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Designing Big Ideas

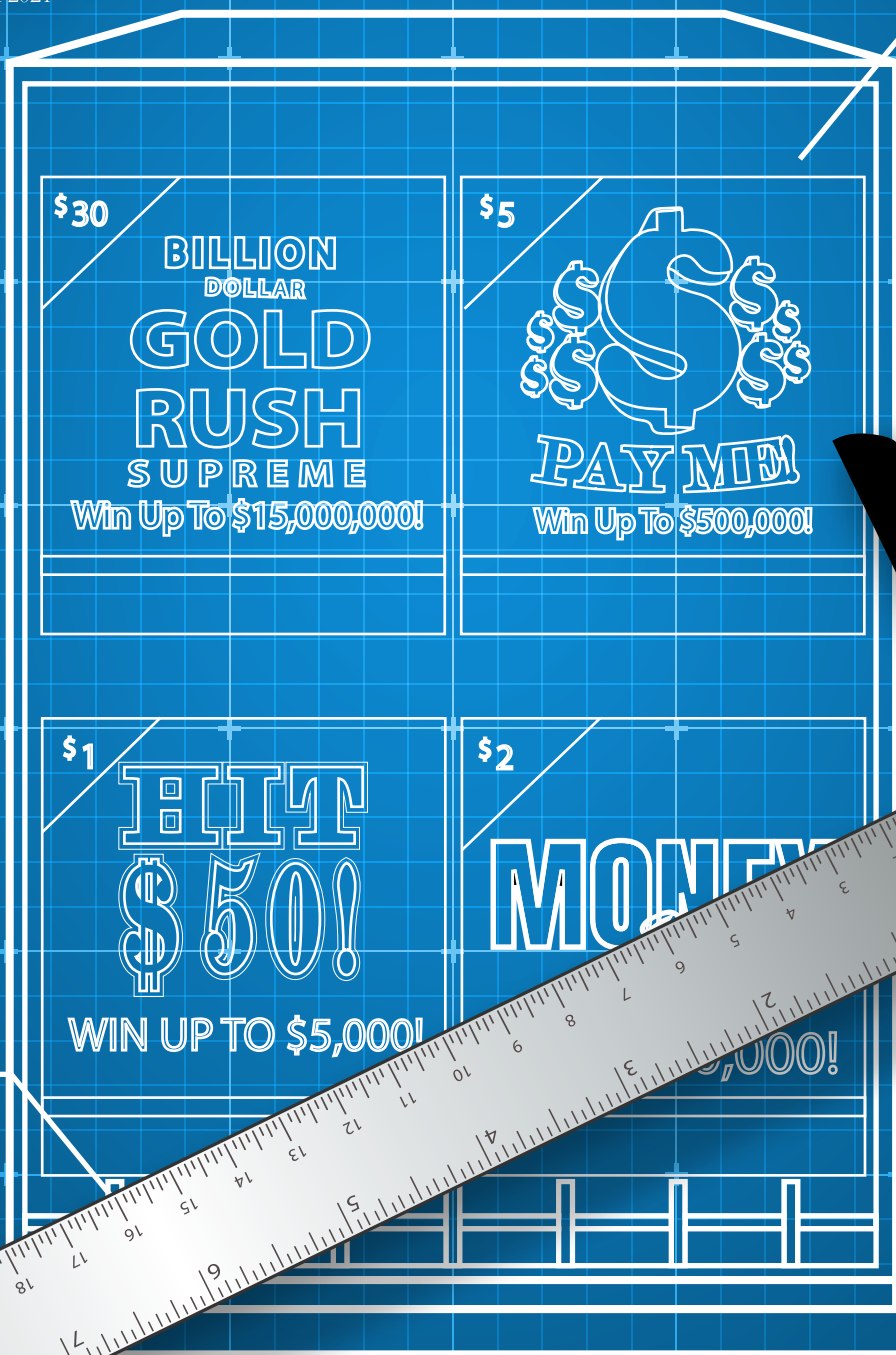
Read about Florida Lottery's Scratch Ticket In-lane Pilot

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Lock-in base
platform

Scientific Games Recognizes Women in Leadership

Sonia Verdy, longtime VP of Canadian Manufacturing at Scientific Games' Montreal operations, lost her battle with cancer in 2020. She was a valued leader, successfully paving the way for women to lead in non-traditional lines of business, such as manufacturing. In December, the company recognized Michelle Simon as the first recipient of the Sonia Verdy Award, established to continue Verdy's legacy by recognizing an outstanding woman leader at the company annually.

Simon, former VP of Programming at Discovery Channel, joined Scientific Games in 2019 as Director of Marketing for the *Scientific Games Enhanced Partnership (SGEP)* program serving the Ohio Lottery. Simon manages the entire operation from the company's 65,000 square-foot facility located just 26 miles from the Lottery's headquarters in Cleveland.

SGEP expands Scientific Games' services to the Ohio Lottery to include analytics and insights, game design, portfolio management, inside sales, advanced logistics for warehousing and distribution, and retailer optimization. The company has also deployed its *SCiQ*® retail modernization technology to 300 Ohio Lottery retailers.

A critical component of *SGEP* is the *SciTrak*™ system featuring *OrderCast*™, which analyzes and predicts weekly orders at the individual retailer level. "*SciTrak* gets the right games, in the right place, at the right time. We are not 'order takers' but 'order shapers'," explained Simon.

More than 20 lotteries globally participate in *SGEP*. In the recent fiscal year, all 13 domestic lotteries had record years. "U.S. lotteries using *SGEP* recorded 17% growth vs. 10% industry growth in calendar 2020," said Simon. "The growth is continuing in 2021."

Simon and her 36-member team produced stellar sales results for the Ohio Lottery. In year one of the *SGEP* program, instant scratch-off game sales increased 12.7% to \$1.87 billion (FY20 vs. FY19). But even more impressively, despite the pandemic, instant sales grew 25% to \$2.11 billion in calendar 2020.

"*SGEP*'s advanced logistics



technology helped many lotteries navigate the challenges of the pandemic. Communication and trust were key. When little was known about the virus and restrictions were ramping up, we immediately enacted our SG Safe Six protocols to help protect the health and safety of our employees. This proactive approach helped keep our people safe while we kept product flowing to retailers, and protected the Lottery's funding to education," said Simon.

During the pandemic, only three weeks of Ohio Lottery instant game sales fell below previous years which Simon credits to the strength of the *SGEP* partnership and the *SciTrak* technology.

Portfolio Management

The Ohio Lottery enjoyed record success at the \$10 price point in calendar year 2020. "We introduced the \$50 \$100 or \$500 game which paid all prizes at retail. It was intriguing to players and generated over \$147.8 million in sales in 62 weeks. It's a star performer," said Simon.

As Scientific Games looked to help the Ohio Lottery expand its portfolio, the Lottery's research indicated the need for a product to compliment the \$50 \$100 or \$500 product. So the company created the \$25, \$50 or \$250 game—a \$5 version or 'little brother'—of the \$10 game. "In just 10 weeks, sales reached \$17.8 million. It's following in its big brother's footsteps," said Simon. "Sales are about \$1.8 million a week."

Understanding core players and play style is critical. "The reporting our analytics team has provided has increased the trust and relationship between the *SGEP* program and the veteran team at the Lottery," said Simon.

SCiQ

Scientific Games' innovation extends beyond analytics and game creation to the entire lottery retail ecosystem. The Ohio Lottery is a pioneer in modernizing the lottery experience with the company's *SCiQ* technology. Simon projects *SCiQ* will expand to 600 Ohio Lottery retailers in 2021, the most units of any state lottery.

The initial rollout of *SCiQ* focused on large chains, such as Kroger and 7-Eleven. "We're now looking to expand to other types of retailers," said Simon.

It's all part of the Lottery's key initiative to increase facings in the grocery store category. *SCiQ* offered the flexibility and features to meet this objective. "*SCiQ* helps retailers with one touch accounting, security and inventory control. The system provides real time data on what games are selling and immediate notification on out-of-stocks," said Simon.

She believes that *SCiQ* is critical to helping lotteries understand what consumers need when they buy instant games. Working at Discovery Channel, Simon tracked TV viewing behavior. "*SCiQ* provides a similar function for lotteries. We really get to dive into specific market basket information."

Personal

At Syracuse University, Simon was a musical theatre major. "I'm a theatre nerd. I spent my entire childhood on stage. I love it!" enthuses Simon, who moved to New York City to work just three weeks before the events of 9-11. The event and its aftermath resulted in her relocation to Washington DC. She can't wait for Broadway to reopen so she can take her two young sons to see a musical.

As for Simon's recent Sonia Verdy Award for outstanding leadership at Scientific Games, "I was blown away. Sonia was an incredible leader. She did a lot to empower women in our industry. Scientific Games continues her legacy with strong women in top positions, such as Eileen Johnson, Jennifer Welshons and Dena Rosenzweig," said Simon.



Reimagine
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Big Things Happen When Small Things Work Together

Strategic Product Enhancements

Some lotteries use their revenues to support a variety of important efforts such as infrastructure, education, and healthcare, ultimately creating a better state for everyone. Scientific Games' Strategic Product Enhancements work the same way. From **Sparkle**® to **Scratch My Back**®, from **HD Games**™ to holographic paper, our Strategic Product Enhancements are designed to grow sales, improve efficiencies, and deliver maximum profits to the good causes our lottery partners support.



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