



From the Publisher

By Paul Jason, Publisher
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Government-operated gaming operators have always straddled a fence. They perform in a highly competitive, market-driven environment. They are tasked with generating profits, or at least channeling profits, from the games-of-chance economy for the benefit of public service, i.e. *Good Causes*. The commercial companies in the private sector are tasked with generating profits for their shareholders. Commercial companies typically have a board of directors which represent the interests of the company's shareholders. Their job is to hold the management of the company accountable for achieving agreed upon objectives that hopefully include complying with the law, setting high standards for corporate social responsibility and consumer protection, and definitely include maximizing profits for the shareholders. Of course, there is nothing wrong with that. It's called capitalism and has been the most powerful driver of productivity and wealth by virtue of its unique faculty for turning economic chaos into equilibrium. The beauty of capitalism is how it causes an almost infinite variety of factors to dynamically coalesce into a system that allocates resources, factors of production, and consumer goods and services in the most efficient way. It's quite a miracle, really.

Government-operated lotteries must compete within that hyper-efficient system in spite of the fact that they are subjected to a whole different set of rules to abide by. There is no streamlined hierarchy that magically channels external forces (like competitive pressures) into a rapid response game-plan. Instead of a board of 10 or 12 directors who set the agendas and parameters for management to follow to achieve clear and measurable objectives, Government-Lotteries are held accountable to literally everyone. After all, the government theoretically represents the interests of all the people. So everyone – the body politic, the general public, the media, the customers/players, the channel partner/retailers, etc. – is in the position of weighing in on every single thing the Government-Lottery does. This is not the ideal business model for clarifying concrete objectives and the parameters for achieving those objectives. But, as Meyer Lansky/Hyman Roth said to Michael Corleone, this is the business we chose. Or, to paraphrase, this is the environment we operate in and it is our mission to optimize performance in spite of whatever lack of clarity we may be subjected to. And we couldn't be more proud

of our mission to achieve results that exceed the expectations of our stakeholders and, in particular, the *Good Causes* that Lottery funding supports.

There is a point to this philosophical ramble. The interviews in this issue have a common thread that, to my mind, reflects a sea-change within the Government-Lottery sector. It continues to be a reality that regulatory decisions are the most critical driver for the entire games-of-chance industry and that includes Government-Lottery. For that reason, we must continue to aggressively defend the interests of our stakeholders in the political/regulatory arenas. But there is a fresh resolve to compete and win in the market-place regardless of regulatory confusion, constraints, or even inequities.

Government-Lottery has always straddled this fence, always operated as both a market-driven enterprise and a public service. But, in recent years especially, the fight against regulatory actions (or inactions) that have the potential to destroy the entire model of Government-Lottery (protected markets that deliver high margins for the benefit of *Good Causes*) became somewhat top-of-mind. Quite logically of course. That is why they are still top-of-mind, and will continue to be so. But, as reflected in these interviews, the leaders of this industry are training their sites on the fact that we can and will succeed in spite of regulatory challenges. The focus on elevating our performance as dynamic consumer and market-driven businesses is being embraced with renewed vigor and enthusiasm. The spirit of capitalistic competition, the drive to exceed consumer expectations and lead the industry with innovation and operational excellence, is taking center-stage right alongside our mission to always be raising the bar in the areas of consumer protection, security, and integrity.

Please join us for **PGRI SMART-Tech on April 7 & 8 in New York City**. See www.PublicGaming.org for conference info, updates, and registration and room reservations links. Try to come a day early and attend the **first-ever i-Lottery Seminar hosted by the World Lottery Association**, to be held on Wednesday April 6. Both events are being held in the Park Ballroom at the fabulous **Park Lane Hotel on Central Park South, NYC**. Receptions on all three night (April 6, 7, and 8) provide lots of time to visit with friends and colleagues from Europe as well as Canada and the U.S. Hope to see you there! ■