



Digital Transformation

September 2016

- The Arizona Lottery (Lottery) is responsible for administering sanctioned games of chance with a mission “To support Arizona programs for the public benefit by maximizing net revenue in a responsible manner.”
- The Lottery annually sells and supports over 60 games throughout the State, working with nearly 3,000 retailers.
- In FY16 our revenues exceeded \$870 Million with beneficiary transfers in excess of \$200 Million.
- To date, the Lottery has transferred over \$3.5 Billion to Arizona programs and services, generated more than \$730 Million in retail sales commissions and paid out over \$6.1 Billion in prizes.

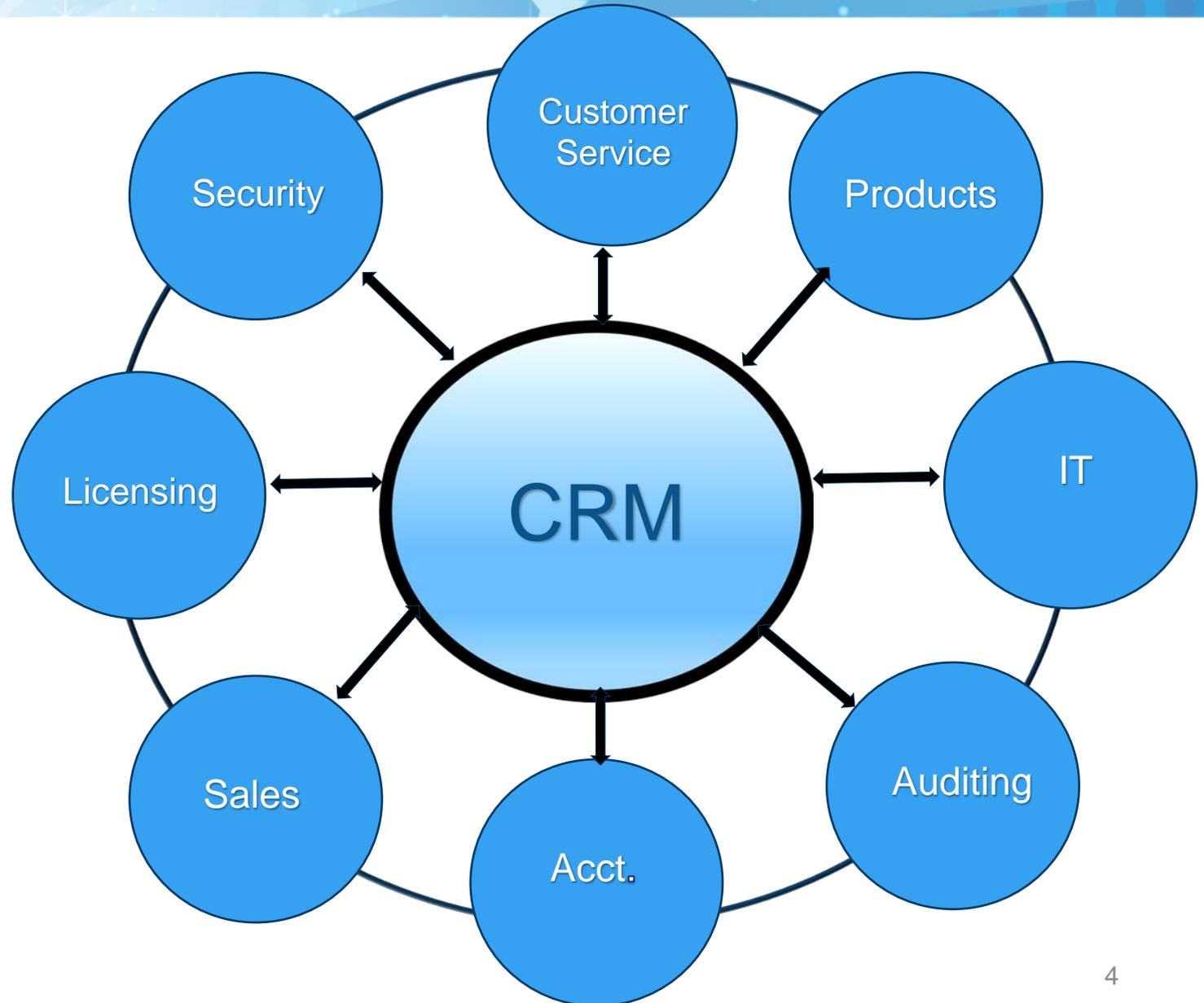
CURRENT SITUATION

- Databases are decentralized, preventing us from working with our retailers, customers and vendors in a more fluid and collaborative fashion.
- Our external business processes are onerous to our retailers.
- Internal processes are duplicative and inefficient.
- Our systems limit our ability to support current and future needs of the Lottery.



PROPOSED SOLUTION

- Centralize all aspects of the retailer experience
- A single cloud-based mobile - capable application
- Instant Scalability
- Automatic Updates
- Fast Deployments



WHY TRANSFORM LOTTERY?

Increased
Beneficiary
Transfers

Reduce Risk
of System
Failure

Marketing
Automation

Government
at the Speed
of Business

Improved
Reporting

Improved
Security

Measurable
Results

Reduce Data
Duplication
and Errors

Improved
Data
Accuracy

Purpose
Driven

Rapid
Innovation

Improved
Customer
Service

ITERATIVE IMPLEMENTATION



PLANNING

Identify:
Business Needs
Project Scope



ANALYSIS & DESIGN

Review Processes
Define & Prioritize
Requirements
Articulate Solution
Design

Review



Build



CLOSURE

Project
Closure &
Transition



ITERATIVE DEVELOPMENT

Build
Review



VALIDATION

System Test
UAT



DEPLOYMENT

Training
Deploy

The Lottery is requesting the following to fund this comprehensive project.

System implementation and customization (One-time)	\$2,370,000
Three (3) IT support staff (Recurring)	\$270,000
Annual software, hardware, technical support, and licensing agreements (Recurring)	\$990,000

- Retailer and customer centric business model that will result in increased revenues and beneficiary transfers.
- Reduced failures and increased system uptime on mission critical systems.
- Increased speed of critical decision making and product development.
- Improved and consistent interdepartmental information flow requiring less rework.
- Customer focused system that brings licensing and compliance online.

...the technology will continue to age with increasing system outages.

- Lottery sales growth will be limited.
- System downtime will increase with potential revenue losses.
- Lottery will be unable to maintain pace with newer technology in the gaming industry.
- Programming and locating technicians to work in COBOL will be challenging.
- Ability to respond to Lottery organizational requirements and MUSL regulations will be limited.
- Lottery is unable to integrate critical processes between clients, partners and retailers.
- Lottery is unable to assimilate data at the speed of business.

QUESTIONS?