

Mr. Kirby reported that:

- Reviewed the letter included in the Board's packet that was sent to Skill Games locations regarding the end of skill games. This was emailed to all skill game operators and was shared with local attorneys and the Commonwealths' Attorney Association. The BLE will perform checks after July 1 to check for compliance.
- Sixteen topics from ABC were introduced as part of the pandemic to assist licensees. Efforts continue with stakeholders to approve permanent changes for some areas such as outdoor dining areas. The deferral of license fees and penalties will be rolled back soon, this information will be posted on the ABC website and the licensee newsletter.

GAO Report (John Daniel)

Mr. Daniel reported that:

- Regarding legislation, there are a couple of legislative studies in the field. The tax department was instructed to do some analysis of Del Hope's bill regarding the sale of tobacco products. The Authority will have some part of this analysis. The schedule of meetings for the study of Cocktails to go was emailed to the Board. The second meeting is this afternoon, and the report will be prepared for submission to the General Assembly by November.
- Distillery stores are aware of the changes in direct shipment of cocktails regarding the shift on July 1 from shipment to stores to changing to the closest ABC store for pick-up and delivery. This brings the Authority more involvement in this process.
- Several cases coming up for Board consideration in the future, as outlined in the materials sent to the Board.
- The hearings department hired a new paralegal, Jackie Ross, she will have authority to attest John Daniel's signature on Board Orders.

CAO Report (Jerome Fowlkes)

Mr. Fowlkes reported that:

- May 2021 financial statements were presented, attached as Appendix E.
- Finance has been busy working with the budgets and financial statements. Ralph Addei has re-joined the Authority as the Assistant Director for Budgeting and Forecasting. The Authority is seeking to hire another financial manager. Finance and IT are working to develop more robust reporting on revenues from ecommerce channels and understand delivery and shipping revenue. Finance is also looking into potential income from unused gift cards.
- The Human Resources Department is working with the Mercer Group to finalize the compensation and classification study. The Governor's budget also approved the budget for the HR system to replace older obsolete systems.
- The Authority is recruiting for an Employee Relations Consultant, a Talent Acquisition Manager and an Assistant Director of HR.

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- HR is going to re-examine the Authority's policies and procedures
- Procurement is working on the fiscal-year end close out process. They are also working on an Enterprise Ticketing System, which would be a stronger tool to work on workflow management to increase better records keeping and controls.
- Procurement is working on revising their policies and procedures, hope to have them before the Board in August or September.

CIO Report (Paul Williams)

Mr. Williams reported that:

- A new PMO manager, Dr. Pam Hill, will start on June 25.
- The Authority is out of CESC data center for all major systems as of last weekend. As of yesterday, the Authority has the shared file folder out of CESC. Azure will scan load that and it is the last major item in the VITA network.
- The new telephone system up and operational in the new headquarters.
- About a dozen users still having difficulty with migration out of the VITA domain, the Authority is working with the Department of Accounts to solve these issues.
- Through August the Authority will remain on VITA for some services, there are currently not enough computers to do a full change out stores, though this should be completed by late August.
- The stores are also getting a new telephone system. Each store will receive three telephones, cordless headphones, voicemail, four stores have this system already and will be dialable by extension.

CROO Report (Mark Dunham)

Mr. Dunham reported that:

Retail & Logistics Update:

- Through May 30th, the year-over year retail sales increase is 13%, which is flat compared to 12.9% as of last month. Year to date sales are over \$1,208,026,145.
- Warehouse out of stocks (OOS) continue to be an issue. At the last board meeting the Authority was at 204 OOS and they are now currently at 227. Suppliers were optimistic they would start catching up in June and July, though they may not be able to meet the expectations they have set.
- Last week Retail OOS saw 257 stores below 97% in stock, this is near our peak from this past January of 264.
- Daily call outs since the last board meeting have improved from 92 to 64 as of June 13th. Partial and full closing in June is averaging roughly two a-day. It appears vaccinations are continuing to have a positive effect.
- The On Demand (Same Day Delivery) project continues, the Authority is performing the next operational test on May 25 with five stores throughout the Richmond area. This will test both internal store and PST (customer support processes).
- The new warehouse continues to work with our vendors on testing outbound processes, testing is going very well.
- The Freight Way Warehouse inventory levels are at roughly \$15M of the \$44M target to begin outbound shipping. Shipping of product into the Freight Way warehouse is now suspended for over three weeks at the direction of DEB.

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CEO Update (Travis Hill)

Mr. Hill reported that:

- While the Certificate of Occupancy (CO) for the central office was received today, it is still pending for the Warehouse. Currently the biggest barrier is the location of sprinklers to be installed where conveyer belts prove an obstacle to the direct application of water to a potential fire. To resolve the issue, a meeting was held between ABC, DGS, Division of Engineering and Building, the builder, their fire professional and their sprinkler installation professionals. The builder is 100% dedicated to trying to resolve this, after the meeting they spent more than an hour walking the floor and trying to see where they may address DEB's concern. There is a path forward that the builder and their fire system designer will modify a conveyer, add sprinklers, and block off areas to not place any flammable items. There is a goal of re-working the items with getting a TCO no later than end of June. Hanover Fire instructed the Authority to institute a fire watch and they will give their specific recommendations soon. Joe Damico is committed to having a remedy installed according to code. Right now the Authority is anticipating not needing final designs approved to get Temporary Certificate of Occupancy (TCO). There needs to be an understanding that designs are working in the right directions, clarifications may need to be made, but we can get a TCO to occupy before July 1. Our project manager was very encouraged by the meeting.
- The DEB will be on-site today at 3:00 for a walk-through/site inspection.
- The building will be open for a voluntary return to office beginning on June 28. Vaccinated individuals will not have to wear a mask, unvaccinated employees still must wear a mask and maintain distancing.
- Vaccination clinics vaccinated about 400 people. The clinics provided by the Authority have covered the employees that wanted to be vaccinated.
- Reviewed plans for the upcoming ABC Family Day on June 25 at the new office and warehouse.
- A policy is under development permitting the sale of Authority property for Fair Market Value. An employee has asked to purchase their state-owned vehicle, the Board would be able to grant authorization to sell the vehicle for fair market value under the terms and conditions under code § 4.1-103(17).

Board Vice-Chair Hungate-Noland moved to approve the sale of the vehicle for its Kelley Blue Book value, Board Member Rubin seconded. A policy will follow at a subsequent meeting. With all in agreement, the motion passed in a roll-call vote of 5-0.

- The Leases submitted in the Board packet contain no items of controversy. There is one expansion and two renewals.
- The Authority's DEI efforts continue., the ONE Virginia task force is stood up and developing their recommendations. Their draft plan should have the plan for review ahead of July 15 meeting for submission to the Commonwealth in August.

Old Business

None

Comments from Board

Chair reminded of Upcoming Dates:

June 21 – Ribbon cutting at 11:00 am

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June 25 – employee day at new HQ

July 15 – Board Meeting

August 20 – Board Meeting

Public Comments

Meeting Adjournment

At 12:22 pm, with no further business, Chair Maria Everett adjourned the meeting.

| Supplier Name | Broker Representative | Product/ NABCA Code | Product Name | Product Description | Product Size | Suggested Retail Price | Merchandising Category | BRAND STRENGTH | MERCH CAT NEED | PRICE TIER NEED | PACKAGING | CATEGORY GROWTH | SO DEMAND | INTUITION | MARKETING | VA PRODUCT | High | Medium | Low | Weighted Total |
|--|--------------------------|-------------------------|--|--|--------------|------------------------|------------------------|----------------|----------------|-----------------|-----------|-----------------|-----------|-----------|-----------|------------|------|--------|-----|----------------|
| RECOMMENDED | | | | | | | | | | | | | | | | | | | | |
| Campari Group | SGWS - Transatlantic | 151-21946-75 | Wild Turkey Kentucky Spirit Single Barrel | Kentucky Spirit is a 101 proof (50.5% alcohol), single barrel bourbon, with each barrel hand selected under the watchful eye of legendary Master Distiller Jimmy Russell. Known for being fuller bodied, with rich vanilla flavors and a hint of sweetness. It's the perfect bourbon to enjoy neat | 750ml | \$59.99 | American Whiskey | 5 | 1 | 2 | 3 | 5 | 0 | 5 | 3 | 0 | 8 | 13 | 3 | 38.5 |
| GoAmericaGo Beverages (DBA WhistlePig Whiskey) | BreakThru | NABCA Code 181-26697-75 | WhistlePig FarmStock Rye Whiskey | The most popular release in WhistlePig's FarmStock Rye Series is now in the core WhistlePig collection as our FarmHouse Batch (not allocated) <ul style="list-style-type: none"> Featuring 52% Triple Terroir Rye – harvested, distilled and aged at the WhistlePig Farm & distillery in Vermont using our grain, water and wood Our grain to glass Rye, Aged 3 Years, is blended with 6 and 10 Year old Rye, forming a well-balanced blend of Straight Rye Whiskeys Bottled at 86 proof to showcase a complex yet approachable profile – a great first Rye for any whiskey drinker and easy-drinking for everyday | 750ml | \$72.99 | American Whiskey | 4 | 1 | 3 | 3 | 5 | 0 | 5 | 3 | 0 | 8 | 13 | 3 | 38.5 |
| Beam Suntory | SGWS | 19498 | Maker's Mark 101 | For generations we have welcomed special guests at our distillery to sample our signature whiskey at a higher proof. We're now offering this exclusive whiskey to you through this annual holiday release so you can share it with special guests of your own throughout the season. Like all our whiskey, we think there's a lot to discover within it – front-of-the-tongue bourbon smoothness, but with richer and more intense flavor from the higher proof. It's definitely different – and a rare treat for all who make the pour. | 750ml | \$59.99 | American Whiskey | 5 | 1 | 2 | 3 | 5 | 0 | 5 | 3 | 0 | 8 | 13 | 3 | 38.5 |
| Karlson & O'Mara Distilleries LLC | No broker representative | | KO Distiller's Reserve Bottled-in-Bond Rye Whiskey | KO Distiller's Reserve Bottled-in-Bond Rye Whiskey was distilled on-site at KO Distilling by Ryan Hendricks in one distilling season using 100% Virginia-grown rye grain. This whiskey was aged for four years in new, charred American white oak barrels and hand-bottled at 100-proof. Today, we celebrate this spirit of perseverance, distilled through 400 years of craft, with KO Distiller's Reserve Bottled-in-Bond Rye Whiskey. Virginia Grown. Virginia Made. Grain to Glass. | 750ml | \$74.99 | American Whiskey | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 1 | 5 | 7 | 11 | 6 | 36.5 |
| Diageo/Gary Holland | SGWS - Coastal Pacific | 26596 | Dickel Barrel Select | *Dickel Barrel Select is an 86 proof whiskey created from individual barrels hand selected every year. Simply the finest whiskey George Dickel has to offer. George Dickel Barrel Select is aged between 9 to 14 years, for the truly discerning whiskey drinker. Extraordinarily smooth, with caramel and vanilla notes and a long, lingering finish. | 750ml | \$46.99 | American Whiskey | 4 | 1 | 2 | 3 | 5 | 0 | 5 | 1 | 0 | 7 | 13 | 1 | 34.5 |

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| Luxco | RNDC | 18412 | George Remus Straight Bourbon Whiskey | <p>Legendary distilling heritage</p> <ul style="list-style-type: none"> - George Remus was King of the Bootleggers and the inspiration for the Great Gatsby - Distilled at MGP's historic 170-year-old distillery in Lawrenceburg, IN <p>Award winning spirit and packaging</p> <ul style="list-style-type: none"> - 94 Points, Ultimate Spirits Challenge; Double Gold, Sip Awards - Embossments on 'GR' monogram and Distilled in Lawrenceburg, IN - Natural cork with wooden top and strip stamp <p>George Remus Bourbon showcases MGP's expertise in aging and blending whiskies</p> <ul style="list-style-type: none"> - Ultra-premium bourbon - Aged 5-7 years - Non-Chill Filtered - A high-rye style bourbon featuring multiple mash bills to create complexity and a layering effect on the palate. | 750ml | \$44.99 | American Whiskey | 3 | 1 | 2 | 3 | 5 | 0 | 3 | 3 | 0 | 6 | 11 | 3 | 31.5 |
| Barrell Craft Spirits | SGWS | | Barrell Seagrass | Barrell Seagrass is an ode to coastal memories, blended to evoke the joy of a day on the beach and an evening listening to the soothing rhythm of waves. Hot sun, brisk air, dry sand, and oceanside vegetation are brought to mind. A rye and malted rye grain base and | 750ml | \$84.99 | American Whiskey | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 1 | 0 | 7 | 11 | 1 | 31.5 |
| Luxco/BSB Spirits | SGWS | 28032 | BSB-Brown Sugar Bourbon | BSB-Brown Sugar Bourbon, blends ultra-smooth Bourbon with just the right amount of brown sugar and cinnamon. At 60 Proof, BSB is perfect for sipping, ideal for shooting and optimal as the main ingredient in your favorite cocktails. | 750ml | \$21.99 | American Whiskey | 1 | 3 | 2 | 3 | 5 | 0 | 3 | 3 | 0 | 6 | 11 | 3 | 31.5 |
| Old Virginia Hand Hewn Log Homes, Inc. | No broker representative | 151-16574-75 | Straight Bourbon Whiskey | A high rye Bourbon. Aged 4 years. | 750ml | \$39.99 | American Whiskey | 1 | 1 | 2 | 3 | 5 | 0 | 1 | 3 | 5 | 4 | 9 | 8 | 29.5 |
| Beam Suntory | SGWS | 11518 | Alberta Rye Premium | This whiskey is made by Alberta Distillers in the heart of Canada's rye-growing country where cold barren winters give way to an abundant crop of the finest rye. Made by blending two aged whiskies, one of which is aged for flavor in used bourbon casks. Then, after blending, it is aged some more. Alberta Premium is aged for 5 years. The slow aging in cold temperatures preserves the natural rye spice. | 750ml | \$24.99 | Canadian | 2 | 3 | 3 | 3 | 5 | 0 | 5 | 3 | 0 | 8 | 13 | 3 | 38.5 |
| Bold Rock Craft Cocktails | No broker representative | | Bold Rock Blue Ridge Mtn Rita | | 4 pk/355ml | \$9.99 | Canned Cocktail/Hard Seltzer | 4 | 4 | 2 | 3 | 5 | 0 | 3 | 3 | 5 | 10 | 11 | 8 | 44.5 |
| Bacardi USA | SGWS - Transatlantic | 57303 | Bacardi Island Punch | Crafted with Award winning based spirit. High quality, real ingredients. Made with natural flavors, juices, & Cane sugar. No artificial sweeteners & gluten free. | 1.75L | \$17.99 | Cocktails | 5 | 2 | 2 | 3 | 5 | 0 | 3 | 1 | 0 | 9 | 11 | 1 | 35.5 |
| Sazerac NA | RNDC | 84396 | 99 Watermelon 99PF | * You bring the picnic basket, we'll bring the watermelon. ry it bold & cold or add a splash of spakling hard seltzer for the ultimate delectious adult soft drink. | 750ml | \$14.99 | Cordials | 4 | 4 | 3 | 3 | 5 | 0 | 5 | 1 | 0 | 11 | 13 | 1 | 42.5 |

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|--|--------------------------|---------------|-----------------------------------|--|-------|---------|------------|---|---|---|---|---|---|---|---|---|----|----|---|------|
| Terlato Wines International | SGWS | 66056 | Amaro Nonino Quintessentia | This is a liqueur created from the union of Antonio Nonino's ancient recipe with the Nonino family's experience in the art of distillation. It is an infusion of herbs with a portion of Nonino grape distillate, aged in barriques. It is considered a "bitter" with hints of spice, licorice, and herb. 96 pts, Wine Enthusiast | 750ml | \$44.99 | Cordials | 3 | 2 | 2 | 5 | 5 | 0 | 3 | 3 | 0 | 7 | 13 | 3 | 36.5 |
| Deutsch Family Wine & Spirits | BreakThru | 30322 | Gray Whale Gin | This London Dry Gin is inspired by the 12,000-mile journey of the California Gray Whale makes every year from the warm lagoons of the Baja Peninsula to the cool waters of the Arctic. First, the aroma of citrus carries you north, followed by juniper and a subtle hint of cool coastal fir trees. As you move further up the path, fresh mint and the umami flavors of kombu sea kelp are rounded out by a beautiful lasting creamy almond finish. | 750ml | \$44.99 | Gin | 2 | 1 | 4 | 5 | 2 | 1 | 3 | 3 | 0 | 7 | 11 | 3 | 33.5 |
| Old Virginia Hand Hewn Log Homes, Inc. | No broker representative | 225-29107-75 | American Gin | An American Gin this a hint of citrus | 750ml | \$39.99 | Gin | 1 | 1 | 1 | 3 | 2 | 0 | 1 | 3 | 5 | 3 | 6 | 8 | 23 |
| Sazerac NA | RNDC | 84224 | 99 LEMON LIMES 120/50ML 99PF | * #1 Sport Drink Flavor for Gatorade & #3 & #5 Soft Drink Flavor (Mountain Dew & Sprite). * Try it bold & cold or add a splash of sparkling hard seltzer for the ultimate adult soft drink. | 50ml | \$0.99 | Miniatures | 4 | 3 | 3 | 3 | 0 | 0 | 5 | 1 | 0 | 10 | 8 | 1 | 33 |
| Sazerac NA | RNDC | 84226 | 99 STRAWBERRIES 120/50ML 99PF | Smooth, refreshing, easy to drink and fun, 99 Strawberries Schnapps adds a mouth watering flavor to mixed drinks and shooters. * Luscious, juicy, big strawberry taste...like a sweet shot of summer. | 50ml | \$0.99 | Miniatures | 4 | 3 | 3 | 3 | 0 | 0 | 5 | 1 | 0 | 10 | 8 | 1 | 33 |
| Sazerac NA | RNDC | 84222 | 99 BLUE RASPBERRIES 120/50ML 99PF | * 3 of the top 5 flavors in sports drinks are Cool Blue, Mountain Berry Blast & Mixed Berry. * 7.8% Growth on Red Bull is driven by Red Bull Blueberry * Bright Tart Flavor and a refreshing blue color make this a perfect shooter when you want to "Live Life In Color!" | 50ml | \$0.99 | Miniatures | 4 | 3 | 3 | 3 | 0 | 0 | 5 | 1 | 0 | 10 | 8 | 1 | 33 |
| Mizkan America | SGWS | 86942 | Angostura aromatic bitters | Angostura Aromatic Bitters transforms any recipe by balancing flavors and awakening the senses. This mysterious elixir brings a harmonious balance to contemporary cocktails and spirit-free beverages as well as the classics like Old Fashioned, Manhattan and Pink Gin. It is reddish-brown in hue with an aromatic bouquet of herbs, fruit and spices on the nose. | Other | \$10.99 | Mixers | 5 | 4 | 3 | 3 | 1 | 0 | 5 | 1 | 0 | 12 | 9 | 1 | 38.5 |
| Mizkan America | SGWS | | Angostura orange bitters | Angostura Orange Bitters pairs citrus oils from tropical oranges perfectly combined with exotic spices to create a rich and bold orange bitters. It offers a dry intense flavor with spicy notes and finish of complex bitters oranges. | Other | \$10.99 | Mixers | 5 | 4 | 3 | 3 | 1 | 0 | 5 | 1 | 0 | 12 | 9 | 1 | 38.5 |
| Mizkan America | SGWS | | Angostura cocoa bitters | Angostura Cocoa Bitters pairs Trinidad and Tobago's finest locally harvested cocoa with 200 years of unparalleled bitters expertise. It provides bold flavor with notes of rich, bitter chocolate, nutty caramel and aromatic botanicals. | Other | \$10.99 | Mixers | 5 | 4 | 3 | 3 | 1 | 0 | 5 | 1 | 0 | 12 | 9 | 1 | 38.5 |
| Keurig/Dr Pepper | BreakThru | Non-alcoholic | Mr. & Mrs. T's Peach Bellini | Mr. & Mrs. T's Peach Bellini - UNIQUE and DELICIOUS! This flavor is perfect for any VA consumers favorite peach cocktail - from Peach Bellini's to Peach Margaritas and every other delicious Peach cocktail! | 1L | \$5.99 | Mixers | 4 | 4 | 2 | 3 | 1 | 0 | 3 | 3 | 0 | 10 | 7 | 3 | 33.5 |

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|------------------------|------------------------|------------------|-----------------------------------|--|-------|---------|----------------|---|---|---|---|---|---|---|---|---|----|----|---|------|
| Sovereign Brands | RNDC VA | 404 - 64388 - 37 | Bumbu Rum 375ml | Small batch dark rum (not spiced) - blend using sugar canes from 8 different countries giving it a rich and complex aroma of Madagascar vanilla, soft caramel and toasted oak. Aged up to 15 years. | 375ml | \$19.99 | Rum | 3 | 4 | 5 | 3 | 4 | 0 | 5 | 3 | 0 | 12 | 12 | 3 | 45 |
| Sovereign Brands | RNDC VA | 425 - 68080 - 75 | Bumbu Crème | Bumbu Crème is a perfect blend of Bumbu rum, select spices, and rich, decadent real dairy cream. Each sip delivers an ultra-satisfying taste experience that immediately appeals to the senses. It's an irresistible creation that is perfect chilled straight, on the rocks, or in a cocktail. Bumbu Crème shares the same heritage that has made Bumbu the world's favorite rum maker. | 750ml | \$36.99 | Rum | 3 | 4 | 3 | 3 | 5 | 0 | 3 | 3 | 0 | 10 | 11 | 3 | 39.5 |
| Maison Ferrand | RNDC | | Plantation XO 20th Anniversary | Plantation XO 20th Anniversary rum is a combi | 750ml | \$59.99 | Rum Unflavored | 3 | 2 | 3 | 5 | 4 | 0 | 3 | 1 | 0 | 8 | 12 | 1 | 35 |
| William Grant and Sons | BreakThru | 305-42649-75 | Flor de Cana Centenario 18 | Flor de Cana Centenario 18 year is slow aged at the base of an active volcano in small bourbon barrels, without sugar or additives. Flor de Cana is committed to social and environmental sustainability; the rum is distilled 100% with renewable energy and is fair-trade certified. | 750ml | \$55.99 | Rum Unflavored | 3 | 2 | 3 | 3 | 4 | 0 | 3 | 1 | 0 | 8 | 10 | 1 | 32 |
| Moet Hennessy | SGWS - Coastal Pacific | | X by Glenmorangie | A single malt with tantalizing aromas of pear, vanilla, and honeysuckle oranges, cueing up a sweet extravaganza of taste, from burst of crème brulee to swirls of orange sherbet and chocolate fudge. | 750ml | \$34.99 | Scotch | 4 | 1 | 3 | 5 | 5 | 0 | 3 | 1 | 0 | 8 | 13 | 1 | 36.5 |
| CNS Enterprises | SGWS | | Kujira Ryukyu Whisky | Single grain Japanese Whiskey (Non-Vintage-Statement) aged in virgin white oak casks between three and five years. 100% locally produced in Okinawa, Japan. No caramel color added, non-chill filtered, all natural. | 750ml | \$79.99 | Scotch | 1 | 3 | 3 | 5 | 5 | 0 | 3 | 1 | 0 | 7 | 13 | 1 | 34.5 |
| Proximo | RNDC | 499-88922-75 | 1800 Cristalino Anejo Tequila | 1800* Cristalino is 100% blue agave, clear Añejo tequila polished to crystal clarity & finished in port barrels | 750ml | \$59.99 | Tequila | 5 | 1 | 3 | 5 | 5 | 0 | 5 | 5 | 0 | 9 | 15 | 5 | 45.5 |
| Pernod Ricard | SGWS - Liberty | 498-87349-75 | Vida De Muertos | Vida de Muertos "Life of the dead" is a special 45% ABV permanent edition of VIDA inspired by the batches of mezcal that are distilled in Autumn by the family of Paciano Cruz Nolasco and shared for the celebration of Dia de los Muertos. This special production of Muertos honors the occasion for which it is named and is an elegant | 750ml | \$49.99 | Tequila | 3 | 3 | 3 | 3 | 5 | 0 | 3 | 1 | 0 | 9 | 11 | 1 | 35.5 |
| SAZERAC | RNDC | 89234 | CORAZON ANEJO TEQ NP 6/750ML 80PF | Distilled from 100% blue Weber agave. Light in the mouth, this añejo is savory and aromatic with flavors of spiced tobacco, charred moss and coffee. Subtle and focused. 16-18 months in American Oak. * 2019 LA Int'l Spirits Competition – Gold * 2018 LA Int'l Spirits Competition – Gold * 2016 World Drink Awards –Best Añejo | 750ml | \$34.99 | Tequila | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 1 | 0 | 7 | 11 | 1 | 31.5 |

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|---|--------------------------|-------------------|--|---|-------|---------------------|------------------|---|---|---|---|---|---|---|---|---|----|----|---|------|
| Dogged State Distilling Company Inc. | No broker representative | 37329 | Dorado Vodka | Dorado vodka is processed and bottled in the first and only distillery in Nottoway county Virginia. Dorado is a potato based vodka that was selected after an exhaustive search for the highest quality spirit made in the United States. The five stage water filtration process ensures the finest spirit is partnered with the purest water we can produce, to offer a sippable spirit worthy of any occasion. | 750ml | \$23.99 | Vodka | 1 | 1 | 2 | 0 | 3 | 0 | 0 | 1 | 5 | 4 | 3 | 6 | 18.5 |
| SPECIAL ORDER | | | | | | | | | | | | | | | | | | | | |
| American Spirits Exchange/Siv erscreen Bottling | RNDC | | Bradshaw Bourbon | Four Super Bowl victories was no ordinary feat, but then Terry Bradshaw was no ordinary player. So, it makes sense that Terry Bradshaw Kentucky Straight Bourbon Whiskey is anything but ordinary. Crafted from the finest grains and aged in hand selected barrels, the 212 blend is worthy of a nod from a true champion. | 750ml | \$39.99- \$44.99 | American Whiskey | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 5 | 0 | 7 | 11 | 5 | 35.5 |
| Pernod Ricard | SGWS - Liberty | 181-2636-575 | Smooth Ambler Contradiction Rye | Contradiction Rye is a marriage of three straight rye whiskeys. One we distill and age in West Virginia and the other come from Indianan and Tennessee. Being a union of different rye whiskeys, the flavor and finish of Contradiction Rye is as unique as it is uniquely delicious. Like all our whiskeys Contradiction Rye is non chilled filtered and produced in small, numbered batches. | 750ml | 39.99 | American Whiskey | 3 | 1 | 2 | 3 | 5 | 0 | 3 | 3 | 0 | 6 | 11 | 3 | 31.5 |
| Karlson & O'Mara Distilleries LLC | No broker representative | | Bare Knuckle High Rye Bourbon Single Barrel | Bare Knuckle High Rye Bourbon Single Barrel is a 6-year-old, 90-proof bourbon produced for KO Distilling. It is distilled from a mash bill of corn, rye, and malted barley, aged in new-charred American white oak barrels; harvested one barrel at a time; and bottled by hand at KO Distilling in Manassas, VA. Our Bare Knuckle High Rye Bourbon Single Barrel presents caramel and vanilla up front, followed by fruity, oaky notes and a spicy finish. | 750ml | \$59.99 | American Whiskey | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 1 | 0 | 7 | 11 | 1 | 31.5 |
| Karlson & O'Mara Distilleries LLC | No broker representative | | Bare Knuckle High Rye Bourbon Cask Strength | Bare Knuckle High Rye Bourbon Cask Strength is a 6-year-old bourbon produced by KO Distilling in Manassas, VA. It is distilled from a mash bill of corn, rye, and malted barley; aged in new-charred American white oak barrels; harvested one barrel at a time; and bottled by hand. Bare Knuckle High Rye Bourbon Cask Strength provides robust, straight-out-of-the-barrel caramel, vanilla, fruit, oak, and spicy rye flavors, and barrel proofs range from 120 to 128. | 750ml | \$72.99 | American Whiskey | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 1 | 0 | 7 | 11 | 1 | 31.5 |
| Laird and Company | RNDC | 475-64224-75 | Lazzaroni Amaretto & Peach | Lazzaroni Amaretto Peach is made in the traditional Lazzaroni Amaretto style but with the addition of natural Peach flavoring this is great addition to the line and give the Amaretto drinker a new experience to the cocktails you enjoy today but with a new twist you will with this product, it give the amaretto a sweet, soft, wonderfully balanced flavor of biscuits and peaches. | 750ml | \$29.99 | Cordials | 3 | 4 | 3 | 3 | 5 | 0 | 1 | 1 | 0 | 10 | 9 | 1 | 34.5 |
| Sorva Syrups | No broker representative | UPC 0086000452031 | Triple Sec Simple Syrup (Non-Alcoholic Orange) | Sorva Triple Sec is an all-natural, orange-flavored, non-alcoholic simple syrup. It is used as a mixer substitute for customers who need Triple Sec in their cocktails and mocktails, but want to avoid artificial ingredients and added alcohol content. | 375ml | \$11.99 | Mixers | 1 | 5 | 3 | 3 | 1 | 0 | 3 | 1 | 5 | 9 | 7 | 6 | 34.5 |

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|--|--------------------------|------------------|--|---|-------|----------|------------------|---|---|---|---|---|---|---|---|---|---|----|---|------|
| Remy Cointreau USA | RNDC | 4698 | Bruichladdich Classic Laddie | Bruichladdich's Classic Laddie is an unusual introduction to an Islay Single Malt Whisky Distillery. One of the few 100% unpeated Single Malts from the remote Scottish island of Islay, Bruichladdich strives to challenge the conventions of the Scotch Whisky category by offering drinkers full transparency on what goes in to every batch. Distilled from 100% Scottish grown barley, each bottling of Classic Laddie is crafted in multi-vintage batches of different American and French oak cask types. The precise composition of each individual batch can be traced online at www.Bruichladdich.com | 750ml | \$59.99 | Scotch | 3 | 1 | 2 | 5 | 5 | 1 | 3 | 3 | 0 | 6 | 14 | 3 | 36 |
| Casa Komos Beverage Group | BreakThru | | Komos Anejo Cristalino - Gift Box (Retail) | Tequila Anejo Cristalino | 750ml | \$119.99 | Tequila | 1 | 2 | 3 | 5 | 5 | 0 | 3 | 3 | 0 | 6 | 13 | 3 | 34.5 |
| Heaven Hill | RNDC | 88025 | Lunazul El Humoso | Lunazul El Humoso, "The Smoked One", uses cooked mesquite wood smoked agave alongside fresh weber blue agave creating a one-of-a-kind smoked blanco tequila that tastes of white pepper spice with subtle herbal root and chili pepper hints among the fruitiness of Blanco Tequila. | 750ml | \$29.99 | Tequila | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 3 | 0 | 7 | 11 | 3 | 33.5 |
| NOT RECOMMENDED | | | | | | | | | | | | | | | | | | | | |
| Bold Rock Craft Spirits | No broker representative | | Bold Rock Cinnamon Apple Whiskey | | 750ml | \$26.99 | American Whiskey | 4 | 1 | 2 | | 5 | 0 | 5 | 3 | 5 | 7 | 10 | 8 | 37 |
| Western Spirits Beverage Co | RNDC | 199-26363-75 | Bird Dog Salted Caramel Whiskey | Bird Dog Salted Caramel whiskey has signature caramel notes complemented by subtle hints of briny sea salt, keeping the sweetness at bay and highlighting vanilla and oak undertones. | 750ml | \$18.99 | American Whiskey | 3 | 1 | 2 | 3 | 5 | 0 | 3 | 3 | 0 | 6 | 11 | 3 | 31.5 |
| Sazerac | SGWS - Transatlantic | | YUKON JACK BARREL PROOF 12/750ML 125PF | A bold whiskey at 125 proof spirit born of rugged adventure, like the legendary character whose name it bears. Untamed, fearless and boldly flavorful, there is no spirit like Yukon Jack Barrel Proof. | 750ml | \$24.99 | American Whiskey | 3 | 1 | 2 | 3 | 5 | 0 | 3 | 3 | 0 | 6 | 11 | 3 | 31.5 |
| Sazerac | SGWS - Transatlantic | | YUKON JACK RYE 12/750ML 100PF | An authentic Rye whiskey taste with a subtle sweet twist to go along with the bold smooth finish. | 750ml | \$24.99 | American Whiskey | 3 | 1 | 2 | 3 | 5 | 0 | 3 | 3 | 0 | 6 | 11 | 3 | 31.5 |
| Old Virginia Hand Hewn Log Homes, Inc. | No broker representative | 181-26418-75 | Rye Whiskey | A 2 year Rye whiskey | 750ml | \$37.99 | American Whiskey | 1 | 1 | 2 | 3 | 5 | 0 | 1 | 3 | 5 | 4 | 9 | 8 | 29.5 |
| Sovereign Brands | RNDC VA | 449 - 67319 - 75 | VILLON | From the Berish Family - inventors of D'usee Cognac (sold to Barcardi) and Ace of Spades Champagne (sold to Jay Z)...brings you VILLON, Handcrafted in Merpins, in the heart of Cognac in small-batch traditions. Villon is made from an original recipe created by our French distillery with VSOP and XO Cognac, an exquisite blend of spirits distilled from French wheat, and natural flavors that beautifully complement our Cognac. Smooth, balanced, and complex, with luxurious aromas of vanilla, spice and toasted oak. | 750ml | \$36.99 | Cognac | 1 | 2 | 3 | 3 | 5 | 0 | 3 | 3 | 0 | 6 | 11 | 3 | 31.5 |

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|---------------------|--------------------------|--------------|--|---|-------|----------|--------------|---|---|---|---|---|---|---|---|---|----|----|---|------|
| Campari Group | SGWS - Transatlantic | 420-64998-17 | Frangelico | The richness of Frangelico is rooted in its origins. Made from the aromatic Tonda Gentile hazelnuts found in the Italian region of the Piedmont, they are combined with coffee, cocoa, and vanilla distillate and extracts for a sweet yet balanced golden elixir that can be enjoyed in any season and on any evening. | 1.75L | \$59.99 | Cordials | 4 | 3 | 3 | 3 | 5 | 0 | 3 | 3 | 0 | 10 | 11 | 3 | 39.5 |
| EJ Gallo Winery | BreakThru | 305-43639-05 | Diplomatico Reserva Exclusiva 50ml | Diplomatico Reserva Exclusiva is an elegant and complex sipping rum carefully crafted from the purest of sugar cane honeys and aged in small oak casks for up to twelve years | 50ml | \$4.99 | Miniatures | 3 | 3 | 5 | 5 | 0 | 0 | 3 | 1 | 0 | 11 | 8 | 1 | 35 |
| Chef Sous LLC | No broker representative | | Keep It Simple Syrup Spearmint | All natural spearmint-infused simple syrup in 50ml glass bottle. This quantity, 1.69 ounces, will make 2 cocktails as most recipes call for just ~3/4 ounce. | 50ml | \$2.99 | Miniatures | 3 | 4 | 2 | 3 | 0 | 0 | 3 | 1 | 5 | 9 | 6 | 6 | 33 |
| Chef Sous LLC | No broker representative | | Keep It Simple Syrup Ginger | All natural ginger-infused simple syrup in 50ml glass bottle. This quantity, 1.69 ounces, will make 2 cocktails as most recipes call for just ~3/4 ounce. | 50ml | \$2.99 | Miniatures | 3 | 4 | 2 | 3 | 0 | 0 | 3 | 1 | 5 | 9 | 6 | 6 | 33 |
| Chef Sous LLC | No broker representative | | Keep It Simple Syrup Lemon Zest | All natural lemon zest-infused simple syrup in 50ml glass bottle. This quantity, 1.69 ounces, will make 2 cocktails as most recipes call for just ~3/4 ounce. | 50ml | \$2.99 | Miniatures | 3 | 4 | 2 | 3 | 0 | 0 | 3 | 1 | 5 | 9 | 6 | 6 | 33 |
| Kōloa Rum Company | No broker representative | 345-46509-75 | Kōloa Kauaʻi Cacao Rum | The Kōloa Kauaʻi Cacao chocolate-flavored Rum is made from cacao nibs sourced right on the island of Kauaʻi. This unique rum is all you would hope for -it delivers a well-balanced sip of fresh cacao, delicate floral notes, notions of spice and subtle nutty flavor- finishing with a smooth buttery taste. Bottled at 40%- ABV-this is a rum enjoyed neat or in a variety of unique cocktails. | 750ml | \$37.99 | Rum Flavored | 2 | 3 | 3 | 3 | 5 | 0 | 3 | 1 | 0 | 8 | 11 | 1 | 33.5 |
| Hawaii Sea Spirits | SGWS | 404-75251-75 | Kula Toasted Coconut 70 Proof | Kula Toasted Coconut Rum is Gluten free, crafted from organic sugar cane blended with deep mineral ocean water. Toasted Coconut sugars used to provide real toasted flavor. 70 Proof allows cocunut flavor to be forward. | 750ml | \$27.99 | Rum Flavored | 1 | 2 | 3 | 5 | 5 | 0 | 3 | 1 | 0 | 6 | 13 | 1 | 32.5 |
| CNS Enterprises | SGWS | | Kujira 12 Year Single Grain Ryukyu Whiskey | Single grain Japanese Whiskey aged twelve years in Spanish Sherry casks. 100% locally produced in Okinawa, Japan. No caramel color added, non-chill filtered, all natural. | 750ml | \$159.99 | Scotch | 1 | 3 | 3 | 5 | 5 | 0 | 3 | 1 | 0 | 7 | 13 | 1 | 34.5 |
| Campari Group | SGWS - Transatlantic | 100-5201-75 | GlenGrant 12 year | A sublime single malt with aromas of orchard fruits and vanilla. The palate reveals mouthwatering layers of apple pie, toffee, caramel and almonds. On the finish, soft summer fruits linger with honey and hints of spice | 750ml | \$46.99 | Scotch | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 3 | 0 | 7 | 11 | 3 | 33.5 |
| Diageo/Gary Holland | SGWS - Coastal Pacific | 6076 | Singleton 12 yr old | Our 12 year old single malt scotch whisky is matured in a high proportion of American oak casks with a small portion of European oak casks to balance the liquid. The result is an easy to enjoy single malt with notes of luscious brown sugar, soft cooked apples and creamy toffee, best served with laughter and good company. | 750ml | \$34.99 | Scotch | 3 | 1 | 3 | 3 | 5 | 0 | 3 | 1 | 0 | 7 | 11 | 1 | 31.5 |

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|-----------------------------------|------------------------|--------------|---------------------------------------|---|-------|----------|---------|---|---|---|---|---|---|---|---|---|----|----|---|------|
| Beam Suntory | SGWS | 88558 | Sauza Hacienda Silver | This is replacing Sauza Silver 1.75L, which was DC'd in 2019. Sauza Hacienda is an extremely versatile tequila. Robust with fresh blue agave flavors preserved by a delicate filtration process. Sauza Hacienda Silver has surprising depth and delightful mixability, perfect to mix in margaritas or any of your favorite cocktails | 1.75L | \$34.99 | Tequila | 4 | 3 | 3 | 3 | 5 | 0 | 3 | 3 | 0 | 10 | 11 | 3 | 39.5 |
| Beam Suntory | SGWS | 89788 | Sauza Hacienda Gold | This is replacing Sauza Gold 1.75L, which was DC'd in 2019. Sauza Hacienda Gold has surprising depth and delightful mixability, perfect to mix in margaritas or any of your favorite cocktails. | 1.75L | \$34.99 | Tequila | 4 | 1 | 3 | 3 | 5 | 0 | 3 | 3 | 0 | 8 | 11 | 3 | 35.5 |
| Casa Komos Beverage Group | BreakThru | | Komos Reposado Rosa Gift Box (Retail) | Tequila Reposado Rosa | 750ml | \$109.99 | Tequila | 1 | 2 | 3 | 5 | 5 | 0 | 3 | 3 | 0 | 6 | 13 | 3 | 34.5 |
| Heaven Hill | RNDC | 89495 | Lunazul Primero | Lunazul Primero is an Anejo Tequila that is double distilled and aged for 18 months in American white oak barrels. The crisp, clear color is achieved by carefully filtering eight times, giving it the perfect balance and unique flavor that can be enjoyed neat or in a variety of cocktails. | 750ml | \$29.99 | Tequila | 3 | 1 | 2 | 3 | 5 | 1 | 3 | 3 | 0 | 6 | 12 | 3 | 33 |
| Parched Group, LLC (Cirrus Vodka) | RNDC | #36294 | CIRRUS VODKA | CIRRUS VODKA IS A PREMIUM POTATO VODKA. CIRRUS THE TOP-SELLING VA MADE VODKA IN VA ABC RETAIL STORES AND HAS BEEN THE FASTEST GROWING NON-FLAVORED VODKA SOLD IN VA ABC STORES THE PAST TWO YEARS. | 1.75L | \$39.99 | Vodka | 4 | 1 | 2 | 3 | 3 | 5 | 3 | 3 | 5 | 7 | 14 | 8 | 43 |
| Diageo/Gary Holland | SGWS - Coastal Pacific | 77988 | Smirnoff Tamarind | SMIRNOFF Spicy Tamarind starts with the World's #1 Vodka, that is Triple Distilled & Ten Times Filtered for clarity and then expertly infused with the exciting & invigorating taste of tangy tamarind, Mexican chilies and a hint of lemon. | 750ml | \$14.99 | Vodka | 5 | 1 | 2 | 3 | 3 | 0 | 5 | 5 | 0 | 8 | 11 | 5 | 37.5 |
| EJ Gallo Winery | BreakThru | 290-40034-17 | New Amsterdam Grapefruit Vodka 1.75L | Established in 2011, New Amsterdam Vodka sold one million cases in its first 12 months in market, making it the fastest growing spirits brand in history. New Amsterdam Grapefruit Vodka is made from the finest midwestern corn and offers a refreshing, crisp profile layered with sweet, bright Ruby Red Grapefruit flavors. | 1.75L | \$22.99 | Vodka | 3 | 1 | 2 | 3 | 3 | 0 | 5 | 3 | 0 | 6 | 11 | 3 | 31.5 |



October 1 New Product Recommendations

June 15, 2021



www.abc.virginia.gov

Summary

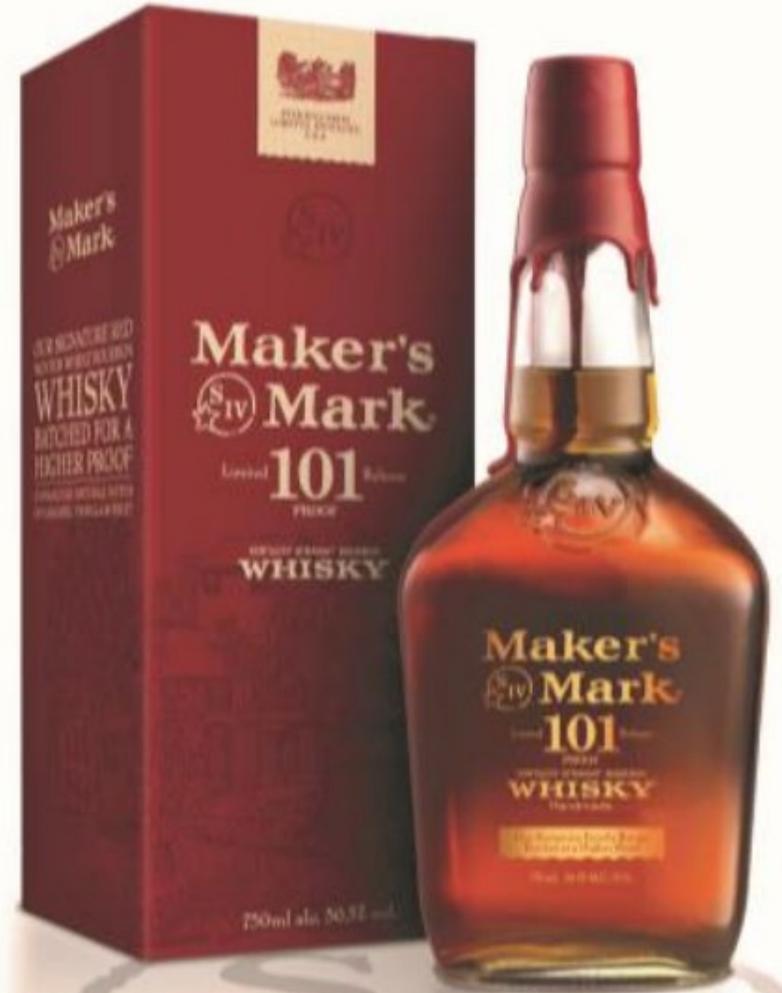
| CATEGORY | SUBMISSIONS |
|----------------------------------|-------------|
| American Whiskey | 37 |
| Brandy/Cognac | 1 |
| Canadian | 8 |
| Canned Cocktails & Hard Seltzers | 3 |
| RTS Cocktails | 15 |
| Cordials | 11 |
| Gin | 8 |
| Irish | 1 |
| Minis | 14 |
| Mixers | 17 |
| Moonshine | 0 |
| Rum Flavored | 7 |
| Rum Spiced | 3 |
| Rum Unflavored | 12 |
| Scotch | 11 |
| Tequila | 18 |
| Wine | 0 |
| Vermouth | 0 |
| Vodka | 11 |
| Total | 177 |

Summary

- Submissions – 177
- Presented – 65
- Selected
 - 33 for shelf
 - 9 special order
 - 23 declined



Shelf

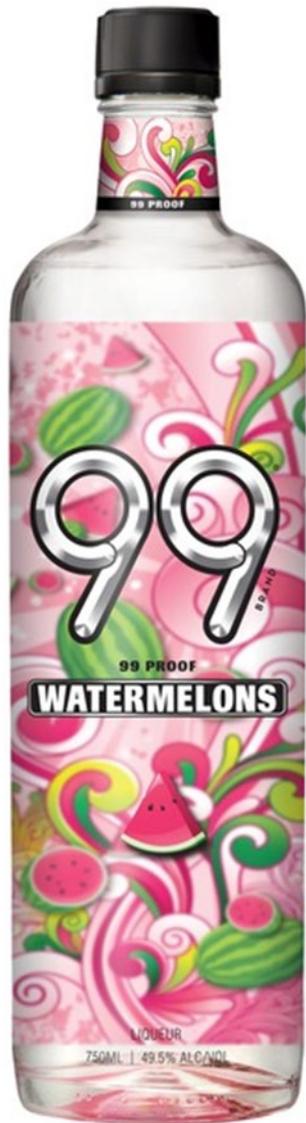








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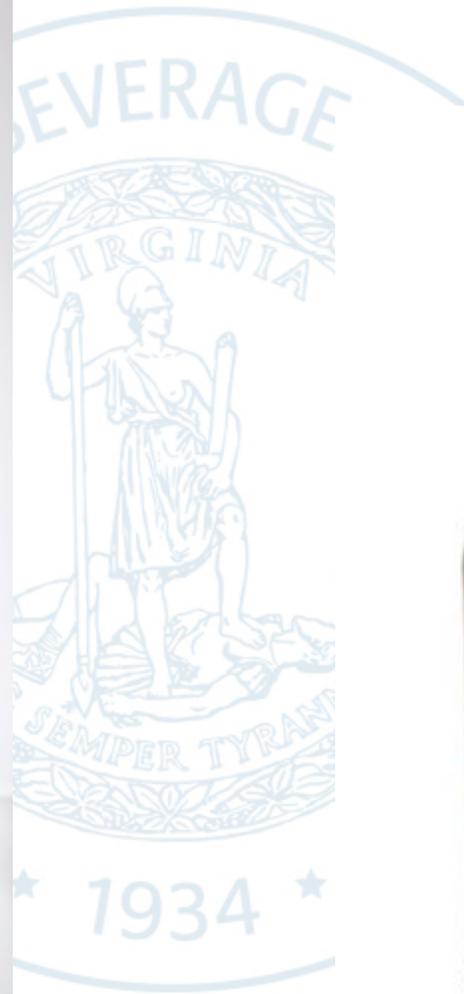


Axe Handle Distilling
American Gin

















Special Order



www.abc.virginia.gov



Bare Knuckle High Rye Bourbon Single Barrel
Bare Knuckle High Rye Bourbon Cask Strength





October 1 New Product Recommendations

June 15, 2021



www.abc.virginia.gov



Virginia ABC Alcohol Education & Prevention Grant Program FY22 Grantees

A total of \$77,364.19 will be disbursed to the following 10 organizations over the next fiscal year for them to conduct the alcohol education or prevention activities described below. We are looking forward to partnering with such a wide variety of partners and projects across the entire state this year.

| ORGANIZATION | PROJECT SUMMARY |
|--|--|
| Averett University | Averett University proposed high-risk drinking prevention program to foster legal, healthy, appropriate, and safe choices around alcohol use. Averett University’s counseling center is implementing Alcohol eCheck-Up to Go, an evidence-based practice combined with a comprehensive alcohol education training program for our freshman and campus student leaders. |
| East End Renaissance Council (EERC) | East End Renaissance Council Alcohol Prevention Program looks to provide youth with effective social and self-management skills and to decrease motivation to use drugs and vulnerability of social influences that support prevention of alcohol use. |
| Hampton-Newport News CSB | H-NNCSB proposal addresses the dangers of underage drinking targeting youth 15-20 years old, parents, Hispanic/Latino community and retailers. The project will provide education on alcohol and its effects on health outcomes, create PSAs airing on TV in English and Spanish, and implement Project Sticker Shock in both languages. |
| Hampton University | Hampton University will provide an alcohol prevention program aimed to increase knowledge and skills that change alcohol use perceptions while promoting healthy alcohol use. First-year college students will participate in alcohol prevention “field day”, seminars, alcohol prevention program, and a social media campaign. |
| Henrico Too Smart 2 Start | Henrico Too Smart 2 Start is enhancing its strategies to prevent and reduce youth alcohol use in Henrico County through its project Smart Talk. Smart Talk will create fact-based conversation amongst youth and parents via fun activities, forums, and awareness campaigns. |
| Inkwell Ventures (RVA Magazine) | RVA Magazine and its partners will produce a Sober Stories Media campaign for high-risk drinking prevention. The series will have local influencers tell their sober story, a media campaign created around the messaging and sober events. Inkwell will also gather information on important demographics for future implementation in those communities. |
| Marymount University | Marymount’s Early Intervention program is designed to decrease underage drinking and increase healthy behaviors related to alcohol consumption. The program includes training student leaders using the TIPS (Training for Intervention Procedures) program curriculum. This will include intentional programming, implemented by student leaders, aimed at reducing the unsafe underage consumption of alcohol. |
| Planning District 1 Behavioral Health Services | "The Power of YOU(th)! Positive Choices, Sober Lives" is a 2-phase project delivered at 8 high schools in the Planning District 1 community. Phase 1 includes virtual presentation that is designed to motivate students to make responsible choices regarding alcohol use. Phase 2 provides educational classroom sessions designed to give students an opportunity to use hands on strategies to better retain information taught by the speaker. |
| Randolph Macon College | Randolph-Macon College will utilize the Safe Colleges Training to provide mandatory online alcohol education to incoming freshman and students who violate policies. In addition, the advisors will partner with youth coalitions to develop an alcohol education course to be offered online to Hanover County high school seniors. |
| Substance Abuse Prevention Coalition of Alexandria (SAPCA) | The Substance Abuse Prevention Coalition of Alexandria (SAPCA) will prevent underage drinking in the City of Alexandria by reducing youth alcohol access; raising awareness about the facts and consequences of youth alcohol use; providing information about the legal consequences of providing and purchasing alcohol to minors; highlighting social norms; providing youth with substance-free activities; and supporting parents to build developmental assets in youth. |

In-Store Request Program Calendar July 2021 – December 2021

This year we launched a formal In-Store Request program which was an effort including Communications, Marketing, Retail, Real Estate, Education & Prevention, and Digital & Web divisions. This first round resulted in applications which were reviewed by the cross-divisional review committee and resulted in the below listed stores hosting these organizations in the upcoming months (July – December). A second round of applications will be accepted and reviewed by the committee for organizations wanting to hold events in January – June.

2021 JULY

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|--------|---------|-----------|---|--|---|
| 27 | 28 | 29 | 30 | 01 | 02 213: Knights of Columbus | 03 33: Knights of Columbus 213: Knights of Columbus |
| 04 | 05 | 06 | 07 | 08 | 09 | 10 33: Knights of Columbus |
| 11 | 12 | 13 | 14 | 15 45: Knights of Columbus 268: Knights of Columbus | 16 45: Knights of Columbus 61: KOVAR 268: Knights of Columbus | 17 45: Knights of Columbus 170: Knights of Columbus 268: Knights of Columbus |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 357: Knights of Columbus |

2021 AUGUST

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|--------|---------|-----------|----------|--------|--------------------------------|
| 01 | 02 | 03 | 04 | 05 | 06 | 07 |
| 08 | 09 | 10 | 11 | 12 | 13 | 14 170: Knights of Columbus |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 61: Knights of Columbus |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 357: Knights of Columbus |
| 29 | 30 | 31 | 01 | 02 | 03 | 04 |

2021 SEPTEMBER

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------------------------------|--------|---------|-----------|----------|--|--|
| 29 | 30 | 31 | 01 | 02 | 03 186: Knights of Columbus | 04 186: Knights of Columbus |
| 05 | 06 | 07 | 08 | 09 | 10 148: Knights of Columbus 152: Knights of Columbus | 11 148: Knights of Columbus 152: Knights of Columbus |
| 12 152: Knights of Columbus | 13 | 14 | 15 | 16 | 17 108: Knights of Columbus 331: Knights of Columbus | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 89: Knights of Columbus 389: Knights of Columbus | 25 85: KOVAR 231: KOVAR |
| 26 85: KOVAR 231: KOVAR | 27 | 28 | 29 | 30 | 01 | 02 |

2021 OCTOBER

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|--------|---------|--|---|---|---|
| 26 | 27 | 28 | 29 | 30 | 01 | 02 |
| 03 | 04 | 05 | 06 234: Knights of Columbus 371: Knights of Columbus | 07 51: Knights of Columbus 125: Knights of Columbus | 08 51: Knights of Columbus 125: Knights of Columbus 148: Knights of Columbus 259: Knights of Columbus | 09 51: Knights of Columbus 125: Knights of Columbus 148: Knights of Columbus 259: Knights of Columbus |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 234: Knights of Columbus 371: Knights of Columbus | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | 01 | 02 | 03 | 04 | 05 | 06 |

Draft Options Strategic Planning

Mission Statement

Virginia ABC's Current Mission Statement

To generate a reliable stream of revenue for Virginia and promote public safety through the responsible sale and regulation of alcoholic beverages.

Proposed Options for Mission Statements

Top 4 choices to present for feedback

- **Reverse emphasis adding education (need customer service context added)**
 - To promote public safety and education through the responsible sale and regulation of alcoholic beverages and generate a reliable stream of revenue for Virginia
 - To promote safety, education and responsible sales of alcoholic beverages in the commonwealth while generating a consistent stream of revenue to benefit our citizens
 - To promote public safety and education through the responsible sale and regulation of alcoholic beverages and optimize revenue for the benefit of Virginia's citizens
- **Two Sentences**
 - The mission of the Virginia Alcoholic Beverage Control Authority is to advance public safety and education efforts and administer the regulation of alcoholic beverages. In doing so we provide first class customer services and responsible sales of alcoholic beverages in the commonwealth while optimizing revenue for the benefit of Virginia's citizens.
 - licensees and community stakeholders and provide excellent customer service by operating conveniently located retail stores.
 - The Virginia Alcoholic Beverage Control Authority provides effective and efficient administration of Virginia's alcoholic beverage laws with an emphasis on customer service and public safety by applying uniform and fair regulations.

SWOT Results (change the order – emphasis on biggest strength /weakness etc. –

Strengths

- Authority status permits ABC to operate like a private retailer and consistently increase revenues/contributions to the General Fund.
- Provision of excellent customer service to customers and stakeholders.
- Responsiveness to customer needs and changing methods of sales (online ordering, curbside pickup, delivery)
- Retail stores are strategically and conveniently located across the commonwealth
- Fostering public health through education and prevention programming
- Promoting public safety through the fair and uniform enforcement of the laws and regulations
- Professional, experienced, knowledgeable, skilled and highly adaptable employees.
- Stakeholders internal and external are provided the opportunity to provide feedback
- Authority has a strong recognizable brand

Weaknesses

- Coming out of the pandemic, employee turnover is higher than historical rates particularly for retail personnel
- Need for increased diversity in Executive and Leadership personnel
- Inadequate comprehensive employee training, professional development programs, and career progression paths.
- Lack of a unified, internally focused public safety and public health position. There is a need to balance the expectation to increase sales and contributions to the general fund, while concurrently educating licensees and enforcing compliance with the responsible sale and consumption of alcohol.
- Insufficient stakeholder engagement during project planning, lack of adequate project staffing and support and inconsistent application of project management methodology.
- Silos amongst divisions resulting in a lack of role clarity, poor internal customer services and the inconsistent application of policies and procedures.

Opportunities

- Increase levels of engagement, collaboration and communication with key stakeholders, such as licensees, law enforcement agencies and other industry stakeholders. Provide

increased communication regarding the numerous roles and responsibilities ABC personnel and the benefits the authority brings to the commonwealth.

- Potential to grow incremental sales and profits through improved online ordering and home delivery capabilities, improved special order product management, enhancing the product portfolio for retail stores and the website, and taking advantage of industry trends toward premium products.
- Invest in shaping consumer behavior – store of the future, upsell and marketing initiatives, consumer education, etc.,
- Explore business opportunities including but not limited to selling in-demand international spirits to cater to growing and diverse populations and respond to consumer trends like interest in organic spirits and home subscription services
- Enhance decision making through improved data analytics
- Obtain new systems that can interact/speak with each other to automate processes, make data accessible, meet the technological expectations of internal and external customers.

Threats

- Recruitment and retention of all employees due to increases in minimum wage and competition with public and private businesses. Potential loss of employees related to the legalization of marijuana and gambling.
- Potential loss of profits due to the legalization of marijuana and gambling
- Out of stock products due to wholesaler inventory shortages, supply chain disruptions and shipping delays.
- Increased competition from breweries, wineries and distilleries and the social experience they can offer to customers.
- Increased public health, safety and prevention needs due to increases in consumption and the legalization of marijuana.
- External proprietary and political considerations that influence operational decisions, especially in the areas of revenue goals and retention of profits to reinvest into technology, infrastructure and personnel.

Focus Areas: Strategic Goal and Objective

Goal 1: Invest in our people to foster an inclusive, flexible engaged workforce

Objectives:

1. Recognize employee contributions and successes and use employee feedback to increase employee retention and engagement.
2. Compensate employees consistent with competitive market principles, performance, experience, and skills.
3. Provide access to various levels of educational opportunities and incentivize participation.
4. Encourage innovation in processes that increase efficiency and improve service to the public.
5. Implement leadership and management development programs that empower ABC managers and supervisors to help all employees maximize their potential.
6. Cultivate inclusivity by supporting initiatives that emphasize and educate employees on the value of diversity

Goal 2: Enhance public safety, education, health and welfare.

Objectives:

1. Maintain status as a premier law enforcement organization and accreditation through the Virginia Law Enforcement Professional Standards Commission (VLEPSC).
2. Develop agents with a fair and solution-oriented mindset when it comes to enforcement of laws regarding possession, sale, transportation, distribution, and delivery of alcoholic beverages in the Commonwealth.
3. Focus on emerging trends in the beverage alcohol industry, building awareness of activities at all three tiers of the alcoholic beverage distribution system.
4. Implement and manage a state of the art licensing system that facilitates applications and continued operations of ABC-licensed establishments.
5. Conduct collaborative programs with partners to facilitate public safety efforts and increase awareness of the impacts of alcohol and compliance with the Commonwealth’s alcoholic beverage laws.
6. Ensure agents and employees are accessible and responsive to stakeholders in a timely and consistent manner

Goal 3: Deliver exceptional customer experiences in a trusted and innovative environment.

Objectives:

1. Invest in physical and information technology infrastructure that seamlessly supports the authority, providing accurate and actionable information.
2. Build a brand known for providing consistent superior service and an outstanding customer experience by empowering our people.
3. Maintain marketing programs that drive profitability and exceptional value to customers.
4. Provide product selection and availability that responds to market trends and customer demands.
5. Transact business in a fashion where we have a positive impact on our communities while meeting fiscal responsibilities.

| FOCUS AREA (# OF VOTES) | INITIATIVES CURRENTLY IN PLACE | INITIATIVES IN DEVELOPMENT | FUTURE PLANS |
|--|--|--|--|
| Retention (122) Primary Goal - Invest in our people to foster an inclusive, flexible engaged workforce | | | |
| Compensation <ul style="list-style-type: none"> • Competitive, all aspects of pay, adjustments in compression, pay for performance, bonuses, \$15 minimum wage, benefits for all employees, 29-hour rule, 1,500 hours a year | <ol style="list-style-type: none"> 1) Employee Incentives (Retail) Goal 1. Obj 2. 2) Mercer Compensation (HR, Mercer) Study Goal 1. Obj 2. | <ol style="list-style-type: none"> 1) | <ol style="list-style-type: none"> 1) New Performance Management as part of new HR solution (HR) Goal 3. Obj 2. 2) Pay-for-Performance plan (HR, Mercer) Goal 1. Obj 2. 3) Job alignment and pay banding (HR, Mercer) Goal 1. Obj 2. |

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| <p>Training & Development</p> <ul style="list-style-type: none"> Enhance and provide additional opportunities Strong & Engaged Managers | <ol style="list-style-type: none"> Implementation of Virtual Coursework to Enhance Learning (HR) Goal 1. Obj 3. Recognition Program, Monthly and Annually (Retail) Goal 1. Obj 5. MET Training Program (HR) Goal 1. Obj 5. | <ol style="list-style-type: none"> Development of an Online Order (OLO) POS Training Development (HR) Goal 1. Obj 3. Leadership and Management Program (HR) Goal 1. Obj 5. Supervisor Academy (HR) Goal 1. Obj 5. Education and Information (Cultural Road Map) Goal 1. Obj 5. Culture (Cultural Road Map) Goal 1. Obj 5. | <ol style="list-style-type: none"> Look to replace COVLC with a more modern, flexible tool (HR) Goal 1. Obj 3. Employee interviewing and job application training (HR) Goal 1. Obj 3. |
| <p>Limited Opportunities for Advancement</p> <ul style="list-style-type: none"> Develop/Enhance career progression programming | <ol style="list-style-type: none"> Grow Program (Retail) /succession planning Goal 1. Obj 3., 5 | <ol style="list-style-type: none"> | <ol style="list-style-type: none"> Give in-house employees an opportunity to be in the position and provide training and support to succeed (<i>Concerns raised - Possible barrier to diversity of all forms -JF Additional concern raised - losing outstanding employees when they are denied an opportunity for promotion JS</i>) Goal 1. Obj 1., 3. Mercer (career paths initial development) Goal 1. Obj 3., 5. Enforcement career progression - (HR + BLE) Goal 1. Obj 3., 5. |
| <p>Competition</p> <ul style="list-style-type: none"> Other state agencies, private sector, legalization of marijuana and gambling, Amazon facility, unemployment benefits | <ol style="list-style-type: none"> Employee engagement efforts (HR) Goal 1. Obj 1. | <ol style="list-style-type: none"> Mercer - pay, job progression, leadership and management (HR Mercer) Goal 1. Obj 2. | <ol style="list-style-type: none"> How do we monitor how other organizations are attracting employees? (HR) Goal 1. Obj 1., 2. |
| <p>Culture</p> <ul style="list-style-type: none"> Make employees feel engaged, valued and heard Recognition of contributions Warehouse, Regional Enforcement & Retail employees don't feel integrated with the Authority Return to Office and Teleworking Emotional intelligence is needed Work-life balance decreasing due to the dilution of resources - Project lists and responsibilities have grown, the resources including staffing, needed to adequately complete them have not been expanded in similar fashion leading to folks feeling stretched thin and competing for assistance/tools/priority within the agency | <ol style="list-style-type: none"> C-Suite Chats (HR) Goal 1. Obj 1. Employee of the Month (Retail) Goal 1. Obj 1. ABC Honors (HR) Goal 1. Obj 1. Contingent Labor Workforce Support and Augmentation (Procurement) Goal 1. Obj 4. Length of Service Awards program and recognition (HR) Goal 1. Obj 1. | <ol style="list-style-type: none"> Culture (Cultural Road Map) Goal 1. Obj 5., 6. Education and Information (Cultural Road Map) Goal 1. Obj 5., 6. Organizational Diversity, Equity, and Inclusion Assessment (HR) Goal 1. Obj 6. | <ol style="list-style-type: none"> Need to dig deeper – why do people feel there are silos (lack of responsiveness? What is current state what is the desired state?) Goal 1. Obj 6. Identify initiatives and solutions that will address all employee needs. (Cultural Road Map) Goal 1. Obj 1., 4., 6. Assess and determine if proposed solutions are meeting employee needs (HR) Goal 1. Obj 4., 6. Do we need to brand changes /package – so employees understand the changes are in response to |

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| | | | <p>feedback from employees- things resonate when people can name it – think about the groups that cannot take advantage of things like flexible Friday (Communications) Goal 1. Obj 1.</p> <p>5) How do we better connect people’s jobs to the mission of the organization so that they see a direct relationship? Goal 1. Obj 1.</p> <p>6) Performance management system that links to mission, vision, values Goal 1. Obj 4.</p> |
| <p>Succession Planning</p> <ul style="list-style-type: none"> • Cross train employees • Lack of a process to transition institutional knowledge when employees retire/leave | 1) | 1) | <p>1) Institutional systems (technology) needed to log/track history on decisions and reasoning (Cultural Road Map) Goal 1. Obj 4.</p> <p>2) Identify skill sets needed for positions with key person dependencies including leadership Goal 1. Obj 3., 5.</p> |
| Internal Communication/Interactions/Silos (47) | | | |
| <p>Communication</p> <ul style="list-style-type: none"> • Employees do not have the information they need • Trust adds to better communication/Transparency • Two-way communication/ Missing employee feedback • One Truth - Consistency in messaging across the authority, Employees and External stakeholders receive conflicting or inaccurate information • Employees lack knowledge about the business/Communicate how each employee contributes to public health and safety mission • Improve Mixer to be more user friendly and intuitive | <p>1) C-Suite Chats (HR) Goal 1. Obj 1.</p> <p>2) Operationalize Crisis Communication Plan (Communications) Goal 3. Obj 2.</p> <p>3) ETS - Enterprise Ticketing System Goal 3. Obj 1.</p> | <p>1) SharePoint refresh (Digital Unit) Goal 1. Obj 4.</p> <p>2) Divisional weekly reports – is there a better way to do this (Cultural Road Map) Goal 1. Obj 4.</p> <p>3) Leadership forum – is there a better way to manage the forum (Cultural Road Map) Goal 1. Obj 4.</p> <p>4) Decision Making and Accountability (Cultural Road Map) Goal 1. Obj 6.</p> | <p>1) Determine What information do employees feel they are not getting and how do we address that Goal 1. Obj 1.</p> <p>2) Master Data Planning and Execution (Logistics) Data – everyone needs to be on the same page and at the same starting place when discussing data Goal 3. Obj 1.</p> |
| <p>Projects and Processes</p> <ul style="list-style-type: none"> • No clearly defined roles and responsibilities or decision trees/Processes across divisions are not clear because we have been so flexible • Need to ensure that all impacted people are at the table before we decide to make the changes/All the necessary parties are not at the table for planning • Need for better project process (discovery, implementation, roll-out)/Planning rushed and incomplete • Lack of follow through and support on projects once they are implemented leaving divisions to fend for themselves and attempt to obtain the necessary resources if there are problems | <p>1) PAC process (Cultural Road Map) Goal 1. Obj 4.</p> <p>2) Cultural Road Map -prioritization, process and execution Goal 1. Obj 4.</p> | <p>1) Decision Making and Accountability (Cultural Road Map) Goal 1. Obj 6.</p> | <p>1) What information do employees feel they are not getting and how do we address that – use the Responsible Accountable Consulted and Informed (RACI) Model more broadly to help with communication - include training Goal 1. Obj 1., 3., 4.</p> <p>2) Go live and post go live review and learning processes need to improve Goal 3. Obj 1.</p> |

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| <ul style="list-style-type: none"> • Need to evaluate before moving to next project • Red tape to get approvals and get things done | | | <ol style="list-style-type: none"> 3) Better processes for acknowledging and working through iterations when maybe the first doesn't work (as opposed to sticking to decisions we know are wrong) Goal 1. Obj 4.; Goal 3. Obj 1 4) Determine how we manage and measure the manpower/person hours needed for projects so that we do not overbook staff Goal 1. Obj 4. |
| <p>Tear Down Silos</p> <ul style="list-style-type: none"> • Need better/more effective communication across ABC/Cross-functional communication needed to get out of our silos • View each other as teammates/customers even though working in different divisions. We are ONE Virginia ABC not Retail, Enforcement, Education & Prevention, Central Office, etc. • Improve communications between divisions by clarifying roles, expectations, and deadlines • Value different opinions • Hold employees accountable for behavior, actions, lack of responsiveness and low-quality work • Improve collaboration, transparency and cross-training across divisions | <ol style="list-style-type: none"> 1) Strategic planning Goal 1. Obj 4. 2) Content strategy Goal 1. Obj 4. 3) ABC of Communication Goal 1. Obj 5. | <ol style="list-style-type: none"> 1) Decision Making and Accountability (Cultural Road Map) Goal 1. Obj 6. 2) Collaboration Goal 1. Obj 5., 6. | <ol style="list-style-type: none"> 1) Need to look at all communications and assess how that communication will be perceived prior to dissemination Goal 1. Obj 5., 6. 2) Demonstrating – opinion is valued even if not followed Goal 1. Obj 5. 3) Determine what behaviors are driving the perception there are silos. Goal 1. Obj 5. 4) Determine where there is not collaboration and transparency today? Identify what improved collaboration looks like, what success look like? Goal 1. Obj 4., 5., 6. |
| <p>Technology/Website/ Retail /eCommerce (55)</p> | | | |
| <p>Outdated Technology and Systems</p> <ul style="list-style-type: none"> • Technology should help earn revenue • Meet the technological expectations of our customers • Better manage project progression to sustain movement • Integrated and functional technology • Old systems are aging and waiting to be replaced, which creates more work for employees • Use technology to have decisions rendered in one location (Hearings and Appeals) • Tax management system • COV Learning Management System is cumbersome and not owned/operated by Virginia ABC <p><i>(Concern raised - the website is not for current employees, only external audiences. Current employees are covered by internal communications and SharePoint).</i></p> | <ol style="list-style-type: none"> 1) VITA Disengagement (IT) – (Per PW Initiative is essentially complete) 2) Omni Channel Business plan and program, Digital Development, (Digital Unit) Goal 1. Obj 1. 3) Point of Sale and Sales Audit Replacement (Retail and FMS) Goal 3. Obj 1. 4) Cvent Software (Education & Prevention Services) Goal 3. Obj 1. | <ol style="list-style-type: none"> 1) Licensing System Replacement Project (Enforcement) Goal 2. Obj 4. 2) Optical Character Recognition (OCR) Implementation (FMS) Goal 3. Obj 1. 3) Maintenance Tracker (Real Estate & Facilities Mgmt.) Goal 3. Obj 1. 4) Inventory Management Solution (Education & Prevention Services) Goal 3. Obj 1. 5) Human Resources Information System (HRIS) Replacement Project (HR) Goal 3. Obj 1. 6) Document Management System for Hearings Decisions Goal 3. Obj 1. and Licensee Case Findings (Hearings & Appeals) <i>(Hearings comments – if</i> | <ol style="list-style-type: none"> 1) Tax Management Goal 3. Obj 1. 2) Order Management Goal 3. Obj 1. 3) Document Management Goal 3. Obj 1. |

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| | | <p><i>not done now will roll into future website design needs anyway)</i></p> <p>7) Grant Management Software (Education & Prevention Services) Goal 3. Obj 1.</p> <p>8) eVA Functionality Expansion (Procurement) Goal 3. Obj 1.</p> <p>9) Workflow/Task Management Tool (Real Estate & Facilities Mgmt.) Goal 3. Obj 1.</p> <p>10) Cardinal Human Capital Management (HCM) Application (HR) <i>(Concern raised – system bugs and backlog accumulation as we have focused on major projects)</i> Goal 3. Obj 1.</p> | |
| <p>Website</p> <ul style="list-style-type: none"> • Provide more information • Improve the website and Mixer to be more user friendly and intuitive • Improve website for prospective and current employees • Government hybrid website that seems fragmented, needs to align with store of the future | <ol style="list-style-type: none"> 1) Search Engine Optimization (SEO) tool and program (Digital Unit) Goal 3. Obj 2. 2) Search Engine Marketing (SEM) tool and program (Digital Unit) Goal 3. Obj 2. 3) Accessibility Tool and program to allow automated audit, remediation, (Digital Unit) Goal 3. Obj 1. 4) Content Strategy for Products, (Digital Unit + content strategy groups) Goal 3. Obj 2., 3. | <ol style="list-style-type: none"> 1) E-Commerce Program Goal 3. Obj 1. 2) Ecommerce Experience Platform and website refresh (Ecom1-3) Goal 3. Obj 1. 3) Data cleanup project-product hub Goal 3. Obj 1. 4) Content Strategy for Careers/Recruitment (Digital Unit, HR, Comm, Enforcement) Goal 3. Obj 2. 5) New photos sitewide to reflect the new building and general refresh (Digital Unit) Goal 3. Obj 2. | <ol style="list-style-type: none"> 1) Store of the Future and Cross-channel Digital Content (Retail, Mktg, Digital Unit) Goal 3. Obj 1., 2. 2) Accessibility, Manual Audit and Remediation (Digital Unit) Goal 3. Obj 1. 3) UX testing and front-end development for external web applications, such as Jobs (make seamless with the website) (Digital Unit, IT) Goal 3. Obj 1. |
| <p>e-Commerce</p> <ul style="list-style-type: none"> • The omni-channel customer experience could be improved • Expanding shipping to ship from the warehouse | <ol style="list-style-type: none"> 1) Omni Channel Business plan, Digital Development, and E-Commerce (Digital & Web) Goal 3. Obj 2. 2) Warehouse Ship to store (Logistics) Goal 3. Obj 1., 4. | | <ol style="list-style-type: none"> 1) Warehouse ship to customer (Logistics) Goal 3. Obj 1., 4. |
| <p>Responsive to Industry Changes and Growth</p> <ul style="list-style-type: none"> • Opportunities to shape consumer behavior • Innovation | <ol style="list-style-type: none"> 1) Consumer Programming Planning and Implementation (Marketing) Goal 3. Obj 3. 2) Product Management (Marketing) Goal 3. Obj 3. 3) Warehouse Inventory Replenishment Processes (Logistics) Goal 3. Obj 4. | <ol style="list-style-type: none"> 1) Home Delivery (Retail) Goal 3. Obj 4. | |

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| <p>Promoting & Marketing ABC</p> <ul style="list-style-type: none"> Do a better job marketing ourselves to stakeholders and the public – explaining our structure, what we do/tell our story/services offered and why/impact, highlight positives People don't understand who we are, what we do and what our business is – Are we an enforcement agency? Retailer? Public health and safety experts? Strategic and proactive communications strategy | <p>1) Content Development and Implementation for Spirited Virginia Magazine (Marketing) Goal 2. Obj 3.</p> | <p>1) Bench Bar Conference (Hearings & Appeals) Goal 2. Obj 5.</p> | <p>1) Determine what the value is of marketing ourselves Goal 2. Obj 5. 2) Brand definition/consistency Goal 3. Obj 2., 3. 3) Need to understand what stakeholders know, think today and what we want them to know and think tomorrow and why do we want them to know/think that. Goal 3. Obj 2., 3.</p> |
| <p>External Stakeholder Engagement</p> <ul style="list-style-type: none"> Become more of a presence in the community Increased consumer education - Let people know about all the different services and opportunities ABC offers Education, health, public safety and enforcement experience at community events, fairs We should do more outreach to limited English speaking (ex. Spanish-speaking) communities We should have increased conversations with people of different backgrounds DEI conversations – make employees and customers feel more welcome Create partnerships with other agencies (agriculture, tourism) who are very active in communities We have an increased social responsibility – align with private sector – partnership with non-profits and volunteer options- in addition to general fund contributions ABC should engage in volunteer work within the community Better use of social media Being prepared for questions regarding marijuana legislation/impacts to licensees/public | <p>1) Distillery Training (Education & Prevention Services) Goal 2. Obj 5. 2) Stakeholder Engagement (Enforcement) Goal 2. Obj 6. 3) We have partnered with Tourism, VDACS, and the Wine Board on various promotions over the last several years (Marketing) Goal 3. Obj 3. 4) In-Store Solicitation and Responsibility Requests (Education & Prevention Services) Goal 2. Obj 2</p> | <p>1) Outstanding Licensee Program (Education & Prevention Services) Goal 2. Obj 6. 2) Creation of a Customer Service Dept. (Retail, Digital Web, and IT) Goal 3. Obj 2.</p> | <p>1) Identify what services and opportunities would be helpful to share/highlight for/with the community Goal 2. Obj 5.</p> |
| <p>Recruitment (17)</p> | | | |
| <p>Compensation</p> <ul style="list-style-type: none"> Competitive and consistent with the job market (vulnerable to other state agencies and private sector, DC, Maryland, increase in wages \$15 makes us less competitive) | <p>1) Human Resources Consultant/ Recruitment Strategy (HR) Goal 3. Obj 2.</p> | <p>1) Pay for Performance (Mercer) Goal 1. Obj 2.</p> | <p>1) Adjusting to Competition with WFH opportunities in NOVA and beyond for specialty skill sets Goal 1. Obj 1., 2.</p> |
| <p>Improve Recruitment</p> <ul style="list-style-type: none"> Fill vacancies in a timely manner after people leave Improve Enforcement recruiting to attract certified officers Increase diversity at higher levels of leadership. Become an employer of choice to attract highly qualified candidates | <p>1) Human Resources Consultant/ Recruitment Strategy (HR) Goal 3. Obj 2. 2) Process Improvements Human Resources (Mercer)(HR) Goal 1. Obj 4.</p> | <p>1)</p> | <p>1) Improve website and use best practices in communicating ABC Brand Goal 3. Obj 1. 2) Creating an easier to use application format that aligns with market practices Goal 3. Obj 1.</p> |
| <p>Competition</p> <ul style="list-style-type: none"> We need to identify and figure out what other companies are doing to not just attract talent but retain them With remote work opportunities, Virginia ABC is now competing for talent with other companies who are in different locations with a higher compensation rate | <p>1) Human Resources Consultant/ Recruitment Strategy (HR) Goal 3. Obj 2.</p> | <p>1)</p> | <p>1) Better on-boarding strategies for new employees/full-time and part-time Goal 1. Obj 1.</p> |

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| <ul style="list-style-type: none"> Virginia ABC's benefits structure for PT/wage employees does not compare to our "big box" competitors | | | |
| Health & Public Safety (8) | | | |
| Public Health Factors <ul style="list-style-type: none"> Takeout and delivery of mixed beverages becoming permanent could increase alcohol usage and cause more public health impacts Consumption rates amongst youth and adults are trending up With sales ramping up, need an increased focus on issues of substance abuse Marijuana legalization a changing message from education & prevention Even though general fund contributions go to DBHDS, Virginia ABC does not have a corporate social responsibility strategy and public health/safety/Education & Prevention efforts are not fully embodied throughout the organization | 1) UAB Alcohol Compliance Checks/UAB Alcohol Program (Enforcement) Goal 2. Obj 2. | 1) | 1) |
| Public Safety <ul style="list-style-type: none"> ABC must maintain a balance public safety and revenue/Focus cannot only be on money and developing workarounds Public safety is number one priority over making money Larger online presence requires bigger responsibility to maintain safety | 1) | 1) | 1) |
| Legislative/Control State (7) | | | |
| <ul style="list-style-type: none"> Over-reliance on our status as a monopoly Legislative changes impact on three-tier system and workload (cocktails-to-go, etc.) 3-tiered system that we are based on (our legislative infrastructure) may not always be here – need to be thoughtful and nimble about how we adapt to that change Better utilize our leverage as an Authority | 1) | 1) | 1) |

WORKING DRAFT-REVISIONS/UPDATES REQUIRED

VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY
Contribution Margin - Income Statement (In Millions)
Fiscal Year 2021 - Month of May

| | FY 2021 | | FY 2021 | | | FY 2020 | | |
|--|---------------------------|---------------------------|----------|------------|---|---------------------------|----------|------------|
| | Actual | Budget | Variance | Percentage | | Actual | Variance | Percentage |
| Revenue Sources: | | | | | | | | |
| Alcoholic Beverages (Store Sales) | \$ 117.5 | \$ 100.2 | \$ 17.3 | 17.3% | ● | \$ 107.5 | \$ 10.0 | 9.3% |
| Online Sales | 0.7 | - | 0.7 | NM | ● | 2.2 | (1.5) | -68.7% |
| Other | 2.5 | 2.0 | 0.5 | 24.6% | ● | 1.7 | 0.8 | 49.5% |
| Gross Revenue | 120.7 | 102.2 | 18.5 | 18.1% | ● | 111.4 | 9.3 | 8.3% |
| Less: Spirits Excise Tax | 19.5 | 16.7 | (2.8) | -16.9% | ● | 18.1 | (1.4) | -7.8% |
| Net Revenue | 101.2 | 85.5 | 15.7 | 18.3% | ● | 93.3 | 7.9 | 8.4% |
| Variable Operating Costs: | | | | | | | | |
| Cost of Goods Sold | 56.5 <small>47.8%</small> | 48.1 <small>48.0%</small> | (8.4) | -17.6% | ● | 52.6 <small>48.0%</small> | (3.9) | -7.4% |
| Variable Administrative Costs | 15.3 | 13.3 | (2.0) | -15.1% | ● | 14.7 | (0.6) | -4.3% |
| Total Variable Costs | 71.8 | 61.4 | (10.4) | -17.0% | ● | 67.3 | (4.5) | -6.7% |
| Contribution Margin | 29.4 | 24.1 | 5.3 | 21.8% | ● | 26.0 | 3.4 | 13.0% |
| <small>Contribution Margin as a % of Store Sales</small> | <small>24.9%</small> | <small>24.1%</small> | | | | <small>23.7%</small> | | |
| Fixed Operating Costs: | | | | | | | | |
| Fixed Administrative Costs | 5.1 | 5.7 | 0.6 | 11.4% | ● | 6.8 | 1.7 | 25.1% |
| Regulatory Costs (Enforcement & Hearings) | 1.8 | 1.6 | (0.2) | -13.6% | ● | 1.6 | (0.2) | -13.5% |
| Total Fixed Costs | 6.9 | 7.3 | 0.4 | 5.9% | ● | 8.4 | 1.5 | 17.7% |
| ABC Net Profit | \$ 22.5 | \$ 16.8 | \$ 5.7 | 33.9% | ● | \$ 17.6 | \$ 4.9 | 27.9% |
| <small>As a % of Store Sales</small> | <small>19.1%</small> | <small>16.8%</small> | | | | <small>16.0%</small> | | |

- Favorable Variance
- Unfavorable Variance

NM = Not Meaningful

Notes: Fund 05001 was utilized because this represents the Operational revenue and expenses that are utilized to calculate the disbursements to the Commonwealth.
 Contribution Margin - represents the amount of earnings available to contribute towards profit after removing the variable costs of operations.
 Example: if the sales forecast was increased by \$1M (with a 24% contribution margin), \$240K of additional earnings would flow through to profit.

VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY
Contribution Margin - Income Statement (In Millions)
Fiscal Year 2021 - YTD as of 5/31/2021

| | FY 2021 | | FY 2021 | | FY 2021 | | FY 2021 | | FY 2020 | | |
|---|-----------------|-----------------|----------------|--------------|---------------|---------------|-----------------|----------------|---------------|---------------|--|
| | Actual | Budget | Variance | Percentage | | | Actual | Variance | Percentage | | |
| Revenue Sources: | | | | | | | | | | | |
| Alcoholic Beverages (Store Sales) | \$ 1,207.7 | \$ 1,086.6 | \$ 121.1 | 11.1% | | | \$ 1,064.3 | \$ 143.4 | 13.5% | | |
| Online Sales | 13.1 | 2.5 | 10.6 | NM | | | 6.5 | 6.6 | 100.3% | | |
| Other | 20.6 | 22.9 | (2.3) | -10.2% | | | 18.0 | 2.6 | 14.5% | | |
| Gross Revenue | 1,241.4 | 1,112.0 | 129.4 | 11.6% | | | 1,088.8 | 152.6 | 14.0% | | |
| Less: Spirits Excise Tax | 201.7 | 181.7 | (20.0) | -11.0% | | | 176.9 | (24.8) | -14.0% | | |
| Net Revenue | 1,039.7 | 930.3 | 109.4 | 11.8% | | | 911.9 | 127.8 | 14.0% | | |
| Variable Operating Costs: | | | | | | | | | | | |
| Cost of Goods Sold | 587.1 | 48.1% | 523.4 | 48.1% | (63.7) | -12.2% | 513.3 | 47.9% | (73.8) | -14.4% | |
| Variable Administrative Costs | 161.6 | | 150.5 | | (11.1) | -7.4% | 136.6 | | (25.0) | -18.3% | |
| Total Variable Costs | 748.7 | | 673.9 | | (74.8) | -11.1% | 649.9 | | (98.8) | -15.2% | |
| Contribution Margin | 291.0 | | 256.4 | | 34.6 | 13.5% | 262.0 | | 29.0 | 11.1% | |
| Contribution Margin as a % of Store Sales | 23.8% | | 23.5% | | | | 24.5% | | | | |
| Fixed Operating Costs: | | | | | | | | | | | |
| Fixed Administrative Costs | 52.0 | | 60.8 | | 8.8 | 14.5% | 52.9 | | 0.9 | 1.7% | |
| Regulatory Costs (Enforcement & Hearings) | 16.3 | | 18.2 | | 1.9 | 10.6% | 15.9 | | (0.4) | -2.3% | |
| Total Fixed Costs | 68.3 | | 79.0 | | 10.7 | 13.6% | 68.8 | | 0.5 | 0.7% | |
| ABC Net Profit | \$ 222.7 | \$ 177.4 | \$ 45.3 | 25.5% | | | \$ 193.2 | \$ 29.5 | 15.3% | | |
| As a % of Store Sales | 18.2% | | 16.3% | | | | 18.0% | | | | |

- Favorable Variance
- Unfavorable Variance

NM = Not Meaningful

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 Example: if the sales forecast was increased by \$1M (with a 24% contribution margin), \$240K of additional earnings would flow through to profit.