



STRATEGIC PLAN

FY2027 - FY2032

Vision for Our Future



Our first 20 years delivered consistent and impressive growth for our lottery with our contribution to support education in North Carolina growing to more than a billion dollars annually.

The next 20 years will bring new opportunities, new technologies, and a new competitive landscape. As we take on those possibilities and challenges ahead, our commitment to education has never been stronger and our mission has never been more important. North Carolina continues to grow and the education needs in our state grow with it. Our new strategic plan focuses on key initiatives that will drive us forward, ensure sustainability, and grow education dollars for decades to come.

The economic and competitive landscape has changed dramatically in recent years. The pandemic drove seismic changes in consumer behavior. Traditional retail traffic declined in every industry as consumers moved more of their purchases online. Casinos opened in surrounding states drawing North Carolinians with new opportunities to play games just an hour or two from home.

Sports betting companies now operate legally in our state, creating direct competition for gaming dollars.

The Commission regulates sports wagering in our state, drawing heavily on the same strengths at the core of the lottery business – transparency, integrity and responsible play.

While we have many foundational goals that align across both the lottery business and the regulated gaming business, for the purposes of clarity and focus, we present these plans separately.

A handwritten signature in black ink, appearing to read 'Mark Michalko', written in a cursive style.

– **Mark Michalko**

Chief Executive Officer, N.C. Education Lottery

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STRATEGIC PLAN

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NCEL Strategic Plan Overview



PLAYERS

Transform how we connect with players by creating a unified, intentional journey that strengthens trust, deepens engagement, and builds enduring loyalty across every interaction.



INNOVATION

Balance innovation, technology, and responsible governance to deliver exceptional products and experiences that will maximize our return to education.



PEOPLE

Cultivate enduring partnerships, invest in our people, and build organizational capabilities that support sustainable growth and long-term success.

NCEL Strategic Plan Overview



PLAYERS

- Marketing - Player Journey Project
- Player Insights - Leveraging Data and Insights to Improve the Player Journey
- Advertising and Communications - Evolving the Player Journey



INNOVATION

- Product
- Sales and Business Development
- Technology/Business Intelligence/Data Governance



PEOPLE

- Corporate Social Responsibility
- Career Connect
- Stakeholder Engagement



Marketing: *Player Journey Project*

Our goal is to evaluate our current journey, listen to distinct feedback from our players and leverage the opportunities we uncover to enhance the player experience and interactions with our lottery.

The project has five phases as described to the right:

Phase	Focus
Discovery & Alignment	Establish baseline understanding and internal alignment
Research, Design & Execution	Deepen insight through qualitative and quantitative methods
Current-State Mapping	Visualize current experiences and friction points
Strategic Design & Recommendations	Define future opportunities and align on strategic direction
Implementation Roadmap & Handoff	Equip NCEL with a clear path forward

Teams: *Brand Management & Communications, Finance & Administration, Product Development, Sales*



Advertising: *Evolving our Player Journey*

1

Develop and create a new messaging experience to focus on sales growth and clarity of message for our players.

2

Pilot and evaluate new media opportunities for efficacy in engaging new and existing players.

3

Leverage industry trends along with cultivated research to refine messaging strategies and media placement.

Team: *Brand Management & Communications*



PLAYERS

Player Insights: *Leveraging Data and Insights to Improve the Player Journey*

1

Develop a road map to improve the player journey, reducing friction points and strengthening engagement.

2

Leverage business intelligence to inform the journey and provide key insights into player preferences.

3

Commission and review independent market research to better inform our player journey, product offerings and player communications.

Team: *Brand Management & Communications*



Products

Draw

Evaluate the expansion of popular sub game categories within the draw game portfolio.

Develop and launch “digital-first” draw games designed with the digital experience and player in mind.

Scratch

Continue to expand the value proposition of scratch-off games and evolve the role

of price points throughout the portfolio. Leverage new distribution channels to optimize merchandising strategies in self-service environments.

Digital Instant

Leverage player behavior data to create more personalized

game discovery and way-finding within the portfolio.

Expand products in the portfolio that offer simple game mechanics and popular scratch-off themes to increase adoption of digital instant games responsibly and to create more seamless cross- promotional opportunities.

Team: *Product Development*



Sales & Business Development

1

Cultivate strategic partnerships that extend our influence, unlock new opportunities, and drive sustainable revenue growth.

2

Broaden our market presence through diversified distribution channels and strategic partnerships.

3

Strengthen and evolve key partnerships to drive long term growth and shared successes.

Teams: *Business Development, Government Affairs, Sales*



Technology and Data Modernization

1

Develop a future-ready foundation that enables performance optimization and strategic expansion.

2

Evolve from data reporting to business intelligence by transforming information into actionable insights that drive strategic decisions, operational excellence, and sustainable growth.

3

Create a unified and governed data ecosystem that empowers decision-making, operational excellence and long-term innovation.

Teams: *All*



Corporate Social Responsibility

1

Promote responsible gaming, community investment, ethical operations and sustainable business practices that strengthen trust and create long-term value for players and stakeholders in North Carolina.

2

Continuously advance responsible gaming practices through data-driven insights, innovation, and stakeholder collaboration to enhance player safeguards, support well-being and maintain public trust.

Teams: *All*



Career Connect

1

Designed for employees who are interested in professional growth and future advancement opportunities within the Lottery & Regulated Gaming.

2

Career Connect provides employees with an opportunity to:

- *Explore potential career paths within the organization*
- *Better understand the skills and experience needed for future roles*
- *Discuss career interests and development goals*
- *Identify learning and development opportunities that support long-term career growth*

Team: *Human Resources*



Stakeholder Engagement

1

Create initiatives that build culture, wellness and foster collaboration throughout the organization.

2

Develop an integrated communications and media partnership ecosystem that elevates the lottery's brand, reinforces public trust, expands audience reach, and drives player engagement and revenue growth.

3

Leverage community partnerships that increase community impact and reinforces the lottery's role as a trusted contributor to the communities it serves.

Teams: *Brand Management & Communications*



MEASUREMENT

Revenue to Education *(in Millions)*



Revenue to Education Results



Stretch Goal through FY2032

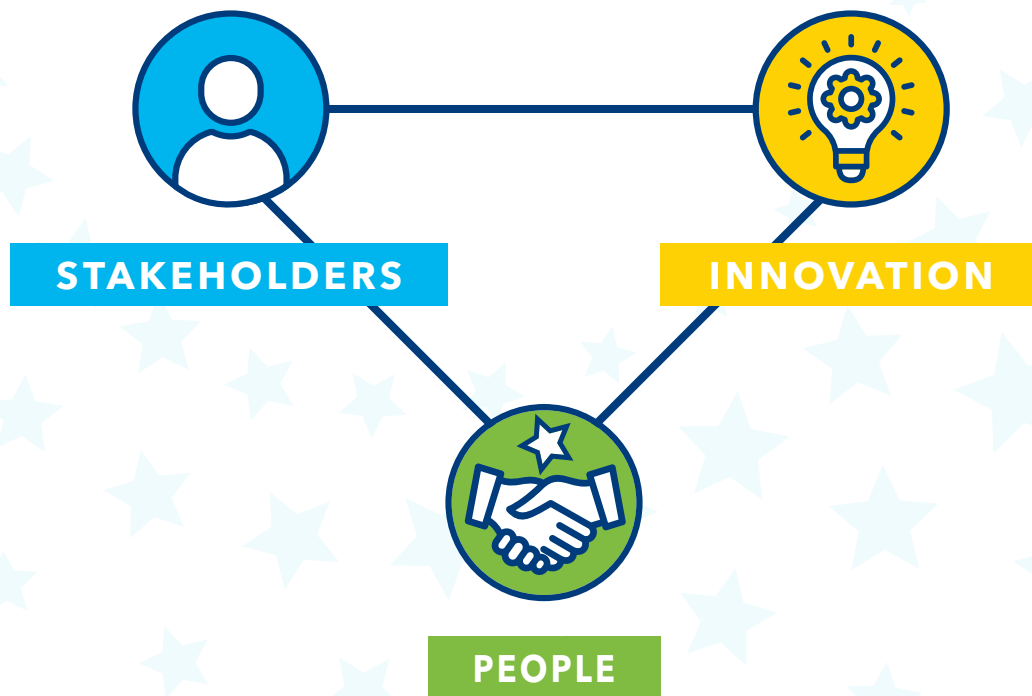


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Introduction

In under three years, the Regulated Gaming Division has moved from concept to full operations – establishing governance, deploying initial systems, and recruiting a capable regulatory workforce. That foundation is now in place. The priorities below reflect what comes next: building institutional sophistication to keep pace with a rapidly evolving industry, reinforcing the confidence of the public, legislators and partner state agencies, and establishing the North Carolina State Lottery Commission as a model of modern, expert regulation.





Stakeholders

Communications & External Relations

- Launch a comprehensive regulatory communications strategy with tailored messaging for key audiences, e.g.: bettors, the public, licensees, media, legislators, government agencies, law enforcement, sports governing bodies, and researchers.
- Implement an external relations strategy that builds productive relationships with relevant federal and state bodies and sports leagues in order to coordinate regulatory activity and protect sporting integrity more effectively.

Licensee Engagement & Enforcement

- Launch a structured licensee engagement program that fosters open communication opportunities and collaboration; publish formal regulatory guidance documents and policy statements to set clear expectations.
- Evaluate and expand law enforcement collaboration (federal, state, local) to address criminal activity within North Carolina and illegal offshore operators that undermine the our regulatory authority and harm the public.
- Complete operational and policy work to fully activate the Commission's disciplinary hearing platform.



Innovation

Systems & Infrastructure

- Deploy a centralized Licensing and Regulatory Platform that consolidates compliance, regulatory, and staff workflows and data into a single, secure environment.
- In collaboration with other divisions implement an agency-wide data governance program defining ownership, quality standards, and access protocols. Leverage learnings from implementation of the Platform to set new standards.
- Make targeted investments in expert data tools and resources.

Performance & Insight

- Establish a core set of licensee performance indicators tracking regulatory compliance, industry trends, and emerging risk signals.
- Utilize metrics to drive accountability provide insights to leadership, and support Commission oversight.
- Collaborate with responsible gaming experts and agency partners to develop and implement a responsible gaming data framework and strategy, including metrics and reporting, review rubrics for operators' annual RG plan submissions, and actions to guide licensees' continuous improvement.



People

Talent & Leadership

- Establish a formal onboarding regulatory curriculum for new Commissioners and an ongoing education series for Regulated Gaming Committee members covering industry developments, emerging risks, peer agency practices, and notable operational matters.
- Implement an annual professional development plan for Division staff, with a focus on industry-specific matters and regulatory training.
- Expand partnerships with industry associations and peer regulatory agencies to enable knowledge sharing, staff exchange, and joint training opportunities.

Process & Operational Infrastructure

- Undertake a systemic initiative to document policies, procedures, and workflows across the Division; create related instructions, templates, and exemplars to drive consistency and efficiency.
 - Design flexible operational frameworks that drive efficiency today while enabling rapid scaling as new regulatory responsibilities emerge.
 - Use data and performance metrics to assess staff efficiency and drive ongoing operational improvement.
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NC Education



Lottery[®]

