# Introduction

## Director of Operations

The following provides detail regarding daily, weekly and monthly tasks related to the Director of Operations (DOO) position for Vapor Management. The DOO is a director level position with oversight into many areas of the organization and is ultimately responsible for making decisions in an effort to preserve the going concern of the organization. Because of this, it will be extremely difficult to fully encapsulate all responsibilities of the role. This document will attempt to fully describe the major keystone processes the DOO is responsible for but should not be considered an exhaustive list.

# DAILY TASKS:

**ONLINE ORDER REVIEW**: (In Netsuite: Transactions/Sales/Invoice Sales Orders) review orders that didn’t process/settle properly. These orders will appear available to process but will usually be several days old. (NOTE: Processing orders from the previous day is not advised; it’s possible the orders were placed after the cut-off time set in Netsuite and will process and settle during the next scheduled processing run.)

Determining the issue that caused the transaction not to process requires some light investigation. Typically this can be resolved by viewing the transaction detail under billing/view and viewing the reason under “Response Information.”

If the card is expired the order will have to be cancelled. This should be rare, as Netsuite is now configured to automatically reject orders that fail. Other codes including AVS mismatch or fraud review should be considered carefully.

In the case of a fraud review, you should view the transaction’s information at [www.cybersource.com](http://www.cybersource.com) . Login with your credentials and close the transaction through the portal by going to “Fraud Management/Fraud Dashboard” and view the transaction information on each individual record, or search for the specific transaction using the filtering tools at the top of the page.

**CORRECTIVE ACTION REPORT (CAR) :** This role requires constant overview of CAR reports and the CAR log. This should be checked daily and any open CAR should be followed up on with the individual/party to which it was assigned for a status update.

All CARs are submitted to the DOO. Any CARs submitted that are not assigned a number and entered on the log should be added to the log and assigned to the appropriate team member for resolution. CARs should be logged and assigned as soon as possible to reduce delays in resolution. Resolution target should never exceed 72 hours and ideally be resolved the same business day.

When assigning a CAR, follow the following process:

1. Review the CAR
2. Open the CAR Log and assign the CAR the next sequential number. Fill out the row for the CAR including date, user submission info, due date and a brief description of the issue.
3. Enter the CAR# on the CAR along with the date of submission and who the CAR is assigned to.
4. Forward the CAR via email to the assigned individual for resolution.
5. Save a copy of the CAR sent for records.

When the CAR is completed, the assigned team member should send the completed form back to you. Review the resolution and determine whether the resolution requires additional follow up or if the resolution is satisfactory.

# PERIODIC TASKS (As Needed):

**ERP CONFIGURATION/IMPLEMENTATION**: Occasionally, various areas of the ERP system (currently Netsuite) or Point of Sale (POS) system may require implementation, configuration or replacement. The DOO plays a central role in evaluating and qualifying new systems and solutions to implement for various processes. This also includes monitoring how effective the solution is after implementation to determine if the ERP solution is a good fit for the organization.

ERP access for the DOO should always be at administrator level. The DOO has direct responsibility for several aspects of the ERP, the most critical including:

* Enrollment of employees and assigning them proper roles.
* Set up reports for other users and ensure users have access to necessary data.
* Determine procedures for adding items
* Oversight of transaction generation and accuracy (Sales Orders, Transfer Orders, Inventory Adjustments, etc.)
* Assistance with setting up gateway and processor solutions for online and retail transaction processing.
* Assist with web-site e-commerce functionality as needed.
* Migrate and upload data to modify or record settings and transactions as required.

Additionally, departments may occasionally request assistance with generating or extracting information from the ERP through special projects. This could involve one off reports or the ability to pull information on a repeat basis.

You may also be required to map and create processes and evaluation the effectiveness of existing processes. This may require reconfiguring or working with the ERP’s support.

If the decision to implement a new ERP or POS system is made, the DOO will take an important role in migrating data and making decisions about process flows in the new system. They will also be required to understand transaction and record equivalents between the predecessor and new system and be able to replicate and copy data that needs to be preserved. They should also take care to backup and preserve any data that would be lost.

**HUMAN RESOURCES:** Though the District Manager will typically handle most personnel issues at the retail level, the DOO is the next level of escalation for any issue that fall above the DM’s scope. For this reason, maintaining strong communication with the DM regarding any personnel issues is extremely critical. It’s extremely important the DOO maintains neutrality and appears impartial to staff in order to add credibility and weight to any achieved resolutions.

Issues the DOO may assist with include the following:

* Scheduling issues originating from absences, terminations or emergency situations.
* Disciplinary actions that include severe incidents that may include crime, theft, fraud or other criminal activity. While the DM will typically handle disciplinary issues of a minor nature, the DOO should be prepared to assist with any staff related consults per request.
* Employee complaints about upper management: Typically the DOO should encourage any employee in the organization to approach them with any issues that may fall outside their normal managers purview. This could involve issues with other directors or higher level employees or issues with their direct supervisor where discretion or confidentiality is required.
* Payroll issues and timeclock issues that cannot be resolved by the DM.
* Employee onboarding activities, including document signing, interviews, criminal record screening and compensation negotiations.
* Promotion, Demotion and compensation questions; the DM should always consult with the DOO and Controller to have these request approved.
* Termination, Suspensions, and leaves of absence may be handled by the DOO as required. While the DM may handle related issues with retail employees they may ask the DOO for assistance or to step in and handle these issues as required.
* Filing forms related to employment, including updated onboarding forms, policy agreements, and any disciplinary action.

Further, the DOO is responsible for developing and implementing HR policy that may direct conduct for any department and any subordinate position. Policy oversight relies on identifying issues or deficiencies in HR related processes or employee conduct that should be effected to minimize liability exposure to the organization. This could include policy that impacts behavior and appearance of customer facing employees to prohibiting behavior that could present safety risks to employees. When drafting and presenting policy to the company the DOO should work with other directors and the DM to gather input regarding inclusions that would make the policy more effective.

**LEGAL ISSUES**: The DOO is the first point of contact when handling litigation or potential legal issues the organization might face. The DOO should first establish the risk, cost, and most effective cure to any legal issue, and should consult with an attorney to assess the situation. Due to the complexity legal issues present the DOO should be flexible when dealing with these issues, but should always attempt to incorporate the following:

* Avoid sending texts or email regarding the legal issue. The latter is only acceptable when emailing a lawyer that has been retained to address the issue.
* Avoid discussing the issue with any personnel or individuals not directly involved with the incident, and avoid discussing the situation with anyone outside the organization.
* Avoid discarding any documents, emails, or communications at the commencement of litigation (the organization is served) or in anticipation of litigation. Be prepared to provide information to the retained council as needed.
* Communicate details with council and the owner in a timely and clear fashion. Work with these parties to determine a target solution to the problem.

Legal issues and lawsuits represent severe risks to the organization. The DOO should always be aware of areas in the business that represent potential risks for litigation and employ policy, training, and awareness to mitigate these risks as quickly and inexpensively as possible.

**REGULATORY ISSUES:** DFW Vapor Holdings Inc. and Vapor Lakes Inc. engage in commercial activity that includes restricted tobacco products. Oversight of these restrictions are prescribed by local, state and federal authorities, including the Texas State Comptroller and the US Food and Drug Administration (FDA). The DOO’s job is to stay abreast of regulatory and compliance requirements and ensure DFW Vapor Holdings Inc. and Vapor Lakes Inc. maintain compliance across all commercial activities. Any instance of non-compliance should be treated as a direct threat to the going concern of the organization.

The FDA poses a constant regulatory challenge to the industry. It’s imperative that the DOO be aware of initiatives by the FDA’s Center for Tobacco Products (CTP) and any social/scientific information related to regulated products. At times the FDA may ask for information regarding manufacture of tobacco products at the Vapor Lakes Facility. The DOO is responsible for supplying required data to this body and determining and employing resources required to meet regulatory standards. In some cases this may include hiring contractors to assist with document preparation, facility auditing, legal review or substance testing, among others.

A copy of any communication or information supplied to any regulatory entity should be recorded in a secure location for record keeping purposes.

# ANNUAL TASKS:

**FDA PRODUCT REGISTRATION (BI-ANNUAL):** Twice a year, Vapor Lakes Inc. will be required to update their product registration with the FDA. This product registration includes updating any labeling, marketing and product composition for any active product. It also requires deactivation of any products not currently used in commerce.

Registration is due by 12/31/2020, but can be done and certified at an earlier time if needed. A mid-year registration is also due at the end of June in every year. A registration profile does not need to be made or altered if no changes to the existing product listing has been made in the previous year.

**END OF YEAR PHYSICAL INVENTORY:** The DOO is expected to coordinate and participate in the organization-wide end of year inventory. During this process, counting activity should be planned with the District Manager, Controller, Director of Production and staff at retail locations.

Adequate time should be allotted to each location to conduct counts, and criteria for counts may vary depending on available staff, stock accuracy going into the count, the amount of stock on hand, and other considerations. The DOO will also participate directly in counts and should plan to visit multiple sites to oversee counts while they are conducted.

General practices for a physical count:

* The DM, DOO and Controller oversee the count, and are responsible for generating counting documents, reconciling initial counts to determine variances, and ordering recounts where needed. They will also record final count variances and store count sheets for future reference.
* The DOO or Controller should pull on hand quantities prior to counting. This is the control document and should be stored unmodified prior to commencing inventory activities.
* Counting can be done using an electronic device to record the initial count. Each location should conduct a full blind count of all inventory on-hand. Use of Excel is recommended, and having at least one individual at each location with basic Excel knowledge is advised.
* Upon completion of the initial count, the completed sheet will be submitted to the designated supervisor for that location. That supervisor will use the previous on hand quantities to determine variances and order a recount of those items.
* Upon completion of the recount, the count supervisor for that location will enter the inventory adjustments for those variances as of 12/31/2020 and certify the end of year on hand amounts.
* Counts should not be conducted while open to the public.

Success of physical recounts rely on ensuring staff stay on task and count accurately. Recounts are critical to rectifying counting errors, which are all but guaranteed during any physical count. It’s strongly advised that initial counts be done blind as you are less likely to experience confirmation bias from staff counting.

Raw materials and packaging materials that are consumed during shipping or packaging product during manufacturing should also be counted. Production staff will be required to count and measure all raw materials, including flavoring, bottles, and nicotine, along with any PPE gear and consumable supplies.

Final count numbers should be entered in the current ERP system, and hard copies of the count should be stored in a secure location for reference.

**EMPLOYEE PERFORMANCE REVIEW**: The DOO may be expected to assist in conducting employee review of employees, or if this is managed by the DM, certify performance reviews where promotions, bonuses, or other role modifications are made. The DOO may work with the DM to determine performance review criteria and any rewards/penalties associated.