

# Leading *with* Gratitude

**Matt Strawn**

*Chief Executive Officer, Iowa Lottery*



**PGRI INTRODUCTION:** There's good news and there's great news. The good news is the Iowa Lottery is continuing its winning streak, piling further increases in sales on top of the high benchmarks set by its record-breaking FY 2023 which closed June 30. Iowa Lottery sales increased to \$481.5 million, an 11.3 percent rise from the previous year's total of \$432.7 million. Lottery proceeds to good causes increased to \$108.2 million, up 10.5 percent from the previous year.

The great news is that Matt Strawn is more energized than ever. Diagnosed with cancer in January 2023, Matt underwent intensive treatment and is now happy to have a new lease on life. Recent tests reveal the cancer to be in complete remission. These are exciting times for Matt, for the industry which benefits from his service, and for his family and many friends who are thankful for the grace of God and for Matt's fortitude in the face of adversity.

Matt Strawn is an Iowa native, business entrepreneur, and lawyer whose career in public service and

private enterprise includes serving as a senior congressional advisor, leading a minor league professional sports franchise that he helped bring to Des Moines, and co-founding a highly successful public affairs firm. Matt has served as the chief executive officer of the Iowa Lottery since 2019, is on the executive committee of MUSL (Multi-State Lottery Association), and chairs the MUSL Audit Committee.

Onward and upward to converting life experiences and adversity into insight. One of the most popular Harvard Business Review features of 2023 adds a new audience to the traditional "B2C" (business to consumer) and "B2B" (business to business) models. That's "B2H": business to humans. It's all about connecting with people and inspiring them to action. The B2H approach breaks down silos and the distinctions between internal and external messaging to tap into the universal principles that motivate all of us to care. That's what drives performance and results. And that's what Matt's story is about.

**Paul Jason:** Let's start with the great news that the cancer you were diagnosed with last year is in complete remission. How has that whole experience reshaped your attitude toward life?

**Matt Strawn:** My story starts with gratitude, quite frankly. You won't find a more grateful guy walking the streets of Des Moines, Iowa. I'm grateful to be cancer-free and my amazing medical team

for guiding me through this journey. But I couldn't do it alone. I'm grateful for my deeply-supportive family and friends. Outside of those close networks, I'm thankful for Governor Reynolds, my team at the Iowa Lottery, and the Department of Revenue who gave me the professional flexibility and personal support to overcome this disease.

One of the most overwhelming sources of

support came from the lottery community, to include close friends in the industry, fellow directors, and individuals I'd barely or never met before. It's a testament to the character and empathy of the people in our industry.

**It's wonderful to hear about that support. And I believe you're also grateful for the impact that your decision to go public with your diagnosis has had?**

**M. Strawn:** Absolutely, and I respect that anyone in this situation has to make the best decision for themselves and their family. My family and I decided to be open about my diagnosis because it has raised awareness about the importance of getting screenings. Like I told my team and I'll tell anyone reading this, if you're over age 45, please get your health screenings scheduled now.

**You mention discussing your diagnosis with your team. Have those experiences impacted how you think about leadership?**

**M. Strawn:** Being transparent about my diagnosis reinforced an important component about leadership: It's okay to be human and show vulnerability. Actually, it's more than okay, it's transformative. By showing that vulnerability, I connected on a different, deeper level with my team. And that connectivity is something everyone craves; people want to be seen and feel that they matter. The whole experience made me realize gratitude was the thread that had really defined my leadership philosophy at the Lottery, which brought me to the whole idea of "leading with gratitude."

at the Lottery has a major impact on people's lives. I shared that message at a public board meeting because I want to infuse this concept of leading with gratitude throughout our entire organization by creating a sense of connection and appreciation.

**That story makes me think of Simon Sinek's "find your why." Does that idea resonate with you?**

**M. Strawn:** Yes, I'm a big believer in knowing your why in terms of understanding what motivates you as a leader. But it's equally important to clearly communicate that why so it acts as your organization's North Star. When I hosted my first big annual team meeting, I held it away from Lottery HQ and at a venue in the shadow of Iowa's golden dome State Capitol. This was intentional, as I wanted every Lottery colleague to see that dome as they arrived at the meeting. I did that because that dome is a reminder and a symbol the why: We do what we do to serve the people of Iowa.

Now, five years later, my team knows by heart my refrain from that morning: "We are not a lottery, we are not the lottery, we are the Iowa Lottery." The Iowa

cate the how. That's where leading with gratitude comes in. It's about appreciating your people, your mission, your stakeholders, and the opportunity to serve.

**And how can you put those things into practice?**

**M. Strawn:** First, you've got to make sure everybody gets a turn at bat, which means everyone has a voice in the conversation. That doesn't mean that everyone gets everything they want, but it does mean they have an opportunity for input, are invested in the process and have a stake in the outcome. In Iowa, we have been very intentional about broadening the voices around the table by bringing people in at the earliest stages of our business planning processes. That also makes us much more efficient in our decision-making — no Iowa Lottery projects get blown up on the last mile because a colleague wasn't kept in the loop.

We've extended this philosophy to our supplier and marketing partner relationships. We don't view them as merely providing a commodity or service, but rather as an integrated partner. Our gratitude-based approach is that we appreciate their contributions to our shared success and include them where appropriate in our business planning meetings.

**It seems like gratitude creates operational benefits by involving a wider circle of expertise. Can it also help navigate the tensions potentially associated with giving more people a say?**

**M. Strawn:** Yes, gratitude helps to lower the silos and lessen the turf wars. It stops people putting their arms around their territory in efforts to keep others out. In our philosophy, everybody has an opportunity to contribute.

Leading with gratitude also diffuses tension with our retail partners. The Iowa Lottery is successful because of our strong relationships with 2,500 retail licensees. Get any grouping of that size, and you know there is also potential for disputes over issues including sales commission levels, bonus structures, and merchandizing space.

Now, take the approach of leading with gratitude. We first show respect to our retail partners. Our senior leaders attend

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## It's about appreciating your people, your mission, your stakeholders, and the opportunity to serve.

**I'm fascinated by that idea. Could you share more about how you put it into practice?**

**M. Strawn:** Well, let me start with an example from the Iowa Lottery December board meeting. The meeting always starts with my CEO report, which is normally operationally driven. But last December, days after returning from my medical absence, I started by sharing a message from an Iowa Lottery player whose child had a terminal disorder.

She had won an experiential prize and was writing to express her deep gratitude for an experience that otherwise would have been unavailable to her and her spouse. Sharing and prioritizing messages like that sets a tone of gratefulness and reminds us that what we do every day

modifier matters because it drives why we conduct ourselves with operational integrity and why we work to maximize revenue for the multiple great causes that the Lottery supports.

**And what's the connection between finding your why, communicating that why, and leading with gratitude?**

**M. Strawn:** It reminds me of Theodore Roosevelt's line, "Voters don't care what you know until they know that you care." That same principle applies to leading an organization. Knowing and communicating your why starts to demonstrate you care, but it's not the whole journey. Leading with gratitude is a more actionable extension of Sinek's principles because once you've communicated your why, the logical next step is to communi-

their big events, our emerging leaders join theirs on development programs, and we strive to understand issues from their perspective.

Forming these connections has also helped them appreciate Lottery's value proposition as a way of generating foot traffic and in-store incremental income. We've seen retailers' attitudes change on the acceptance of self-service vending kiosks while still leaving tickets on the counter. We've seen greater acceptance for testing digital display boards. And, we've been able to do customized retailer-specific prize promotions.

You can see the approach of leading with gratitude has been successful with our retail partners because sales figures don't lie, and our partners are on track for another record for commission in fiscal year 2024.

#### **Have any other factors helped to drive that success with retailers?**

**M. Strawn:** An outstanding factor has been becoming a significantly more data-driven organization, especially because we've equipped our field reps and regional sales managers with actionable data that helps to manage pushback. For example, over 80% of Iowa Lottery retailers took our \$50 scratch ticket at launch, which I believe was an industry high at the time. That happened, in part, because we had the data to show them this model would perform the best.

But even the best data is useless if you've not built trust. Without demonstrating respect for your partners' issues, you won't even get an opportunity to share your insights and numbers. It's about understanding how we can both meet our objectives together.

#### **Exactly. But what about within your own organization, how does leading with gratitude help to build trust there?**

**M. Strawn:** When I joined the Iowa Lottery, I was fortunate to come into a high-performing organization with a tremendously dedicated group of Iowans who were setting records every year. I came from outside of lottery world, however, so I had to build trust. Meanwhile, we faced external challenges related to the rise of sports betting and a challenging economic

## **When you enlist the action-focused power of enthusiasm, with the often unexpected, yet powerful impact of gratitude, everything is possible. Who doesn't love that?**

environment. We had to think about how to evolve. Aspects of that evolution were not without some initial internal skepticism, such as whether our retailers would accept more self-service machines and whether player demand existed for a \$50 scratch ticket. There were also hesitations around bringing lottery to Walmart stores in our market.

I started from a position of gratitude and appreciation for those in-house lottery experts, and with that, we developed trust. At that point, they were prepared to look at other states' data and industry research and say, "Okay, let's give this new approach a try." When that worked on one new initiative, it became, "Okay, let's try another one." The foundation for all of that was gratitude.

Like every industry, lottery faces challenges in retaining talent. Can leading with gratitude help to address that?

**M. Strawn:** Yes, it can be a vital part of an organization's toolkit. It's a philosophy that works for both your seasoned staff who deserve to be respected and for your younger staff who want to know the organization's values and feel personally seen and heard.

Leading with gratitude also means being prepared to share more and democratize information across the organization, which helps inspire and empower your team. And I'm proud to say that my team's performance metrics demonstrate how they are responding to this approach by generating record sales that support good causes.

#### **Absolutely, you had a record-breaking FY 2023, and I believe you're on course to beat that?**

**M. Strawn:** From FY 2022 to 2023, sales were up 11.3%, and I'm proud we're continuing on a growth trajectory. For the

first six months of this fiscal year, we're up 5.5% year over year, so we're even ahead of last year's growth. Instant are up a little over 9% year over year. And even in the Lotto category, we're still about 1.5% ahead of last year. Adding the Powerball double play has helped incrementally lift sales.

#### **Has anything else contributed to your great results?**

**M. Strawn:** There's a continuing evolution of the Lottery's product portfolio. We recently completed a comprehensive third-party study of our entire product portfolio and prize structure value proposition. That data will drive where we're going when it comes to the future optimal mix of all our products.

We continue to see maturation in other sales areas. We're now in year two in 51 Walmart Supercenters but we're already seeing tremendous growth. During the next two years, we will again nearly double the footprint of self-serve vending kiosks in our marketplace, particularly in the convenience store space. I am hopeful, by Q2 of 2024, we will go to market with Abacus-system-enabled Powerball and Mega Millions tickets sold in-lane in at Iowa grocery stores.

#### **And how did you respond to the introduction of sports betting in Iowa?**

**M. Strawn:** We made a philosophical shift in our marketing by pivoting to experiential prizes with an Iowa tie. We significantly invested in relationships with the Iowa State Fair, in-state collegiate sports, and major concert or entertainment venues. Effectively, if there is a major cultural event happening in Iowa, your Lottery is going to give you a VIP experience that money can't buy and no one else can deliver. That has really enhanced our value proposition vis-à-vis other options in the state's crowded gaming market.

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**And iLottery platform providers, in your case Scientific Games, are typically trying to make it cost-effective, fast, and easy to implement third-party content?**

**S. Weyant:** That's the goal with Scientific Games, they're calling it the content hub. It's an aggregator tool, like a library, and it's my understanding that it will be easier and more efficient for third parties to integrate and deliver content to us.

With iLottery in general, the accepted practice is to have access to a lot of third-party games. There are all these international studios that we're soon going to have access to through Scientific Games' content hub, sort of like "Netflix

of iLottery" as Pat McHugh (CEO of Scientific Games) called it in your recent interview with him.

**Are there any ways in which your experience in the online world has changed or informed what you do in the offline world?**

**S. Weyant:** We've done Second-Chance Drawings for decades, but previously we only had limited data. However, now we can take that data and integrate it into the iLottery CRM, which gives us this view of retail players that we never had before.

**And those insights drive decisions about how best to spend your advertising budgets?**

**S. Weyant:** Yes. In traditional in advertising, we have standard metrics such as reach, frequency, and awareness, but we never really knew that this advertising had driven this player to buy this game. With online sales and digital advertising, you can see a true return on ad investment.

**It seems like iLottery just takes you in a whole new direction in terms of your relationship with your players, your retailers, your plans, strategies, and marketing, and just about everything?**

**S. Weyant:** Absolutely. iLottery is a game changer! ■

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**Iowa also has lots of casinos. Should the lottery industry see itself in head-to-head competition with these other forms of gaming?**

**M. Strawn:** I don't know from a philosophical standpoint if other game categories should be viewed as head-to-head competitors. Rather, it is important to take a holistic view of what is happening across your entire entertainment marketplace, of which other forms of gaming are just one component. However, we do need to position the lottery as part of the broader

marketplace conversation when it comes to discretionary entertainment options because if we don't, our mandate to responsibly maximize a sustainable source of revenue for causes like the Iowa Veteran's Trust Fund becomes significantly compromised.

My team and I have a fiduciary responsibility to the State of Iowa to ensure the lottery remains in that conversation. And, we've made some very strategic and intentional decisions to do that by enhancing the value proposition of our game portfolio and

offering experiential prizes that really only Iowa Lottery can provide.

**So it seems you might say that your response to the industry's challenges generally is characterized by gratitude and enthusiasm instead of assuming an unresourceful negative attitude?**

**M. Strawn:** Paul, that is an excellent way to frame up our entire discussion. When you enlist the action-focused power of enthusiasm, with the often unexpected, yet powerful impact of gratitude, everything is possible. Who doesn't love that? ■



**Houston, have you seen the latest issue of Public Gaming Magazine?**