

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: John Martin, Managing Director and Chief Revenue Officer

DIVISION: Sales

DATE: August 17, 2017

SUBJECT: Report for the August 2017 Commission Meeting

Following is a status update of ongoing and special projects in the Sales Division.

1) Sales

July numbers were basically flat. Draw/Jackpot sales were down \$9,332,405 but Instant sales were up \$9,996,597. Details below:

Year over Year Sales Growth for July Product Category by Store Segment

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2017	\$104,028,204	\$59,788,515	\$163,816,719
	2016	\$113,360,609	\$49,791,918	\$163,152,527
	Difference	-\$9,332,405	\$9,996,597	\$664,192
	% YOY + / -	-8.2%	20.1%	0.4%
INDEPENDENT	2017	\$87,988,305	\$41,106,654	\$129,094,959
	2016	\$92,360,763	\$34,264,418	\$126,625,181
	Difference	-\$4,372,458	\$6,842,236	\$2,469,778
	% YOY + / -	-4.7%	20.0%	1.9%
	% of STATE SALES	84.6%	68.7%	78.8%
CORPORATE	2017	\$16,038,443	\$18,681,861	\$34,720,304
	2016	\$20,998,409	\$15,527,500	\$36,525,509
	Difference	-\$4,959,966	\$3,154,361	-\$1,805,205
	% YOY + / -	-23.6%	20.3%	-4.9%
	% of STATE SALES	15.4%	31.3%	21.2%

- Sales Management
 - Completed another “Blitz Week” monthly campaign to improve the first week activation rates at all eligible instant ticket selling retailers.
 - Top Blitz Week Performers for July:
 - Carolyn Mack - 99% (Blitz Week Champion)
 - Leroy Thorne – 97%
 - Scott Kershow – 96%
 - Sales management conducted a retailer instant ticket contest (Home Run Riches) based upon activations and settlements, during the month of June. The retailers with the highest amounts attended the Orioles game on July 17th, as our guests.
 - During July, the sales team conducted eight Lottery parties (in-store selling events) in support of the Keno Kicker promotion.
 - Sales is currently working with the Human Resources department to:
 - Fill two District Manager (DM) positions and one contractual.
 - Valarie Blackwell, Region 1 Manager, announced her retirement which is slated for August 29th. We wish the best for Valarie and thank her for her years of service.
 - Sherise Rascoe, DM for territory 48, was awarded the Frank E. Hemberger III Sales Award which honors the District Manager of the Year. The award was presented by Frank Hemberger himself during our July Sales meeting.
- Central System Conversion
 - Participating in the development of a paperless application process for licensing new retailers.
 - Planning the retailer training sessions and equipment installation schedule.
 - Sales management is working with Lapis to begin the migration to gem Intelligence, our new Sales Force Automation platform.
- Field Support/Self Service Vending Units
 - Warehouse
 - Worked with the warehouse personnel to develop a better procedure for returning books to the warehouse. The new process allows the DM to drop the books and go. This allows for better productivity for both warehouse and DM personnel. No more waiting!
 - OnePlace
 - The DMs completed the quarterly ITVM audit in July.
- Training
 - Dana Washington, Sales Training Manager, during the sales meeting, provided a presentation on “7 Steps on How to Overcome Change in the Workplace”. This was a presentation to help our district managers prepare for the system conversion process.

- Duty day training for regions 2, 3 & 4 focused on accuracy of entries in OnePlace and Workday training.
- Events
 - Sales supported the Communications department at an Orioles game, a Frederick Keys minor league game and a Ravens training camp event.

2) Corporate Sales

- Field Activity
 - Wrapped up the Instant Ticket Giveaway promotion with MGM National Harbor that started on July 5th and ended on July 26th.
 - Communication with all corporate partners to discuss the blitz week initiatives for their markets.
 - Attended regional 7-Eleven meetings with Market Managers and Field Consultants from markets 2544, 2546 and 2547 to discuss best practices and educate them on the blitz week protocol.
 - Initiate conference calls with corporate partners to discuss the conversion process as it relates to their respective accounts i.e. equipment types, training and installation schedules, etc.
 - Preparation for upcoming 2nd chance promotion with our corporate partner, Sheetz, Inc. on August 8th.

3) Retail Recruitment

- Conversion
 - Working with SGI conversion team on paperless retailer application process to be set up on the Lottery web page. This process will make it easier for retailers completing the application and also will make it more efficient for the office to process.
- Recruitment Results
 - 16 completed applications sent to Agent Administration in June for approval and 17 completed for July.
 - CY17 summary of total applications processed and installed = 103.
 - Installation date of 7/11/17 for Hagerstown Tilted Kilt sports bar/restaurant franchise. Annapolis location is closed and application was terminated.
- Prospecting Activities
 - Followed up by email on a meeting we had with the Director of the Montgomery County Department of Liquor Control, Robert Dorfman on May 3rd. Shared with him all new equipment specifications and inquired about any updates on adding lottery to any of the proposed 27 retail locations.

4) Analysis & Reporting

Beginning in July 2016 the Maryland Lottery instituted “Blitz Week”; a program designed to have 100% of our Instant Scratch-off Ticket retailers activate all new games launched by the end of the week. First, we increased initial allocations (the number of retailers who automatically receive new game launches on the first day). Secondly, where we could, we increased the volume of books in each shipment.

In July 2015, 57% of the instant ticket retailer network activated the \$5 ticket. When we began the Blitz Week process in July 2016 we were able to increase the saturation of the \$5 Ravens ticket to 64%. Most recently, for the July 2017 Raven’s \$5 launch we achieved 80% saturation. However, the average \$5 saturation for the period from January 2017 to July 2017 is 87%.