Hoosier Lottery
Integrated Services RFI
Evaluation Tool
September 2012

Evaluation Criteria

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Evaluation Criteria: Bid Net Income Proposal

Year 1	Year 2	Year 3	Year 4	Year 5	Cumulative
				Delta from State's Expectation:	
				Ranking:	

Evaluation Criteria: Probity & Financial Viability

Probity Rating:

☐ Unacceptable: an initial investigation into the background and reputation of the individuals and entities involved indicates issues that would disqualify them under Indiana Lottery law, embarrass the State or damage the Hoosier Lottery brand.

☐ Acceptable: an initial investigation into the background and reputation of the individuals and entities involved indicates nothing that would disqualify them under Indiana Lottery law and that the Offeror would be able to perform the Services at the Highest Standards.

Financial Viability Rating:

The Offeror has (a) shown liquidity of at least $20,000,000 (U.S. Dollars) in unencumbered cash resources as shown on a balance sheet (e.g., current assets in excess of current liabilities and unrestricted retained earnings/equity) as of May 31, 2012 or a more current date or (b) a lending commitment from an Eligible Institution stating that it is willing to extend a line of credit in the amount of $20,000,000 (U.S. Dollars).

☐ Unacceptable: Did not meet.

☐ Acceptable: Meets.

Evaluation Criteria: Business Plan Strategy

What we are looking for:
Overall, offers a materially different approach or point of view on a range of supporting strategies to grow the business in a responsible manner. The expectation is that the Offeror will: demonstrate a) a highly specific understanding of the Indiana market; b) their plan will generate materially better income, much faster than the Lottery; c) product innovation that will attract new consumers; and d) that they will do so while maintaining the Highest Standards consistent with Hoosier values. Specificity in the first two years of the Plan is key.

Key considerations:
- Completeness - addresses all of the main value drivers (marketing, branding, product development, customer engagement, sales force effectiveness and retail distribution)
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating the strategy is achievable and effective
- Customization – rationale demonstrates specific insights into current operations and marketplace
- Balance - recognition of risks, especially as related to responsible gaming, accompanied by mitigation strategies

Advanced considerations:
- Innovation – brings genuinely new approaches and insights to Indiana
- Integration – clear demonstration of how elements in the strategy support/reinforce one another

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity and/or credibility of strategies; addresses topic only in generalities without clear evidence of execution capabilities; essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility of strategies, covers key categories with adequate, relevant detail; and some mention of more advanced categories. Generally, details an approach that is agreeable and will enhance the reputation & integrity of the lottery.

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail, with clear thresholds and credible, achievable strategies; bidder will engage in a strong working relationship, representing the state well in the assigned role.

Notes on Rating:

Summarize specific differentiators, observations or points from the Business Plan that support the Rating.

Evaluation Criteria:
Credibility of Business Plan Activities & Initiatives - Marketing

What are we looking for:

- A holistic approach to increasing awareness of lottery products, communicating a value proposition and motivating consistent purchases. Should expect to see improvement in the yield on those marketing expenses (>$65/$1 spent). The marketing components should differentiate from the current HL spending priorities. Track record of increasing the customer base, increasing customer spend, and doing so in keeping with core values.

Key considerations:

- Completeness - addresses a range of marketing activities: advertising across various types of media, winner awareness, jackpot awareness, point-of-sale, promotions, events, sponsorships, in order to create awareness, communicate value and motivate purchase
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating that the activities are effective; marketing budget aligns with scope of the plan
- Customization – rationale demonstrates specific insights into customer demographics and Indiana marketplace
- Consistency - financial projections are based on a methodology and assumptions that are realistic/feasible
- Balance - recognition of risks, especially as related to responsible gaming, accompanied by mitigation strategies

Advanced considerations:

- Innovation – the Plan brings genuinely new approaches to Indiana
- Credibility – a demonstration of return on investment and/or yield in terms of sales per dollar spent
- Integration – clear demonstration of how elements in the strategy support/reinforce one another

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity and/or credibility of plans and objectives, sparse discussion of the effectiveness of marketing initiatives; essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility of strategies, activities and objectives; covers key categories with adequate, relevant detail; and some mention of more advanced categories. Generally, details an approach that is distinguishable from current lottery spending plans and will enhance the reputation & integrity of the lottery.

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail, with clear thresholds and credible, achievable strategies; track record demonstrates a high degree of effectiveness (and greater than current capabilities); bidder will engage in a strong working relationship, representing the state well in the assigned role

Notes on Rating:

Summarize specific differentiators, observations or points from the Business Plan that support the Rating.

Evaluation Criteria:
Credibility of Business Plan Activities & Initiatives – Brand Management

What are we looking for:

- An approach to and track record of success in increasing brand relevancy and fostering greater customer and retailer engagement. Brand positioning that enhances the reputation of the Lottery and aligns with core values.

Key considerations:

- Completeness – details holistic brand positioning across marketing, product development, the retailer network – and even employees
- Integration – brand positioning ties to a customer/retailer engagement strategy
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating that the activities are effective
- Customization – rationale demonstrates specific insights into customer relationships with the lottery and Indiana marketplace
- Consistency - financial projections are based on a methodology and assumptions that are realistic/feasible

Advanced considerations:

- Innovation – brings genuinely new approaches, thinking and/or insights to the Hoosier Lottery brand
- Integration – discusses and differentiates a portfolio of game-based Hoosier brands
- Strategic – indicates long-term thinking and provides direction for future years
- Balance – uses market research to identify and address current weaknesses with brand recognition or relevancy

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity, effectiveness and/or credibility of plans and objectives; doesn't provide a sustainable program over the life of the agreement; essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility of strategies, activities and objectives; covers key categories with adequate, relevant detail; some mention of more advanced categories; track record demonstrates a high degree of effectiveness and/or execution. Marked enhancement over current HL branding efforts. Generally, details an approach that will enhance the reputation & integrity of the Lottery.

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail, with clear thresholds and credible, achievable strategies; bidder will engage in a strong working relationship in this regard

Notes on Rating:

Summarize specific differentiators, observations or points from the Business Plan that support the Rating.

Evaluation Criteria:

Credibility of Business Plan Activities & Initiatives – Consumer Engagement

What are we looking for:

- In addition to enhancing the relevancy of the Lottery brand, a track record of success in executing specific activities or tools to engage customers, e.g., opportunities for customers to experience products and integrate lottery into their lifestyle and daily activities (e.g., social media, loyalty program, sampling); clear linkage between activities and improvement in sales; approach aligns with the core values of Hoosier Lottery and would not be viewed as overly aggressive.

Key considerations:

- Completeness – identifies activities to strengthen existing customer loyalty and attract new or lapsed players in order to drive sales
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating that the activities are effective
- Customization – rationale demonstrates specific insights into Indiana marketplace
- Consistency - financial projections are based on a methodology and assumptions that are realistic/feasible
- Balance - recognition of risks, especially as related to responsible gaming, accompanied by mitigation strategies

Advanced considerations:

- Innovation – brings genuinely new approaches, insights or technology
- Integration – anticipates using knowledge of individual and/or group customer preferences to tailor engagement
- Speed of Growth vs. Sustainability of Growth - ensures the growth can be maintained for the duration of the agreement, and beyond

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity, effectiveness and/or credibility of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility of strategies, activities and objectives; covers key categories with adequate, relevant detail; and some mention of more advanced categories; track record demonstrates a high degree of effectiveness and/or execution. Generally, details an approach that is agreeable and will enhance the reputation & integrity of the lottery.

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail, with clear thresholds and credible, achievable strategies; bidder will engage in a strong working relationship in this regard

Notes on Rating:

Summarize specific differentiators, observations or points from the Business Plan that support the Rating.

Evaluation Criteria:

Credibility of Business Plan Activities & Initiatives – Product Development

What are we looking for:

- A track record of success in developing and managing a portfolio of lottery products that is attractive to players and meets their varied entertainment desires and needs; plans are within the parameters of current gaming framework; material differentiation from current portfolio management approach; of special interest is product strategies that will enhance higher-margin games (EG, Draw games, or other innovative ideas with the larger margins)

Key considerations:

- Completeness – details specific product/portfolio strategies with reference to pricing, creating "winning experiences", payout ratios, market positioning/differentiation, distribution (instant games) and gaming style/experience; demonstrates understanding of key characteristics and motivators for different player types (expect that some current games will be retired)
- Innovation – defines an approach to product portfolio management that is a marked difference from current strategies
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating that the activities are achievable and will be effective in the Indiana marketplace
- Consistency - financial projections are based on a methodology and assumptions that are realistic/feasible
- Balance - recognition of risks, especially as related to responsible gaming, accompanied by mitigation strategies

Advanced considerations:

- Customization – rationale demonstrates specific insights into Indiana marketplace
- Integration - elements in the strategy support one another
- Speed of Growth vs. Sustainability of Growth - ensures the growth achieved can be maintained for the duration of the agreement, and beyond

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity and/or credibility of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail; includes products not in the framework of allowable gaming

☐ Acceptable: a solid response with respect to specificity, effectiveness and credibility of strategies, activities and objectives; covers key categories with adequate, relevant detail; and some mention of more advanced categories. Generally, details an approach that brings new thinking and is distinguishable from current lottery product development/management approach, within the framework of allowable gaming, and will enhance the reputation & integrity of the lottery.

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail with credible, achievable strategies; bidder will engage in a strong working relationship and represent the state well in the assigned role

Notes on Rating:

Summarize specific differentiators, observations or points from the Business Plan that support the Rating.

Evaluation Criteria:

Credibility of Business Plan Activities & Initiatives – Sales Force Effectiveness

What are we looking for:

- A track record of success optimizing the activities and efforts of a sales force in order to enhance retailer sales; details effectiveness metrics; addresses current weaknesses with concrete ideas and plans that will balance the focus of the sales force toward true sales in addition to service.

Key considerations:

- Completeness – a range of strategies to enhance productivity, including training, incentives, communication, route stratification/optimization, performance measurement, procedures and manuals, and technology
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating that the activities are achievable and effective at growing sales
- Consistency - financial projections and impact on sales are based on a methodology and assumptions that are realistic/feasible
- Balance - recognition of risks accompanied by mitigation strategies

Advanced considerations:

- Customization – rational demonstrates specific insights into Indiana operation
- Innovation – brings genuinely new approaches to Indiana

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity and/or credibility of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity, effectiveness and credibility of strategies, activities and objectives; covers key categories with adequate, relevant detail; and some mention of more advanced categories. Generally, details an approach that distinguishes how they will transform the staff into a selling staff; will enhance the reputation & integrity of the lottery.

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail, with clear thresholds and credible, achievable strategies; bidder will build a strong working relationship and represent the State well in the assigned role

Notes on Rating:

Summarize specific differentiators, observations or points from the Business Plan that support the Rating.

Offeror: _____

Evaluation Criteria:
Credibility of Business Plan Activities & Initiatives - Retailer Distribution Strategy

What are we looking for:

- An approach to and track record of success in building retail networks. The extent to which the retail distribution strategy being relied upon to increase income, the greater the reliance the more it is necessary to understand how it will be achieved.
- The business plan identifies distribution capabilities that are based on data analysis; do not negatively impact Hoosier sensibilities.

Key considerations:

- Completeness - addresses mix of retailers, volume/density of retailers, retailer recruitment and incentivization, retailer relations management; as well as physical presence outside of primary retail environments (e.g. self-service terminals)
- Credibility – offers a clear rationale based on prior experience, industry insight and specific research indicating that the activities are achievable and effective
- Consistency - financial projections are based on a methodology and assumptions that are realistic/feasible
- Balance – discussion of risks mitigation strategies

Advanced considerations:

- Customization – rationale demonstrates specific insights into Indiana marketplace
- Innovation – brings genuinely new approaches to Indiana; provides a contract to current efforts
- Integration - elements in the strategy support one another
- Speed of Growth vs Sustainability of Growth - the Plan ensures the growth achieved can be maintained for the duration of the agreement, and beyond

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity and/or credibility of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity, effectiveness and credibility of strategies, activities and objectives; covers key categories with adequate, relevant detail; and some mention of more advanced categories. Track record demonstrates a high degree of effectiveness and/or execution. Generally, details an approach that is agreeable and will enhance the reputation & integrity of the lottery.

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail, with clear thresholds and credible, achievable strategies; bidder will build a strong working relationship and represent the State well in the assigned role

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Enhanced Business Plan

What are we looking for:

- In addition to a Base Business Plan, Offerors have been invited to provide an Enhance Business Plan outlining and estimating the value of conceptual gaming activities that are currently outside the allowable gaming framework. The Commission will use this information to guide future policy decisions. Creativity and an organizational commitment to exploring and developing new business opportunities, such as an R&D division or investment plan, will be as important as the feasibility or attractiveness of the actual concepts.

Key considerations:

- Innovation – defines an approach to lottery product offerings that is a marked difference from current strategies
- Capacity – demonstrates an organizational commitment to building for the future of lottery gaming: investment, people, research, strategic planning
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating that the activities are technically feasible and address a market need
- Consistency - financial projections are based on a methodology and assumptions are reasonable

Advanced considerations:

- Balance - recognition of risks, especially as related to responsible gaming
- Customization – rationale demonstrates specific insights into Indiana marketplace
- Sustainability – addresses cannibalization of current lottery games and growing the player base with new games while maintaining current market

Rating criteria:

☐ Unresponsive

☐ Responsive

Evaluation Criteria: Experience

What we are looking for:

Corporate

- A governance structure and business model that supports an outsourcing relationship of the nature contemplated by the ISA (vs product oriented or technical service models); corporate management has the experience in management of business functional outsourcing

Management team

- Overall, a capable management team with an emphasis on the lead executive that has a clear track-record of success in positions performing functional outsourcing roles or holding similar roles in the private sector; will form a strong working relationship

Key Considerations:

- Experience of the entities and individuals engenders trust that the Offeror can meet its obligations under the Integrated Services Agreement and will be highly capable in executing it responsibilities on behalf of the Lottery.
- The entities involved have sufficient experience in customer-facing (marketing, product development, retailer development), as well as operational issues (including logistics, management of distribution channels, technology)
- Organizational chart assigns responsibility for key operational areas identified in the Plan; key administrative functions are also addressed (finance, legal, HR); specific individuals are named for a significant number of key positions
- Key Personnel demonstrate experience related to their assigned role
- Consideration should be given to relevant experience in the lottery industry as well as in analogous consumer-industries. In general, experience in lottery is preferable to experience out-of-industry, more recent experience is preferable to experience from further in the past, and longer tenures preferable to shorter tenures.
- Organizational chart indicates true integration of employees hired from the Commission

Rating criteria:

☐ Unacceptable: little relevant functional outsourcing management experience or experience in analogous consumer-industries on the part of key management executives; few Key Personnel identified

☐ Acceptable: a demonstration of functional outsourcing management experience across both customer-facing and operational roles; specific and qualified individuals are named in a significant number of key positions; top executive has experience managing earnings in a firm of comparable size to the Lottery; key management executives have relevant functional outsourcing experience or experience managing lotteries or analogous consumer-industries

☐ Exceptional: a superior demonstration of functional outsourcing management experience across both customer-facing and operational roles; majority of Key Personnel have significant relevant experience in functional outsourcing management or managing similar functions

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Financial Plan (#3 of RFI Section 3.3)

What we are looking for:

- A financial plan supported by and correlated to the narrative of the business plan elements
- The Offeror is acting in the best interest of Hoosiers – the plan does not mask "unnecessary" spending decisions against pro forma sales
- Discussion of assumptions, risks and mitigation plan

Key considerations:

- Assumptions related to estimated organic growth of draw and instant games are realistic/feasible and based on a stated rationale
- Sources of annual non-organic sales growth are specific and generally supported by strategies, actions and initiatives described in the Business Plan
- Resource assumptions are specific and realistic in support of stated actions and initiatives
- Revenue growth projections foot to the pro forma income statement

Advanced considerations:

- The extent to which the Offeror can clearly tie the table of financial projections to the strategies, activities and initiatives in the Business Plan

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity, credibility and/or clarity of growth assumptions, essentially devoid of merit

☐ Acceptable: a solid response with respect to specificity, credibility and clarity of growth assumptions; clear relationship between sources of growth and strategies, activities and initiatives in the Business Plan. Generally, financial projections are shared with a level of clarity that supports a successful, working relationship and to the benefit of the State

☐ Exceptional: an outstanding response with respect to the level of specificity, credibility and clarity of growth and resource assumptions, financial projections are shared with a level of clarity that supports an excellent working relationship and to the benefit of the State

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Resource Plan (#4 of RFI Section 3.3)

What we are looking for:

- Offerors have been requested to provide a table, supported by discussion, identifying the resources required to undertake the actions and initiatives described in the Base Business Plan in form of line-item elements of the Management Fee and Lottery Expenses.

Key considerations:

- Costs associated with the Management Fee and Lottery Expenses are allowable under the ISA
- Resource plan supports strategies and activities described in the Business Plan and the Financial Plan
- To the extent the Business Plan projects an immediate gaming system replacement, attention should be paid to expenses versus sales lift detailed in the Financial plan
- Appropriate attention to resources to support administration, reporting and personnel as outlined in the organizational chart
- Resource plan foots to the pro forma income statement

Advanced considerations:

- The extent to which the Offeror can clearly tie the table of resource needs to the strategies, activities and initiatives in the Business Plan
- Investments that demonstrate a long-term view of the business and the relationship

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity, credibility and/or clarity of growth assumptions, essentially devoid of merit

☐ Acceptable: a solid response with respect to specificity, credibility and clarity of resource requirements; clear relationship between resources and growth strategies, activities and initiatives in the Business Plan. Generally, resource requirements are shared with a level of clarity that supports a successful, working relationship

☐ Exceptional: an outstanding response with respect to the level of specificity, credibility and clarity of resource assumptions, resource requirements are shared with a level of clarity that supports an excellent working relationship

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Compliance

What we are looking for:

- Strategies, plans and activities that are in keeping with the State's sensibilities
- Business Plan does not rely on strategies or activities that would constitute an expansion of gaming or that are outside current legal authority
- Strategies, plans and activities stated in sufficient detail as to be reasonably comfortable with the direction and reduce the risk of countermand

Key considerations:

- No strategies or activities that would constitute an expansion of gaming or are outside current legal authority
- Strategies, plans and activities stated in sufficient detail as to be reasonably comfortable with the direction and reduce the risk of countermand

Rating criteria:

☐ Unacceptable: the Plan contains several objectionable aspects and/or risks countermand due to lack of sufficient detail

☐ Acceptable: a solid response in keeping with the sensibilities of the State and with no or easily curable objectionable aspects; adequate detail to reduce the risk of countermand

☐ Exceptional: an outstanding response demonstrating a high level of commitment to upholding the State's reputation and principles; and with a high level of innovation within the current gaming framework of inclusion

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Transition Plan

What we are looking for:
An approach and timeline of activities providing reasonable assurance that the Offeror is prepared to execute a smooth transition of operations

Key considerations:

- Identifies Transition teams and individuals responsible for key activities
- Reasonably anticipates the tasks necessary to assume operations
- Includes timetable for completion of each such activity or deliverable
- Addresses key milestones, including the set-up of Provider's organization; the development of management support processes; and the requirements of the Operating Standards (including the Compliance Program, Security Plan, Continuity Plans, MWBE Plan and Ethics Code)
- Provides a plan and timetable for transitioning and/or replacing contracts
- Describes the plan and timetable for transition of technology
- Includes an assessment of risks associated with the Transition and risk mitigation strategies
- Describes a Transition-related communication strategy, including progress reports
- Outlines a hiring plan that reasonably ensures Key Personnel are in place by the Transition Date
- Includes a thoughtful approach to successfully integrating current Lottery staff into the Provider's organization

Advanced considerations
Only a draft Transition Plan is required at this point. Advanced consideration should be given for a higher level of detail and completeness.

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility plans and objectives and covering key categories with adequate, relevant detail; and a demonstration of prior successful experience with operational transition

☐ Exceptional: an outstanding response with respect to their understanding of the necessary transition activities; all categories are covered in high detail; demonstrates significant experience in transitioning operations; provides a high level of confidence

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Ramp Up Plan

What we are looking for:

- An approach and timeline of activities that provides reasonable assurance that the Offeror can assume responsibility for lottery operation as detailed in the ISA and will support through its spending and initiatives the FY13 budget; the Ramp-up plan should support on our commitment for budgeted earnings

Key considerations:

- Identifies individuals responsible for key Ramp-Up activities
- Reasonably anticipates the tasks necessary to assume the full-range of operations; any continued reliance on Lottery staff for certain operations is clearly stated
- Includes timetable for completion of activities and deliverables
- Demonstrates a balance between completing a successful FY13 and building toward the FY 14 Business Plan
- Describes the plan and timetable for transition of technology during Ramp-Up
- Includes an assessment of risks associated with Ramp-Up and risk mitigation strategies
- Describes a Ramp-Up communication strategy, including progress reports
- Includes a thoughtful approach to successfully integrating current Lottery staff into the Provider's organization and building a common culture

Advanced considerations

- Only a draft Ramp-Up Plan is required. Advanced consideration should be given for a higher level of detail and completeness.

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility plans and objectives and covering key categories with adequate, relevant detail

☐ Exceptional: an outstanding response with respect to their understanding of the necessary transition activities; all categories are covered in high detail; demonstrates significant experience in transitioning/ramping-up operations; provides a high level of confidence

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Disentanglement of Operations

What we are looking for:

- An approach to the eventual hand-over of operations that recognizes and respects the imperative that transition can be achieved with minimal disruption; demonstration that the Offeror understands the critical data requirements for running a lottery and has provided a mechanism for the state to maintain a continuous posture of disentanglement

Key considerations:

- Identifies an organizational structure and individuals (by title) responsible for key Disentanglement activities
- Reasonably anticipates the tasks necessary to hand-over the full-range of operations
- Establishes a system of current reporting and data sharing that will minimize disentanglement burden or disruption
- Includes estimated timetable for completion of activities and deliverables
- Outlines an approach to the transition of technology during Disentanglement
- Includes an assessment of risks associated with Disentanglement and risk mitigation strategies

Advanced considerations

- Only a draft Disentanglement of Operations Plan is required. Advanced consideration should be given for a higher level of detail and completeness.

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility plans and objectives and covering key categories with adequate, relevant detail

☐ Exceptional: an outstanding response with respect to their understanding of the necessary transition activities; all categories are covered in high detail; demonstrates significant experience in handing-over operations; provides a high level of confidence

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Brand Integrity

What we are looking for:

- The Hoosier Lottery brand is one of the State's greatest assets. Maintaining a strongly positive brand image and a reputation of operational excellence and integrity of lottery games in paramount to the continued value of the lottery.
- The Provider must have a plan for closely monitoring the health of the Hoosier Lottery brand and reporting findings to the Commission.

Key considerations:

- Completeness - a perspective on the measures of brand health and a data-driven approach to setting a baseline and continually measuring status or progress; employs multiple research methods
- Credibility – offers a clear rationale based on prior experience, industry insight or research indicating the strategy is effective in providing an accurate gauge of brand health
- Balance - recognition of risks, especially as related to responsible gaming, accompanied by mitigation strategies
- Integration – description of likely research or analytical partners

Advanced considerations:

- Innovation – brings genuinely new approaches and insights to Indiana

Rating criteria:

☐ Unacceptable: a poor response with respect to specificity of plans and objectives, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to specificity and credibility brand management/measurement plan and covering key categories with adequate, relevant detail; demonstrates a high level of commitment to communicating and cooperating with the Commission on this point

☐ Exceptional: an outstanding response with respect to their understanding of the measuring brand health; all categories are covered in high detail; demonstrates significant experience in brand management; provides a high level of confidence

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Diversity

What we are looking for:

- The Lottery Commission has goals regarding the participation of a diverse supplier base in its contract spend; the Provider must be a supportive partner in helping the Commission in meeting these goals

Key Considerations:

- Plans and activities to support participation of MBE/WBE in contracting opportunities; e.g., procurement website, opportunity fairs, memberships/outreach to key organizations

Rating criteria:

☐ Unacceptable: a poor response with respect to their plans and objectives for making opportunities available to MBE/WBE contractors, essentially devoid of merit and lacking in detail

☐ Acceptable: a solid response with respect to their plans and objectives for making opportunities available to MBE/WBE contractors; adequate, relevant detail; draws from successful experience

☐ Exceptional: an outstanding response with respect to their plans and objectives; demonstrates originality and creativity and a high level of commitment to the principle of inclusion; evidence of a successful, repeatable supplier diversity program

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: Responsible Gaming

What we are looking for:

- An approach to responsible gaming that balances growth with the need to do so responsibly.

Key considerations:

- Discussion of balancing of growth and social responsibility
- General principles for addressing problem gambling, including actual programs employed
- Other key responsibility considerations such as age-compliance and fraud detection
- Differentiation between today's core playing base and non-players
- Description of key motivators and hurdles for infrequent players, lapsed players, non-players etc. and broad product, marketing and distribution strategies addressing these motivations and hurdles

Advanced considerations:

- Application of technology to assist in proactively identifying problematic behavior (e.g. hardware, software, analytic techniques etc.)
- Specific and detailed self-exclusion and/or exclusion strategies
- Compliance strategies across all distribution channels (e,g, bricks and mortar, self-service)
- Positive social branding (e.g. increased awareness of impact of transfers to good causes)
- Specific product/portfolio strategies to grow the customer base with reference to payout and gaming experience
- Specific CRM strategy with reference to customer insight, customer valuation and customer contact
- Recognition of different value customer segments, expressed in terms of both frequency of play as well as spend per play; also the research/analysis required to understand the various customer segments

Rating criteria:

☐ Unacceptable: a poor response with respect to their plans and objectives for managing social responsibility, essentially devoid of merit and covering only some of the key categories and lacking in detail

☐ Acceptable: a solid response with respect to their plans and objectives and covering key categories with adequate, relevant detail and some mention of more advanced categories

☐ Exceptional: an outstanding response with respect to their plans and objectives, where all categories are covered in high detail, with clear thresholds and credible, achievable strategies

Notes on Rating:

Summarize specific observations or points from the Business Plan that support the Rating.

Evaluation Criteria: References

1. What was the role of _____ (individuals and/or entity) in your organization and/or what services did they provide?

   Role indicates a high-level of responsibility over integrated functions, similar to what would be expected under the ISA.

   ☐ Disagree ☐ Agree ☐ Strongly Agree

2. Would you say that _____ brought innovative ideas to your organization?

   ☐ Disagree ☐ Agree ☐ Strongly Agree

3. Would you say that not only were the ideas innovative, but that they were also flawlessly executed?

   ☐ Disagree ☐ Agree ☐ Strongly Agree

4. Would you say that _____ was prudent about costs and mindful of return on investment?

   ☐ Disagree ☐ Agree ☐ Strongly Agree

5. Would you say that the individuals working at _____ had integrity and were dedicated to your success?

   ☐ Disagree ☐ Agree ☐ Strongly Agree

6. Can you describe an instance where you had a disagreement with _____? How was it resolved?

7. If you had the ability to give _____ more responsibility within your organization, would you? What? Why?

Notes on responses:

Summarize specific observations or points from the reference call