

EL Membership Reconvenes for Industry Days after a too-long hiatus!

Hansjörg Höltkemeier

*President, European Lotteries (EL)
Co-CEO of the Deutsche Klassenlotterie Berlin*

PGRI INTRODUCTION: EL Industry Days is a special bi-annual event that was interrupted by COVID. It has now been over two years since we have visited with each other and are excited to get together again in beautiful Wiesbaden Germany.

Paul Jason: The theme of Industry Days, “WeConnect” captures the spirit of our times, and the excitement we all feel about getting together again in person. Many of us have not seen each other since the EL Marketing Seminar of February 2020.

Hansjörg Höltkemeier: You are right. Meeting in person is much more valuable than the face-to-face video meetings that we have all become accustomed to. In a one-to-one video-meeting with well-known partners who we may talk with on daily business, you might be able to focus on the speaker at the other side of the line, or on the video monitor – but as soon as there is more than one on the other side, maybe even discussing in different languages and getting into more complicated issues, it is easy to get lost, or maybe lose some of the important emotional content. And after more than two years of digital exchange, there are lots of topics and different views that need to be shared! I am therefore very happy and thankful that we are coming together to meet again in Wiesbaden.

I expect that for all of us, this whole experience will be a kind of adventure.

Every lottery executive has driven his or her business mostly from a national perspective. The degree of disruption caused by the pandemic varied by country, as did the governmental response to the crisis. So the actions that lotteries have taken to adapt to these extraordinary circumstances have varied greatly as well. Advertisement bans were applied in some countries, partial market-openings in some others, new leadership in some companies, even new operators in some places. Some of these issues are hard to discuss via phone or video in the same trusting manner as we can do in-person. I am sure that the fantastic program of this Industry Days will be just a “first-serve” to inspire the members and participants to engage in further discussions that will help us all to re-load for a future that will not cease to be changing in exciting and perhaps equally dramatic ways. More than ever, I expect “side-discussions” on the floors, in meeting rooms and – last but not least – during our well prepared and attractive evening-programm.

Altogether, you see I have the most positive anticipation looking forward to



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this event. Welcome to everyone!

How has the need to develop remote learning and meeting modes changed the EL?

H. Höltkemeier: As I mentioned, there are and will be successful digital formats to serve us better in many ways, for example in remote learning. The more structured a theme is, the more it is “digital-ready”. And perhaps the reliance on digital media has made us all better at clarifying our themes, structuring the discussion, and designing the projects and action-plans. Another very positive aspect of digital is the reduction of travelling time and costs. As a result, we do see a broader acceptance of digital-learning formats and a higher participation-rate in our basic modules, so we will continue to hold seminars digitally as well as in-person in the future.

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I feel that digitally-mediated interaction does have its drawbacks. For instance, digital participants are typically less prepared to bring in their own view and to engage in creative problem-solving discussions. The more challenging or nuanced a topic is, the more in-depth-discussion it requires to get new, fresh, and innovative thinking and ideas ... the more we struggle with digital tools. The discussion of difficult issues becomes a matter of mutual trust, of motivation in that moment to become part of the solution instead of staying as a passive observer in a discussion. Being together for those kinds of meetings can make the difference between a non-productive discussion and moving forward with purpose, resolve, and an action-plan. Effective solutions and execution depend on the active involvement of the whole team, so we have and will continue to strengthen also our in-person formats, as circumstances allow.

At first, we thought that hybrid work-style formats might be a solution. But the more we tried, the more we were disappointed. Hybrid solutions, where some participants meet in person while others join in via video-conference-tools seem to result in lower in-person participation, and it is the in-person participants who end up producing the most relevant results.

As a result, we try to prepare a well-balanced mix of online and offline meetings and seminars. Digital offers serve an important purpose by enabling a larger number of participants to structure and prepare a theme or to communicate basic ideas and messages. That preparation helps everyone to be most productive for the on-site-meetings that follow. The platform for tackling problematic or difficult issues needs the trust, energy and feeling of inter-dependence that only comes with the physical presence of in-person meetings.

Vision for the future: How might the EL and its services be different going forward than it was two and a half years ago?

H. Höltkemeier: EL will be hybrid in some ways, meeting in different formats depending on the topic.

But now, after more than two years of disruption, I see another change that might affect us with at least the same power as

digitalization has so far. After a decade of fighting for the “best” regulation and avoiding negative impacts from European and national regulations, we now recognize more than ever the “power of market”. After many years of turbulence, regulatory frameworks are mostly fixed. Also, due to the successful work of EL and its members, the subsidiarity-principle is accepted by EU and high-courts. For example, the lottery-monopoly model is quite safe in most countries. Therefore, the fight is now moving from arguing about regulatory issues to competing in the markets. Depending on the power and effectiveness of agents of law-enforcement by the state, the new competition fights against the new rules required in its licenses, or tries to interpret those rules in ways not intended by the regulators, or tries to circumvent regulatory hurdles to qualify for a license by just buying licensed competitors. Beside their status as monopoly-operators which are fully supported by the government, Lotteries are becoming an interesting field of investment as some governments explore options to monetize assets like their state-owned lottery. I think we may see ongoing changes to owner-management structures in the lottery sector. Of course, that may in turn have significant residual impacts on our channel and technology partnerships and supplier relationships.

And last but not least, this will drive changes to the focus and services of EL.

There may be fewer discussions about legal and regulatory issues and instead a shift in focus over to competition law, to market-insights from the perspective of international investors, to understanding the strategies of unlicensed businesses and the impact of international operators on local markets. Time does not stand still. Like all customer-focused enterprises, EL is evolving its value-proposition to stay relevant for its members.

Last but not least, how might the war in Ukraine affect EL?

H. Höltkemeier: First of all, the Russian attack on Ukraine affected us from the very first moment. EL took a clear position and decided to revoke EL membership of Russian and Belarussian members. EL members coordinated furthermore to help the people in Ukraine in whatever ways we can going forward. In the process, we have learned that while there is a broad base of support also with lottery-money, this leaves less room for initiatives to support Ukraine as a state on the level of our association. EL-ExCom decided therefore to focus on our two Ukrainian members and to reach out directly to them. As far as we can foresee now, we will focus mainly on supporting their teams and on rebuilding their lottery business after the war which will hopefully end soon. That’s the most important thing – we hope that this war and the suffering in Ukraine will in fact end soon!

