

North Carolina Education Lottery

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# STRATEGIC PLAN

2015 - 2020



# About the North Carolina Education Lottery

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## OUR MISSION STATEMENT

*To operate the lottery with the highest degree of integrity and security to maximize net revenues raised for the education programs identified by the legislature.*

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## OUR CORE VALUES

- Integrity
  - Respect
  - Honesty
  - Trust
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## OUR VISION STATEMENT

To be recognized as the industry leader in funding education initiatives, by enriching lives through entertainment and innovation, while practicing sound governance.



# Our State Lottery Today



The N.C. Education Lottery's new strategic plan will guide its growth over the next five years and is designed to ensure continued success in raising money for the good cause it serves – education in North Carolina. The timing of the new strategic plan is significant because the lottery will mark its 10<sup>th</sup> anniversary on March 30, 2016 and begin a second decade serving the state of North Carolina.

During its first nine years, the lottery has grown into a \$2 billion a year sales organization with tickets now purchased at more than 6,900 locations all across the state. The lottery began with a small set of instant games, the jackpot game of Powerball, and three North Carolina draw games. This year, the portfolio of games will include 48 instant games, two multi-state jackpot games of Powerball and Mega Millions, a regional draw game – Lucky for Life, and four North Carolina draw games.

The money raised for education is making a difference in every county, helping to keep teachers teaching, helping counties build and repair schools, helping North Carolinians cover the costs of college, and helping four-year-olds get a stronger start in school.

Other highlights include:

- Recording highest annual sales ever in fiscal year 2015, \$1.98 billion
- Setting a new record in fiscal year 2015 for money raised for education, \$521 million
- Receiving clean reviews in independent financial audits for eight years in a row
- Becoming a leader in the U.S. lottery industry in the area of responsible play.

It's clear that North Carolinians enjoy playing the lottery, winning prizes and raising money for a good cause. Sales now average \$5.4 million a day. Players win on average \$3.4 million a day. The lottery raises for education about \$1.4 million a day. Sales and earnings have each increased every year of operations. Successful implementation of a new strategic plan will ensure that track record continues.



# Our State Lottery Tomorrow



This Strategic Plan provides the N.C. Education Lottery with a road map that sets and prioritizes the goals that will guide its growth and ensure it achieves its mission for the next five years. The objective of this document is not for it to sit on the shelf, gather dust or be referred to on a yearly basis. On the contrary, we have undergone a process of discovery so that the strategic goals in this plan will be measured, and then made actionable through specific initiatives and tactics.

The NCEL's plan combines the annual budget planning process with the strategic plan, so that the tactics developed for achieving the goals work in conjunction with the resources dedicated to the strategies in the budget plan for the next fiscal year. Therefore, the measurements established for each tactic will be implemented on a fiscal year calendar as well. Beginning with the planning of year two of the five-year plan, the NCEL Executive Director, Deputy Executive Directors and Directors will work with a strategic plan facilitator to receive external guidance and direction as we transition out of year one and look forward to year two. It is our goal to follow this same process for the following years as well.

This plan was developed with broad involvement from the NCEL Executive Director, Deputy Executive Directors and Directors over the course of a two-year period. Staff took the time to conduct an in-depth SWOT analysis, multiple brainstorming sessions and follow-up meetings with departmental staff. Open communication was integral to the development of this plan and every idea was vetted in an open forum. This thorough assessment helped the NCEL evaluate both the challenges and opportunities it is likely to face over the next five years and set the context for the choices outlined in this strategic plan.

It is our intention to transition this Strategic Plan from a formal report into a living and working document that will guide the NCEL staff as it moves forward over the next five years. We have worked diligently to create a shared vision for the future of the NCEL and break it down into actionable focus areas, allowing us the ability to measure our success on a yearly basis both internally, and through the eyes of our players, stakeholders and beneficiaries.

The sole purpose of the North Carolina Education Lottery is to raise as much revenue as possible for the State of North Carolina, and through this strategic plan and the hard work of our dedicated and talented employees, we can achieve that mission



# Goal



## **Increase net revenues, year over year, raised for the education programs identified by the legislature.**

A key measure for any successful business is the ability to consistently grow profits, year after year, not just topline sales. This benchmark demonstrates that the lottery is achieving its mission to maximize sales and earnings for the good cause it serves. The lottery has achieved this goal every year for its first nine years of operations. By continuing this record, it will show it is one of the most successful lotteries in the United States.

### **STRATEGIES**

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1. Balance game portfolio to maximize return to the state
2. Expand and develop sales channels
3. Increase game profitability





# Goal



## Expand NCEL Player and Retailer Base

For the lottery to continue its success, it must build a broader and more diverse set of players and retail partners. For players, a broader and more diverse base means that as sales expand they come from more people playing a little rather than a few people playing more. For retailers, it means lottery games are sold at new and emerging retail locations so that they are available and accessible to more people. Achieving this goal will ensure the lottery grows in a healthy and organic way.

### STRATEGIES

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1. Identify and incorporate new technology and applications
2. Increase value/relevance provided to retailers
3. Enable player convenience
4. Develop games and promotions that will appeal to a diverse market
5. Increase player engagement



# Goal



## **Grow and or Improve through cost-effective and efficient technologies and operations.**

The success of our games and our ability to provide lottery players with the features and functions they desire depends on having robust and well-running technology. The successful launch and deployment of a new gaming system will be the foundation of the lottery's growth over the next five years. The efficient use of new technology for daily operations also will ensure the lottery continues to keep expenses low while providing better business processes to manage the lottery's growth.

### **STRATEGIES**

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1. Optimize new gaming system to take full advantage of latest technology and support plan for future growth, enhance player experience and support services
2. Enhance the financial Accounting System to reflect the needs of a sales and marketing organization
3. Continue to perform due diligence in the management of administrative operations
4. Identify current technology offerings and services that will streamline the business process
5. Enhance service to managers by streamlining and automating Human Resource's processes



# Goal



## **Become Top 12 U.S. lottery in per capita sales and per capita return to the State of North Carolina.**

At the end of fiscal year 2014, the lottery ranked 17th in per capita sales and 17th in per capita return. Moving to 12<sup>th</sup> in both rankings within the next five years is ambitious. But this goal will help the lottery keep its focus and resources aimed at growing our business value to our state and will provide a benchmark for how we compare to our peers within the industry.

### **STRATEGIES**

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1. Identify and utilize the most effective mediums for advertising
2. Build the NC Education Lottery as a brand
3. Increase the variety of the game portfolio





# Goal



## **Enrich company culture and employee engagement.**

The lottery can only be as good as the people who work here. It competes for talented employees with the top private companies in the Triangle and the state. To sustain and grow a \$2 billion a year business, the lottery must attract and retain top talent for each of its business operations. To do this, it must position itself as a desired employer within the state.

### **STRATEGIES**

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1. Develop Corporate Social Responsibility Program
2. Continue to focus on staff development and education
3. Strengthen internal communications
4. Increase value of employment
5. Attract and retain top talent



# Goal



## **Provide value to the citizens of North Carolina.**

The reason North Carolina has a lottery is to raise money for a good cause while providing fun, fair and honest games to its citizens. The ultimate measure of the lottery's success rests with its ability to demonstrate to the citizens of our state that North Carolina is better because of the lottery.

### **STRATEGIES**

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1. Maintain focus on Responsible Gaming
2. Continue to build public confidence and trust
3. Educate the public about the beneficiaries of the North Carolina Education Lottery





# Leadership of the Lottery

The N.C. Education Lottery's Strategic Plan for the years 2015 through 2020 was developed by its leaders, and it will be those same leaders who will lead the effort to meet its goals into the future.

## Executive Director

Alice Garland

## Deputy Executive Directors

Terri Avery

*Sales*

Tony Chung

*MIS/Gaming Systems*

Quan Kirk

*General Counsel*

Bill Jourdain

*Finance, Administration & Security*

Frank Suarez

*Brand Management & Communications*

## Directors

Stacy Askew

*Administration*

Reginald Barnes

*Sales West*

Marbet Cuthbert

*Human Resources*

Van Denton

*Communications*

Jaime King Fuquay

*Government Affairs*

Michelle Lassiter

*Finance*

Walter Ingram

*Sales Development*

Hugh McKnight

*Security*

Joseph Norman

*Gaming Systems*

Daniel Rose

*Sales East*

Randy Spielman

*Product Development*

Susan Singley

*Advertising*

Mike Suggs

*Internal Audit*

George Walker

*MIS*

Tami Wiggs

*Marketing*



