

AGA Strategy Framework

Landscape Assessment

INDUSTRY

1. Industry lacks clear common cause. Overcome competitive mindset to create alignment and influence on signature issues, or risk missed opportunities to shape identity and support expansion.

2. Association plays too much defense and not enough offense. Balance harm prevention with proactive efforts that remove barriers to member growth strategies by reducing regulatory complexity and shaping positive perceptions.

3. Leadership is needed to navigate changing environment. Acknowledge digital expansion's role in shifting industry dynamics and facilitate industry-wide dialogue, debate and insights about the changing landscape and long-term impact to fundamentals.

ASSOCIATION

4. The AGA is missing a sustainable value proposition. Build a membership strategy that engages a more diverse cross-section of the industry and a Board agenda that engages leaders on issues of strategy and common cause. Provide targeted expertise to industry communities, influence industry positioning and create value for those in non-advocacy roles.

Guiding Principles:

1. Advocate for a pro-gaming agenda to drive industry growth
2. Lead the industry on issues that benefit the majority
3. Create clear and sustainable value for executives across diverse aspects of the gaming industry
4. Invest in tactics that achieve the highest ROI to achieve our goals
5. Achieve for the industry what individual members alone cannot

Mission & Objectives

Facilitate Growth

Clear a pathway for business growth by shaping opinion, removing barriers and creating opportunity; grow the pie.

Prevent Harm

Proactively identify and mitigate threats to industry reputation and well-being; shield from attacks.

Connect and Inform

Define the AGA as a knowledge center for the industry; educate, engage and empower executives to better perform.

Barriers to Mission

Facilitate Growth

- An inconsistent, complex regulatory model escalates cost and impedes growth
- Geographic expansion and industry consolidation increase segmentation
- Current Washington-centric focus limits opportunity for state-level influence
- Critical, inaccurate portrayal of gaming impedes demand
- Declining interest among young people creates uncertainty about the relevance of casino games in the age of mobile
- The percentage of Americans engaged in gaming is constant, raising questions about how to drive demand
- A newly emerging online market creates opportunity
- Those who don't want to play by the rules hurt the entire industry

Prevent Harm

- Unaligned interests dilute influence on signature issues
- Waiting for a problem to emerge hinders the industry's ability to proactively mitigate harm
- Shifting Senate dynamics create vulnerability
- Scrutiny of business practices in overseas markets may adversely affect reputation in U.S.
- A newly emerging online environment creates risk
- Any prevailing perception of gaming as immoral or industry as irresponsible limits opportunity and credibility
- Industry perpetuates harm by undercutting itself domestically
- Excessive taxation creates competitive disadvantage
- U.S. licensing suitability process in U.S. is arbitrary and unfair

Connect and Inform

- Industry CEOs are the AGA's primary constituents, but opportunities are being missed to add value to other executives
- Association lacks forums and visibility to credibly serve broader industry communities
- No clear strategy for growth in member benefits; missing a central value proposition
- Lack the right mix of services and products to create efficiencies for members
- Association not viewed through the lens of growth
- Property managers, marketing executives and other key stakeholders unclear on the role of the AGA

2014 Strategic Priorities

FACILITATE GROWTH

1. **AGGRESSIVELY SHAPE PERCEPTIONS OF INDUSTRY.** *Transition AGA into an offensively oriented and unapologetic champion of the industry. Build on positive perceptions to broaden gaming's appeal.*

Supporting Goals:

- **Build Industry Platforms and Messaging.** Invest time to develop clear messaging on a handful of overarching, proactive positions the AGA will drive on behalf of the industry. These might be:
 - a. Gaming is a Growth Industry
 - b. Gaming Builds Communities
 - c. Gaming is Innovative; and,
 - d. Corporate Social Responsibility platform TBD
- **Launch Perception-Driven Research.** Better leverage and expand existing State of the State research, and develop new research that proves the platforms. Such research includes:
 - a. *Gaming Builds Communities:* Spells out, by the numbers and through case studies (i.e. Bethlehem) gaming's economic contributions in aggregate and on a state-by-state basis. Not solely about direct economic contributions, this research tells the story of benefits to adjacent industries and creates the argument for "why gaming makes communities better."
 - b. *Faces of Gaming:* Shapes a contemporary picture of "who is gaming" and inverts the traditional stereotypes of gaming consumers, employees and others in the gaming ecosystem today and tomorrow.
 - c. *Gaming and Innovation:* Helps to create a narrative about gaming's role in driving innovation well beyond casinos; positions gaming as a center of innovation, including online.
 - d. *State of the States:* Keep the AGA's signature research piece, but expand to become the definitive research on the gaming community by including lotteries, tribal gaming and smaller casinos. Better leverage by spinning off quarterly research reports, building a more effective story and messaging, and creating a more prominent location on AGA's website.
- **Realign Organization.** Develop an AGA organization structure that enables industry to go on offense.

**PREVENT
HARM**

2. **DEVELOP A PRO-GAMING ADVOCACY AGENDA.** *Advocate for policies that drive the expansion of gaming within a framework that is legal, regulated and responsible. Prevent unfavorable policies, attacks from activists, and negative commentary from opinion leaders.*

Supporting Goals:

- **Engage in Targeted Champion Development.** Acknowledge that congressional shifts in the next 2-8 years leave the industry vulnerable and plan now to build Hill support.
 - a. Build a slate of congressional supporters who adequately represent the 39 states in which casino gaming exists and who are ready to defend and support the industry.
 - b. Drive earned media about the value of gaming in these communities
 - c. Hold on-the-ground events to tout the value of the industry
 - d. Develop communications that constantly remind gaming communities of its value
 - e. Launch a PAC to support gaming-friendly legislative outcomes
- **Build the Case for a Modernized Regulatory and Licensing System.** Drive the industry to a more unified and streamlined regulatory system at the state level; identify incentives for regulators to cooperate and streamline regulations
 - a. Through economic analysis, demonstrate the cost of a cumbersome and duplicative regulatory model, including the opportunity cost to communities and the economy.
 - b. Develop tools that empower the industry to make a consistent case for a more modernized regulatory and licensing system and incent regulators to support it, including fact sheets and messaging, comparisons to other industries, “top ten” list of most egregious regulatory requirements, etc.
 - c. Lay out the vision for a modernized regulatory system in the United States, wherever and on whatever platform gaming operates, and develop a campaign in support.
- **“Squash the Bugs”.** Leverage strong communication initiatives to promote licensed and regulated gaming in the U.S. and move aggressively to block the progress of those who pursue illegal or unregulated activities.
 - a. Identify a test case, like California, to make a big impact with earned media; raise awareness of and discredit unlawful parties.
 - b. Engage champions in the state legislature to stand with the AGA and take action against those who don’t play by the rules.

**CONNECT
AND INFORM**

3. **EXPAND MEMBER VALUE.** *Establish the AGA as an invaluable resource to industry executives and the single most credible source of information about industry trends and insights.*

Supporting Goals:

- **Diversify Services, Impact and Involvement Beyond CEOs.** Support executives within our members companies to perform better, smarter, and be more forward looking than they would be without the AGA.
 - a. Identify communities within the gaming industry who can benefit from broader industry engagement.
 - b. Understand the needs and priorities of these communities and,
 - c. Build targeted programs, services and communications for them.
 - **Take G2E to the Next Level.** Significantly revamp the industry's leading trade show (and AGA's primary source of revenue) to provide even greater value across the industry.
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