



## FROM SKEPTIC TO CHAMPION: SPIELO INTERNATIONAL AND GTECH'S ADOPTION OF OPEN STANDARDS

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There is no questioning the value from the operators' perspective of open systems and inter-operability, as it enables maximum flexibility in the design and operation of the gaming site by having the choice to incorporate machines and software from several manufacturers. But when your company is a lottery-focused supplier accustomed to operating in a proprietary environment, open standards can initially appear to be threatening. Why would we want to move toward open standards if they reduce barriers to entry and make it easier for our competitors, while our current technology is already offering our customers the functionality they need?

### From Skeptic ...

Initially, it took some convincing for us to embrace the principles of open standards. Yet today, SPIELO International is a Platinum Member of the Gaming Standards Association (GSA). We are involved at multiple levels of the association. We're a

voting member of the GSA's Board of Directors. We have active technical representation on the G2S, S2S, and Transport technical committees and continue to lead initiatives to further evolve the standards.

There were three key drivers that helped evolve our thinking.

### Customer Expectations

While large-scale adoption of networked gaming in the commercial casino industry is still being discussed, the public gaming sector has truly embraced this concept faster and more wholeheartedly than any other, simply because of need. Centralized control is essential for operating efficiency in programs where small retail sites are typically distributed across a large geographic area.

At the end of the day, we attribute our success to effectively listening to our customers and meeting their needs, so we had to consider adopting G2S to support our customers. And while our central system has long been able to communicate with other manufacturers' machines through our and others' proprietary protocols, the extent of that communication was limited ... which leads to the next driver.

### Technological Evolution

The modern central system is no longer just an accounting back office. Technology has evolved so that today's central system can offer a vast suite of specialized functionalities to enhance the profitability of a gaming program. For example, our system can help drive revenue opportunities by enabling an onscreen player user interface and innovative game play such as progressives, multiplayer event games, and side games; enhance operational performance with advanced business analytics that provide actionable intelligence on key site metrics; optimizing game availability by providing early warning signs before machine failures through the use of predictive diagnostics; increase player communications through responsible gaming and player loyalty and rewards programs; and much more.

In the past, an operator would have to ensure that each machine provider adapted their software to communicate with the central system's proprietary protocol, which interfered with the operators' choices and slowed deployment time. Operators wanted the power and flexibility to choose "Best of Breed" offerings without being hamstrung by proprietary protocols. Today, thanks to the G2S open standard, this interoperability is a fact in multi-supplier environments.

### GSA's Operator Advisor Committee

This committee advocated for open standards in a pragmatic and logical way, and it succeeded in convincing us that G2S could be mutually beneficial to our customers and to our business. In the end, we decided to move ahead with G2S because we believe in the power of choice, and because we heard the GSA and our customers loud and clear. Operators can now choose their product and game mix based on what is best for them and their players – and they can make changes to their floor, gather critical performance information, and offer players even more features on the gaming machine, all through the use of a next generation system.

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best possible solutions for obtaining mutual goals. One thing to recognize is that the challenge to create productive lines of communication is not exclusive to an outsourced arrangement. Communication problems exist within the same organization as well, and the methods to overcome them are the same.

A key to an effective collaboration is to regularly re-evaluate and make changes to the communications strategy between the organizations. Several years ago, for instance, we found that we had some instances where the Lottery's marketing and advertising message was supporting certain products and the vendor's sales force incentives were directed at different products. The two organizations were not communicating as effectively as we should and therefore there were gaps in our efforts. We recognized that this was clearly not the optimal strategy, and brought the groups together to create additional communications linkages to bridge these gaps.

**ROBERT TIRLONI:** In order to make sure the entire sales force is aligned with our initiatives, the last communication tool I want to share with you today is our Sales Execution Guide. I consider this to be one of the most critical communication pieces that are utilized in Texas because it drills down a level deeper from the product plan. This guide shows the sales force what POS pieces should be displayed, the length of time they should be posted, our product focus on our in-store display screens, and our instant and draw game focus. This ensures that the sales team is in direct alignment with the product plan and executing effectively and accurately in the retail environment.

These tools – our regularly scheduled meetings and the development of these plans and the execution guides require a great deal of face-time and communication in order for us to be organized, aligned and in sync' with the same marketing messages appearing across 17,000 retailer locations statewide.

**G. Grief:** *In closing, I hope this session has inspired some ideas. To my mind, the issue is not whether or not to outsource, for the simple reason that outsourcing is already a part of every business model. It's more about how to optimize performance and outcomes. And how that can best be accomplished by enabling everyone to focus on doing what they do best, by leveraging the strengths of organizations as well individuals. Our experience with outsourcing the sales force, with building an effective partnership that allows everyone to focus on their own core competencies, is all about communication and alignment of goals both within the organization and between multiple organizations. Every lottery jurisdiction has a unique set of constraints that it must work within. But every lottery also has the ability to avail itself of a wide variety of approaches and management options. I would submit that we should explore with an open mind the different ways we can evolve our organizational structure to optimize performance and funding to Good Causes. ♦*



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#### ... To Champion

SPIELO International is now the world's largest implementer of the G2S protocol. We worked with the GSA to develop the first manufacturer-submitted G2S extensions developed specifically for the distributed VLT market in June 2009. We are the first supplier to come full-circle with G2S, from protocol development, to real-world implementation, to certification: our INTELLIGEN Central System is the first-ever product to receive G2S certification from the GSA. This certification was provided by GLI's independent testing labs.

What does this certification mean for our customers? It means that when our central system is deployed in their market, interoperability testing between our system and all suppliers' G2S-enabled machines is going to be timely and as smooth as possible. It means that INTELLIGEN has been proven to communicate in a multi-vendor environment using G2S as it was envisioned.

We have worked to ensure open standards protocols are enabling Game to System communication right now in Sweden, Canada, and Italy, on tens of thousands of gaming machines – and G2S has played a key role in making that happen. By the end of

2013, we will have deployed our next generation INTELLIGEN central systems in 20 separate installations, connecting more than 80,000 machines. Of those deployments, 76% will use G2S. There is no question that operators want and need this technology.

The major machine suppliers are also onboard. In support of our customers' needs, so far SPIELO International has interfaced our INTELLIGEN system to interoperate with four major gaming manufacturers in addition to our machines. Of course, this is just the beginning. We expect to continue working closely with the GSA to leverage the existing classes and extensions as new functionality is required by players and operators, and as technology evolves, while also developing new classes. For instance, we foresee a day when we'll be able to connect all retail systems together for consolidated reporting and optimization of processes.

In the meantime, we will ensure that together as an industry we are promoting protocols that offer the flexibility and interoperability to make gaming programs entertaining, innovative, and player-focused, no matter whose logo is on that gaming machine. ♦