



MEMORANDUM

To: California State Lottery Commission **Date:** May 20, 2008

From: Joan M. Borucki
Director

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Business Planning & Research Office

Subject: Item 9(c) – 2008-09 Business Plan Strategies

ISSUE

Should the California State Lottery Commission (Commission) approve the business strategies as proposed in the presentation and attached document as the foundation for the FY 2008-09 Business Plan and Budget?

RECOMMENDATION

California State Lottery (Lottery) staff recommends that the Commission approve the business strategies as proposed in the presentation and attached document so that staff may further develop the program initiatives and build the fiscal year budget around these priorities.

BACKGROUND

The Commission approved the 2007-2010 Business Plan at its June 27, 2007 meeting. This provided the Lottery with a clear long-term direction and outlined a number of multi-year initiatives.

It delineated four major strategic components:

1. Focus on long-term planning
2. Improve brand image
3. Shift the jackpot paradigm
4. Modernize operations

DISCUSSION

While the overall strategic direction and these four components remain as the cornerstone for the FY 2008-09 Business Plan, specific business strategies have been developed under the components. The Commission's approval of the strategies outlined in the presentation and attachment will allow staff to begin the process of more fully developing the programs and the budget required to implement these initiatives as part of the FY 2008-09 Business Plan and Budget. The final FY 2008-09 Plan and Budget will be presented for approval at the June 2008 Commission meeting.

Improve Brand Image

Throughout all facets of the California State Lottery, the public must see and experience a new and improved Lottery. This strategic initiative will not be achieved by just having new messages in advertising. Instead, it will be accomplished by improving the products, promotions and customer service at the Lottery. By infusing this new vitality into the brand, more Californians will consider purchasing a lottery ticket. Additionally, a stronger brand image will allow new products to be introduced with greater success.

Shift the Jackpot Paradigm

In addition to how we market the Lotto games, other programs will be designed to create reasons to play outside of big jackpots.

Modernize Operations

The strategies under this component bring the Lottery into the 21st Century by using technology to create a more effective and efficient operations. Programs also address investing in the Lottery's infrastructure including its network of retailers. These initiatives are designed to allow the Lottery to more quickly meet shifts in consumer and retail trends.