

GSA's Open Standards – a Fear or Blessing for Lottery Operators?

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Established in 1998, the Gaming Standards Association is the leading standards setting forum in the gaming industry. GSA creates benefits for gaming manufacturers, suppliers, operators and regulators. GSA facilitates the identification, definition, development, promotion, and implementation of open standards to enable innovation, education, and communication for the benefit of the entire industry. GSA's standards are the foundational technology on which the gaming industry is building its future. They will enable networked gaming and drive significant innovation into the gaming industry justifying the ROI for deploying these new technologies/infrastructure.

The communications technology deployed in the lottery jurisdictions today is mostly based on single vendor, proprietary solutions that severely limit the agility of the lottery operators. This technology is currently available through the execution of long-term contractual obligations locking operators into one set of features, one development path and one manufacturer's gaming products. Operators are unable to 'quickly' react to their unique market requirements and are therefore not able to offer game content, marketing features and new functionality from different providers. This significantly restricts their ability to respond and capitalize on new opportunities making it very hard to compete. In order to drive revenue, they need to be able to make prudent investments that provide them with the highest level of flexibility allowing them to grow in directions they determine to be right for their jurisdiction.

For the lottery jurisdictions, open communication standards are profoundly important. In order to ensure the most financial benefit for their constituents, it is key that the lottery be able to strive towards flexible technology that allows them to continuously grow state revenue. Open standards provide this by allowing them to make prudent investments in scalable solutions and by allowing them to offer the latest products. The result is that, since the open standards provide increased flexibility and reduced time to market, lottery directors have more options and can try new products easier. Also important is that they can evaluate new products and features in their jurisdiction on a small "trial" scale. They can see the results of their decisions quicker and have the ability to increase or remove their stake in the new features based on actual results in their jurisdiction. This is a huge advantage for lotteries as they can make choices based on real results instead of on marketing information and theoretical return statistics. Additionally, a smaller initial stake greatly reduces the chance of making a mistake that could cost the jurisdiction money or adversely affect the jurisdiction's reputation. It also puts the lottery on par with land based casino operators as open standards enable the state to adopt new capability at the speed of business instead of at the pace of a single manufacturer's design schedule. By allowing the directors to trial or "phase in"

new technologies, open standards assists them in shepherding the taxpayers' funds as decisions can be made on more actual data and on a smaller scale. With GSA's open standards, the long-term contractual commitments lottery operators typically are offered are optional and no longer a requirement. This helps lottery operators adopt new technology, in a timely manner in a way that improves the operator's ability to protect the public interest.

The industry's adoption and support for these new open standards puts those executives who are charged with entering this new gambling space in an enviable position! In the past, lottery operators felt 'behind the 8-ball', charged with implementing everything on short timelines with too little direction and guidance. The competitive environment was intimidating. Today they will have the ability to skip an entire generation of technology; moving right into the next generation without the ball and chain of capital investments that are obsolete before they have completely paid off.

Their competitors are saddled with the onus of convincing shareholders and capital markets to pony up large sums of money to replace infrastructure that still works fine. They get to skip all of that nettlesome discussion and breeze right into the future with the latest and greatest.

One of the many benefits of the new GSA standard technologies, besides being open, flexible, and interoperable, is that they enable responsible gaming functionality much more effectively than the old technology. Communication, interaction between operator and player, is enhanced in ways that open up a whole new way of thinking about how to help your players enjoy the recreation and entertainment value of gaming while minimizing the possibility that their patrons will develop this destructive behavior. Additionally, enhancements in Responsible Gaming capability are currently under development in GSA protocols. These new features are based on research and requirements from GSA's lottery and casino gaming member companies in Europe and North America. GSA is very aware of the concern of public gaming operators and is taking steps to provide even more options than are already in the existing standards.