



Lottery Retailer Revenue Review Program

Fiscal Year 2018/19



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PURPOSE

This program outlines financial success criteria for Lottery Retailers and establishes the procedures for identifying and evaluating Lottery Retailers that do not meet minimum financial success criteria.

SCOPE

This document is limited to Lottery Retailers within the Retailer Network (RN) and Hospitality Network (HN) channels as it is based on revenue criteria specific to those business lines. Exemptions exist for those Lottery Retailers identified as 'Out of Scope' due to geographical or contractual considerations.

Out of Scope:

- Remote geographical locations
- Any Lottery Retailer identified as the sole Retail account or Hospitality account within a non-exempt remote geographical location
- Key Strategic Partnership Agreements
- Pull Tabs only retailers, Lotto Express, Retail Stores Group (RSG), all Non-Profit Service/Community Clubs and Liquor Retail Stores (LRS) associated with a Hospitality Business.

A schedule of exempt retailer locations is available upon request and is subject to change at BCLC's discretion.

CONTEXT

The criteria will assist BCLC and its retailer partners to make informed decisions regarding their lottery business. Financial success criteria are reflected as revenue thresholds. Lottery Retailers are evaluated on the lottery revenue thresholds below:

- Hospitality Network (HN): \$75,000
- Liquor Retail Stores not associated with a Hospitality Network Business or a Key Strategic Business Partner (Standalone LRS): \$55,000
- Retail Network (RN): \$55,000

BCLC reserves the right to adjust or sustain thresholds based on annual cost reviews and business continuity reasons.

IDENTIFICATION PROCEDURE

An automated fiscal period sales report will identify Lottery Retailers not achieving revenue above the thresholds.

Required:



- Only Lottery Retailers identified having a Lottery Retailer Agreement for longer than a one (1) year period will be entered into the program.
- Sales reports will be run bi-annually (on April 1 and October 1) and report on revenue based on a rolling twelve (12) month period.
- Exemptions are applied for Lottery Retailers deemed out of scope.

NOTIFICATION PROCEDURE

Lottery Retailers will receive written notification of their location's status as underachieving lottery revenue thresholds as well as details and requirements of the six (6) month review period.

Required:

- Standardized notification email to the Lottery Retailer to include "Lottery Retailer Revenue Review Program" document.
- Standardized email to the Lottery Retailer to include estimated period sales targets to achieve the minimum lottery revenue threshold. Targets are reviewed with the Lottery Retailer during BCLC Territory Manager site visits.

EXECUTION PROCEDURE

- BCLC Territory Manager will conduct a minimum of three (3) site visits within the six (6) month review period.
- BCLC Territory Manager will conduct an executional excellence scorecard utilizing the objectives to support increasing the Retailer's lottery sales. (Appendix A)
- Via email, the BCLC Territory Manager will detail lottery business development discussions, provide fiscal period sales reporting and scorecard results.

Required:

- Execution procedure to be conducted over a six (6) month period.

DECISION PROCEDURE

- If the Lottery Retailer fails to achieve revenue above the revenue threshold, the Lottery Retailer is notified of standard lottery closure procedures and provided thirty (30) days written notice of "Lottery Retailer Agreement" termination and exit from the Lottery Network.
- If the retailer is successful in achieving revenue above the revenue threshold, they are notified of their removal from the revenue review program.
- Lottery Retailers who are successful in achieving revenue above the revenue threshold will not be reviewed again within a six (6) month period.



Required:

- BCLC Provincial Sales Manager or Director, Lottery Sales and Operations will sign off that the program procedures have been followed.
- BCLC Provincial Sales Manager will sign off on the decision to terminate the Retailer's "Lottery Retailer Agreement" and exit the Retailer from the Lottery Network.

EXIT PROCEDURE

- At completion of the six (6) month review period, the Lottery Retailer is notified of standard lottery closure procedures and provided thirty (30) days written notice of "Lottery Retailer Agreement" termination and exit from the Lottery Network.
- BCLC Territory Manager follows standard lottery account closure procedures.
- Retailers requesting to be re-evaluated for consideration of a Lottery terminal must complete a one year waiting period to reapply. Only retailers able to demonstrate a change in business circumstances that reflects a positive impact on potential revenue performance will be considered.
- The third (3) time a Lottery Retailer is identified as underachieving lottery revenue thresholds, the Retailer is immediately provided thirty (30) days written notice of "Lottery Retailer Agreement" termination and exit from the Lottery Network. Retailer is subsequently notified of standard lottery closure procedures.

PETITION FOR REVIEW PROCEDURE

A petition for review can be initiated by a retailer who has been identified as at risk of termination due to not meeting program criteria.

- Lottery Retailers may contact their BCLC Territory Manager to initiate a petition for review upon notification of being placed into the Lottery Retailer Revenue Review Program and within 150 days (five months).
- A decision on the petition for review can be made by BCLC at any time after the request has been submitted leading up to, or at, the conclusion of the six (6) month review period once final sales reports are issued and assessed. Subsequently the Decision Procedure within the revenue review program is applied.

DOCUMENTATION

- BCLC's Lottery Retailer system of record (Salesforce.com) will be utilized to document expectations, discussions, progress and results of the Lottery Retailer Revenue Review Program.
- The Lottery Retailer Revenue Review Program is documented on the "BCLC Retailer Hub" webpage at <http://lotto.bclc.com/retailer-hub/retailer-information.html>.



Appendix A - Executional Excellence Scorecard

Retailer Network & Standalone LRS:

- Jackpot signage correct and in an effective location – Yes or No
- Display case full, in plan-o-gram and clear of clutter – Yes or No
- Keno visual on and visible – Yes or No
- Promotional point of sale material executed – Yes or No
- Lottery Blue Table full of selection slips and clean – Yes or No

Hospitality Network:

- Self Service Terminal signed on and point of sale material executed – Yes or No
- Table plexi's current and well maintained – Yes or No
- Pull Tabs Vending Machine fully functioning, stocked and priced correctly – Yes or No
- All BCLC visuals displaying Keno and Pacific Hold'Em Poker – Yes or No

Retailer Engagement:

- Retailer willing to support call-to-action for the sales call – Yes or No
- Retailer engagement with BCLC Territory Manager and players – Yes or No
- Retailer supporting sales appointment – Yes or No
- Retailer supporting compliance requirements – Yes or No