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Iowa Lottery Authority Strategic Plan

Fiscal Years 2022-2024

Mission

The Iowa Lottery is a public authority that operates the state's lottery in an entrepreneurial and business-like manner, accountable to a public Board of Directors, the Governor, the General Assembly, and the People of the State.

Vision

The Iowa Lottery continually strives to deliver value to the State of Iowa by providing responsible entertainment to the public, maximizing revenues, and maintaining the highest standards of integrity, security, and accountability.

Guiding Principles

In developing its Strategic Plan, the Iowa Lottery is guided by a number of principles that flow from its mission and vision. Those guiding principles include the following:

1. Maintaining integrity, fairness and transparency in operations and product offerings.
2. Maintaining the "Iowa" nature of the Iowa Lottery in the organization's product offerings, marketing, and communications.
3. Consistently offering an innovative and entertaining portfolio of products to Iowans.
4. Be thoughtful stewards of Lottery revenues by increasing operational efficiencies through consistent monitoring and control of business processes.
5. Responsibly increasing sales.
6. Delivering robust proceeds annually to the State of Iowa through adherence to all the above.

Assessment

The Fiscal Year 2022 to 2024 period and beyond will be one focused on growth and innovation at the Iowa Lottery Authority. Fiscal Year 2021 witnessed historic lottery sales (\$452.6M) and proceeds (\$101.7M) for the State of Iowa.

Maintaining these growth trends will be challenging given the significantly increased competition in Iowa for the entertainment dollar, a consumer population that is transacting more of its business via cashless online or mobile platforms, and major lottery licensees accelerating "contactless" path to purchase options in the retail environment. Additional external concerns include rising input costs related to supply-chain disruptions and domestic inflationary economic pressures.

The Lottery is working to position itself for a period of future growth through numerous technological innovations, including a new statewide central gaming system launched in September 2021. The new gaming system is the centerpiece of the Lottery's plans for bringing new technologies or products to market. This includes new distribution channels for current lottery retailers as well as the development of product lines that will present the Lottery an opportunity to broaden its network of retail licensees. Such innovations are key to future revenue growth within the parameters of the Lottery's existing statutory authority.

Goal: Maintain Comprehensive Standard for Lottery Integrity and Security

Timeline

Ongoing through Fiscal Year 2024

Background

Integrity is the Iowa Lottery's greatest asset in its mission to serve the people of Iowa. Integrity is at the core of the Lottery's operations and the security of all its product offerings. This goal is the cornerstone of the Lottery's mission to responsibly maximize revenue by offering an entertainment product to the people of Iowa in a fair and secure manner.

Measureables

- *Percentage of licensed retailers that undergo security compliance checks
- *Percentage of investigations conducted and/or completed by security personnel
- *Compliance with security protocols for lottery game productions and drawings
- *Lottery resources utilized or deployed to raise awareness of problem gambling
- *Earn 'clean audit' of annual financial statements from external State of Iowa auditors
- *Timely filing of operational reports to Iowa General Assembly Oversight Committees

Strategies and Action Plan

- I. Maintain Open and Transparent Oversight of Lottery Operations
 - a. Respond in expeditious and timely manner to inquiries from policymakers, members of the media, and the public.
 - b. Adopt and implement business controls to insure integrity, timeliness, transparency, and accuracy of financial information.
- II. Proactive, rather than reactive, engagement by Lottery Security Department with licensed Iowa Lottery retailers
 - a. Conduct unannounced and undercover security checks by Lottery investigators.
 - b. Develop and deploy public and retailer education materials regarding lottery products and policies.
 - c. Collaborate with other state agencies to more efficiently share common retailer compliance data.
 - d. Identify and support training and education opportunities for Security personnel with state and local law enforcement organizations.
 - e. Conduct and assist with criminal investigations involving lottery operations or products professionally and thoroughly.
- III. Emphasize and Support Responsible Gaming Messaging
 - a. Collaborate with Iowa Department of Public Health to raise awareness regarding problem gambling and resources that are available to the public.
 - b. Engage in process to receive certification from the National Council on Problem Gambling Verification Program (RGV). In partnership with the North American Association of State and Provincial Lotteries, RGV is an independent review of lottery efforts to plan, implement and sustain their responsible gaming programs in accordance with NCPG standards.
- IV. Ensure security of Iowa Lottery Product Offerings and Vendor Partners
 - a. Presence of Security personnel at vendor ticket manufacturing facilities
 - b. Presence of Security personnel at Iowa Lottery promotional drawings
 - c. Scheduling and oversight of independent auditing firm to observe promotional drawings
 - d. Oversight and evaluation of security methods and protocols utilized by vendors administering multi-jurisdiction lotto games

Goal: Annually Exceed the Iowa Lottery's Base Goal for Proceeds Delivered to Iowa

Timeline

Ongoing through Fiscal Year 2024

Background

The Iowa Lottery is directed by Iowa Code to maximize revenues along with the other priorities mandated in Code Chapter 99G. Consistent with the Lottery's mission to operate in an entrepreneurial and business-like manner, this goal focuses on offering and promoting an innovative and entertaining portfolio of products to Iowans and being thoughtful stewards of Lottery revenues by increasing operational efficiencies through consistent monitoring and control of business operations.

Measureables

- *Annual sales and gross revenue
- *Annual proceeds delivered to statutory beneficiaries
- *Adherence to annual operating budget
- *Number of licensed Iowa Lottery retailers

Strategies and Action Plan

- I. Identify opportunities to diversify lottery sales under existing statutory authority, including product types, distribution channels, and sales locations.
 - a. Conduct due diligence by Senior Lottery personnel
 - b. Learn best practices from other state lotteries that have launched new product types or distribution methods
 - c. Develop schedule to introduce new product types following the launch of the new lottery central gaming system in September 2021
- II. Identify current and emerging consumer and demographic trends as an information resource for state policymakers
 - a. Conduct consumer product and market analysis
 - b. Utilize lottery industry relationships to understand and accurately report how other state lotteries have approached the development and deployment of mobile lottery games to their product portfolios
 - c. Prepare economic impact and revenue generation models associated with potential new lottery product categories
- III. Actively engage retailers to understand their future challenges and best position the Iowa Lottery as a partner for the future.
 - a. Consistent Lottery presence with key Iowa-based retail trade associations
 - b. Create and maintain a continuous feedback loop between Iowa Lottery retailers and Iowa Lottery management
 - c. Develop economic models demonstrating impact of lottery category products on Iowa retailer revenue
- IV. Deliver great customer service and sales support by Iowa Lottery personnel
 - a. Work with industry partners to offer entertaining games with exciting prizes and experiences
 - b. Iowa Lottery personnel respond same-day to player inquiries
 - c. Continue to identify and develop solutions for using technology to empower players and enhance player convenience
- V. Identify and engage partners who can help advertise, promote and/or market Iowa Lottery products as efficiently and responsibly as possible.
- VI. Leverage technology to lower operational costs through improved efficiency and productivity.

Goal: Maintain a Productive, Positive Workforce with Best-in-Class Operations

Timeline

Ongoing through Fiscal Year 2024

Background

To continually deliver on its promise to responsibly raise revenue for important state causes, it is imperative that the Iowa Lottery maintain a productive and positive workforce focused on best-in-class operations. This is consistent with not only what is expected by Iowa citizens but with the Lottery's stated goals of maintaining the highest standards of integrity, security and accountability.

Measureables

- *Meet key state employee training benchmarks
- *Utilize state-offered professional training opportunities
- *Conduct timely performance reviews with actionable constructive feedback
- *Adhere to State of Iowa and Iowa Lottery Authority policies and procedures

Strategies and Action Plan

- I. Strive for continuous improvement of performance in all areas of the Lottery's business
 - a. Utilize annual employee performance reviews as management tool
 - b. Communicate to all personnel regarding key Lottery initiatives and milestones
 - c. Utilize annual in-person Iowa Lottery team meeting to set organizational expectations
 - d. Encourage senior Lottery management to adopt "open door" policies to ensure open communication and feedback loops
 - e. Leverage emerging technologies for virtual meetings and trainings
- II. Identify and Prepare for the Lottery's human capital needs
 - a. Develop and execute a transition plan for potential retirements and staff turnover
 - b. Identify and prepare for new product or lottery industry developments that will require new and/or different employee skill set(s)
- III. Maintain and Promote the Iowa Lottery as a Safe, Welcoming and Productive Workplace
 - a. Ensure timely completion of all employee state training videos
 - b. Identify and offer educational or training procedures for staff beyond mandated state training processes, as necessary
 - c. Maintain commitment to the physical and mental well-being of personnel by adopting and fully participating in the State's "Healthiest Iowa" initiative
 - d. Support existing wellness committee comprised of Lottery employees to encourage healthy activities and socializing among staff
 - e. Consistent review and updating of organizational Continuity of Operations plans
- IV. Provide continued training and staff redundancy for all aspects of Iowa Lottery operations