

# IGT: Aligning Strengths to Serve Customers and Players

A recent visit to the IGT campus in Reno, Nevada, reveals how the company has integrated people, resources, and functions to fulfill its Customer First mission and keep players at the center of innovation.

## PUBLIC GAMING INTERVIEWS



### Renato Ascoli

**Chief Executive Officer, North America**, is responsible for product development, manufacturing, marketing, and delivery of IGT's gaming, digital, and lottery offerings. He served as CEO, North America Gaming and Interactive, following the merger of GTECH S.p.A. and IGT in April of 2015, until June of 2018, when the company combined its North America lottery and gaming business units.



### Wendy Montgomery

**Senior Vice President, Global Brand, Marketing, and Communications**, oversees IGT's global brand, marketing, trade shows, and external communications, including Responsible Gaming and Corporate Social Responsibility. She joined IGT in 2018 as Senior Vice President, Global Lottery Marketing, bringing 13 years of lottery-customer experience from Ontario Lottery and Gaming (OLG), where she was Senior Vice President Lottery and iGaming.



### Dallas Orchard

**Senior Vice President and Chief Product Officer, Gaming**, leads IGT's gaming product development and business strategy, with a global staff of 700-plus people across multiple game development functions in Reno, Las Vegas, Moncton, Graz, Beijing, and Belgrade. He began his career in the industry 15 years ago in marketing at the Hard Rock Hotel and Casino before moving to the gaming-machine manufacturer side of the business, first with Ainsworth, and then with Aristocrat before joining IGT in 2015.



### Marco Tasso

**Senior Vice President, Global Manufacturing and North American Operations**, is responsible for ensuring manufacturing excellence for IGT products and a high standard of industry operations. Prior to this appointment, he served as Senior Vice President, Global Lottery Marketing, in IGT's North America Lottery division. He previously served as CEO of Northstar, the private manager for the Illinois Lottery, following six years with Italy's Lottomatica Group as Vice President of Lottery and Services.

## PGRI Introduction:

*The merger between IGT and GTECH nearly five years ago brought together two strong, established gaming brands with complementary businesses, little overlap in product categories, and incredible synergies of talent, manufacturing, and production assets.*

*Since the merger, the company has worked to align and advance as one IGT, drawing on strengths and deep resources from all parts of the business to support customers in pursuing what's new and what's next in Lottery, Casino Gaming, Digital, and Sports Betting.*

*Steady progress has made the IGT of today a different company from even three or four years ago, as I experienced when I visited the company's 41-acre campus in Reno, Nevada. The facility is home to two of IGT's international game-design studios and 165,000 square feet of manufacturing floor, used for the production of lottery and gaming equipment that is shipped all over the world.*

*Touring the Reno campus was a thrilling adventure. It threw the entire business of gaming into fresh perspective to see the production line abuzz with slot machines and lottery self-service vending machines, and hear the game designers excitedly describe their creative process. You could feel the energy and passion of the people who make it all happen.*

*That is the backdrop to the conversation that follows with executives Renato Ascoli, Wendy Montgomery, Dallas Orchard, and Marco Tasso. We discussed how IGT is harnessing synergies across its people, resources, and functions in support of the company's Customer First, player-centric mission.*

**Paul Jason:** Tell us about where you are now in the journey that has transformed IGT since the merger.

**Renato Ascoli:** IGT's mission is to create products that captivate audiences in a consumer marketplace filled with recreational and entertainment options. Our teams all aspire to make a positive impact on the industry and to benefit our customers in particular. This mission gives us an opportunity to break down departmental silos and bring people together. I think of lottery and gaming as two different peaks belonging to the same mountain range, coming together at the base where so much of the underlying fundamental dynamics are shared.

deliver a seamless and connected player journey across multiple game categories and multiple channels of distribution. Integration of all the player's gaming activity then enhances the effectiveness of the Program Account Manager for the benefit of the player and the operator, by enhancing the player experience and enabling the smooth introduction of new games. Through all the touchpoints that IGT enables for our operators and their players, the data points that we're able to analyze are endless. Through the use of our back-office solutions, we are able to construct analytical models which assist in the prediction of player preferences and behavior from one game content



Susan and Paul Jason are joined by IGT's Michelle Schenk, Director, Global Communications, and Cari Blomquist, Vice President Core Studio, to begin the tour of the company's 41-acre facility in Reno, Nevada.



First, there are all the back-office activities supporting the technologies and operations that make everything possible. Sharing these not only accrues economic efficiencies and cost-savings, it produces a more effective user interface for the player, enabling the operator to

vertical or type to another, and even some additional models to anticipate when a game will fall out of favor with the player base. With this information, IGT is able to provide a roadmap to our customers which will allow them to keep the product offering to their players relevant and fresh.

# CROSSOVER ACTS

SOME RECENT CATEGORY-CROSSING GAMES



Then there's the increasing crossover potential. Think of Oregon or all the Canadian provinces, which operate both Lottery and VLTs. And nearly a dozen jurisdictions where we are working with the Lotteries to migrate casino brand licenses over to lottery – not just instant tickets, but also instant win and interactive reveal. And we are continuing to build our own library of successful proprietary brands, like Cleopatra and Double Diamonds, which adds value to the game content at a lower cost to the operator.

In any area, the input flows in both directions – marketing can learn about the considerations from a design, manufacturing, and operations point of view and, in turn, they can help integrate marketing into the design, game development, manufacturing, and operations for our products. We are well into this journey today, and we feel that we still have so much more potential to build out the role we play.

**Paul Jason:** How do you break down the departmental silos of a \$5 billion enterprise?

**Marco Tasso:** Keeping in mind that large enterprises like IGT do need to be organized into areas of expertise and specialization, we recognize that the real world does not adhere to the divisions of a corporate organizational chart.

The customer just expects great products and services. We see that the goal of optimizing value to the customer is best served by breaking down artificial barriers that stifle the free flow of ideas, creative energy, and solutions up and down the hierarchy and across functional disciplines. Take IGT manufacturing. It was world-class before I arrived and continues to set the highest standards. To ensure this quality, part of my role is to integrate marketing's focus on how we connect with customers and players. That's why we are continuing to instill IGT's customer-first, player-centric perspective into all areas of the company. We recognize that this perspective needs to be part of the discussion when the CFO is looking for ways to streamline the workforce, when the manufacturing head is assessing options to increase efficiency, when operations is restructuring its field



Left to Right: Pete Post, Senior Creative Director Core Studio, Cari Blomquist, Vice President Core Studio, and Kim Rogers Game Design Manager Core Studio with IGT's popular Cleopatra Gold slot machine, one of many Cleopatra-themed slot machines from IGT's vast game portfolio.

service, and when development is adding features or redesigning the product to make it more player-friendly or entertaining. The exciting thing is that this is what customers and our own people told us they wanted. We all need to know how and why our actions are serving a higher purpose. The 2,200 people working at the Reno Campus are more engaged and motivated for being more closely looped in to that customer-first, player-centric philosophy as full members of the team with a clear mission.

**Paul Jason:** We could feel that incredible energy and passion on the studio tour. To what extent do economies of scale unlock synergies and opportunities to share technologies and solutions across multiple game categories and business units?

**Renato Ascoli:** There are tremendous synergies across manufacturing and game design. Those synergies enable us to focus our resources on innovation and substantive improvements to the player experience, as opposed to producing an ever-increasing number of SKUs.



New IGT GameTouch™ 28 vending machines for the Minnesota Lottery (above) and GameTouch™ 20 vending machines for the Florida Lottery (right) on the production line at the Reno facility.

**Marco Tasso:** Integrating product design and manufacturing across all game categories has revealed even more opportunity for cross-fertilization than we initially realized. Ticket vending machines, slot machines, and now even sports betting kiosks – with the IGT PlayShot™ sports betting platform – share a surprising degree of features, component parts, and internal game logic and CPU functionality. Not just the cabinets, but barcode readers, printers, and other components serve similar or identical functions across the different game categories. Even the math model behind the instant ticket and a slot game is very similar. Clarifying these commonalities frees us up to focus on innovation that genuinely enhances the player experience.

It's been gratifying to discover so many intellectual-property and technological synergies. IGT was better at doing some things than GTECH, and GTECH better at other things. One company would be in need of a technological solution that the other happened to have. As a result, cross-fertilization has yielded incredible benefits in the form of a better end-product and faster time-to-market.

**Dallas Orchard:** Another opportunity to transfer ideas or solutions from one game category to the other relates to new ways of driving growth. For example, the growth of new casinos has slowed, and many casinos have not upgraded their games in many years. We are figuring out ways to layer new modules and modernizing technology onto the existing foundation, upgrading it to appeal to modern consumers. The ROI for these incremental improvements is greater and more demonstrable than the ROI for replacing the whole floor with new games. Now, we are exploring how to



apply these strategies to lottery, which has a mature retail footprint. Finding new ways to increase same-store sales – in addition to expanding points-of-sale – could be another productive pathway to increase overall sales.

**Wendy Montgomery:** The lottery industry has also been anticipating content convergence for years. While it has manifested itself in instant tickets, the biggest opportunity for convergence is in taking digital content and applying it to e-Instant and iLottery games, and many jurisdictions

## Susan and Paul's Excellent Adventure:

### EXPLORING IGT'S RENO DESIGN STUDIOS



There are two design studios at IGT's Reno campus, each with a different mission: **The Game Studio** is the source of brilliant games being produced for casino operators all around the world. Cari Blomquist, IGT Vice President Core Studio, demonstrated slot games in the early prototype stage as well as the redesign stage, and challenged Susan and Paul to try their luck. The discussion with her focused on evolving player tastes and preferences, how IGT enlists player feedback to design and refine its games, and how changing tastes create opportunities for innovating game design across lottery and gaming.

**The Premium Studio** works with some of today's most in-demand licensed brands, such as Sex in the City™, Adam Levine, and the most popular slot theme of all time – Wheel of Fortune® – a brand that IGT leverages across commercial casino and lottery-run entertainment experiences. This studio also develops in-house brands like Golden Goddess, Fort Knox and others, affording more latitude with marketing and cross-channel deployment.

do not have the regulatory environment to offer this yet. We're helping to drive the convergence in international markets, with lotteries expanding product lines and deploying VLTs as new ways to engage players in lottery. We expect that trend to continue, and as it does, it becomes even more important for our company to be integrated. Since joining IGT a year ago, I've taken on a global role in bringing our lottery and gaming marketing teams together to ensure synergy across IGT communications, and, just as importantly, to better support customers with their own marketing and roll-outs as needed.

**Paul Jason: How do you integrate all these different functional areas?**

**Renato Ascoli:** We're still evolving and will always pursue continuous improvement, but we're very excited about the juncture we've reached today. The first step in our journey was to impose discipline and structure to the organization.

**Dallas Orchard:** We have implemented processes that enable more effective functioning of a newly combined multi-billion-dollar enterprise. After four years, gaming product development is now a highly efficient, streamlined process that facilitates collaboration between all our design studios on four continents. Global communication is dynamic, and collaboration is much easier because we all think of the outcomes as being owned by the player. It's the focus on the player that unlocks the potential of each individual in each of the regional studios to produce games that meet the needs of all varieties of game preferences.

All the output from the studios undergoes relentless quality assurance as it is integrated with compliance, sales, marketing, distribution, and game design. The players are the product experts that bind the relationship between sales, game design, and development, which is why we leverage extensive player focus-group testing prior to releasing our games. My main job is to facilitate the feedback loop of information that flows back and forth between all these different functional areas, the whole process being designed to support collaboration and continuous improvement.

**Wendy Montgomery:** No part of the company is excluded from this effort to connect and communicate across the different areas of specialization, so that we're all pulling in the same direction and keeping the player as the central focus.

**Paul Jason: You've all mentioned players as a primary focus. How much do fundamental player tastes and preferences vary across gaming segments globally?**

**Renato Ascoli:**

Knowing the player is the key to creating great games and also to forging innovative pathways and solutions that meet the needs of the operator, the vendor, the retailer, and the player. Being in all game categories and all regulated gaming markets around the world gives IGT a unique perspective on player behavior. Take questions such as, Why do I play? or Why do I buy a ticket? What happens if I win? How do I want to be rewarded? What factors might incline me to play again? What is the cadence or rhythm that we might try to create that would complement the player's natural impulses?

As we look across the different gaming sectors, there are certainly many commonalities to these behavioral dynamics. Crossover is also happening in the B2B marketplace, in the way that games are delivered to the consumer. For instance, IGT was awarded the opportunity to deliver sports betting in Rhode Island, and we believe that the consumer and the operator will benefit from our ability to integrate the back-office infrastructure that enables the games to be accessed by the consumer.

**Paul Jason: And how about your direct customers – government lotteries, casinos, and other operators of games-of-chance? Are there mechanisms that facilitate direct and ongoing input from them?**

**Renato Ascoli:** The voice of our customers – the lottery and casino operators – informs every aspect of our business operations. We host Customer Advisory Boards (CABs), and every two years we invite our lottery and gaming customers to participate in an extensive satisfaction survey. We also host regular lottery customer workshops in both North America and the international markets, which give us the chance to focus together with lotteries on market research, retail initiatives, and instant game innovation. Above all, we want to hear both the



positive and the negative feedback. We learn from both, and we especially appreciate guidance and constructive criticism on ways to improve or enhance the value we deliver.

At many of these events, customers see our facilities, visit with the teams who make it all happen, and get a true feeling for the energy and passion of IGT people and our workplace culture. We make ourselves accountable and transparent, and I think our customers really enjoy getting to know our teams on a more personal basis. We strive to always exceed our customers' expectations, and our guiding light is the consumer, because if the products and services we provide excite and delight players, we know we are fulfilling our mission.

**Paul Jason: In a sense, then, operators, players, and retailers are all a part of your product development team?**

**Renato Ascoli:** Yes, and the one thing we ask from them all is ruthless feedback. That's our mantra. I was appointed CEO four years ago, just in time to participate in the Gaming CAB for 2015, and frankly, with respect to our gaming customer relationships, IGT was not in a great place at that point. Management at that time was more focused on pursuing deals for replacing whole casino floors and central systems with new product. We shifted the strategic focus to be on innovation, producing great games and cabinets that appealed to a broader range of player tastes and preferences, and helping operators maximize their profits by partnering with us to pursue a player-first strategy. We communicated our vision to the CAB in 2015, and we asked them, our best customers, for guidance. Their answer was that IGT had lost its edge in the important category of video slot games. IGT had pioneered and focused on video – as opposed to standard

mechanical reels – as the future of casino gaming, had held a proprietary lead in the marketplace, and we were being told we'd lost that lead.

This was the introduction to my new role as head of IGT Gaming, and it was not the feedback I had hoped for. We immediately designed the plan to turn the business around by going back to the basics – first by enlisting guidance from customers and players, then executing a plan to restore IGT's reputation for being the market leader. We applied a principal that I call being "rationally inefficient," and that involves spending extra time and resources in the beta-test mode prior to launch. We implemented a disciplined program with uncompromising metrics, which had to be met prior to launching a new game or new cabinet. If the product didn't succeed in real-world market assessment, it was sent back to the studios to be re-worked and re-tested.

### **Paul Jason: And what are the results over the past three years?**

**Renato Ascoli:** I am pleased to say that we've made meaningful progress in many of our product segments. In core video for example, our games routinely appear on the monthly Eilers-Fantini reports in leading positions, and the same is true of our Megatower and CrystalCurve cabinets. Our Scarab game, for example, held the #1 position in the Eilers-Fantini reports for several consecutive months – something that just was not happening a few years ago.

Also, IGT has also been awarded many of the major casino central systems contracts over the past 18 months, with Encore Boston, MGM Springfield, MGM National Harbor, Ocean Resort Casino, and others. Additionally, our customers are benefiting from our systems bonusing apps and

leveraging them to differentiate their casino floors and maximize the ROI of their IGT investments. For example, Station Casinos recently ran two, enterprise-wide player promotions through our systems technology and they were so pleased with the results that they elected to mention them on the company's quarterly earnings call. Together, GTECH and IGT central systems technology create a powerful combination. And our work is never done. We are adding new features to differentiate us even further. For instance, mobile is now integrated and is becoming a big part of the land-based casino gaming player experience. We offer gaming customers mobile integration through IGT's Cardless Connect®, a revolutionary Bluetooth payment solution that allows players' smartphones to become their loyalty card. Players simply tap their phone to any gaming machine to card-in. And for lottery, our award-winning PlaySpot™ interactive, tethered wagering solution enables play on a mobile device while meeting legislative requirements in jurisdictions that prohibit online sales and play.

The important thing is that we have transformed our relationship with gaming customers. They have seen our commitment to doing it right, to taking all the right steps to produce and deliver what they asked for.

### **Paul Jason: It seems like such a challenge for an organization to create a foundation for this kind of open-minded problem solving and integration.**

**Renato Ascoli:** We want everyone to have a clear picture of what it means to be a Customer First company, because having that common perspective reduces challenges. We're committed to sharing subject-matter expertise, ideas, and efficiencies to enable both IGT and our customers

to respond more quickly to changes in the market. The more we as a company are prepared to respond to the trends and changes, the more we can support customers in meeting those same demands.



Cari Blomquist demonstrates the Hex Breaker game on the CrystalCurve cabinet. Hex Breaker is one of many games created in IGT's Core Studio that introduces innovative game mechanics to add an exciting twist and entertain players in a new way.

Importantly, this approach extends to the role we can play in increasing sustainability within and beyond the industry. Just as the radical focus on quality control proved to be the right path, so too is IGT's genuine embrace of social responsibility, diversity and inclusion, and sustainability. Among many recent advances, the Reno chapter of WIN with IGT – our Women's Inclusion Network – launched in April of this year, and the Las Vegas chapter of the group, launched in 2018, was recently named "Diverse & Inclusive Team of the Year" by Women in Gaming. Five years into our journey since the merger, we're excited about the larger role we can play in protecting the environment and optimizing our workplace culture to support all our stakeholders' success. 

## **Integrating Sustainable Practices**

In alignment with IGT's commitment to operate responsibly, the company has made a significant investment in integrating sustainable, environmentally sensitive manufacturing, operations, and facilities management practices.

For example, the facility housing IGT Reno's 165,000 square feet of manufacturing space has been certified LEED Gold (Leadership in Energy and Environmental Design) until 2025, based on its leadership in energy and environment design. The plant is ISO 14001 certified, ensuring that IGT is

limiting its environmental footprint across manufacturing and operations.

"The process of earning ISO 14001 certification for Effective Environmental Management (EMS) includes the application of methods and standards that optimize performance in every aspect of the business," says Marco Tasso. "It causes us to think creatively and with an open mind about how we might do things differently to produce better outcomes. We are more efficient, effective, and productive today for applying the principles of sustainability and EMS."

