

It Isn't a New "Thing" to Implement...

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We began this series of articles in the January issue in response to Bloc Lotto sales trends and the discussions regarding how to reverse the negative sales trends and/or replace the lost revenue. Each article, instead of offering up game changes or different research or new marketing or sales strategies, sought to look beyond the symptoms

to the cause. While there are a number of tactics that will deliver short-term relief, they will fail to deliver the sustained revenue

growth and portfolio stability that the industry is looking for. That can be achieved only through recognizing and responding to what is really happening. That is, everything about the business is changing and existing systems, strategies, tactics and structures are simply not built to handle it.

We can't scroll through our email alerts, read industry publications, or attend conferences without running into proclamations around words like data-driven, customer-first, digital transformation, agile, innovation as a strategy, customer experience, mobile first, omni-channel and more. While different words and phrases are being used, they are all referring to the same thing. That is how we think about, reach and connect with our market is dramatically and swiftly changing. That success tomorrow looks different than it did yesterday and to get there is more than new software, new tactics or any one new thing. We

**Data-driven! Customer-centric! Customer-first! Big data!
Digital transformation! Customer experience! Omni-channel
Mobile! Social! Agile! Innovation!**



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need to start fresh, think different and be open to re-imagining how the organization and the industry works.



Everything Is Changing

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We can all see it in our personal as well as our professional lives. The factors that influence supply and demand are all in the state of significant and ongoing change.

- People are in control and are changing what they want, how they consume and engage and what they expect from the companies with whom they do business (or work for or partner with.)
- The rapid advancement of technology is changing how we live our lives and at the same time overwhelming us with choice, options and piles of possibilities for all that we could be or should be doing.
- The exponential growth of data is nearly equaled by the growth of expectations, by all stakeholders, to securely and responsibly put that data to work to generate value for all.
- Anytime/anywhere access means new expectations for how we communicate, engage, shop, learn, work, conduct business and more.
- The blurring of lines between channels, products and markets and the democratization of just about everything means lotteries have a new and ever changing competitive framework to consider, an ever increasing demand for innovation and ongoing pressure on the lottery value proposition.
- Finally, we are discovering and uncovering all new under-

standings into how, why and when people are motivated and decide to do what they do and the impact of this is far more than adding new research, new games or new tactics.

A World of Change In A World Where Change Efforts Haven't Changed Much

We have no choice but to reimagine how we do what we do and that means substantial change across the organization. Substantial change in an environment where change efforts have thus far not been able to change much. According to McKinsey and Company in their report Changing Change Management, 70% of change programs fail to achieve their goals.

To be successful this time, what has to be different?

We know what it isn't. It isn't new marketing automation software or an installation of a business intelligence software or the deployment of customer relationship management software. It also isn't a new market research initiative based on new understandings of what motivates people and it isn't a big (or little) data initiative. It may be all of these and more, but it can't be any one of them.

Individual and disconnected initiatives can't accomplish the change we are looking for and bolting on or adding to existing strategies and tactics simply will not work. Everything about the way we do business is changing, therefore we have to be willing to change the way we do business.



A Change Effort That Is Different

We know what it isn't and we know what it must be.

A new way of doing

With executive sponsorship and senior leadership buy-in across the organization, this isn't an effort to deploy. It is instead a phased, managed, coordinated and prioritized effort to create new ways of doing. An effort that recognizes and addresses all components, factors and needs across the organization.

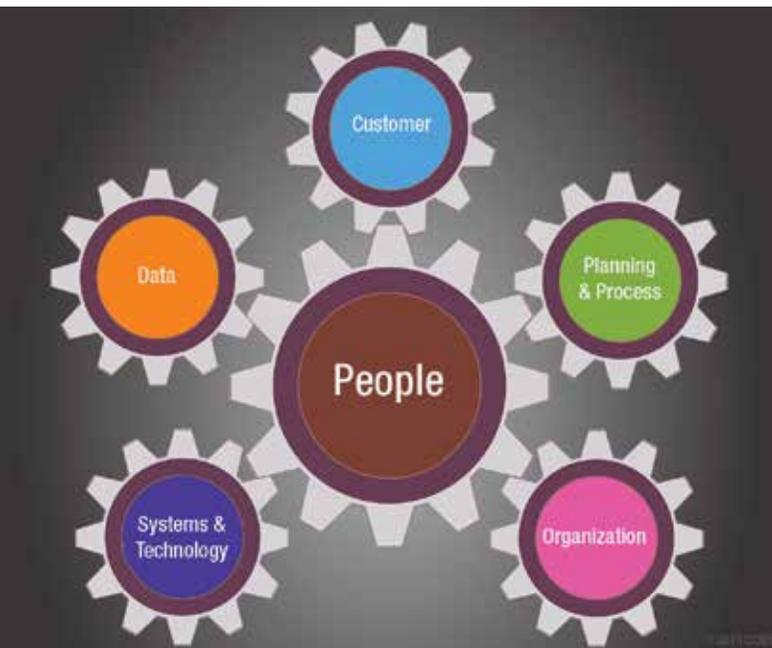
Inclusive and comprehensive, but consumable.

It is an ongoing effort with concurrent and separate but coordinated work organized around six practice areas:

- People
- Customer

- Data
- Organization
- Planning & Process
- Systems & Technology

People must be capable of all new things and encouraged to think, act and collaborate in new ways. Building around and being inspired by the customer is a multi-faceted challenge with implications across the organization. Being data-driven and getting the most out of data is far more than more reports, more people or more software. The silos, structures, roles/responsibilities and compensation strategies of today's organizations are not built to support, foster and reward the needs of tomorrow. Planning and processes must be reshaped to reflect building around the customer, leveraging data, cross organization collaboration and the right balance between rigor and agility necessary for rapid decision-making and ongoing innovation. Finally, the systems and technology that enabled yesterday's success cannot sustain tomorrow's growth. Tight alignment across practice areas is key, but to ensure measured progress, each practice area must have its own goals, plans, metrics and timelines.



People as the foundation.

Of the six practice areas, the foundation for all is People. Building new competencies, deploying new technologies and creating new ways to work can't happen unless the people are engaged and have the skills, capabilities and resources to collaborate, learn, think and innovate in all new ways (and are measured and rewarded to do so). People are being asked to move

from an environment that was built around silos and achieved growth by distribution, repetition and scaling what is already being done to an environment that is collaborative and requires risk-taking, rapid decision-making, agile development and consuming and reacting to new data sets and new technology, seemingly every day. People who largely either avoid or actively work against change are now being asked to change everything. New initiatives will either fail or at a minimum fail to achieve their potential if people across the organization aren't prepared.

Focused and prioritized.

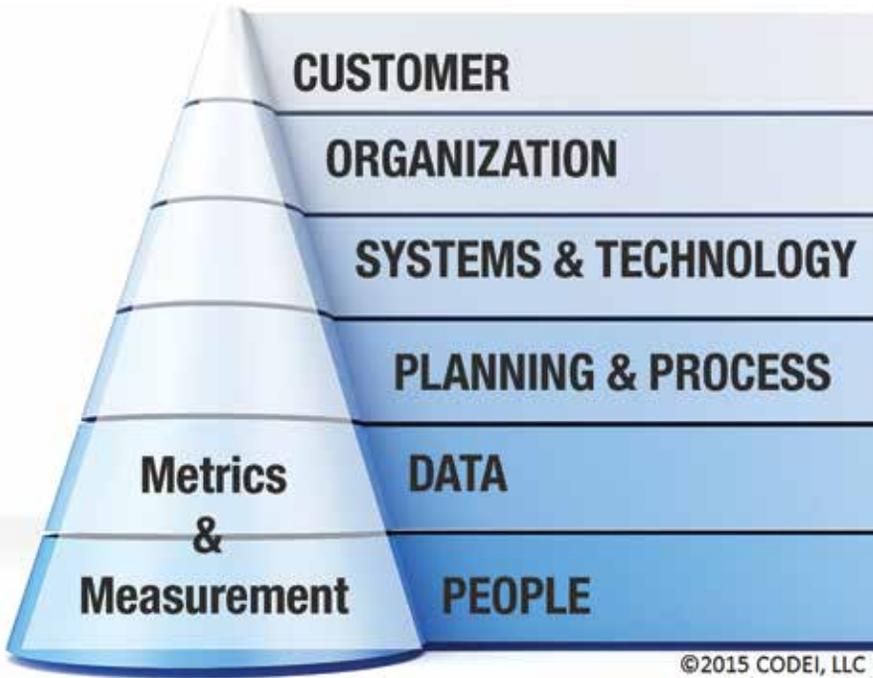
While the effort features work in each of the practice areas from the beginning, it is important that it build in its effect and is focused and prioritized. Therefore to concentrate work in a way that keeps the change aligned with capabilities, ordering the effort is key. Recognizing the importance of people to all practice areas, the effort starts with preparing them for the rest of the change coming their way and ensuring they are ready, involved, motivated and have the skills to actively participate. Once efforts around people are fully in-motion, focus turns towards data and insights, then to planning and process, then systems and technology, then to organization and finally to the customer.

Long term vision, short term metrics

While changing the way we work will take time, organizations and the people who work within them need a way to track and measure its progress along the way. For this reason, each practice area is broken into the measurable components that all must be moving forward to keep the entire effort on track. For example, for People we know that Engagement, Critical Thinking & Creativity, Collaboration & Communication and Data/Customer/Technology Skill Building are all components to envisioning and deploying an organization built for the future. And for Data measuring and tracking around Strategy, Access, Engagement, Integration, Governance & Management, Common Language & Single Version of the Truth, Dashboards and Reports and Iteration help the organization move all components of being data-driven forward. Plans for each practice area start with baselines and then track and share progress along the way.

Time and resources to envision new ways to do

There is easy access to an overwhelming amount of technology options (and more getting launched every day), employee education content and new approaches to sales, marketing and more. There are also more than enough qualified resources seeking to assist in helping to deploy them. But individually these cannot on their own effect the change necessary and risk merely getting added on top of what's already being done today. Fully engaged in just delivering the business of today, it's impossible for most to reimagine new work flows, create new relationships



a matter of bringing them all together and committing to the work to make it happen. While new resources and technologies will be necessary, it doesn't have to break the bank and with the right objectives, leadership, coordination, plans, resources and measurement, it can happen. And really, does anyone have a choice?

Getting Started

We know that doing it the way it's always been done can no longer even get us what we've always gotten. Some in the industry are already experiencing troubling sales declines while others are continuing to achieve sales growth but only through an increasingly smaller base of players. Most, if not all, are seeing the declining effect of traditional tactics and struggling to explore and fully leverage new technologies. All, even those who

and specify new education content based on how the work should be done (versus how it is done today). While it is the people within the organization that enable the change, ensuring that they have the vision, executive sponsorship, coordination across the organization as well as across vendors, resources, plans and support is key.

Gunky, clunky and fundamental

All must be willing to recognize and do the gunky, clunky and fundamental work of change. The work that many fail to do as they race towards the new. There isn't any way around it and there aren't any shortcuts. There is heavy lifting that at times may feel tedious, time consuming and without reward. That is, the building of relationships across departments, of skills and of trust. As well as the creation of a common languages around data, the work necessary to create shared goals, the willingness to have difficult conversations and the time investment for discovery and information gathering to find the hidden barriers and biases. While not necessarily hard, it is unheralded and takes time. It is here, especially in the early stages, that change efforts begin to take effect and it is also here where change efforts can get derailed.

Not Easy, But Also Not That Hard

No it isn't as easy or quick as many would like it to be. As much as all of us would like to believe otherwise, there isn't a quick easy solution and there isn't a secret shortcut. Changing the way we do business will require new thinking, a lot of work, time and patience. But it also isn't as hard or elusive as many might believe and the pieces and parts are all available. It's

actively seek to avoid change, can now see, feel and hear that something has to be different. Yes the solution is complex and yes it has a lot of components. Effecting change across all facets of how we do business can't be done with quick fixes, buzzwords or magic software solutions. Far more than any one new thing to implement; lotteries, their partners, their suppliers and the states they serve must be willing to create the new ways to plan, do, engage, measure and value. ■

