



**Keeping the OPEN Sign On:**  
Rethinking Licenses and  
Permits in Retail



# Executive Summary

Retailers invest heavily in the systems that drive growth: supply chains, merchandising, pricing, and customer experience. Yet one operational function quietly determines whether those investments can generate revenue at all.

Licenses and permits ultimately establish whether a store can legally operate. When those permissions lapse or requirements are not met, retailers face fines, product restrictions, or temporary closures.

Managing these permissions is inherently complex. Licensing requirements are fragmented across multiple authorities, with documentation standards and renewal procedures varying widely by jurisdiction. At the same time, regulation continues to evolve as government agencies update protocols, while enforcement of regulations on products such as alcohol, tobacco, and safety compliance intensifies.

For retailers managing large store networks, each location means different licenses, with their own schedules and requirements that must be tracked and coordinated. The complexity compounds fast.

It's time to treat retail licensing as a strategic operational capability rather than a routine administrative task.



In this paper, we will:

- Examine the operational complexity of managing licenses and permits across large retail store networks.
- Explain how fragmented licensing processes create hidden operational risk, from delayed store openings to suspended product sales.
- Introduce the OPEN framework for managing retail licensing through four coordinated operational capabilities.
- Show how technology-enabled operations can provide the visibility, coordination, and monitoring required to keep stores compliant.

**All to ensure the OPEN sign stays on.**



# The Work Behind the OPEN Sign

Every day, thousands of retail stores turn on their OPEN signs. Customers walk in, transactions begin, and revenue starts to flow. But that moment depends on an intricate network of regulatory permissions working behind the scenes.

Each retail location must obtain and maintain multiple licenses and permits issued by city, county, state, and federal authorities. These approvals cover everything from basic business registrations and safety inspections to product-specific permissions required to sell regulated goods such as alcohol, tobacco, or fuel.

The number of required licenses varies depending on store format and product category, but a typical retail location often requires 10-15 separate approvals, issued by a range of regulatory bodies. Across the United States, retailers operate in a fragmented landscape shaped by more than 70,000 licensing authorities, each with its own requirements and processes.

Against this backdrop, even determining which licenses apply to a particular location can be a challenge in itself. And that is only the first step. Once obtained, those licenses must be maintained over time through renewals and ongoing compliance.



For retailers managing hundreds or thousands of locations, the nature of the task changes dramatically. What appears to be a routine administrative burden at the individual store level becomes a substantial operational function across the network, requiring coordination of large portfolios of licenses across jurisdictions with different renewal cycles, filing procedures, and regulatory obligations.

When this process breaks down, the consequences are immediate and significant: the OPEN sign goes dark.

### The Compliance Burden Is Growing<sup>1</sup>

- **85%** of executives say compliance requirements have become more complex in the last three years – a trend felt consistently across consumer markets and every major industry sector.
- **77%** report being negatively impacted across five or more areas that drive business growth, from market expansion to business transformation.
- **82%** of companies plan to invest in technology to automate and optimize compliance activities.

<sup>1</sup> <https://www.pwc.com/gx/en/issues/risk-regulation/pwc-global-compliance-study-2025.pdf>



# When the Sign Goes Dark

Despite its operational importance, licensing is often managed through decentralized processes that rely heavily on manual effort.

Store managers handle local documentation, legal teams interpret regulatory requirements, and operations teams track renewal timelines. And these activities are managed in separate systems (or outside formal systems altogether).

Without a complete and up-to-date view of licensing activity across the store network – and without a team taking ownership of the process – deadlines slip and approvals stall.

As a result, what begins as an overlooked administrative detail can quickly become an operational crisis.

A missed renewal, incomplete filing, or regulatory violation can lead to fines, license suspensions, or restrictions on the sale of regulated products. In some cases, stores may be forced to close temporarily while issues are resolved. For tobacco retailers, the consequences can be permanent: the FDA can issue a complete ban on regulated product sales if a retailer accumulates five violations within a 36-month window.<sup>2</sup>

## When Compliance Fails: The Cost in Real Terms

The consequences of licensing and compliance failures are not theoretical. For large retailers, regulatory breakdowns quickly escalate into significant financial penalties, operational disruption, and long-term compliance oversight.

- Dollar General paid a \$12 million settlement over OSHA violations and was required to demonstrate corrective action within 48 hours, or face fines of \$100,000 per day.<sup>3</sup>
- Walmart and Walgreens faced landmark legal action over failures to regulate opioid prescriptions, with Walmart settling for \$3.1 billion<sup>4</sup> and Walgreens for \$350 million.<sup>5</sup>
- Family Dollar was fined \$41.675 million for storing FDA-regulated products under unsanitary conditions and required to meet robust compliance and reporting obligations for three years.<sup>6</sup>

<sup>2</sup> <https://www.fda.gov/media/80888/download>

<sup>3</sup> <https://nypost.com/2024/07/17/business/dollar-general-to-pay-12m-to-settle-alleged-safety-violations-including-blocking-exits/>

<sup>4</sup> <https://ag.ny.gov/press-release/2022/attorney-general-james-secures-31-billion-walmart-communities-nationwide-combat>

<sup>5</sup> <https://www.justice.gov/opa/pr/walgreens-agrees-pay-350m-illegally-filling-unlawful-opioid-prescriptions-and-submitting>

<sup>6</sup> <https://www.justice.gov/archives/opa/pr/family-dollar-stores-llc-pleads-guilty-holding-consumer-products-under-insanitary-conditions>



# The OPEN Model for Retail Licensing

Managing licensing and compliance across large store networks requires a structured operating model. Rather than relying on fragmented internal processes, retailers need a coordinated system for tracking licenses, executing regulatory filings, and monitoring compliance across locations.

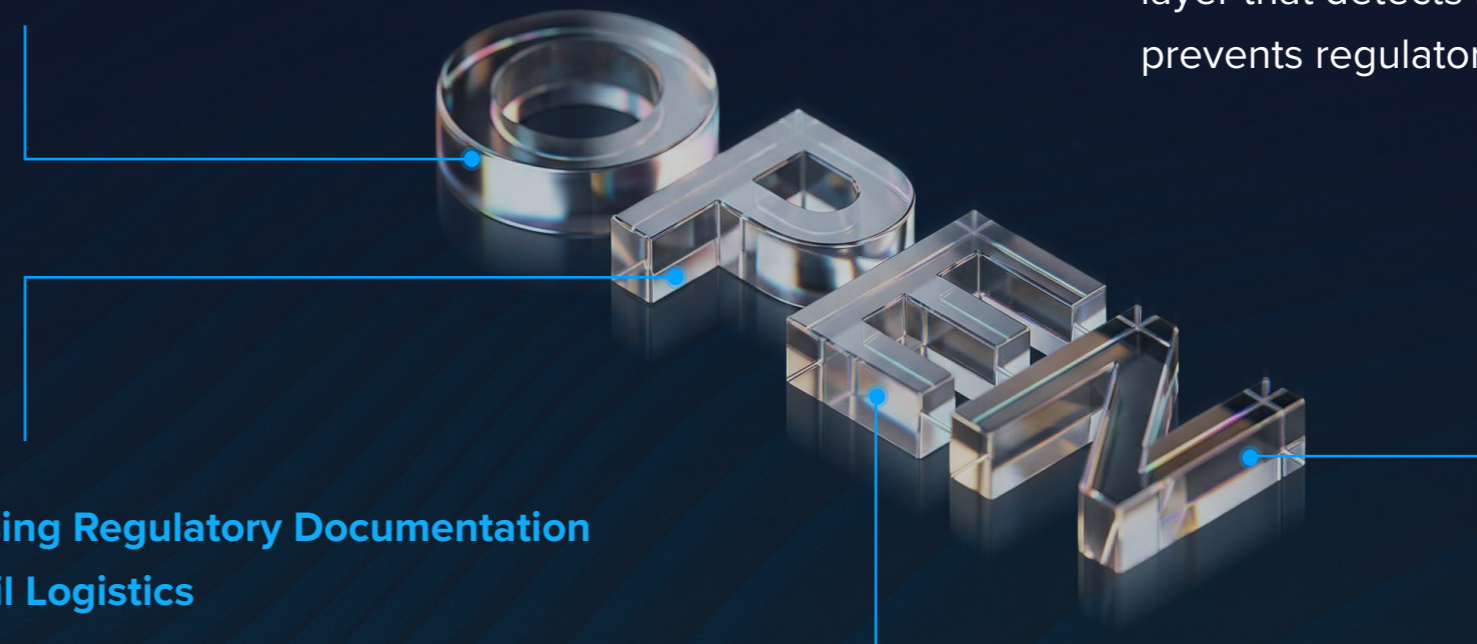
Sutherland's OPEN framework defines the four operating capabilities required to build digital licensing and compliance operations at scale. The model combines centralized operational control with technology-enabled execution, using digital license management platforms, workflow automation, and integrated monitoring to manage regulatory permissions across the entire retail network, from new store approvals to ongoing compliance.

## Orchestrating License Lifecycles

Single source of truth tracking renewals, coordinating regulatory dependencies, and providing real-time visibility across the entire network.

## Navigating Compliance Risk

Always-on compliance monitoring layer that detects risks early and prevents regulatory violations.



## Processing Regulatory Documentation and Mail Logistics

Structured workflows for handling renewal notices, wet-ink signatures, notarization, and certified correspondence for paper-based jurisdictions.

## Enabling New Store Openings

Coordinated approval process covering zoning validations, inspections, permits, and hearings required to open new locations.





## Orchestrating License Lifecycles

Retail licensing is not a one-time approval. In many jurisdictions, foundational approvals (such as business registrations or fire permits) must remain active before regulated licenses like alcohol permits can be renewed. If one approval lapses, it can disrupt the entire licensing chain.

At the same time, regulatory authorities frequently update renewal procedures and compliance requirements. Retailers must therefore continually monitor and adapt to regulatory changes across jurisdictions to ensure licenses remain valid.

### **Technology Enabler:**

A centralized platform acts as a single source of truth for licensing activities across the store network, tracking expiration dates, renewal timelines, and regulatory dependencies in real time.

Workflow automation coordinates documentation preparation and statutory fee payments, reducing the manual effort required to manage large volumes of licenses. These systems can also capture regulatory updates and adjust workflows accordingly, helping retailers stay aligned with changing requirements.

### **Impact:**

Retailers gain continuous visibility into the status of their licensing portfolios and the ability to coordinate renewals across the entire store network. Managing licensing lifecycles systematically rather than reactively reduces the risk of expired permits, missed filings, and operational disruptions that could prevent stores from opening or selling regulated products.





## Processing Regulatory Documentation and Mail Logistics

Many licensing jurisdictions rely heavily on physical documentation. Renewal notices, inspection certificates, and regulatory correspondence are frequently sent by traditional (snail) mail, and require paper filings, notarized documents, or wet-ink signatures before applications can be accepted.

For large retail networks, this creates a steady stream of regulatory paperwork. When these steps are handled locally, often by store managers or regional teams, documents can easily be delayed, misplaced, or processed inconsistently.

These repetitive administrative tasks can slow approvals, disrupt renewals, or create compliance exposure.

### **Technology Enabler:**

A managed digitization and document workflow pipeline converts incoming regulatory mail into structured workflows immediately upon receipt. Renewal notices and licensing correspondence are scanned, indexed, and routed to the appropriate operational teams, ensuring time-sensitive items are tracked and addressed promptly.

For jurisdictions that still require physical handling, a dedicated mail logistics infrastructure manages wet-ink signatures, notarization, and certified mail submissions, so paper-based requirements are completed accurately and on time.

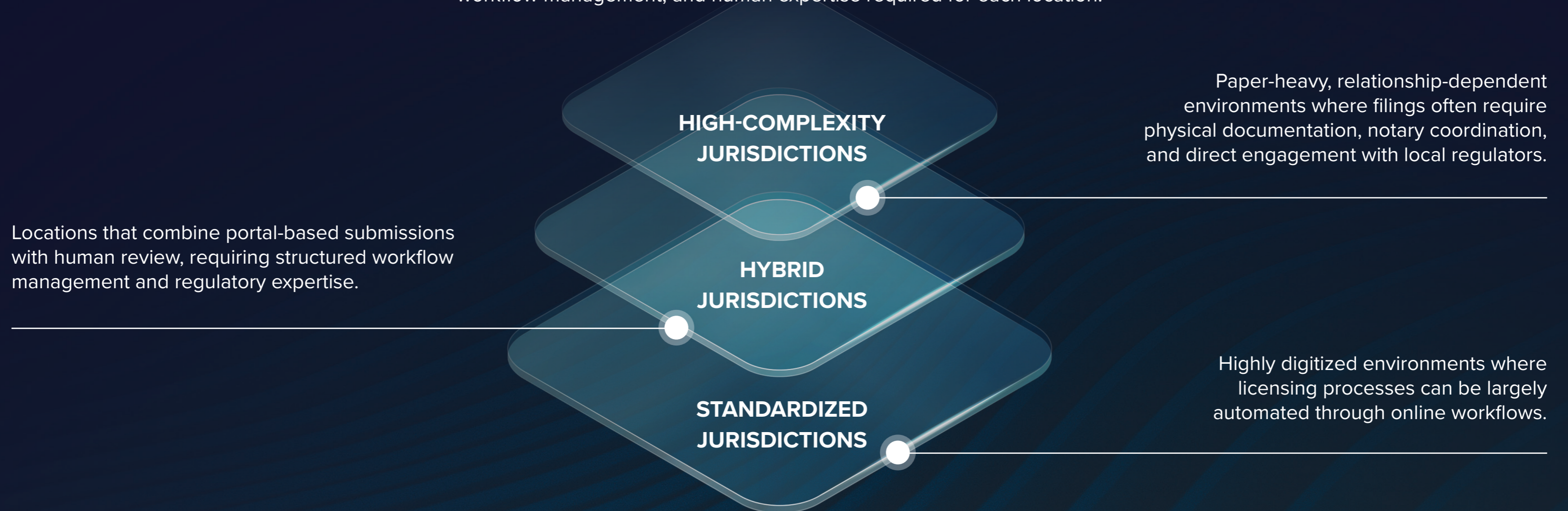
### **Impact:**

Retailers gain a consistent, auditable process for managing licensing documentation across jurisdictions. By removing the dependency on local store teams to manage regulatory correspondence, organizations reduce administrative burden while lowering the risk of delayed filings, incomplete submissions, or missed regulatory deadlines.



## One Size Doesn't Fit All

Licensing complexity and filing models vary across jurisdictions. To manage this variation at scale, Sutherland categorizes jurisdictions into three operational tiers. This tiering model determines the appropriate balance of automation, workflow management, and human expertise required for each location.





## Enabling New Store Openings

Opening a new retail location requires navigating a multi-stage licensing process significantly more demanding than routine renewals. Before a store can begin operating, retailers must secure a series of approvals tied to zoning regulations, health and fire inspections, and the sale of regulated products.

These approvals often involve multiple regulatory bodies and must be completed in a specific sequence. In some jurisdictions, applications require conditional use permits, public notice periods, or community board hearings before approval can be granted.

Because these approvals are interdependent, delays in one step can push back the entire store-opening timeline. For retailers expanding their footprint, licensing therefore becomes a critical activity that directly affects how quickly new locations can begin generating revenue.

### **Technology Enabler:**

New store licensing requires a delivery model that combines high-volume processing capability with on-the-ground jurisdictional expertise.

A global hub-and-spoke model provides both. Offshore centers of excellence manage portal-based applications, documentation preparation, and high-volume regulatory filings, while local specialist teams handle in-person hearings, agency follow-ups, and relationship-dependent approvals.

This structure compresses opening timelines and allows retailers to move licensing processes forward in parallel without sacrificing the local expertise that complex jurisdictions demand.

### **Impact:**

Retailers prevent licensing delays from becoming expansion delays. Coordinated licensing execution ensures new locations can open and begin generating revenue as planned.





## Navigating Compliance Risk

Licenses authorize a store to operate, but they also impose ongoing obligations, especially for retailers selling regulated products such as alcohol or tobacco. And for large store networks, those obligations must be maintained regardless of staff turnover, variable store practices, and evolving regulatory expectations. This is the core compliance risk in retail: the ability to continue operating (and selling key products) depends on consistent execution at the store level.

In practice, this means ensuring:

- **Employee certification:** Employees on shift hold valid certifications required to sell regulated products, in line with local regulations.
- **Point-of-sale controls:** Age-restricted sales are consistently enforced at the register, with no use of workarounds such as manual birthdate entry or ID bypass.
- **Safety readiness:** Stores remain inspection-ready at all times, with up-to-date fire safety certifications, clear emergency exits, and compliant operating conditions.
- **Product handling and storage conditions:** Regulated products are stored and handled in accordance with licensing and health requirements, including temperature control, segregation, and sanitation standards.

### Technology Enabler:

Delivering effective compliance management requires a unified view of each store's activity across the network, supported by direct integration with operational systems. Learning Management System (LMS) integrations enable real-time validation that employees on shift hold the certifications required to sell regulated products. Point-of-sale (POS) data can be analyzed to detect patterns such as ID bypass or anomalous birthdate entries that may indicate gaps in age-verification controls. In parallel, store-level compliance conditions can be monitored through structured workflows. Photo-based verification enables stores to document safety requirements — such as fire equipment and emergency exits — while digital checklists and audit workflows support ongoing validation of product handling and storage conditions against regulatory standards.

Together, these capabilities create a continuous, auditable record of compliance across every location, reducing reliance on periodic checks and enabling earlier detection of potential violations.

### Impact:

Retailers reduce the likelihood of regulatory violations, fines, and license suspensions by identifying risks early. Continuous monitoring helps ensure stores remain compliant with licensing obligations while protecting the ability to sell regulated products and maintain uninterrupted operations.



# Keeping the OPEN Sign Always On

Retailers have spent decades optimizing the systems that drive sales, from supply chains and merchandising to pricing and customer experience. Yet none of those investments matter if a store cannot legally operate.

Licenses and permits ultimately determine whether the OPEN sign stays on.

As retail networks expand and regulatory environments grow more complex, managing those permissions effectively is becoming a core operational discipline. Retailers that modernize their licensing and compliance management will be better positioned to reduce risk, protect revenue, and scale their store networks with confidence.

Sutherland's OPEN model provides a framework for doing exactly that. By structuring licensing operations into four capabilities – orchestrating license lifecycles, processing regulatory documentation, enabling new store licensing, and navigating compliance risk – retailers gain the operational control required to manage regulatory permissions across the full lifecycle of a store network.

Underpinning the model is a structural technology layer that combines digital license management, automated workflows, and integrated compliance monitoring, giving retailers visibility and control across the entire store network at enterprise scale.

The result is a licensing operation that is no longer reactive or fragmented, but coordinated, visible, and resilient. Because in retail, the most fundamental requirement for success is also the simplest: the OPEN sign stays on.



# Technology-Enabled Licensing Operations with Sutherland

Managing licensing and compliance across a large retail network is not a problem that resolves itself.

This is where the value of a partner that understands both the regulatory landscape and the realities of store operations becomes clear. Sutherland helps retailers turn licensing and compliance into a structured operational capability – one that supports growth, reduces disruption, and keeps stores open.

Trusted by 50% of Fortune 500 companies and backed by 38 years of business transformation expertise, Sutherland has the domain depth, technology know-how, and global delivery capability to manage licensing complexity at enterprise scale. And with engagements contractually tied to measurable outcomes, Sutherland's model is built around what matters most to your business.

Every day, your OPEN sign depends on permissions working behind the scenes. To find out how Sutherland helps retailers keep it that way, [contact our team](#).



# Sutherland's Core License Expertise

Sutherland's licensing teams specialize in the approvals that carry the highest operational and financial risk across retail environments.

License Type	Complexity	Key Workload Drivers
<b>Alcohol (ABC Licensing)</b>	Extreme	Zoning dependencies (e.g., Conditional Use Permits), quota systems, and public protest or veto risks.
<b>Hazardous Materials (HMBP)</b>	Extreme	SKU-level tracking of regulated products (e.g., bleach, solvents, propane) and specialized environmental reporting requirements.
<b>Health License</b>	High	Food preparation risk classification, facility plan review requirements, and ongoing health inspection compliance.
<b>Tobacco Retail License</b>	Variable	Local density caps, proximity restrictions near schools, and strict enforcement regimes in major metro areas.
<b>Alarm Permits</b>	Moderate/High	Hyper-local permitting rules, false alarm reporting requirements, and liability for designated primary contacts.
<b>Business License</b>	Low/Moderate	Local operating permit requirements, municipal registration processes, and annual renewal obligations.
<b>Seed / Nursery License</b>	Low/Moderate	State Department of Agriculture registration requirements, plant product labeling rules, and agricultural inspection compliance.
<b>Sales Tax Registration</b>	Low	State tax registration requirements, jurisdictional filing obligations, and regulated retail sales reporting.

Artificial Intelligence. Automation. Cloud Engineering. Advanced Analytics. For Enterprises, these are key factors of success. For us, they're our core expertise.

We work with global iconic brands. We bring them a unique value proposition through market-leading technologies and business process excellence. At the heart of it all is Digital Engineering Services – the foundation that powers rapid innovation and scalable business transformation.

We've created 363 unique and independent inventions, 250 of which are AI-based and rolled up under several patent grants in critical technologies. Leveraging our advanced products and platforms, we drive digital transformation at scale, optimize critical business operations, reinvent experiences, and pioneer new solutions, all provided through a seamless "as-a-service" model.

For each company, we provide new keys for their businesses, the people they work with, and the customers they serve. With proven strategies and agile execution, we don't just enable change – we engineer digital outcomes.

