



Camelot | GLOBAL

## Lottery Oversight Committee Update

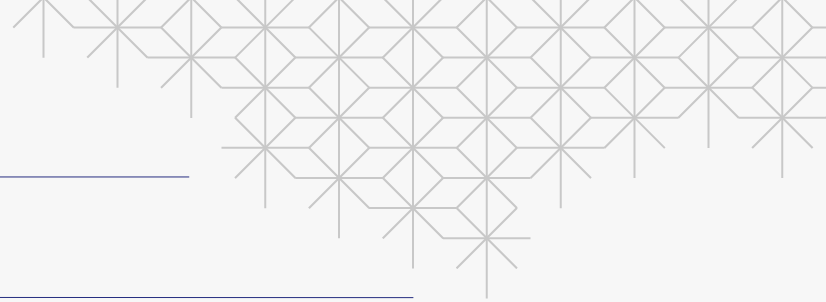
June 16<sup>th</sup> 2016

## Today's Objectives

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### Objectives for today's meeting:

- i. To give you an update on the progress made to date
- ii. To take you through the key priorities from the Business Plan recommendations
- iii. To summarize the progress made against each strategic pillar



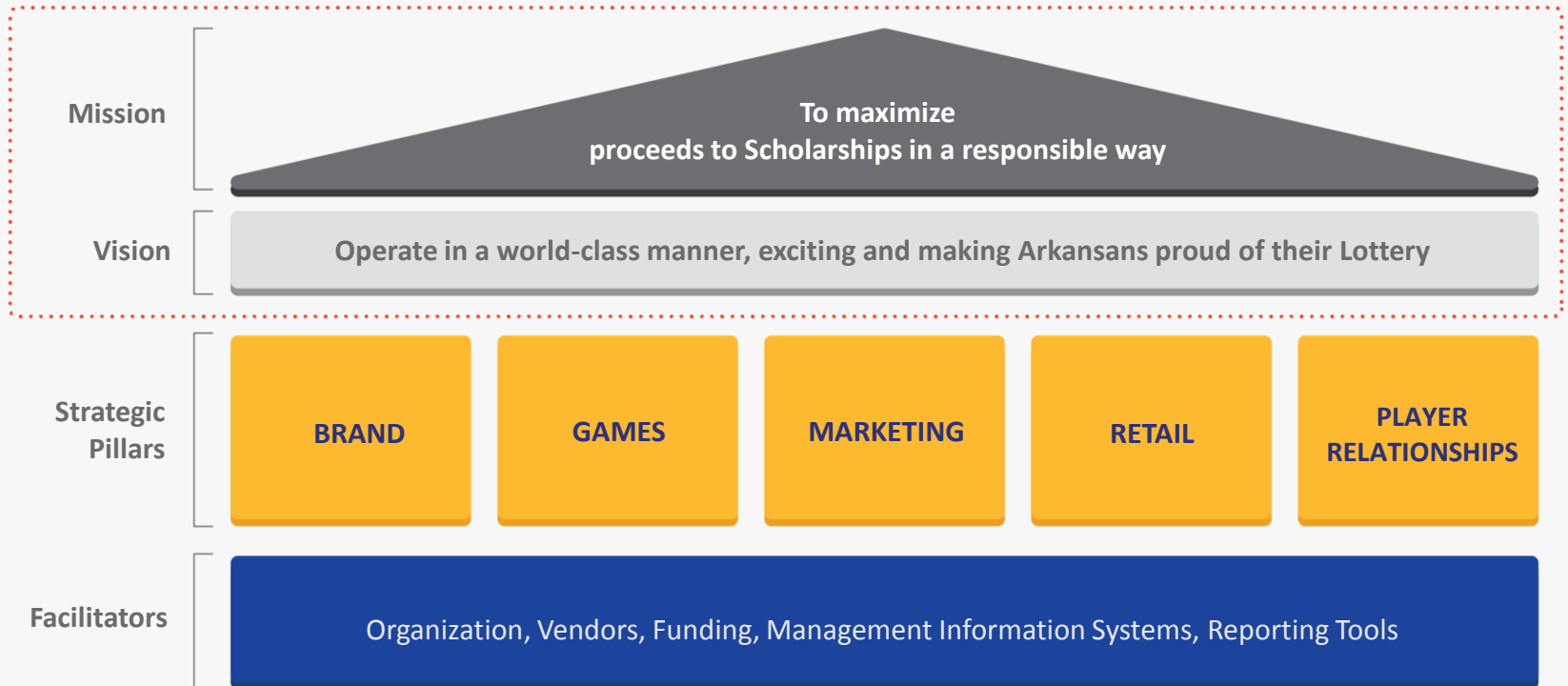
## Executive Summary

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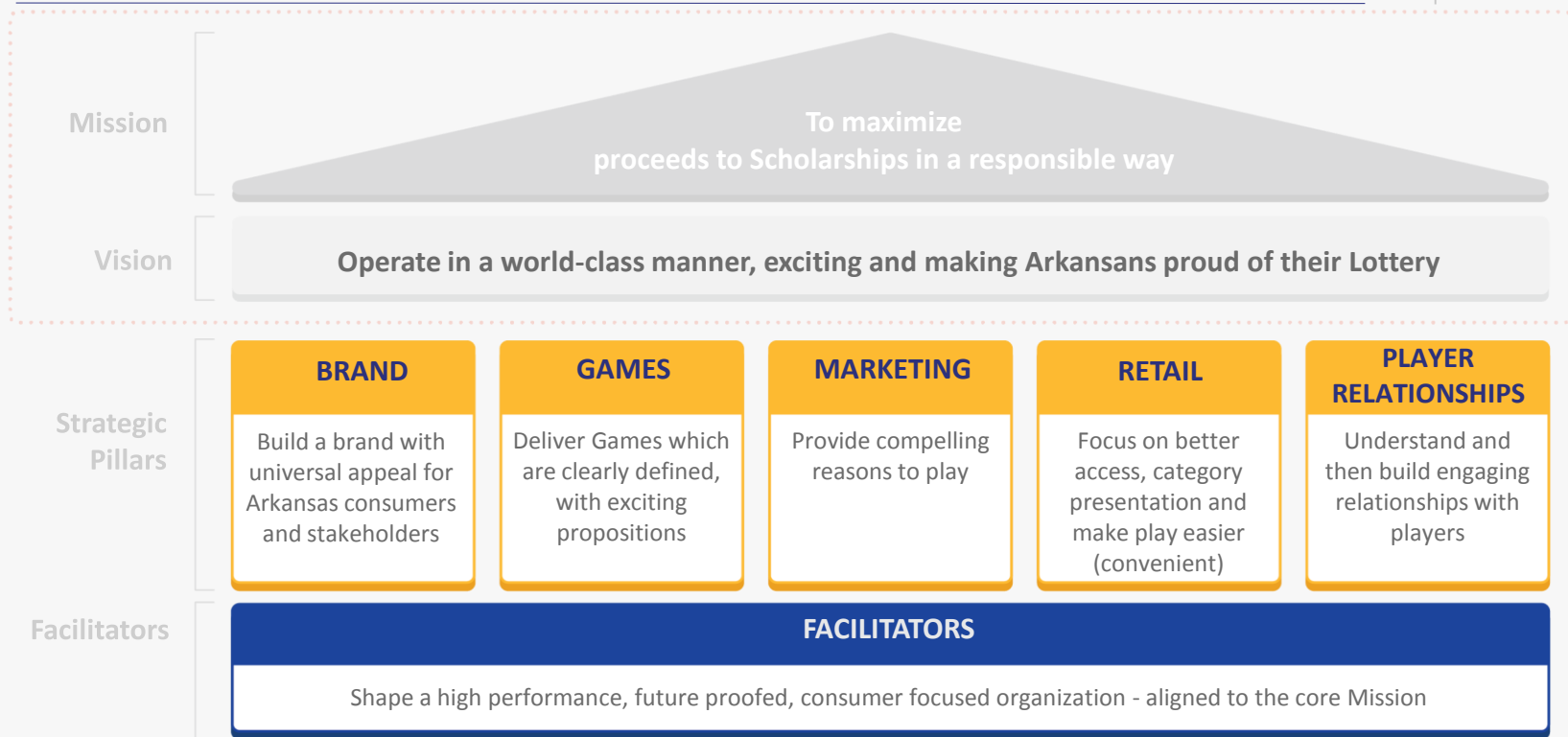
- 5 Year Business Plan was approved in March 2016
- FY17 Resource Plan was approved in April 2016
  - \$650,000 base compensation = 1,200 resource days (actual market value \$930,000)
  - Maximum \$100,000 travel & expenses based on State policy
  - \$555,000 for Research reduced from \$995,000 recommended within the Business Plan
- Camelot have agreed to return to the State of Arkansas over \$760,000 of incentive compensation due from FY16
- Progress made against all the key strategic pillars in Q4:
  - Brand & Marketing: New jackpot alerts, beneficiary messaging and improved media plan
  - Games: Improvements made to tickets design, prize maximization program and new game development
  - Retail: Retailer recruitment program now live, new retailer excellence measurements are being developed



## Mission & Vision



## Key Strategies



# Key Initiatives and recommendations

PRIORITY	KEY INITIATIVES	FY16 Q4	FY17			
			Q1	Q2	Q3	Q4
	<b>5.1 BRAND</b>					
	1. Parent Brand Re-Appraisal					
	2. Win Belief					
	3. Beneficiary Program (enhanced)					
	<b>5.2 GAMES - INSTANTS</b>					
1	1. Prize Maximization Program					
	2. Establish Range and Cat Principles, Extend Core Game Strat					
	3. Pre-Launch Program - Asst. Prod. Mgr & in-depth product design review					
	4. Review Dispenser Allocation & Pack Sizes					
	5. Tailor Product Ranges					
	<b>5.2 GAMES - DRAW GAMES</b>					
3	1. Brand Architecture					
	2. Establish New Product Development Process (NPD)					
12	3. Renovate NSJ (Output of establishing NPD Process)					
	4. New In State Bigger Lotto Format Game					
	<b>5.3 MARKETING</b>					
4 & 5	1. Optimize Marketing Planning and Effectiveness Process - IMAP					
6	2. Econometric Modelling					
7 & 8	3. Develop regular play and repertoire play strategy					
	<b>5.4 RETAIL</b>					
2	1. Optimize Retail Distribution					
10	2. Perfect In Store Execution (PIE) - Drive improved standards					
9	3. Maximize TVM sales					
11	4. Key Accounts role					
	5. Value of Lottery (VOL)					
	6. Segment Estate					

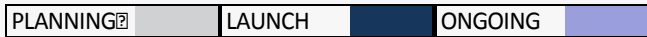


# Brand

**The key brand activities are planned (as below). Three programs of activity for beneficiary campaign, winners campaign and stakeholder management – and a brand refresh in FY18**

### Q4 '16 Update:

- Camelot SME in-State w/c May 9<sup>th</sup> 2016
- New benefit lead messaging for MegaMillions jackpot alerts
- Change of message and tone in Good Causes campaign
- Additional expertise and resource recruited from July 2016



PRIORITY	KEY INITIATIVES	FY16	FY17			
		Q4	Q1	Q2	Q3	Q4
	<b>5.1 BRAND</b>					
	1. Parent Brand Re-Appraisal	PLANNING	PLANNING	LAUNCH	ONGOING	
	2. Win Belief	LAUNCH	ONGOING	ONGOING	ONGOING	
	3. Beneficiary Program (enhanced)	PLANNING	LAUNCH	ONGOING	ONGOING	



# Games - Instants

The Instants plan focuses on Game Design, Range Management and Retail Execution

### Q4 '16 Update:

- Camelot SME in-State w/c May 9<sup>th</sup> 2016
- Good progress made on prize maximization program
- Game design principles workshop well executed with key stakeholders

PLANNING?	LAUNCH	ONGOING
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PRIORITY	KEY INITIATIVES	FY16	FY17			
		Q4	Q1	Q2	Q3	Q4
	<b>5.2 GAMES - INSTANTS</b>					
1	1. Prize Maximization Program	LAUNCH	ONGOING	ONGOING	ONGOING	ONGOING
	2. Establish Range and Cat Principles, Extend Core Game Strat	PLANNING?	LAUNCH	ONGOING	ONGOING	ONGOING
	3. Pre-Launch Program - In-depth product design review	PLANNING?	PLANNING?	LAUNCH		ONGOING
	4. Review Dispenser Allocation & Pack Sizes	PLANNING?	LAUNCH			
	5. Tailor Product Ranges				PLANNING?	LAUNCH





## Games - Draw

**The focus for Draw Games is to establish a NPD pipeline, starting with re-launching existing games then extending traditional game offers ahead of new innovation**

### Q4 '16 Update:

- Positive discussions on potential changes to NSJ as part of NPD process
- Brand architecture workshop run with key internal and external stakeholders

PLANNING?	LAUNCH	ONGOING
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PRIORITY	KEY INITIATIVES	FY16	FY17			
		Q4	Q1	Q2	Q3	Q4
	<b>5.2 GAMES - DRAW GAMES</b>					
3	1. Brand Architecture					
	2. Establish New Product Development Process (NPD)					
12	3. Renovate NSJ (Output of establishing NPD Process)					
	4. New In State Bigger Lotto Format Game					



# Marketing

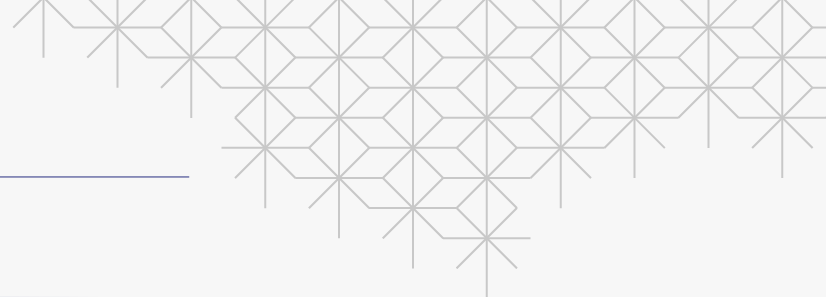
**Upfront marketing activities focused on marketing strategy, planning and execution are proposed. Once in place, the plan is to continuously improve marketing activities and media investments through building an econometric model**

## Q4 '16 Update:

- Econometric Modelling principles agreed – agency to be sourced
- On-going work on optimizing planning and effectiveness



PRIORITY	KEY INITIATIVES	FY16	FY17			
		Q4	Q1	Q2	Q3	Q4
5.3 MARKETING						
4 & 5	1. Optimize Marketing Planning and Effectiveness Process - IMAP	Dark Blue	Light Blue	Light Blue	Light Blue	Light Blue
6	2. Econometric Modelling	Grey	Dark Blue	Light Blue	Light Blue	Light Blue
7 & 8	3. Develop regular play and repertoire play strategy	Grey	Dark Blue	Light Blue	Light Blue	Light Blue



# Retail

**Positive change to the Retail plan to focus on increasing distribution through an immediate retailer recruitment drive throughout Q4, followed by a further and larger terminal roll-out program using a geo-mapping exercise**

## Q4 '16 Update:

- 50 new retailers already in the pipeline as part of the new lottery retailer plan
- New measurements in place to measure availability and distribution of core Instants range



PRIORITY	KEY INITIATIVES	FY16	FY17			
		Q4	Q1	Q2	Q3	Q4
	<b>5.4 RETAIL</b>					
2	1. Optimize Retail Distribution	LAUNCH	PLANNING	LAUNCH	ONGOING	ONGOING
10	2. Perfect In Store Execution (PIE) -Drive improved standards	LAUNCH	ONGOING	ONGOING	ONGOING	ONGOING
9	3. Maximize TVM sales	ONGOING	LAUNCH	ONGOING	ONGOING	ONGOING
11	4. Key Accounts role	ONGOING	LAUNCH	ONGOING	ONGOING	ONGOING
	5. Value of Lottery (VOL)	PLANNING	LAUNCH	ONGOING	ONGOING	ONGOING
	6. Segment Estate	LAUNCH	ONGOING	ONGOING	ONGOING	ONGOING

## Summary

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- 5 Year Business Plan and FY17 resource plan has been approved by the OAL
- Over \$760,000 is being returned to State from Camelot's FY16 incentive compensation
- Camelot are over-investing resources in Arkansas in FY17 by over \$250,000
- There have been Quick Wins made in Q4 FY16, in line with the Business plan
- Completing the research requirements for all the key strategies is critical to delivering against the plan