

REPORT PURSUANT TO ITEM 396 A. OF THE STATE BUDGET

VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY

June 22, 2023



Virginia Alcoholic Beverage Control Authority

Chief Executive Officer
Travis G. Hill



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June 22, 2023

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Dear All:

Pursuant to Item 396 A. of the budget, I am writing to provide you a report regarding the status of financing, procuring, and implementing information technology systems to sustain the Authority business enterprise.

Please do not hesitate to contact us if you should have any questions.

Sincerely,



Travis G. Hill
Chief Executive Officer of VA ABC



The Information Technology (IT) Services Division continued to modernize and upgrade the Authority's information technology capabilities to meet both volume increases and demand for breadth and quality of service. The division supported 4,800 users, 970 mailboxes, 1,300 phone lines, 1,100 user computers, 940 cash registers, over 400 locations and 1,000 support tickets each month. IT had 80 full-time positions supplemented with contractors to achieve its mission with a \$40 million annual budget.

IT focused on increasing ABC's online capabilities included moving to a "business anywhere" model that is not restricted by a physical presence and shifting services online and closer to customers and partners. Many major systems and back-office components were modernized or migrated to new platforms. Per the goal of modernization, IT set a target of 99.99% uptime for ABC's systems and infrastructure. IT's preventative and mitigation efforts included focusing on improvements to Identity Management and access, to ensure access privileges are granted correctly as well as improving IT's monitoring of its environment and its ability to mitigate threats.

The Authority made tremendous progress on multiple initiatives during the fiscal year. At the conclusion of the year in June 2022, the Authority reached the 70% mark towards completion of a modernization strategy started in 2014. Of the 13 separate major "systems" and back-office components identified as obsolete, 11 were modernized or migrated to new platforms by fiscal year end.

Systems Architecture ABC became a hybrid enterprise by distributing its technology operations between SaaS hosted systems, public and private cloud, and a small number of on-premises systems - mainly focused around the new warehouse functions.

The Authority no longer owns, manages nor supports a large physical enterprise data center. Several minor web upgrades were completed which enabled the website to handle higher volumes of traffic. Warehouse online ordering and ship-to-store service was rolled out to all stores, paving the way for a future when customers may order limited availability and lottery products directly from ABC's distribution center.

