

RESPONDING TO COVID-19 AFTER THE FIRST WAVE: THE NEED FOR A THREE DIMENSIONAL APPROACH



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In a previous article (Vlaemminck, Ph. & Muller, D. : LOTTERIES IN THE COVID-19 CRISIS – THE NEED FOR TECHNOLOGICALLY SUPPORTED SUSTAINABILITY - CALLING FOR AN URGENT MULTIDISCIPLINARY LOTTERY TASK FORCE)

we wrote that “solidarity, trust, transparency, integrity and support have in most sectors become essential tools to fight the devastating consequences of the pandemic. These values so nobly embraced and promoted by lottery regulators and operators for many years, have become very relevant in all spheres of life as we live it today”.

After a severe lockdown in many countries around the world, governments, industry leaders, academics etc. understand that it is time to look for new solutions. The Covid-19 pandemic is not over yet, a second and maybe a third wave is possible and as some medical experts say “it is possible that we need to learn to live with this new disease”. However, there is hope. The medical sector has learned fast, hospitals are better prepared, testing and other preventive measures have been put in place, and researchers are working hard to find vaccines which will enable us to return to a more normal life. Governments and industries still need to find solutions to extricate from this problematic situation. Lottery operators also need to start working on identifying the broader business and societal problems they should be addressing in addition to their primary mission of selling lottery tickets to support good causes.

I believe that there is a need for Lotteries to work and develop a 3-dimensional approach.

1. PRODUCTS & SERVICES

The lockdown has shown all of us how vulnerable we are. POS were closed, customers could not play, some products such as sports betting were unavailable, draws could not be properly organized, winners had difficulties in collecting their winnings, staff could not come to work while the means and procedures to work from home were not fully available, unemployment affected many people, including sometimes lottery staff and independent sales agents, and profits available for good causes were seriously affected... the list goes on.

All departments; product developments, sales & marketing, and certainly also legal, of Lotteries need to talk with an open mind and without constraints with regulators, existing vendors, but also high tech start-ups developing new digital platforms and services to embrace solutions enhancing the digital product lines and services. Certain new technologies such as blockchain and data management and monetizing tools, are already available to the Lottery sector, while others, like AI, require

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some further research to be broadly implemented in a secure manner. These types of solutions, as well as player cards, apps, plug-ins to generic cashier systems, other cashless payment and alternative currency solutions may afford new opportunities for play and prize pay-outs without affecting, or perhaps even increasing, RG and security perspectives.

We need to pursue these opportunities not only to improve our customer services, but also to win back the market share lost to illegals, and in turn increase our own turnover. It is not an easy task since we need to convince our governments and regulators to be more flexible and confident that Lotteries simply must be given the authority to use these digital means to properly execute their tasks. We need to agree on the means, with due respect for transparency and integrity, to streamline rigid bureaucratic procurement procedures which last long and have proven not only to be expensive but also a big obstacle to effectively responding to market changes.

On the other hand, we should not forget about the network of loyal POS. Many of these independent agents have severely suffered from the Covid-19 lockdown. Those shops remain an important social daily environment for many persons who have lost some perspective during a heavy lockdown. Very often these shops are the first and only point of contact for lottery players in their relationship with the lottery operator. Lotteries need to

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identify the new problems of these agents and find ways of supporting the businesses of their POS. We need to think about how we can help to boost this segment and make the Lottery POS attractive in this new changing environment. By doing so Lotteries can contribute to the restoration of an important part of the small businesses economy.

2. A RENEWED SOCIETAL CHARTER

While the turnover of lottery operators – and consequently profits – may have gone down, it is certainly not the time to reduce support to the beneficiaries who depend upon the money provided by lottery operators. We have seen grassroots and amateur sports, large community schools and the cultural sector facing dramatic difficult times. The Tokyo Olympic Games have been postponed leaving many sports-persons frustrated and even discouraged. Opera houses are closed, and Summer festivals cancelled with lots of unemployed artists and staff and service suppliers in financial disorder. Schools have been closed and faced difficulties in reaching out to the most vulnerable children, while other students did not receive all the courses and didactic support needed. And now, re-opening schools is a challenge.

Many beneficiaries of Lotteries do not yet know how they will be capable to overcome the problems and potential financial shortfalls emerging from the sudden lockdown. Lotteries need to listen to the beneficiaries and think about new structures to provide support to the good causes. At the same time, one may consider developing new ways to cooperate with the beneficiaries and put more emphasis on important societal developments. Lotteries can design a new societal charter of cooperation with good causes. Sport for example must commit more strongly to integrity programs. Less visible and less commercial sports may get more attention. Transparency and strong positive governance, diversity, openness, accessibility for all, integration and equal opportunities for all sexes are items that Lottery operators may bring forward as essential conditions for future support.

This renewed approach can also create opportunities to put advertising & marketing in a different perspective. A societal marketing approach could become more relevant. Societal marketing holds that a company should make marketing decisions not only through considering

consumers' wants and the company's requirements but also society's long-term interests.

3. ASSOCIATION BUSINESS

Finally, this period is also a good moment to advocate for a stronger role and more important position of the regional and world lottery associations. Lotteries cannot realize this heavy societal and business task on their own. More means and resources are required to address existing and new challenges! While in an initial stage it could be understood that Lotteries had to focus on their own internal problems, it is certainly not the moment to reduce the means and resources of the various associations. Solidarity between Lotteries is equally important and requires that they provide each other support through the WLA and the regional associations. Lotteries are in principle not competitors of one another. Creating the proposed multi-disciplinary approach more towards the digital realm and reflecting on a new model for contributing to society may be easier and faster through the platform the lottery associations can provide.

One aspect of the changes to adapt to a new environment revolves around enhancing knowledge management. This is broader than the classic info and data sharing lotteries already know. Specifically, it would be centered around more focused investment in R&D and actual critical knowledge sharing as well as setting up new tools and instruments for cooperation and governance to create a better world. In my area I have been advocating for creating a World Lottery law review, a digital magazine to which lottery lawyers and advocates can contribute with case law and legal notes useful to the world lottery community and a World Lottery Law Yearbook covering the most crucial legal developments from all over the world. This is only one example of enhancing knowledge management. A joint R&D cooperation center or an economic interest group, special educational and HR support programs (comparable to WILL) could also create positive changes for all lottery regions in the world and benefit society at large.

Lotteries have always been relevant and have done magnificent work for all stakeholders throughout their lifetime. Tomorrow they can prove to be even more relevant and stronger in a post Covid-19 world. ■

LOTTERY INDUSTRY HALL OF FAME CONTINUES

Scott Gunn from page 10

capitols around the globe, Scott can synthesize and simplify complex issues. His knack for reading the political climate in a state or a country allows him to push for new lottery sales channels and products with decision makers through both legislation and regulation. While navigating the unique challenges in various countries around the globe, he is always mindful to build coalitions and defend against adversaries. Scott strives to achieve the balance between responsible gaming and leveraging opportunity so lotteries can offer cutting-edge new lottery products in order to grow and support their important beneficiaries.

Throughout his career, Scott has served as a mentor to and champion for his colleagues and customers. Currently within IGT, Scott serves on the Executive Diversity and Inclusion Council, the Government Affairs Committee, is Co-executive sponsor of WIN with IGT and as the Chairman of IGT's Political Action Committee. His leadership within the lottery industry and in the public policy arena have left an indelible stamp on the global lottery industry. ■

Pat McHugh from page 10

from a transaction-processing focused business to a technology leader in integrated value-add products and services to maximize lottery proceeds. In his current role, he has continued to accelerate integrated solutions that create unique value across product lines. Pat is the Group Chief Executive responsible for all of Scientific Games' global lottery business, including instant products, retail and digital systems, lottery sports betting, game content, and associated services. ■

Gordon Medenica from page 10

tee as Region 1 Director. He is also the Lead Director of the Mega Millions consortium and the Lead Director of the Cash4Life consortium. Internationally, Medenica serves on the WLA's Sports Betting Integrity Committee.

Before coming to the lottery industry, Medenica had been a longtime executive and member of the Management Committee of The New York Times Company. More recently, he was the Executive Vice President of Philadelphia Media Holdings, LLC, an owner of the Philadelphia Inquirer and Daily News. Prior to that, Medenica served as an advisor to the Blackstone Group on newspaper acquisitions, and as the President and CEO of DornaUSA, a sports marketing company. Earlier, Medenica was a Senior Analyst at the Marriott Corporation.

Medenica earned his A.B. from Harvard College, where he majored in government, and his M.B.A. from Harvard Business School. ■

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office holders of the potential danger of the reinterpretation and led industry advocacy efforts in Washington DC to that end. Bishop also tackled industry issues that were caused by the Covid-19 pandemic. He led the effort to provide educational resources to states to aid in the response to the impact of the pandemic on the industry. He also worked with NASPL staff to help refocus industry events and educational efforts when the pandemic forced cancellation of all industry events in 2020. ■