



Casey McKenzie

A TIME FOR ACTION

Last September in this magazine I wrote an article titled “A Time of Great Opportunity.” I led the article with this: “As 2013 draws to a close the lottery industry faces what I believe is a time of great opportunity in the convenience retail channel in North America. With tweaks to both Powerball and Mega Millions already in place and the advent of online lottery and other online games planned in some states, the lottery industry has the convenience channel’s attention.”

Having attended and presented at the PGRI Lottery Expo in Miami and since then talking to many lottery retailers and vendors, I do believe progress is being made. But in the words of Toby Keith’s hit song, it’s time for a “little less talk and a lot more action.”

For those unfamiliar with me, I am a former convenience chain retailer and have served as a category management consultant and trainer for the past 17 years so I think I can safely speak on behalf of my retail colleagues when I say we are people of action. Retail is a minute-by-minute race 24/7 and in the case of most c-stores 365 days/year.

Few things are more annoying to action-oriented people than multiple meetings/conferences where the same issues are discussed but never resolved or that don’t even produce action items to be accomplished. Moving from my perspective as a member of the Florida retailer advisory board in its early years to now an observer and advisor in this category I sometimes feel I’m in a time-warp, i.e. the more things change, the more they stay the same.

And please hear me: I no longer bemoan the commission percent associated with lottery sales. I have seen enough research and conducted my own analysis to prove to me the total value of loyal lottery players to our business. It’s often described as “fast nickels” versus “slow dimes” from other categories. And from a true activity based costing perspective it may well be “true profit” versus “true loss” compared to other products due to the rela-

tively small size of tickets and their sales velocity. So I believe in the category and its ability to drive traffic and enhance total store sales especially in key categories such as cigarettes, other tobacco products and beer.

But my message to the industry as you prepare to convene at this year’s PGRI Lottery Expo is this: Commit now to leave Miami with at least three action items that you plan to accomplish within six months to better support and partner with your retailers.

And believe me, I do understand and have come to appreciate, the unique challenges inherent in the lottery commission world. But even with that, even given the fact that “the lottery” is a monopoly in each jurisdiction, and given all the challenges presented by the unique mission and governance of your business, I urge you to work with your retailer partners in that way—as business partners.

Learn their pain points (discussed in last year’s article) and discuss ways you can help alleviate them. Provide them the support and training they need to be better partners for you. Take a broader perspective and strive to understand their total business model and how your product can positively enhance total store performance.

As I told the attendees last year, learn to speak “retailerese.” Don’t take the approach so many of us do when in a foreign country and just TALK LOUDER in a miss-guided attempt to be understood. Retailers will thank you for it and you’ll benefit from the open lines of communication.

I wish you a great conference this year and truly hope you leave there with action items designed to improve the business model for all concerned. To close, I’ll paraphrase Mr. Keith:

A little less talk, if you please. A lot more “partnering” is what I need.

Let’s get on down to the main attraction with a little less talk and a lot more action. ♦

Casey McKenzie, Senior Principal Consultant with Impact 21 Group, LLC, with over 20 years’ experience working at a leading c-store chain and another seventeen spent in consulting, has experienced almost all facets of the c-store channel of trade, including finance, operations, category management, re-engineering and strategic planning.

Impact 21 Group is a leading global consulting company in the petroleum/convenience, retail and refining industries. With over 200 years of combined retail and refining experience, our experienced team of consultants brings aggressive real world leadership to business and technology initiatives.