

For the Benefit of Society: On EL's Strategic Outline 2023-2025

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PGRI INTRODUCTION: Elected president of EL (European Lotteries Association) in June 2023 at the EL Congress Croatia, Romana Girandon and the EL Executive Committee set about the task of updating its EL Strategic Outline (see pages 16). The timeless principles that EL membership holds dear are affirmed along with the outline of values, strategic goals, and action-items to guide them in their mission to serve society.

Remember when strategic plans had five and ten year timelines? Keen on ensuring ongoing relevance in a climate of rapid change on every front, the EL Strategic Outline is designed to be a living document that is amenable to revision and updates that keep us focused on the values and action-plans that support the most positive social impacts. Following is our discussion with Ms Girandon on how to think about that mission, and on how to stay true to principles while being flexible enough to navigate a world that is changing so quickly.

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Paul Jason: I'm sure that we all feel like the issues we're dealing with are more complicated and difficult than they have been in the past. But sometimes they actually are, and isn't now one of those times?

Romana Girandon: We live, to be sure, in a perplexing time. Changes in consumer behaviour and the way products and services are distributed; the way regulatory frameworks are evolving to address technological change and changes in public policy objectives ... it certainly does seem like we have more paradigm-shifting changes to contend with than ever before.

Thankfully, we also have the tools and resources to address those challenges.



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Technology is empowering us in ways we could not have imagined in the past. We need to embrace revolutionary innovations like Artificial Intelligence for their potential to positively impact the way we overcome those challenges, the way we improve operations and produce value for our stakeholders and for society.



On the other hand, we want to be vigilant to make sure these new tools and capabilities work for us and not the other way around.

Sometimes I wonder if constant attention to our phones and use of social media, e-mail and other tools that are meant to save time have actually taken on a life of their own. I still think digital media has transformed our lives for the better. And

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I think AI will do the same, probably even more so. Let's just make sure we are not overwhelmed by our own inventions.

The very first sentence of the EL Strategic Outline Overview vision statement is "United in diversity, EL will be recognized as an association of responsible and successful members making the most positive social impact."

R. Girandon: It is time for us to think carefully about how to evolve our sector to adapt to changes and stay aligned with the mission to serve society and stakeholders of lotteries. We need to identify our strengths and values as well as services we perform for society in order to forge the best pathway forward. While some of the questions we face may not have black-and-white answers, we need to be decisive and principled in our resolve to stay true to our mission to serve society.

We are prepared to evolve our action-plans to keep up with a world that is changing at a faster rate than ever; while staying clear and true to our core values."

The business models and strategies of EL members and associate members are incredibly diverse. We operate within different public policy and regulatory frameworks; we have different languages, different cultures, different game portfolios, different operating and distribution models, etc. etc. But we are united in our mission to make the most positive impact on society. We all share a common heritage of operational integrity and transparency as we provide responsible games for public good. Our Strategic Outline guides and empowers our action-plans to build on and continue our success, delivering value to our stakeholders and society for many years to come.

The second thing we notice in the Strategic Outline is less focus on regulatory and public policy issues and more a call-to-action in support of values like sustainability, integrity, and service to society.

R. Girandon: We want to focus on areas which we can directly and materially impact. We will still do everything we can, so that relevant EU and European decision makers understand the role of

lotteries in Europe as well as their heritage; and also, that they provide a regulatory framework that enables us to achieve our mission. We still do expect the European Court of Justice to enforce the laws that prohibit illegal and irresponsible online gambling. We continue to establish and fight to uphold the highest standards across Europe. The EL Strategic Outline does state our goal to continue to influence the debate about how the sector should be regulated to serve society and prevent illegality as well as any socially harmful practices.

At the same time, we recognize the limitations of our control over external factors like the actions of the EU Commission and ECJ as well as individual EU member and non-member countries. When it comes to the EL strategic plans, our attention is focused on the things we can do to impact and shape the future of the sector in a

positive way. We feel that this is a time when it is more important than ever to channel our energies and resources in the most productive ways possible. That calls for a clarity of who we are and what we stand for; and a purpose statement that is more action-oriented than aspirational.

I should point out that our 5-word headline, For the Benefit of Society, continues to represent our most foundational mission statement. Our transition towards this focus on action-based values has actually been years in the making. The current Strategic Outline is a living document with a 2-year timeline to enable ongoing revisions. We are prepared to evolve our action-plans to keep up with a world that is changing at a faster rate than ever; while staying clear and true to our core values.

The notion of a government lottery that is focused on lottery gaming with margins that are protected by the government in order to maximize funding for good causes ... is that gone, no longer a relevant notion?

R. Girandon: Lottery has always had a special role in society. According to the

original Treaty on European Union, the founders wanted to strengthen the solidarity between their peoples while respecting the history, culture, and traditions of each member state. EL continues to advocate for preservation of those principles on the political and judicial international level and, where requested by the member lottery, at the national level.

In order to be effective in our advocacy role, our message needs to reflect a recognition for how the political climate is changing, and how that affects the real world of regulatory actions.

For instance, I have not heard the term "government lottery" in Europe for many years. Ownership structures have changed so that organizations and performing lotteries including sports betting and other games of chance, are operated by either the states, various public entities, or commercial companies. Regardless of whether the lottery operator is held by private, public, or state shareholders they still have to be operated For the Benefit of Society. That is all that is important for us. In spite of their diversity, the members of EL are all dedicated to service to society. Maximizing funding for good causes is just one side of the equation. Protecting the players and implementing responsible and sustainable practices are just as important. Generating funds by doing harm to society would still be bad even if you shared some of the funds for good causes. The impetus to align with the values of the EL has less to do with ownership than with the governance that determines corporate culture and mission. EL stands shoulder to shoulder with those whose corporate culture and actions align for the purpose of serving society in all those aspects.

We notice that gaming operators which historically have not respected the laws of each EU member state are now wanting to become legitimate and get licensed to operate properly within the laws of every state where they operate. Does EL welcome them as members?

R. Girandon: Not automatically, no. EL is not just about respecting the laws. That is a minimum baseline standard that does not begin to meet the value system represented by the membership of EL. We are about embracing a set of values that support a mission to protect the consumer and serve society. For that value to be genuinely embraced, it can't be based on a business

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allows the customers of our stores to play and collect winnings directly on their smartphones, without interacting with cashiers or using paper slips. Also, through the OPAP Store App, customers participate in our loyalty program. It should be noted that in order to deploy the app, we developed one of the largest IoT (Internet of Things) networks in Europe, spanning across more than 3,000 stores across the country, which constitute the largest commercial network in Greece.

Overall, the OPAP Store App has been proved a successful digitization initiative. First, it is preferred by thousands of players to enhance their in-store gaming experience, with its basis of registered users reaching more than 800,000 customers. Second, we see that the use of the app has led to increased customer engagement, generating incremental gaming activity and revenue. Third, the customer data generated through the app allows us to gain valuable insights, which can be used in our commercial initiatives, as well as for personalized offerings.

Today, there is a big discussion around emerging technologies like Web 3.0, AI, and Metaverse. How do you see their application

in lottery and gaming operators?

J. Karas: Indeed, there are a lot of interesting innovations and emerging trends in the area of technology and especially in virtual and augmented reality. As people spend more time in the virtual world, the gaming industry will have to use such technologies to create more immersive, interactive, and social gaming experiences. Some of these trends have the potential to reshape our industry, but this will at large depend on customer adoption.

As a customer-centric company, we are closely monitoring global developments and experimenting on certain use cases, which could add value to our customers. For example, we have used Augment Reality applications in our Scratch cards. In addition, we have piloted a virtual OPAP Store where, with the support of VR glasses, users can navigate around the store, check game results etc. So, when it comes to emerging technologies, OPAP is focused on preparing for what the future may bring, testing things, and being ready to respond fast, when a trend gains scale.

Supporting good causes is a fundamental

aspect of lotteries' activities. Do you think that technology can help in this direction as well?

J. Karas: In one word: yes! In fact, I believe the possibilities are endless in this domain, as technology can help lotteries engage more deeply with their customers, but even with non-players, helping their mission of giving back to society.

On our part, we've seen this in practice, using technology to boost people's engagement with OPAP's Corporate Social Responsibility (CSR) initiatives. Specifically, we are the only company in Greece to deploy a mobile app dedicated to CSR. Through the app, people participate in our initiatives, by playing entertaining games and collecting points, which OPAP turns into actual contribution for specific projects, like the renovation of Greece's largest children's hospitals, which we completed recently.

We are proud of our CSR app's success, as it has a basis of more than 300,000 registered users and has helped us reach audiences beyond our customer base – and especially younger and female ones. ■

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decision that more money can be made by going legitimate than continuing to flout the laws of the land. This sudden change of heart needs to be much more than a public relations campaign designed to win approval to operate legally instead of staying in the shadows without legitimate license to operate.

That said, EL welcomes the challenge to lead the way and contribute towards the goal of regulating games-of-chance for public good. That is the only way for the games-of-chance to be acceptable and sustainable in the long run. We want to reduce illegality and irresponsible practices in the gambling industry. Illegal and irresponsible operators pay fewer if any taxes and pay less if any attention to standards of player protection, integrity, security, and prevention of money-laundering. EL wants to be a part of the solution, and do whatever we can to promote the values represented by our members and articulated in our Strategic Outline. We are united in diversity, we adapt to changing times, and we welcome members who truly share our values, our purpose, our goals, and our dedication to be here for the benefit of society.

How about global issues; what are the

important ones for EL and how are you as an association addressing them?

R. Girandon: EL is a community of 70 entities operating in 39 different countries. Many of the issues we face are global in nature and exceed the wide range of our membership. Preserving integrity in sports, for instance, is an effort that must be addressed on a global level to be effective. Besides EL's own efforts, together with the World Lottery Association (WLA) we are the founders of The United Lotteries for Integrity in Sports (ULIS), a non-profit organization to educate and prevent as well as monitor sports betting on a global scale, aiming to detect and report suspicious betting activities and collaborate for law enforcement.

We are pleased to cooperate with the WLA and ULIS on this and other global initiatives to uphold our shared values.

Thank you for sharing the new EL Strategic Outline (See pages 16, 17). Any closing comments?

R. Girandon: I'm happy to share some of the newest EL Report 2022 figures, showing the magnitude of the impact that EL members

have in in practice. First, I'm extremely proud that in 2022 the EL members secured 22,2 bn Eur funds for good causes, which is 11,3 % more than the year before. It's also great to know that EL members employed more than 51,000 full-time employees in 2022, which is an increase of 5,2% to the year before. I'm proud just the same that all EL members are independently Responsible Gaming certified, and also that 40 % of our members are already taking part in our voluntary Environmental Initiative. As for the percentage of women – with about half EL members employees being women, there are 32 % of women in management positions. I think, with building inclusiveness and equality further, also with the initiatives like EL Women's Initiative in Lottery Leadership and EL DEI e-learning platform, we still have some great expectations and room for improvement on this topic.

I want to thank our Executive Committee as well as all of our members for their vision and dedication. Also thank you to our Secretary General and the EL team that keeps everything moving forward. See you at WLA/EL Marketing Seminar in London! ■