

James Berkeley's Profitable Growth Notes:

Ten Techniques To Dramatically Accelerate Strategy Implementation in Lotteries and Gaming Organisations

Why do so many Lottery and Gaming business strategies rarely result in hitting the “jackpot” and reveal so much about top management’s shortcomings? If the objective is to profitably grow, then we should first identify “what” we want the business to become and “how” to arrive as rapidly and pain-free at our destination. That is not done on flip charts in an executive boardroom rather it is done by recognising the skills and volition that are required from managers in the real world.

1. Strategies are not formulated in some off-site event. Neither is it something that lives exclusively in the hands of top management and shareholders in a folder marked “Private and Confidential”. Create and have all your employees actively employed in strategic implementation. Rename existing work groups and create new groups at all levels with leaders tasked to implement strategic change in their daily work.
2. Are your key people, particularly those mid-level managers vital to the implementation process, clearly able to state what the strategy is? Are they able to separate strategy (the “what” needs being done) and tactics (“how” we best accomplish it) or do they confuse the two? Have they received any formal training in strategy implementation?
3. Are there clearly defined accountabilities at all levels within the business to implement your current strategy and your future strategy? Are they regularly monitored and people receive help when their actions are working contrary to the direction you need to travel?
4. Do your leaders revel in formulating and announcing a strategy, yet abdicate their responsibility in implementing the strategy? Every top-performing gaming or lottery firm has leaders daily acting as an “exemplar” (constantly adapting their *own* behaviour) and “avatar” (during meetings, walking the floor etc) consistent with the desired strategic changes.
5. With appropriate attribution to author Alan Weiss, and his work *Best-Laid Plans*, what would those people responsible for strategy in your firm agree is the “driving force”, the dominant strategic area within your business? (Product/services offered, the customer/player groups, markets served, technology, method of sale, method of distribution, size/growth, return/profit) Where are the differences of opinion amongst your people? What driving force makes sense for the future?

6. Do you have a *process* of implementing strategy that is consistent and is something all people within the organisation can readily see how it aligns with their daily work? Is it visible to everyone and regularly discussed? After all, if you are asking people to change their beliefs that govern their behaviour (for example, embrace external alliances with private managers of lotteries in distribution, innovation, operations with third party lottery operators) in order to successfully implement your strategy, the least they can reasonably expect from top management is that you have carefully thought about the “journey”, the ambiguity, and you demonstrably have preventative and contingent actions in place to “safely” arrive at the desired future state.
7. Have you given thought not just to the new skills that are needed to implement the strategy but the cultural obstacles that must be overcome? What do you think are the three most powerful beliefs that pervade in your employees’ daily work? (“Respect our Procurement policy, at all costs.” “Find a common sense approach to achieve our business goals.”) Are these consistent or do they need to be adapted to the future demands of your strategy? Do you know where to start? For many State and Provincial run lotteries this is the single biggest hurdle to successful strategy implementation.
8. Can you readily determine where your products, services and customer relationships are positioned in the marketplace today? Where they need to be positioned in future to meet or exceed your customers’ needs? What level of investment and support is required consistent with your strategy? Can you articulate that in a small number of bullet points everyone can understand and remember?
9. How can the firm and management readily sense the impact of strategy implementation on our key constituents’ demands (customers, shareholders, employees, politician and wider communities)? How do we maintain an appropriate perspective so that opposition doesn’t delay or derail and support is quickly exploited? Create a template that looks at the ability to implement key steps (high to low) and the fit (high to low) with the strategy. Ask those mid-level managers and other key people typically tasked with making it happen, to plot before they start where each change sits, and give thought to the most appropriate alternative.
10. The industry is highly dependent on building effective strategic alliances (internal, politicians, regulators, investors, third party operators, vendors, suppliers and so on) to exploit profitable growth. Some of those alliances are durational (lobbyists in regulated markets), some are voluntary (responsible gaming partnerships) and some are paramount (both parties couldn’t live without each other i.e. technology and operating platforms). There is a six step sequence: an ability to build trust, establish common objectives, articulate respective strategies, honest and regular feedback, regular monitoring of the alliance risks and rewards, and a readiness to exploit



success. With each step, have thought through "who" (by name, title, and organisation) is accountable for what behaviours to arrive at your desired result?

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