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Preparing for the onslaught of technological solutions that are changing the way business operates

PGRI Introduction:

New technology and innovation are transforming the way business operates. There is a huge bottleneck, though, when it comes to the ability of older central systems to support new technology integrations at government lotteries. Central systems that were implemented ten or eight or even five years ago do not have the functionality and capability to enable this integration. The high cost of continuous software customizations and re-engineering of old hardware is driving a wave of new central system implementations. It's important to get it right – to build the IT foundation that will support the incredible influx of new technology that will be transforming business process over the next ten years. Some call it future-proof. GLI calls it Bulletproofing. Whatever we call it, GLI is reinventing the space where project management intersects new technology integrations.



Paul Jason:

When we talked three years ago at the World Lottery Summit in Rome, GLI was just beginning the process of building its professional services business. Project Management of new technology integrations has now become core to the mission of GLI. What accounts for this explosive growth?

Greg Doucette: As you point out, GLI never set out to expand the brand into



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services outside of our original charter of testing and auditing. That changed as a direct result of customer demand. We were helping the Atlantic Lottery implement an end-to-end replacement of their video lottery system. The process involved creating a project management model that provided an entirely new level of multi-vendor and system integration, along with a CRM platform and a broad range of additional business process functionality. GLI's scope of responsibilities expanded during that specific project to meet the needs of the broader objectives of the Lottery.

Since its inception in 1989, GLI has been acquiring proprietary expertise in testing

and ensuring that technology, terminal software, and systems performed to spec. The Atlantic Lottery project became the catalyst that thrust GLI into a new mission – to apply our resources and skill sets toward a more expansive charter of IT consulting and implementation.

Kelly Black: Now, flash forward six years later, the vision is being realized in bigger ways. Bulletproof has become a full-service, end-to-end Project Management Office (PMO) implementer for lotteries. We can help clarify and define the requirements for RFPs for lottery system modernization projects, and we can also implement the project management framework, working with all the vendors who are delivering the system to ensure their actions and methods are aligned with the objectives of the lottery. We work with lotteries to ensure the governance structures are established so that each component part of the project is managed effectively from conception to launch and beyond. Bulletproof can perform the broad spectrum of PMO functions, can serve as third-party auditor or testing lab, or can perform specific tasks on an as-needed basis.

The complexity of programs to modernize lottery operations requires new methods to integrate systems, products, services, and business process for all manner of functions like CRM, e-commerce, and supporting giant multi-state retail operations. Our global experts are well-versed in each of these areas. We also apply quality assurance programs and platforms for delivering ongoing adjustments to adapt to a dynamic environment

of change and growth. Lotteries understand that integration of their central systems with multiple vendors and a whole variety of enterprise-wide technological functions will meet the needs of their marketplace, driving the bottom line and increasing returns to the state for public programs. Lottery systems are complex systems that are in a continuously dynamic state of modification and re-invention, and like other pieces of complex technology, need updating and upgrading from time to time.

quickly discerned the need to create a Project Management Office, or PMO, to harness and organize resources for a more complex set of multiple goals. That included quality assurance, ongoing testing programs, IT platform and hosting environments, vendor management, the release management program, maintenance and patching cycle management, vulnerability assessments, security programs, etc. The common thread to this diversity of services is technology and business process. GLI's engineering, techno-

K. Black: Absolutely. It can be a comprehensive end-to-end solution, or the client can retain our assistance to provide individual solutions. In fact, the process typically begins small, with a specific assignment that has a limited scope of work. We then identify other opportunities for improvement and other issues that need attention with the client. That sometimes results in expanding the scope of our work. Over the past few years, as we perform the broader range of services for more and more clients, our knowledge and competencies continue to grow.

We work with lotteries to ensure the governance structures are established so that each component part of the project is managed effectively from conception to launch and beyond. Bulletproof can perform the broad spectrum of PMO (Project Management Office) functions, can serve as third-party auditor or testing lab, or can perform specific tasks on an as-needed basis.

Are there some other Solutions Delivery implementations that you could describe?

K. Black: Let's use the Oregon State Lottery as a model. Our assignment began with the traditional GLI services of testing and certification. The Oregon Lottery needed assistance in quality assurance, systems integration and overall project management. Just as with the Atlantic Lottery, we realized that GLI is in the best position to help them accomplish this broader range of IT and business process objectives.

We started with our core competencies of testing and program management and

logical, and project management competencies are now being leveraged to serve the customer in the end-to-end implementation of their modernization projects.

We are also assisting the Pennsylvania Lottery and LOTTO Hamburg in Germany with their systems modernization projects. In addition we have been working with the Illinois Lottery on their private manager transition project.

The client has the option of retaining your services for a specific project like testing equipment or auditing a process, don't they?

The expansion of the range of services Bulletproof offers has been a natural, organic process. One reason for that is that we freely share information with our clients. We do whatever we can do to help our clients, sharing insights and suggestions regardless of whether something is within our specific scope of work. The client is free to take whatever we give them and use it in whatever ways they choose. Sometimes the client may choose to hand off our suggestions to another service provider. Sometimes the client chooses to expand our scope of work to help them address the broader range of business objectives. This perfectly illustrates GLI's lottery service model from the company's inception – put the customer first.

How challenging is future-proofing when technology is changing so fast? And how difficult is integration when more clients are migrating to a best-of-breed model that includes multiple vendors?

K. Black: GLI is the recognized expert for critical testing and independent verification in the games-of-chance industry, and has been for decades. In that capacity, our standard go-to assignment is to assess deliverables from the vendors. That used to consist primarily of making sure the gaming machine performed to spec and ensuring that it could be integrated with the central system. The best-of-breed model requires the gaming machine to be integrated into a system that includes a multitude of products and software from other vendors and other technology providers. Future-proofing is our core-competency. We feel GLI's vast global experience gives us a unique perspective and ability to deliver future-proofed solutions.

G. Doucette: Because technology has evolved, today, many lotteries are looking to replace their core gaming system. That ends up affecting every aspect of the Enterprise Information System, and all the products

James Maida, CEO, GLI and Steve Burns, CEO, Bulletproof



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and business functions integrated with the central system. And now, we are adding data warehouses to the mix of support systems to extract data, analyze trends, integrate accounting with marketing and other information sources – all of which will become mission-critical to the goal of making more informed business decisions.

K. Black: Currently, for instance, lotteries are looking to sell tickets into an in-lane system at large box stores and other retail operations. Many of the systems currently in place will not support that functionality. So, a lottery has to choose whether to spend money to update their old system or invest in a new one. In the end, it will cost more and more to keep re-engineering the old system to support new technological solutions. Instead of struggling to update obsolete technology systems, it's often a better investment in modernizing the central system.

The complexity of programs to modernize lottery operations requires new methods to integrate systems, products, services, and business process for all manner of functions like CRM, e-commerce, and supporting giant multi-state retail operations.

Technology has changed so much over the last 10 years. Today's new systems deliver incomparably more functionality and flexibility than systems even just five years old. Older than five years, and it's like the difference between the modern iPhone and the first Motorola 'brick' phones. There comes a point where investing in a new central system becomes the only thing to do. Modern systems facilitate the integration of new technology from multiple vendors, new service platforms like CRM, iLottery and iGaming and modern APIs. Modern software minimizes the cost of implementing third-party technology solutions, but it only works on modern open architecture central systems. Old proprietary systems require costly customization to enable new technology to be integrated. New software-enabled solutions are almost plug-and-play with a state-of-the-art system. Lotteries realize this and are seeking support and guidance for the RFP procurement process from Bulletproof.

G. Doucette: Every one of our experts at Bulletproof thinks about the brand as an end-to-end enterprise that includes products and services, human resources and, internal technological infrastructure that supports an external face to the customer ... it's all about adding value to the customer relationship. It's important that every aspect of modernization be informed by the vision of who you want to be and how it adds value for your customer. The brand is the North Star which resides at the heart of all decisions and drives implementation.

The end result is a system that delivers optimal performance of business functions and optimal customer experience. The goal is to bulletproof your revenue streams with state-of-the-art ability to capture data and convert information into business intelligence that drives product development as well as the marketing strategies and implementation.

How do we make sure that the investment made now will not be obsolete five years from now?

K. Black: It begins with the RFP process and applying a method we call future state product road mapping. The first step is to define the capabilities and functionality you may need to have in five years. You do not need to acquire it all now, but you want your central system to be capable of integrating the new technologies you may want to implement five years from now. For instance, lotteries may not acquire iLottery and sophisticated CRM platforms right now. And maybe they never will. But it would be shortsighted to build a new central system that lacks the capability of integrating these new technologies. It's like building a house that you know will need to be expanded five years from now but you don't know exactly what form that expansion will take. So you spend the extra money now to build a bigger foundation to support expansion that you anticipate will happen in the future. The cost of building a scalable

foundation is extremely small compared to the cost of rebuilding a new house five years from now.

How does the trend towards outsourcing as more and more of IT management, what you refer to as "virtualization"?

G. Doucette: The cost savings and benefits of outsourcing are compelling. Possibly a more interesting innovation involves collaborating with lotteries and vendors alike to drive the cost out of supporting similar systems. Vendors are all trying to work on what they call a "baseline code". There can be a foundational baseline of code for the management of draw games and instance tickets. It does not matter where you go or what the customer-facing game looks like. All core lottery system functions contain this baseline code. Layers of customization are then applied as desired per jurisdiction. For our part, Bulletproof works to educate operators on how and why it's important to integrate new models that enable cost sharing. There is so much core baseline functionality to the way Lottery operates. That represents a huge opportunity to reduce costs and improve performance and outcomes and increase funds for the good causes that Lottery supports.

K. Black: Bulletproof is working with LOTTO Hamburg to explore the first multi-tenant lottery system. The project will look at an innovative baseline code and then what is called a "product configurator" that each of the lotteries uses to customize the product to their preferences. The customized code lies on top of the baseline code to produce the end-product. This "product configurator" for traditional lottery games is quite unique and we're very excited to be working on this project. LOTTO Hamburg will host the baseline code and manage the system that deploys it to the other lotteries. The hope is a collaborative venture to reduce total cost of ownership, increasing efficiencies that produce a higher quality outcome.

Doesn't that represent an even more compelling ROI for collaboration in the Lottery space?

G. Doucette: Absolutely it does. It requires the willingness to recognize that much of what a Lottery operator does is in fact not unique, and the will to focus on commonalities and overcome obstacles to forge collaboration. The ROI would be off-the-charts for lotteries to develop collaborative ventures in many different areas. ■