

STRATEGIC PLANNING WITH A SLICE OF STATE FAIR

The Board of Directors of the Multi-State Lottery Association (MUSL) convened in Des Moines, Iowa this past August to assess the organization's Strategic Plan and current trajectory following a year of record jackpots and sales – with FY23 product sales facilitated by MUSL totaling \$10.7 billion. The health and performance of the national draw games category was top of mind, as the summit coincided with a record \$1.602 billion Mega Millions jackpot being won in Florida. . .not to mention the four other billion-dollar jackpots produced by the Powerball® and Mega Millions® games over the last year.

For many Directors, the Des Moines summit was their first opportunity to weigh in on MUSL's Strategic Plan since the organization began holding planning sessions in 2017, with follow-up sessions held in 2019 and 2021. The summit also gave Directors the chance to tour MUSL's new headquarters, meet in-person with the central office's 21 staff members, and visit the world-famous Iowa State Fair.

"A lot of the success we've experienced this past year with Powerball and Lotto America, and how those products are managed, can be attributed to development initiatives identified in the first MUSL strategic planning session," said J. Bret Toyne, MUSL Executive Director. "Six years later, it's time to take stock, and make sure our organization and products are well positioned for the future."

Toyne has been tasked with synchronizing various committees, product groups, working groups and MUSL's dedicated staff to carry out the Board's objectives. The MUSL team consists of 21 full-time employees based in Des Moines and 6 part-time draw officials based in Tallahassee. MUSL staff provide



Sarah M. Taylor (IN), Matt Strawn (IA), Drew Svitko (PA), Lance Gaebe (ND), Helene Keeley (DE) in front of the Agriculture Building at the Iowa State Fair

the central infrastructure to facilitate multi-state games including draw services and reporting, accounting, legal, security, software development, communications and marketing support. Member lotteries contribute to the annual budget of MUSL, but the non-profit has a strategic goal of being self-sustaining, with operating expenses being offset in years of positive net revenue, including this past year.

To kick off the strategic planning session, Toyne



MUSL Board of Directors at MUSL headquarters in Johnston, Iowa.

asked the Directors to consider three overarching questions: How do we measure success at MUSL? What does the Association look like in 5 years? What are the Board's top priorities or ideas to develop over the next five years?

Prior to arriving in Des Moines, the Directors took part in anonymous surveys that were previously utilized during the 2017, 2019 and 2021 sessions. The recurring surveys allow MUSL to track its overall Board rating in key categories, including core values, governance and member satisfaction. A SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) revealed additional insights from Board members on the changing landscape of the lottery industry, with the growth of iLottery, iGaming, and sports betting.

"The strategic planning process has further underscored how vast and diverse our membership is," said David Barden, MUSL Board President and New Mexico Lottery CEO. "Despite having 39 Board members from 39 unique lotteries, we're all united by the common goal to see the products in our portfolios succeed."

To encourage greater participation and new voices, directors were divided into small groups

for several quick-fire rounds of "yes/no" to dozens of potential action items and initiatives. The on-the-spot feedback was effective and quickly solidified a group's consensus or led to further debate within the small groups. Directors were also given the opportunity to identify what categories they would like MUSL to focus its development efforts on.

"Having overseen MUSL's virtual strategic planning sessions in 2021, I know just how much work it takes to gather and process this valuable feedback from Directors," said Sarah M. Taylor, MUSL Development Committee Chair and Hoosier Lottery Executive Director. "This year, we had the opportunity to meet with our fellow Board members in-person, which allowed us to have both structured and casual conversations that often lead to those aha moments."

Over the coming weeks, Toyne and MUSL staff will integrate Director input into an updated Strategic Plan for Board

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Fiscal Year 2023

MUSL Board Officers

President: David Barden (NM)
Vice President: Drew Svitko (PA)
Secretary: Mark Michalko (NC)
Past President: Sarah Taylor (IN)

Committee Chairs

Audit: Matt Strawn (IA)
Development: Sarah Taylor (IN)
Finance: Rose Hudson (LA)
Legal: Norm Lingle (SD)
Marketing and Promotions: Rebecca Paul (TN)
Security and Integrity: Stephen Durrell (KS)

Product Groups

Powerball

Chair Drew Svitko (PA)
Vice Chair Charlie McIntyre (NH)

M2G2

Chair Gary Grief (TX)
Vice Chair Mary Harville (KY)

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review and approval. Top objectives identified during the summit included continuing dialogue and collaborative efforts with the Mega Millions Consortium and World Lottery Association, investing in Powerball brand research, and developing new draw-based games and add-ons to enhance current games.

"MUSL has gone to significant efforts to upgrade its digital infrastructure to support the rollout of new products and promotions," said Barden. "The new FLEX system is a game changer for us. We can hit the ground running knowing that we have supporting infrastructure behind us."

To cap off the summit, the Directors had the option to attend opening day of the Iowa State Fair. Iowa Lottery CEO Matt Strawn guided the Directors on a tour of the fairgrounds before their departures from Des Moines. Some of the directors who attended the fair had backgrounds in agriculture or participated in 4-H as youth, while other Directors had large lottery events planned for their own state fairs later in the summer.

"The motto of the Iowa State Fair is 'Nothing



Matt Strawn (IA), Adam Prock (MN), Drew Svitko (PA), Sarah M. Taylor (IN), Cindy Polzin (WI), Lance Gaebe (ND), Helene Keeley (DE), Hogan Brown (SC) visit the Jackpot Lambs in the Sheep Barn at the Iowa State Fair.

Compares.' The same is true for getting out of the Board room and connecting with your colleagues over a corn dog or while checking out the famous Butter Cow," said Strawn. "These Director relationships form the foundation of the

teamwork that is necessary for MUSL to continue successfully managing multi-state games and product development." ■

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My oldest son, for instance, is a doctor who works in the emergency center at the hospital. Like all medical students and young doctors, he worked incredibly long hours for many years. Now he is determined to impose a more reasonable work-life balance, even cutting back to less than a full work-load. He wants more time for his family and for himself and is willing to forego some income to achieve this work-life balance. My second son is an IT programmer, and if it is a nice day, he takes the day off and works at night to get his work done.

People used to take three weeks of vacation in the summer. Now many are dividing their vacation time, maybe taking one week in the summer and the other days spread throughout the year. To be honest, it takes a new way of thinking for some of us in the older generation to adapt to the expectations of the next generation of leaders. As someone who has never taken all of his vacation time, it takes getting used to the work-style expectations of the next generation of leaders!

Is video-conferencing replacing in-person meetings?

JL Moner-Banet: I hope not. Of course, video was a godsend during the pandemic.

And I do think video-conferencing will continue to be a powerful productivity tool that reduces the need to travel as much and supports the new work-at-home schedules of many people. So, I do think we need to embrace the utility of video as a method of operation and collaboration. That said, no I do not think video-conferencing replaces in-person meetings. There is a distinct difference in tone and feeling of openness and connection between in-person and video-meetings. And so I hope that our business culture appreciates the importance of relationship-building that in-person meetings enable and doesn't lean too much on video-conferencing going forward.

For example, the European Lotteries Association executive committee meets multiple times a year. Those used to involve travelling to a place where we met in-person. We now conduct more than half of those meetings on MS Teams video. That is OK as it does save us a lot of travelling time. But we all still feel strongly that we need to meet in person as well. And as far as I can tell, most companies, including Loterie Romande, require the senior management team to be in the office at least three days a week.

How might different work-styles and life-styles affect the shopping behaviour and play-styles of lottery players?

JL Moner-Banet: Now that is the important question, isn't it. We have been talking about our own personal networks but, of course, these changes are happening in most industry sectors all across the world, certainly everywhere in western Europe and North America. We need to think about how the consumers organize their lives around completely different work and recreation schedules and how that will affect the way they play lottery. One thing is clear: the digital connection to the player will be more important than ever. Building and maintaining a world-class platform that supports a multi-faceted, feature-rich online relationship that includes dynamic 2-way communication is now mission-critical. More and more gaming and recreational options and digital strategies are competing for the attention of the consumer. Lottery will likely continue to have the advantage with our land-based network of retailers. But the battleground of the future will be on digital channels, and we simply must establish the same commanding presence online that we have always had at retail. ■