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June 1, 2004

Legislative Budget Board
1501 N. Congress Avenue
PO Box 12666
Austin, Texas 78711

Governor's Office of Budget, Planning and Policy
Fourth Floor, State Insurance Building
PO Box 12428
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Attached is a copy of the Texas Alcoholic Beverage Commission's Report on Customer Service. We are pleased to be able to share this information with you. Please feel free to contact me at 512-206-3217 if you have any questions or concerns.

Sincerely,

Alan Steen
Administrator

AS: cb

Report on Customer Service

Customer focus, continuous improvement, idea generation, communication, recognition and reward. These are the key elements of a successful agency. However, improving the quality of customer service is a critical issue facing all state agencies. To improve the service provided, the Texas Alcoholic Beverage Commission is committed to identifying agency's customers; setting achievable service standards based on customer expectations; realigning policies and management systems to meet customer needs; and redesigning service processes.

Inventory of External Customers by Strategy

The identification of external customers is a prerequisite to understanding customer requirements and satisfaction levels. The agency has compiled a list of external customers by budget strategy and identified three distinct groups as its primary customers - the general public, the alcoholic beverage industry and local agencies and officials.

Strategies:

- ⚡ Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments, by investigating complaints and by providing or sponsoring educational programs that promote voluntary compliance and increase the public's awareness of the state's alcoholic beverage laws.
- ⚡ Issue licenses and permits while ensuring compliance with laws regarding ownership, performance, tax securities and other regulatory requirements.
- ⚡ Inspect, investigate and analyze all segments of the alcoholic beverage industry and initiate any necessary compliance and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.
- ⚡ Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes.

The services the agency provides to its customers include: conducting investigations; providing regular instruction on the law and compliance to school children, licensees and permittees (and their employees), and to members of civic groups; overseeing the labeling, bottling and promotion of alcoholic beverage products; issuing different types of alcoholic beverage licenses and permits throughout the state and the world; collecting taxes; conducting compliance audits and regulatory reviews; assuring compliance with personal importation laws and collecting taxes and administrative fees on alcoholic beverages and cigarettes imported into Texas from Mexico; and reviewing and prosecuting administrative violations of the Texas Alcoholic Beverage Code by licensees and permittees.

Customer Satisfaction Survey

For many years now, the agency has used surveys to assess the level of customer satisfaction with specific agency programs: licensing, compliance and enforcement. The data obtained from the survey is used to: (1) monitor each division's performance

against customer service standards; (2) improve the division's overall quality of service and delivery; and (3) provide the customers' views of the division's overall performance.

The Licensing Division provides surveys to all persons applying for an original license or permit. Last year, 821 out of 20,379 surveys were returned with a response rate of 4%. The percent of respondents expressing satisfaction with the licensing process was 95.2%.

	<u>Yes</u>
Were you treated courteously and professionally?	98%
Were you provided with all necessary forms?	96%
Were you provided clear, written instructions?	96%
Were you given an opportunity to ask questions and/or a name and number to call with questions?	97%
Were your questions answered satisfactorily?	96%
Did staff review your application with you and identify any corrections needed?	94%
Were you given a realistic estimate of time required to obtain license/permit?	89%

The Compliance Division provides surveys to all permittees audited during the year. Last year, 126 out of 1,164 surveys were returned, with a response rate of 10.8%. The percent of respondents expressing satisfaction with compliance functions was 98.1%. Following are the responses to specific questions:

	<u>Yes</u>
Was the audit conducted in a professional manner?	99%
Were procedures clearly and fully explained?	98%
Was compliance officer prompt and on time?	95%
Were your questions adequately answered?	100%
Was the audit conducted with a minimal amount of disruption to your business?	97%

The Enforcement Division mails questionnaires to a randomly selected 10% sample of those inspected during the preceding month. Last year, 821 surveys out of 5,782 were returned with a response rate of 14.2%. The percent of respondents expressing satisfaction with the quality and effectiveness of the services delivered by enforcement agents was 85%. Following are the responses to additional questions on the survey:

	<u>Yes</u>
Did the agents do their jobs without undue disruption to your business?	85%
Do the agents help you avoid violations of the law?	78%
Were the agents fair and courteous?	81%
Were you satisfied with the quality and the nature of the responses you received from agents?	82%

The agency has an additional survey instrument available on the agency website. It is designed to gauge customer satisfaction with respect to the following quality dimensions: service timeliness, staff, facilities, printed materials, communication, complaint handing processes, website and overall satisfaction.

Due to budget cuts and personnel turnover this past year, the survey was not implemented as intended in fiscal year 2003. Because the survey was only available to those customers who visited the website, and because customers were not directly asked to participate, the response rate was very low. Only 42 people completed the survey. Since responses of this nature are typically from those who are either very supportive or who have had a particularly bad experience, its value is to identify potential problem areas and bright spots. The low response rate does not serve as an adequate basis to identify areas on which to focus. For this reason, the survey results are not included in this report.

In the future, the customer satisfaction survey will be included in an issue of the *TABC Today* newsletter and administered annually. In addition, individuals who contact the agency (via e-mail, telephone, mail or in person) with questions or want to file a complaint will be surveyed as well. The agency plans to compare survey results from year to year. This information will provide comparative data about the agency's customers and their opinions, in addition to monitoring customer trends over time. The agency believes this is the best approach to obtaining invaluable information for both the agency and its management.

Survey Results

Based on the evaluations by agency customers, there was both evidence of good customer service by the agency and clear opportunities for improvement. The highest level of satisfaction was with the agency's licensing and compliance staff. These employees were considered to be courteous, knowledgeable and responsive to customer needs, in addition to providing clear explanations about the agency's services and answering all customer questions.

The areas needing the most improvement included providing customers with a more realistic estimate of how long it would take to receive their license or permit. Although the enforcement agents did not rate high among satisfaction levels, they definitely were not low.

Customer-Related Performance Measures

The Legislative Budget Board has created generic customer-related performance measures for all state agencies. These projected measures include:

Outcome Measures	FY 2003	FY 2004 Expected
Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received	90%	90%
Percentage of Surveyed Customer Respondents Identifying Ways to Improve Service Delivery	N/A	10%
Output Measures		
Number of Customers Surveyed	27,325	30,000
Number of Customers Served	500,000	500,000
Efficiency Measure		
Cost per Customer Surveyed	\$0.08	\$0.08
Explanatory Measures		
Number of Customers Identified	20,000,000	20,000,000
Number of Customer Groups Inventoried	3	3

Compact with Texans

As part of the customer service initiative, the agency designed its *Compact with Texans* and submitted it to the Legislative Budget Board and the Governor’s Office of Budget and Planning for approval. The compact was approved and, since then, has been added to the agency’s web site. A copy of the agency’s *Compact With Texans* may be found at the end of this report.

TABC Compact with Texans



Dedicated professionals serving citizens in an honest, efficient and friendly way. If I had to describe the driving philosophy behind our *Compact with Texans*, it would be in this manner. Commitment. Quality. Honesty. Efficiency. Friendliness. When it comes down to it, these are pretty much universal guiding principles that we all have come to expect of any service provider. We believe you deserve no less from us.

At the Texas Alcoholic Beverage Commission, we realize the awesome responsibility that the State of Texas has placed upon our agency and we view this *Compact* as a binding agreement between you, our customer, and every member of our agency.

In addition to telling you who we are and what we do, this agreement will also lay out some standards that we will strive hard to measure up to as we carry out our day-to-day responsibilities. So, whether your [contact with us](#) is in person, via regular mail, over the telephone, at our web site or through whatever other medium available, we want you to know that our work ethic will be marked with a spirit and zeal to help you out in whatever way possible.

Thank you for the opportunity to serve you.

Sincerely,



Alan Steen
Administrator

executive@tabc.state.tx.us

Our Mission and Guiding Philosophy

Established in 1935, our mission is to supervise and regulate all phases of the alcoholic beverage industry to ensure the protection of the welfare, health, peace, temperance and safety of the people of Texas, while facilitating fairness, balanced competition and responsible behavior through voluntary compliance.

We will exemplify professionalism in all areas of performance. We will provide the best possible services at the lowest possible cost to the people of Texas. We will apply the law and agency policy fairly and consistently throughout the state. We will communicate openly with the public we serve and with all our fellow employees.

Our Services

- ⌘ We conduct investigations for minors in possession, public intoxication, bootlegging, prostitution, gambling, narcotics, weapons, and organized criminal activities.
- ⌘ We provide regular instruction to school children, licensees and permittees (and their employees), and to members of civic groups to promote a better understanding of the law and voluntary compliance.
- ⌘ We oversee the labeling, bottling, and promotion of alcoholic beverage products.
- ⌘ We issue more than 60 different types of alcoholic beverage licenses and permits throughout the state and the world to establish regulatory control.
- ⌘ We conduct regulatory and tax compliance audits to ensure adherence with the Alcoholic Beverage Code and ensure the proper amount of tax/fee is reported and paid.
- ⌘ We assure compliance with personal importation laws and collect taxes and administrative fees on alcoholic beverages and cigarettes imported into Texas from Mexico.
- ⌘ We review and prosecute administrative violations of the Texas Alcoholic Beverage Code by licensees and permittees.

Our Customer Service Standards

We recognize that quality service is essential in meeting our mission, goals, and responsibilities. We pledge to:

- ⌘ Treat you with professional courtesy and respect at all times.
- ⌘ Provide you with accurate, timely, and complete information.
- ⌘ Respond to all inquiries within three to five working days of receipt.
- ⌘ Process new applications within 45-60 working days and renewal applications within 30-45 working days.
- ⌘ Acknowledge receipt of complaints within three working days.
- ⌘ Resolve complaints within 60 working days and notify you if any situations arise that may require additional time for complaint resolution.
- ⌘ Provide helpful and up-to-date information on our web site.
- ⌘ Ensure our facilities are easily accessible and clean.
- ⌘ Provide you with our *Compact with Texan's* Customer Satisfaction Survey results and continually strive to improve our services.

Our Customer Relations Representative

Our Customer Relations Representative is responsible for responding to any of your concerns regarding our agency. Please feel free to contact her:

Carolyn Beck
Texas Alcoholic Beverage Commission
PO Box 13127 Austin, Texas 78711
questions@tabc.state.tx.us
(512) 206-3347

Our Complaint Handling Process

Report Violations of the Alcoholic Beverage Code

You may file a complaint against violations of the Alcoholic Beverage Code, including establishments and persons who sell or give alcoholic beverages to minors. For all complaints, you will need to provide the name and location of the establishment, if applicable, and a description of the violations observed.

Upon receipt, we will acknowledge your complaint within three working days. Every effort will be made to resolve your complaint within 60 working days. You will be notified of any situations that would require additional time for complaint resolution. If you have any questions or would like to file a complaint concerning a violation of the Alcoholic Beverage Code, please contact us by:

- ✉ E-mail: complaints@tabc.state.tx.us
- ✉ Toll-free telephone: 1-888-843-8222 (1-888-THE-TABC)
- ✉ Mail: Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711
- ✉ Fax: (512) 206-3350

Complaints Against TABC Personnel

In order to file a complaint against the Texas Alcoholic Beverage Commission or an employee of the Texas Alcoholic Beverage Commission, please contact our Office of Professional Responsibility by:

- ✉ E-mail: ia@tabc.state.tx.us
- ✉ Telephone: (512) 206-3405
- ✉ Mail: Office of Professional Responsibility
Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711
- ✉ Fax: (512) 206-3203