



Virginia Lottery Balanced Scorecard

2016 Third Quarter Report

(July – August - September)

Delivery Method Innovation
Consumer Research & Support
Operational Excellence
Social Responsibility



VIRGINIA LOTTERY STRATEGY MAP

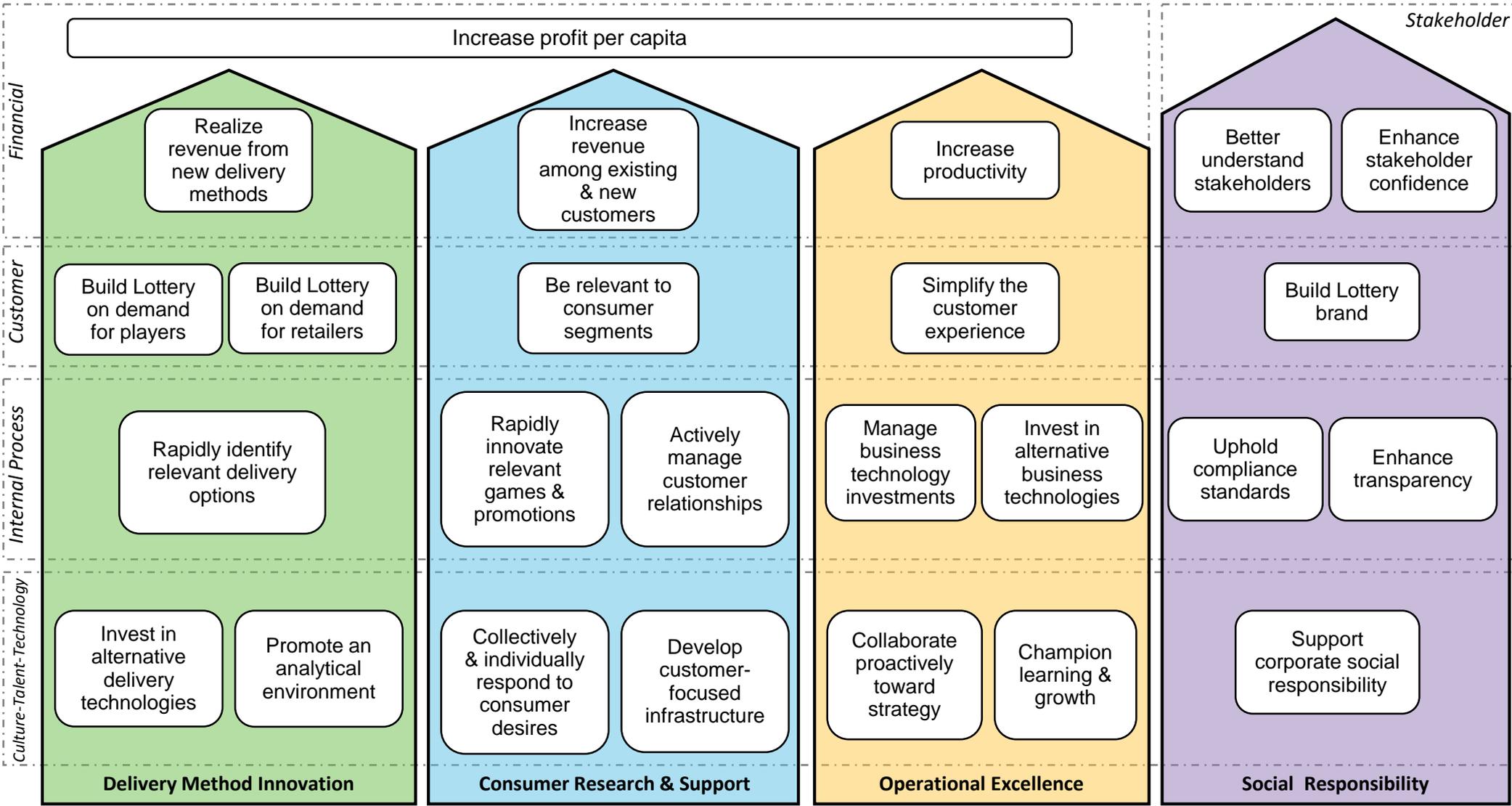
MISSION: Contributing to Virginia's future one play at a time.

VISION: the Virginia Lottery will become an innovative leader in delivering games to the broadest possible consumer base.

to increase the number of adult Virginians who play at least monthly to **37%** by December 2017. We will focus our efforts on the digital needs of consumers and provide a superior customer experience.

strategy
we're game for growth

STRATEGY 2017: To increase the number of adult Virginians who play at least monthly to 37% by December 2017, we will focus our efforts on the digital needs of consumers and provide a superior customer experience.



CORE VALUES: Integrity Innovation Collaboration Empowerment Customer Focus

HOW TO READ THIS REPORT

Each page of this report represents one indicator. The measurement period for an indicator may be quarterly, semi-annual, or annual. The Table of Contents page shows the frequency of measure for each indicator. The final pages of this report show how each indicator has performed for the past eight quarters.

Agency Scorecard > Strategic Theme > Strategic Objective: This path shows which strategic objective the indicator measures (far right), which theme the objective belongs to (middle), and which scorecard (agency = entire Lottery) it belongs to (left).



Speedometer: Shows the indicator's performance for the measurement period. Performance is reflected in colors: considerably below target (red), below target (yellow), or above or equal to target (green).

Indicator name: To the right of the speedometer is the name of the indicator; each page of this report represents one indicator.



Trend arrow: An arrow only appears if there is sufficient historical data for a trend to be determined. The trend arrow is green if performance relative to the prior measurement period improved; the arrow is yellow if performance was flat; the arrow is red if performance was worse than the prior period.

Actual & Target: the actual value for the measurement period and the target value for the measurement period. These values are compared to determine the speedometer color that will be displayed for each period.

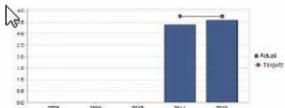


Chart: a visual representation of the actual and target values for multiple measurement periods.

Indicator Commentary: an explanation of the indicator's performance for the measurement period, including actions that will be taken to maintain or improve performance over time. The date of the commentary is also displayed.

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Legend:

- (A) = Annual indicator
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Rolling Quarters Report

Legend:

- (A) = Annual indicator
- (SA) = Semi-annual indicator
- (Q) = Quarterly indicator

Agency Scorecard > Delivery Method Innovation > Build Lottery on demand for players

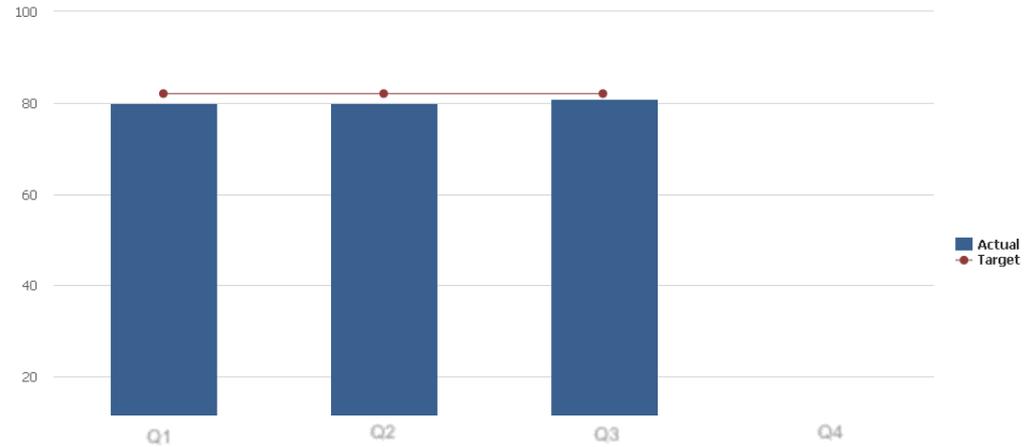


valottery.com browse web customer satisfaction score



Result	Value
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Actual	81
Target	82



Indicator commentary

In 2016- Q3, the valottery.com browse web customer satisfaction score rose one point from the previous quarter. This measure is continuing to improve incrementally, with scores of 81 in July, 81 in August, and 82 in September. Mobile satisfaction, with a quarterly score of 86, continues to outpace web browser satisfaction. While broader improvements are dependent in part on the pending website redesign project, the digital team is examining short-term opportunities for potential enhancements to site navigation and information browsing through a usability audit with vendor partner Foresee. Additionally, new changes to valottery.com tied to the enhanced subscriptions project (such as a site-wide, persistent login widget, the ability to pay with debit, or the availability of subscription options for other draw games) will address some of the factors that lead to lower overall satisfaction scores from Virginia Lottery players and other site visitors.

(Oct 3, 2016)



Agency Scorecard > Delivery Method Innovation > Invest in alternative delivery technologies

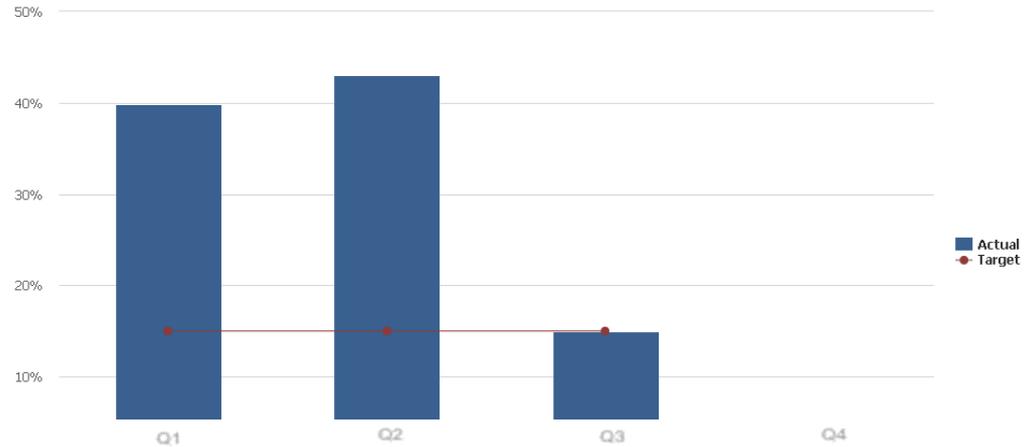


Percentage of developer time spent on enhancements/fixes for valottery.com



Result	Value
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Actual	15%
Target	15%



Indicator commentary

A majority of the web development team's time during 2016- Q3, was dedicated to the Lottery's eSubs project.

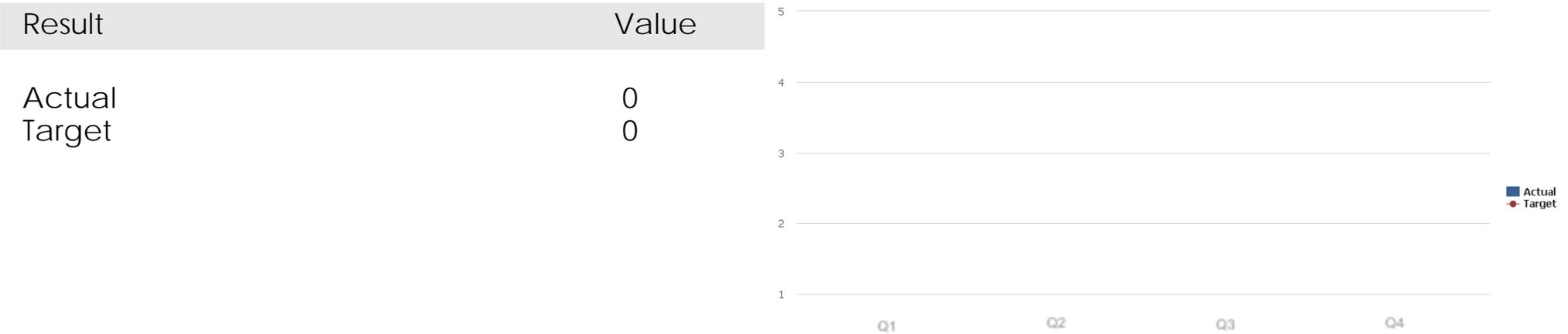
(Oct 14, 2016)



Agency Scorecard > Delivery Method Innovation > Invest in alternative delivery technologies



Date-driven initiatives on valottery.com with missed launch date



Indicator commentary

During 2016- Q3, the web development team did not miss any deadlines or launch dates and met the target of zero. Due to impediments or last minute requests for a high priority task, the team did have to reprioritize a couple tasks and move items back to the back log. However, every task that was assigned and kept within the Sprint was completed/launched.

(Oct 14, 2016)

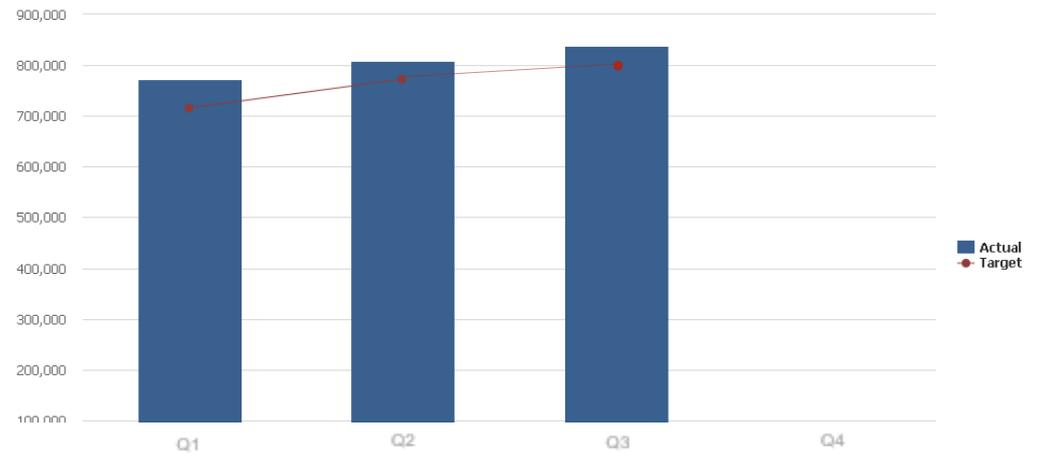


Agency Scorecard > Consumer Research & Support > Actively manage customer relationships



Number of unique registrants in customer database

Result	Value
Actual	839,382
Target	807,877
Percentage achievement	104%



Indicator commentary

In 2016-Q3, the registration target was exceeded by 4%. Two promotions ended in Q3: eXTRA Chances (Q2) and Mega Gift Card Giveaway. eXTRA Chances (Q2) included nine individual games and a final drawing of \$500,000. The continuation of eXTRA Chances and the upcoming holiday season will increase the number of unique registrants even further.

(Oct 6, 2016)



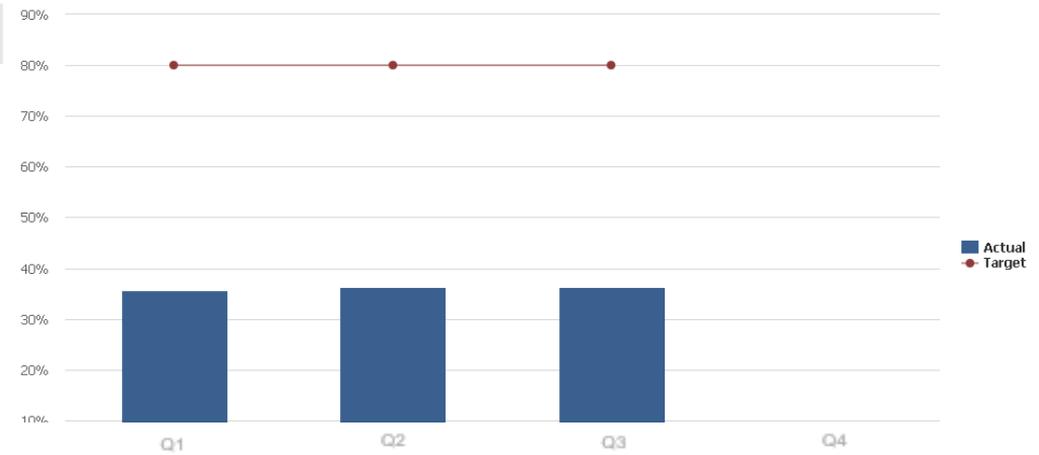
Agency Scorecard > Consumer Research & Support > Actively manage customer relationships



Percentage of registrants in defined segments



Result	Value
Actual	36%
Target	80%



Indicator commentary

The percentage of Premium (segmented) registrants has remained the same at 36% for 2016- Q3. Additional projects are planned in the Advertising and Gaming department for database retention. The Lottery is hoping to see the numbers go up in the next quarter.

(Oct 6, 2016)



Agency Scorecard > Consumer Research & Support > Collectively & individually respond to consumer desires

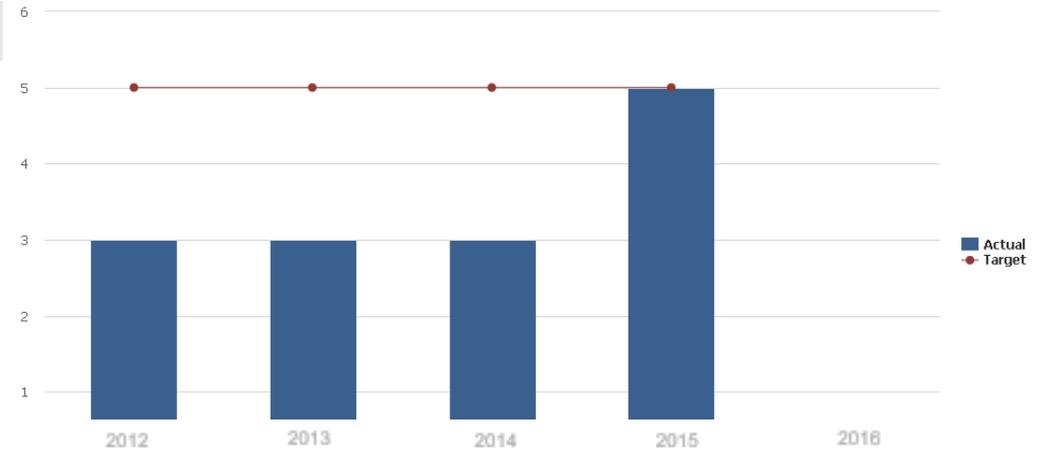


Number of annual consumer culture characteristics with standing of High



Result	Value
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Actual	5
Target	5



Indicator commentary

The Lottery monitors six consumer culture characteristics on an annual basis, all of which are important for the Lottery to become a consumer-focused organization. The Lottery's performance was consistent for 2012, 2013, and 2014 (three characteristics had a standing of High in those years). As of 2015, the Lottery has achieved the target of at least five of the six characteristics with a High standing. The characteristics of Integrity, Inspiring Leadership, Collaboration, Teamwork, Curiosity, and Consumer-Centric Innovation all scored at least 3.80 in 2015. The sixth characteristic, Courage, is very close with a score of 3.78 in 2015. This progress is reflective of the Leadership Team's efforts to identify a manageable number of culture focus areas for each year, with each department director subsequently holding a department session on the focus areas. It is worth noting that the Lottery moved from a single characteristic with a standing of High in 2011 to five characteristics with a standing of High in 2015. This indicator will be evaluated again in 2017.

(Mar 7, 2016)



Agency Scorecard > Operational Excellence > Increase productivity

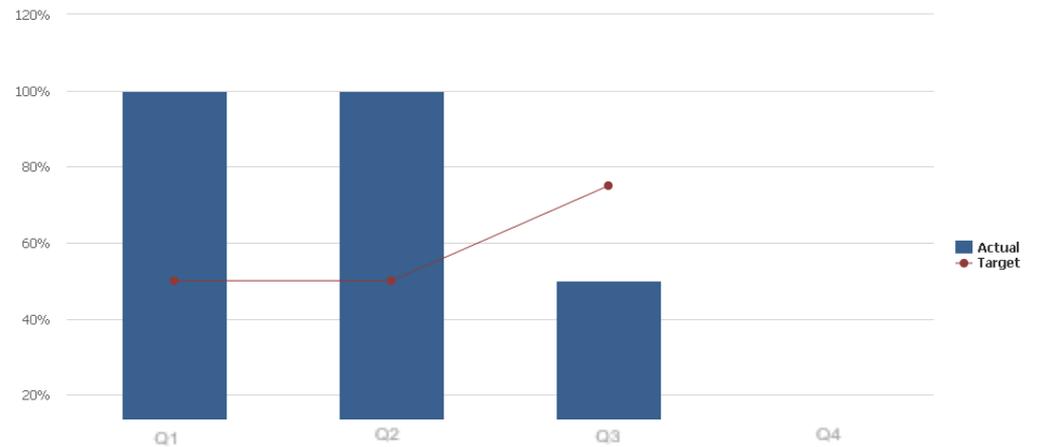


Project Management Office (PMO) project timeliness



Result	Value
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Actual	50%
Target	75%



Indicator commentary

Two Project Management Office (PMO) projects closed in 2016-Q3, and one met the criterion for closing on time (no more than 15% behind schedule), and one did not. DataLand - BI / Data Warehouse Phase 3 had a baseline go-live date of 6/3/16, and the actual go-live date was 6/30/16. Project closure activities completed 7/27/16. Azure Migration had a baseline go-live date of 4/17/16, and the actual go-live date was 7/5/16 – a significant delay due to numerous technical issues and unforeseen circumstances. Both projects were successful in addressing the in-scope items that were identified in project initiation and planning. DataLand - BI / Data Warehouse Phase 3 provided dashboard capability for the Administration department and enhanced the existing Marketing dashboards. Azure Migration included moving existing Lottery servers that support valottery.com into the Azure cloud (Microsoft's cloud computing platform). This included integration, QA, and production environments. All virtual servers and the associated software licenses have moved to Azure.

(Oct 17, 2016)



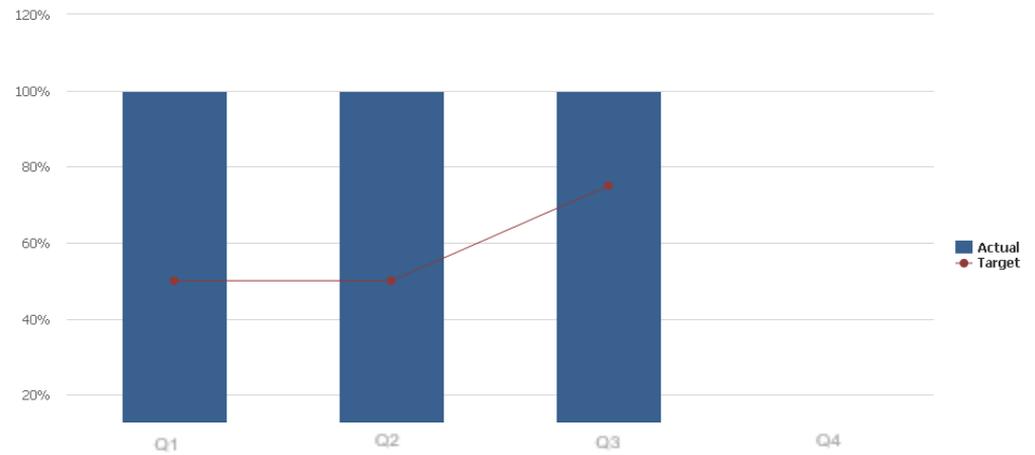
Agency Scorecard > Operational Excellence > Increase productivity



Project Management Office (PMO) project budget adherence



Result	Value
Actual	100%
Target	75%



Indicator commentary

Two Project Management Office (PMO) projects closed in 2016-Q3, and both DataLand - BI / Data Warehouse Phase 3 and Azure Migration, met the criterion for budget adherence (no more than 15% over budget).

(Oct 17, 2016)



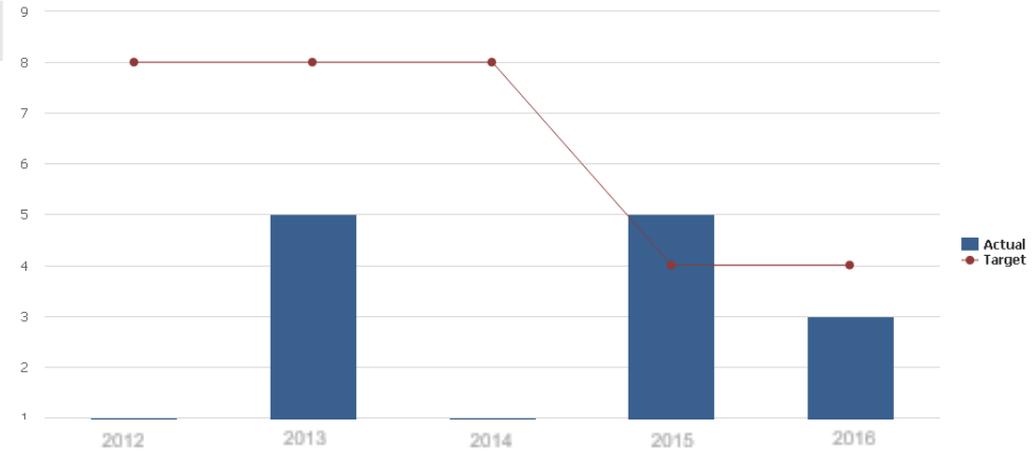
Agency Scorecard > Operational Excellence > Manage business technology investments



Number of IT management services survey categories with Slightly, Moderately or Extremely Satisfied results at the target percentage



Result	Value
Actual	3
Target	4



Indicator commentary

Three out of the five categories scored better than the 70% target with a fourth scoring a close 69%. These accomplishments would not have been possible without a dedicated and talented group of Information Technology Services (ITS) employees, along with the vision and backing of each business unit that ITS has the privilege to support. This is an annual survey that is sent to management throughout our organization and in 2016 there were 21 responses. The category scoring the lowest was project prioritization. That is timely because "acceptance of change" was chosen as the department's culture work plan item. With a sizeable portfolio, the associated need to put some projects on hold, and the 2016 headquarters move, it is not surprising that this item scored lower than others. But it will be a focus point for the Lottery in 2016-17. Overall, ITS has improved in each of these categories from when the survey started about four years ago. It is pleasing to note the continual improvement and dedication of the ITS staff in making continuous change not just a slogan, but a reality.

(Apr 6, 2016)



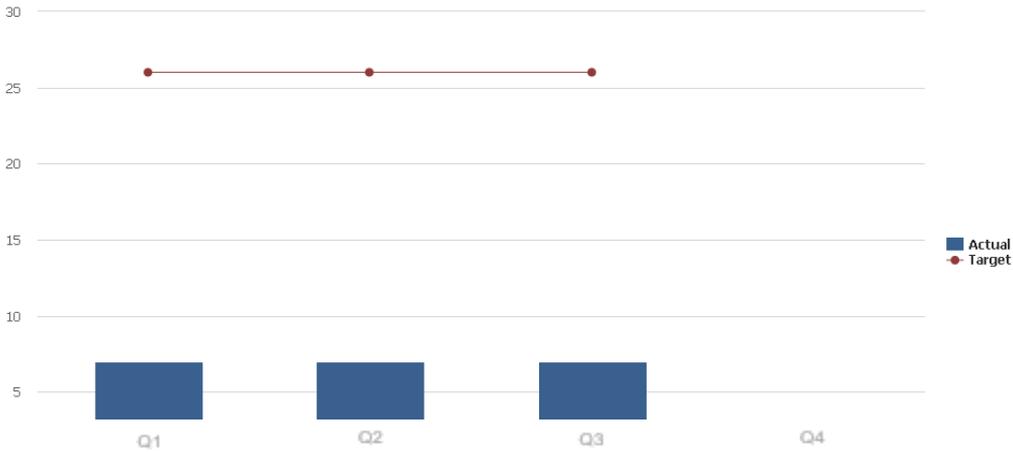
Agency Scorecard > Operational Excellence > Invest in alternative business technologies



Strategy updates on Lottoland



Result	Value
Actual	7
Target	26



Indicator commentary

Strategy updates on Lottoland, the Lottery’s intranet, were well below the goal of two updates per week in 2016-Q3. There were several factors that influenced the results. First, the Office of Strategy Management (OSM) was short 50% of its staff for the entire quarter. Secondly, the OSM became a part of the Business Planning Department, which brought in a new Director during the last part of the quarter. Lastly, the OSM existing staff was fully occupied with the BSC Report from 2016- Q2, the August 2016 Strategic Invitational, and other projects within the Business Planning Department. The seven updates posted on Lottoland covered the main events last quarter which included: the Balanced Scorecard Report, August 2016 Strategic Invitational, and several Strategic Initiative features.

(Oct 11, 2016)



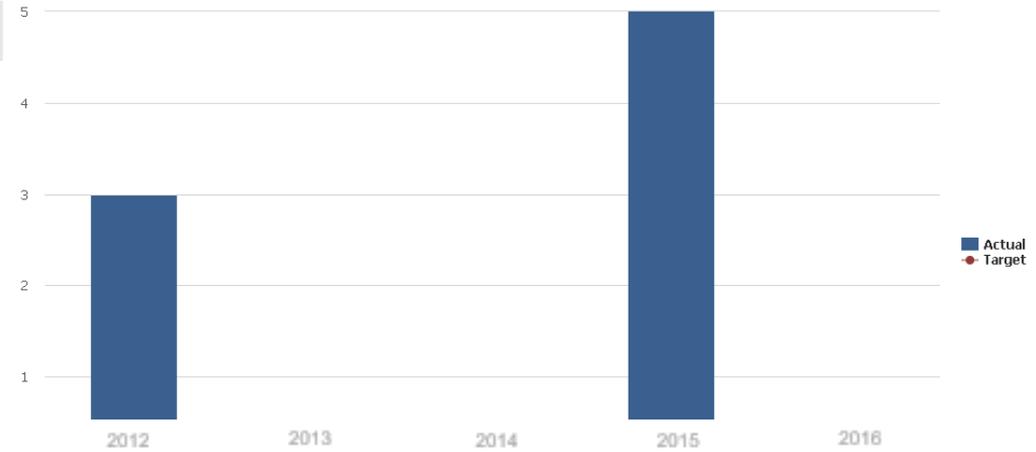
Agency Scorecard > Operational Excellence > Collaborate proactively toward strategy



Number of questions rated less than 3.00 on annual strategy self-assessment



Result	Value
Actual	8
Target	0



Indicator commentary

The annual strategy self-assessment was not conducted in the fall of 2015 due to the Office of Strategy Management (OSM) being short 50% of its staff, finalizing the Internet Study Report, and working on a digitization project. Since the assessment was not conducted, the indicator defaults to eight (8), resulting in red performance for 2015. The OSM hopes to introduce a new assessment tool, more tailored to where the Lottery is as it enters its ninth year of strategy management in 2016. The new tool will be focused on the Lottery's strategic objectives from the strategy map and the status of the indicators and strategic initiatives associated with each objective. On a positive note, the Business Strategy category on the Lottery's annual culture assessment did have its highest score ever in 2015 (4.14), with five of the six contributing statements scoring over 4.00 (5.00 scale).

(Jan 23, 2016)



Agency Scorecard > Operational Excellence > Champion learning & growth

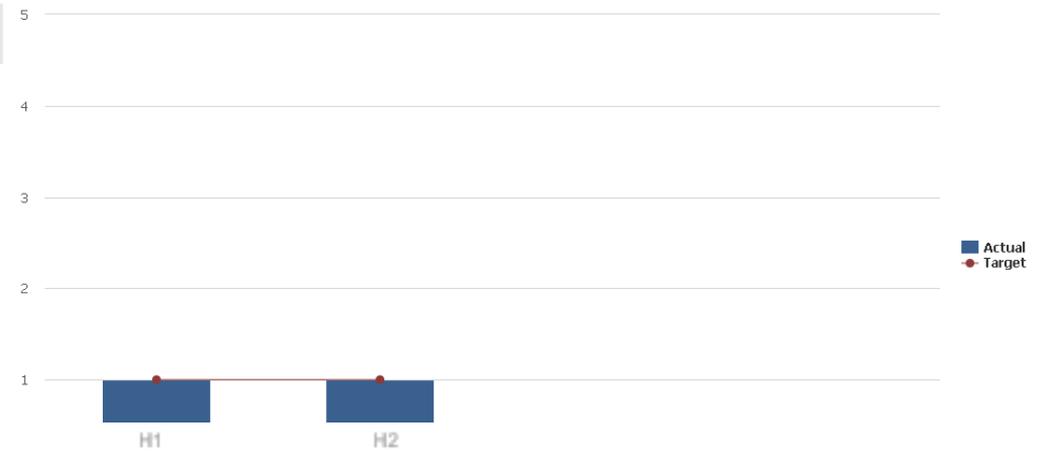


Timely delivery of agency training plan



Result	Value
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Actual	1
Target	1



Indicator commentary

The Director of Administration shared the July - December 2016 focus would be on PC Refresh training in our March 23, 2016 Leadership Meeting. Classes offered on Lynda.com our new e-Learning software includes Office 365, Windows 10, SharePoint 2013, and OneDrive training. There was also Instructor led SharePoint training. The Lottery headquarter relocation takes place this fall so the training schedule was intentionally kept lighter, given the workload from all teams.

(Aug 8, 2016)



Agency Scorecard > Social Responsibility > Better understand stakeholders

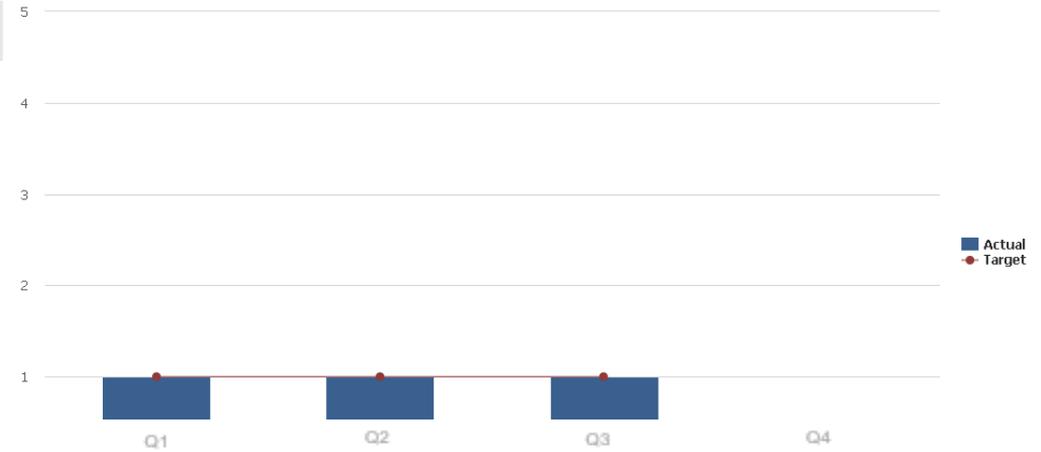


Legislative report



Result	Value
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Actual	1
Target	1



Indicator commentary

For 2016-Q3 the report was submitted within the timeframe. Light-to-moderate legislative interaction, with a total of nine meetings, which is normal for this time of year.

(Nov 1, 2016)



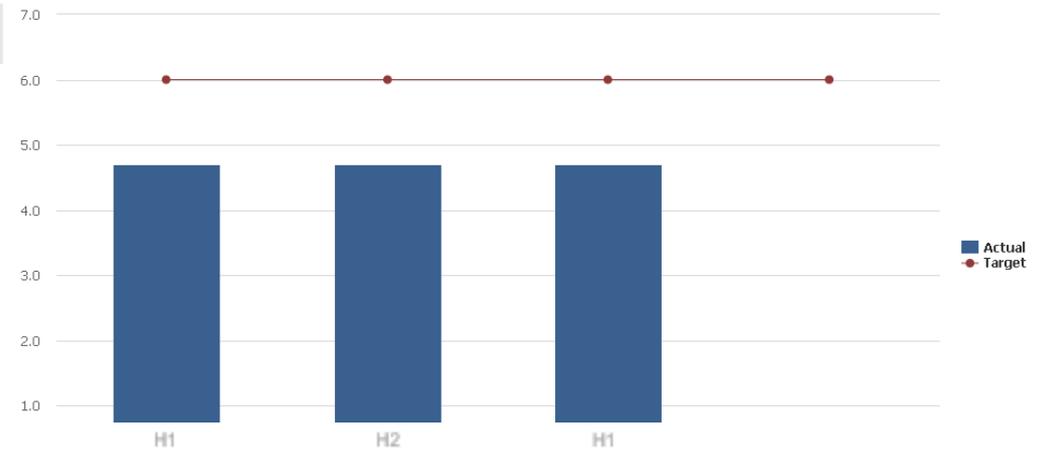
Agency Scorecard > Social Responsibility > Enhance stakeholder confidence



Public responses about Virginia Lottery



Result	Value
Actual	4.7
Target	6.0



Indicator commentary

Public response about the Virginia Lottery has remained consistent over the past two years, around 4.7 which is between neutral and somewhat positive. This rating takes into consideration all adults in Virginia, whether they play the Lottery or not. In the first half of 2016, brand assessment and customer journey mapping research was conducted with both players and retailers. Results are now being analyzed and will be utilized to plan how to best evolve the Lottery's brand over the next two to three years.

(Jul 26, 2016)



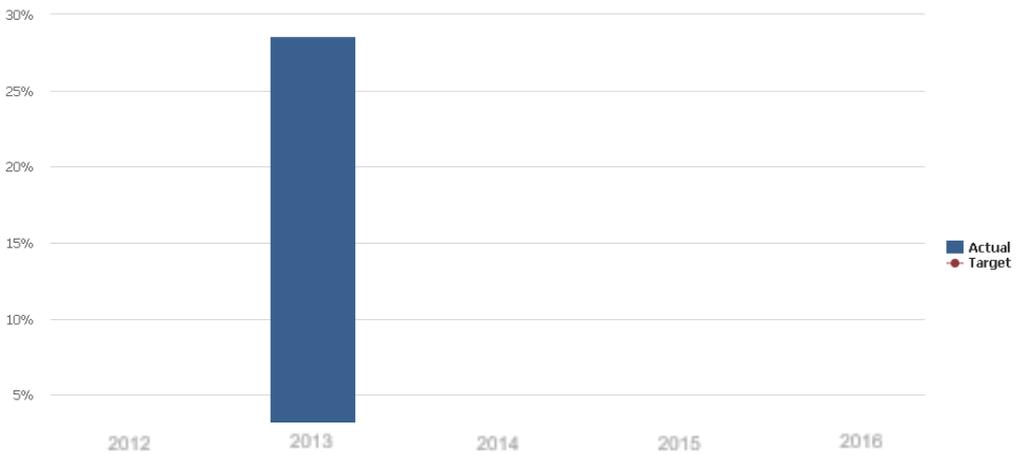
Agency Scorecard > Social Responsibility > Enhance stakeholder confidence



Legislation passed that impacts Virginia Lottery (not initiated by Lottery)



Result	Value
Actual	0%
Target	0%



Indicator commentary

There was no Virginia Lottery-impact legislation initiated by others that passed during the 2016 session. Two Virginia Lottery-impact initiations were made, but neither passed: HB1089 (Cline) Virginia Lottery Fund; administrative expenses, reduces cap on appropriations to Fund – would reduce the cap on appropriations for operation and administration (exclusive of agent compensation) from no more than 10% to no more than 8%. SB34 (Lucas) – Virginia Lottery Board; regulation of casino gaming, penalties – would authorize the Virginia Lottery Board to regulate casino gaming.

(Apr 11, 2016)



Agency Scorecard > Social Responsibility > Enhance stakeholder confidence

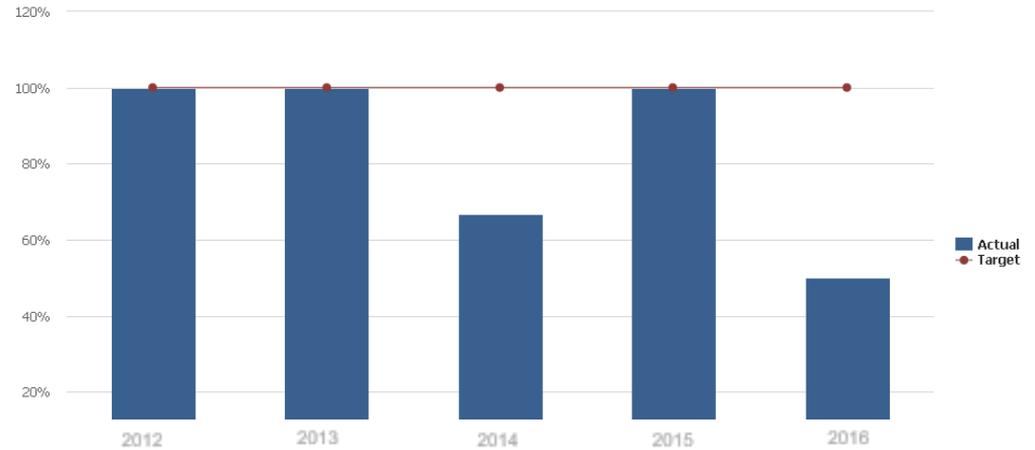


Lottery-initiated legislation passed



Result	Value
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Actual	50%
Target	100%



Indicator commentary

Two bills were initiated by the Lottery during the 2016 session - one passed, one did not:

Passed

- HB1291 (Rush) Virginia Lottery; prohibits ticket courier services in the Commonwealth – would prohibit operation of a ticket courier service in Virginia – Passed – effective 7/1/2016

Did not pass

- SB661 (Favola) Virginia Lottery; ticket courier services - would prohibit operation of a ticket courier service in Virginia

(Apr 11, 2016)



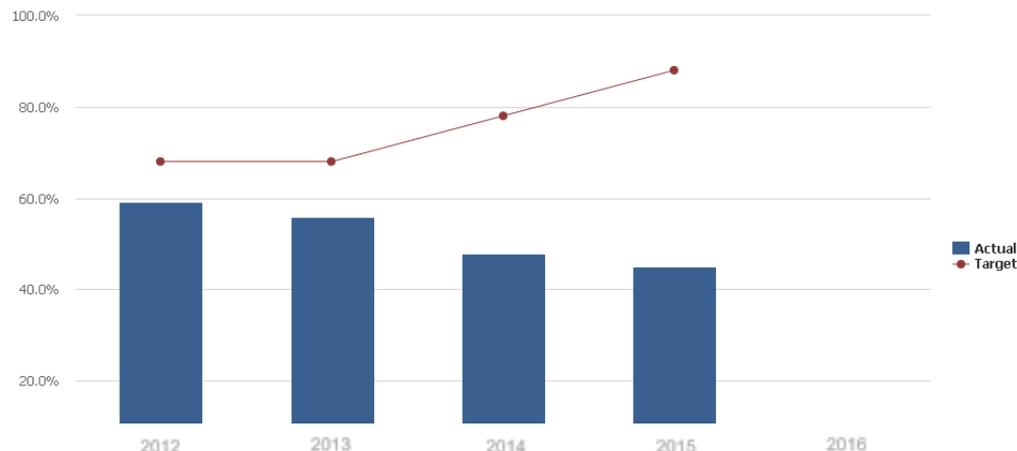
Agency Scorecard > Social Responsibility > Build Lottery brand



Employee awareness of Lottery brand



Result	Value
Actual	45.1%
Target	88.0%



Indicator commentary

Theoretically, there continues to be a decline in the percentage of employees that are aware of the “we’re game” brand because many tenured employees (55% of surveyed employees with 10 years or more) still associate the internal brand with attributes related to the Lottery’s operational infrastructure (integrity, reliable, accurate, stable, honest) versus the “we’re game” culture attributes of fun, excitement, games, energy and spontaneity. Additionally, 8% of employees surveyed had less than one year tenure when the assessment was administered in fall 2015. Under the guidance of the Brand Communicator, the 2015 D.R.E.A.M. team continued to design and execute a variety of engaging employee activities, all to increase employees’ awareness of the “we’re game” brand. Employee activities included: opportunities for employees to represent the Lottery at education-sponsorship and community-relations events, Summer Jam employee Kick-off, Spirit Week celebrating the Lottery’s 27th birthday, UCI World Championship street team and the Virginia Lottery’s holiday flash party. Upward movement is expected in 2016 by infusing “we’re game” attributes in upcoming monumental events to include the 2016 all-agency meeting, intranet enhancements, historic commemorations, and the Lottery headquarters relocation. Also, “we’re game” attributes will be reiterated with targeted signage, brand-specific intranet news articles and employee engagement activities. This indicator will be evaluated again in 2017.

(Mar 9, 2016)



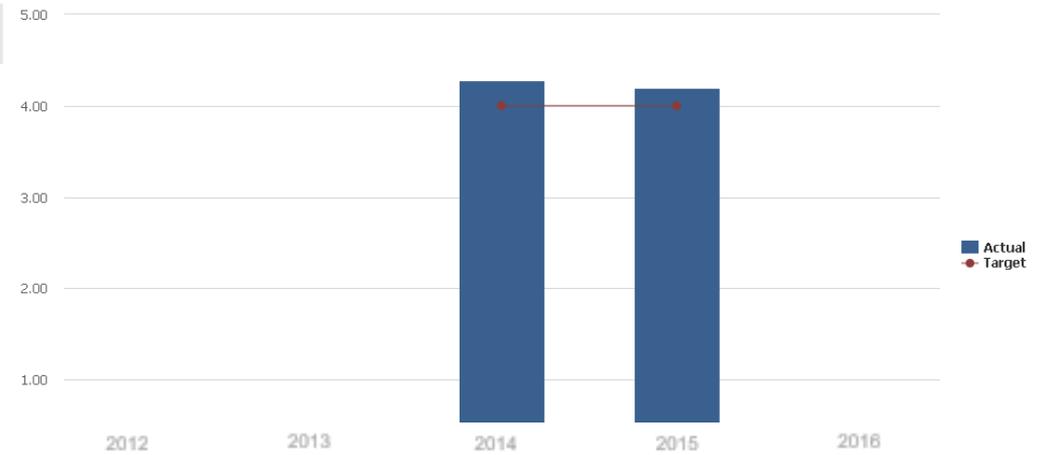
Agency Scorecard > Social Responsibility > Build Lottery brand



Employee confidence in communicating Lottery brand internally



Result	Value
Actual	4.20
Target	4.00



Indicator commentary

The Brand in Action strategic initiative remained active in 2015. Under the guidance of the Brand Communicator and with support from Lottery leadership, a 23-member, cross-departmental team, known as the D.R.E.A.M. team, helped maintain internal branding efforts. Throughout the year, there was continued focus on educating employees about the “we’re game” brand through brand-specific events and activities, employee webinars, monthly Brand-In-Action intranet updates and bi-annual Lottery-wide pep rallies. The D.R.E.A.M. team expanded by three members to help increase employee reach within field Sales, and all team members were charged with infusing brand-specific topics and/or activities in their individual departmental meetings. Additionally, to raise awareness of how to create winning experiences, employees had the opportunity to participate in several consumer-facing events like the UCI World Championship Street Team and Virginia Lottery holiday flash party. Upward movement is expected in 2016 with the implementation of an all-agency meeting, intranet enhancements, commemoration of historic events, and employee involvement in the Lottery headquarters relocation. Furthermore, D.R.E.A.M. Team members will continue to increase their brand knowledge and be positioned to help fellow Lottery colleagues understand, embrace and deliver on the “we’re game” promise.

(Mar 9, 2016)



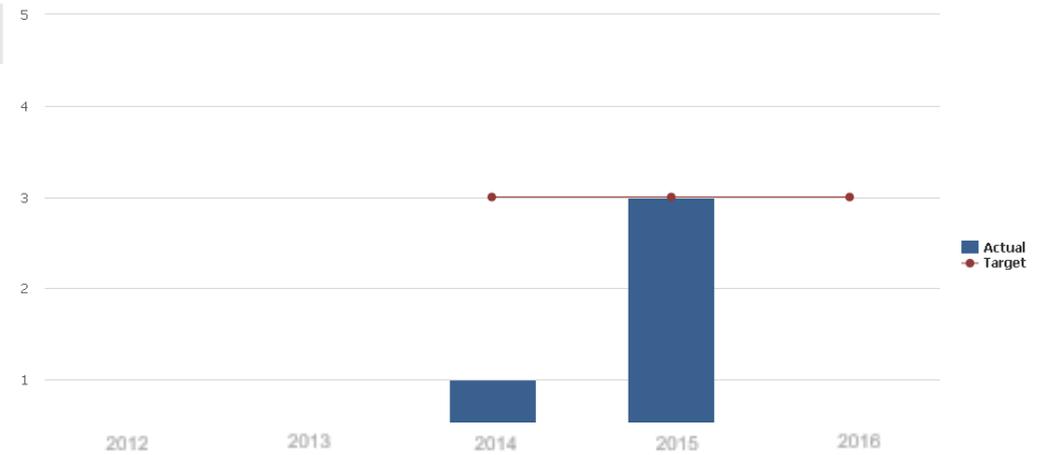
Agency Scorecard > Social Responsibility > Uphold compliance standards



Achievement of annual emergency preparedness goals



Result	Value
Actual	3
Target	3



Indicator commentary

All three emergency preparedness goals were met in calendar year 2015. The first goal, to test the Lottery's continuity of operations plan (COOP), was accomplished on April 17, 2015. Exercise debrief sessions were held afterwards to evaluate the effectiveness of the exercise and ensure objectives were achieved. The second goal, to maintain emergency preparedness relationships with other state agencies, was accomplished when the Lottery's Emergency Preparedness Coordinator developed close ties with experts from the Virginia Department of Emergency Management. These experts provided guidance on exercise templates and reviewed the Lottery's COOP exercise plan prior to its finalization. The Lottery also continued its partnership with the Amber Alert program, and the Emergency Preparedness Coordinator partnered with the Department of Health in the dissemination of materials focused on flu prevention throughout the organization. Additionally, in December 2015, the Lottery partnered with Omnilert to improve its emergency communications capabilities. The third goal was to identify other emergency preparedness opportunities. Preparations for the 2016 Lottery headquarters relocation began in 2015, and the Lottery is partnering with the Department of General Services for emergency preparedness opportunities in the new location. In 2016-17, the Lottery will work to create communications with other state agencies in the new location.

(Mar 7, 2016)



Agency Scorecard > Social Responsibility > Enhance transparency

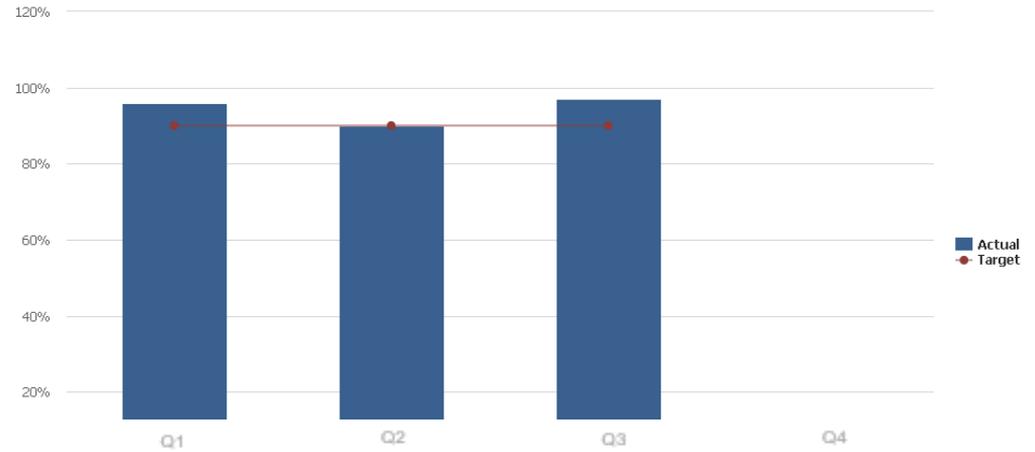


valottery.com improvements' average completion rate



Result	Value
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Actual	97%
Target	90%



Indicator commentary

The average completion rate for 2016- Q3 was 97%. Due to a Sales promotion that was handed off to the web development team at the last minute, so several tasks were reprioritized, and one task was moved back to the backlog, for a future Sprint.

(Jul 22, 2016)



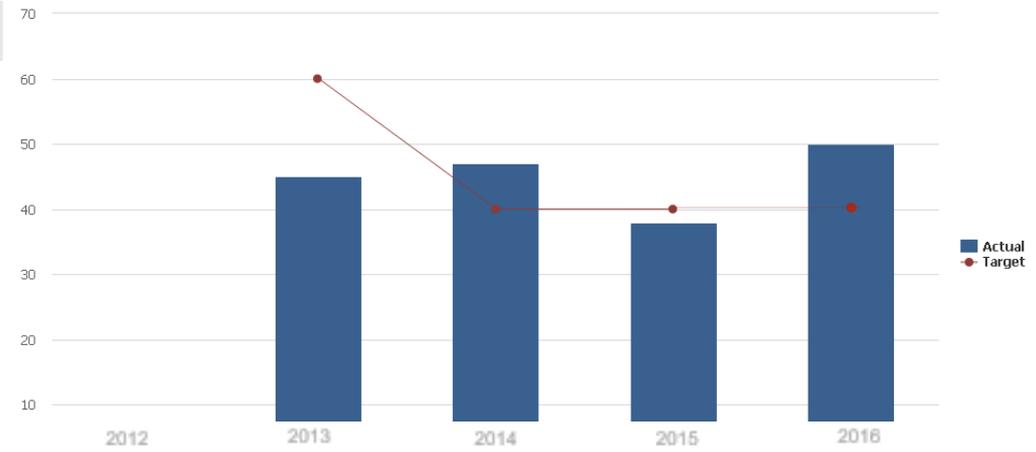
Agency Scorecard > Social Responsibility > Support corporate social responsibility



Number of unique Lottery employees who participated in the Super Teacher program



Result	Value
Actual	50
Target	40



Indicator commentary

In 2016, 50 Lottery employees participated in the Super Teacher program; twelve more than last year. Again, five of the eight schools welcomed Lottery employees to read to the students, prepare a gymnasium for June graduation, and complete landscaping projects. Eight employees also assisted at three of the Super Teacher winner presentations. The Lottery Corporate Social Responsibility (CSR) team members are normally team leaders for the service events; however, one employee in the Abingdon Sales area volunteered as team leader, which helped reduce travel expenses for the program. In 2017, the CSR team will attempt to recruit ten employees for each geographic area and hope that all schools accept the Lottery's invitation to receive volunteer service. Also in 2017, the team plans to partner with the Lottery's creative team to create a short video. This video will highlight previous volunteer initiatives accomplished over the years, in the hopes that the school's principal of the Super Teacher winner will understand the Lottery's CSR Team's motives and goals to enhance the Super Teacher experience, as well as support public schools in a unique way. This indicator will be reported on again after June 2017.

(Jul 5, 2016)



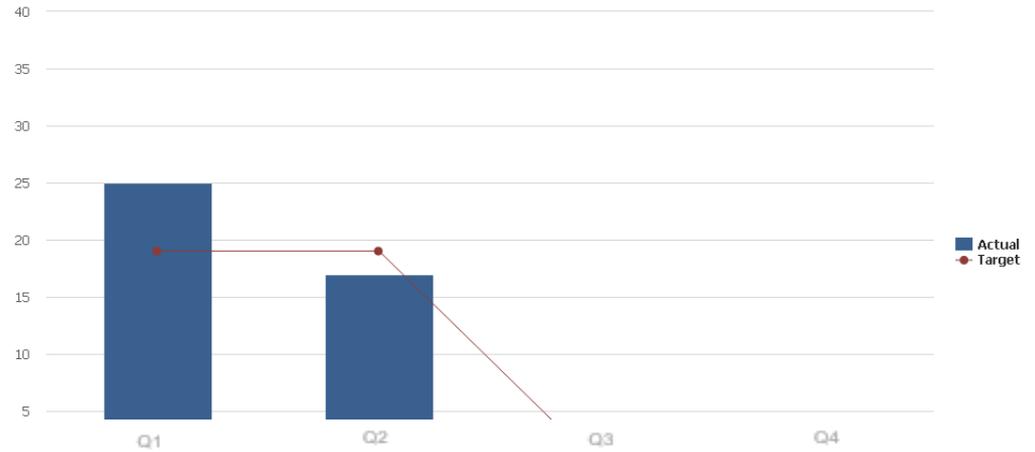
Agency Scorecard > Social Responsibility > Support corporate social responsibility



Number of unique Lottery employees who participated in the Making A Difference program at Title I schools



Result	Value
Actual	0
Target	0



Indicator commentary

There is no activity to report for 206-Q3, due to the fact that Lottery employees do not participate in the program during the Summer session, at Title 1 schools. Volunteering will resume in the 2016-2017 school year.

(Oct 19, 2016)



Agency Scorecard > Social Responsibility > Support corporate social responsibility

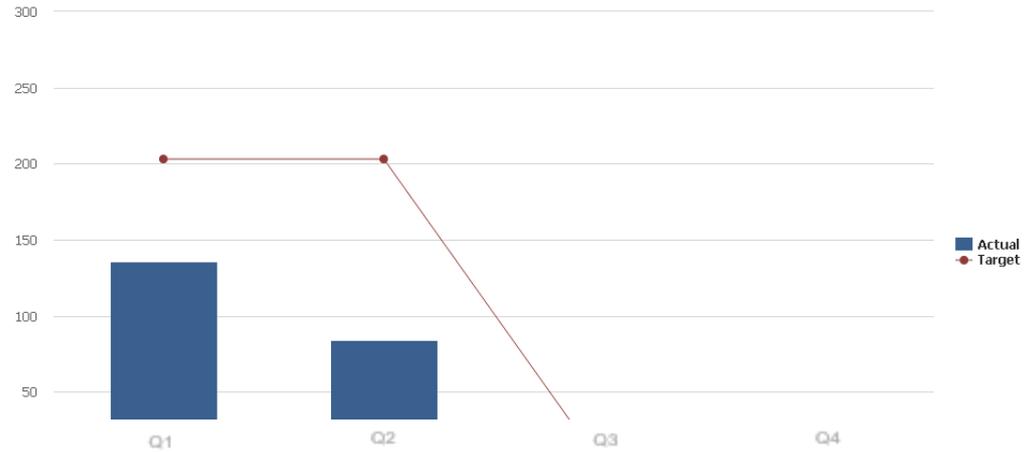


Number of tracked hours volunteered in the Making A Difference program at Title I schools



Result	Value
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Actual	0
Target	0



Indicator commentary

There is no activity to report for 2016-Q3, due to the fact that Lottery employees do not participate in the program during the Summer session, at Title 1 schools. Participation will resume in the 2016-2017 school year.

(Oct 19, 2016)





Rolling Quarters: 1 of 2

Indicator	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
valottery.com browse web customer satisfaction score	●	●	●	●	●	●	●	●
Percentage of developer time spent on enhancements/fixes for valottery.com	●	●	●	●	●	●	●	●
Date-driven initiatives on valottery.com with missed launch date	●	●	●	●	●	●	●	●
Number of unique registrants in customer database	●	●	●	●	●	●	●	
Percentage of registrants in defined segments	●	●	●	●	●	●	●	●
Number of annual consumer culture characteristics with standing of High	●	●	●	●	●			
Project Management Office (PMO) project timeliness	●	●	●	●	●	●	●	●
Project Management Office (PMO) project budget adherence	●	●	●	●	●	●	●	●
Number of IT management services survey categories with Slightly, Moderately or Extremely Satisfied results at the target percentage	●	●	●	●	●	●	●	●
Strategy updates on LottoLand	●	●	●	●	●	●	●	●



Rolling Quarters: 2 of 2

Indicator	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Number of questions rated less than 3.00 on annual strategy self-assessment								
Timely delivery of agency training plan								
Legislative report								
Public responses about Virginia Lottery								
Legislation passed that impacts Virginia Lottery (not initiated by Lottery)								
Lottery-initiated legislation passed								
Employee awareness of Lottery brand								
Employee confidence in communicating Lottery brand internally								
Achievement of annual emergency preparedness goals								
valottery.com improvements' average completion rate								
Number of unique Lottery employees who participated in the Super Teacher program								
Number of unique Lottery employees who participated in the Making A Difference program at Title I schools								
Number of tracked hours volunteered in the Making A Difference program at Title I schools								

