

UPDATE

Expanded Private Retail System

April 2016

*What it means to **Franchises***

*Last November Government announced its plan for an **Expanded Private Retail System** which will mean more choice, more convenience and more competitive pricing. Work on transitioning to this new system is now underway. SLGA is committed to keeping affected stakeholders updated during the transition process.*

What does an Expanded Private Retail System mean?

The Expanded Private Retail System will mean fewer government liquor stores, more private liquor retailers and a level playing field for all liquor retailers.

The level playing field will mean liquor retailers will all pay the same wholesale price for alcohol they purchase for resale from SLGA's warehouse and be subject to the same rules when it comes to factors like product selection, ability to sell chilled products, ability to choose their own hours, set their own prices, etc.

How will this affect businesses operating as RURAL FRANCHISES in Saskatchewan?

Once the new system is ready to launch, expected later this year, businesses currently operating as franchises, off-sale outlets, private stores and SLGA stores will all transition to the same retail store permit (RSP), operating on a level playing field.

For example, all retailers will pay the same wholesale price for all products (including beer), will operate within the same hours of operation, will be able chill any products they choose, will be able to sell all products (including mainstream beer) and all retailers will be able to establish their own retail prices (subject to social reference pricing).

What do you mean by wholesale pricing? Is this the same as the commission franchises receive now?

A common wholesale price will replace any existing discounts/commissions that you currently receive and will allow retailers an equal opportunity to compete in the market by having the ability to source product at the same price.

What other changes will affect RURAL FRANCHISES?

Once these changes are implemented later this year, all retailers will be treated the same. There will be no separate categories of retailers such as private stores, off sale outlets and rural franchises — all retailers will be treated the same and operate under the same retail store permit. As such, franchises will no longer be considered 'agents' for SLGA and will be responsible for their own bin tags, liquor bags, signs, promotional merchandise, business advice, etc.

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What happens with existing franchise contracts with SLGA?

Right now, it's business as usual for rural franchises. When the new system is implemented, all retailers (including those now operating as franchises) will operate under a retail store permit.

When will this new liquor retail system be implemented?

As you may imagine, there are many details that need to be addressed in order to transition to this new system and work on implementing this new system will continue over the coming months. SLGA will provide further information to franchisees at regional meetings later this spring (details coming soon) as well as through future email updates.

Will there also be information about the RFP process for the 52 new retail store permits?

Work on the RFP process is already well underway. Once it's ready to go, the RFP process will be announced publicly and will include details about criteria, timelines, disposal of SLGA surplus property, etc. There are no further details available at this time.

Where can I get more information about this new retail system?

SLGA is planning to hold a series of regional meetings with current franchisees in late May/early June to help answer some of the questions franchisees may have. Stay tuned for details regarding dates and locations.

Franchisees can also send any related questions they may have to wsutherland@slga.gov.sk.ca. These questions will be helpful as SLGA prepares for the regional franchise meetings this spring.

*Special thanks to those franchisees who have already provided feedback through small group discussions held earlier this year. Your input is valued and will assist in finalizing details associated with these major changes to the liquor retail system.