Blockchain Adoption Journey

An overview of Block Expert's approach for lotteries' successful transition to blockchain technology

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With the popularity that the technology has gained over the years, it is no doubt that blockchain is the future. It is often a question for business leaders how sustainably this transition could happen!

The technology

Blockchain as the underlying technology, enables users to interact with service providers in a new way. This is what happened when internet was born. It changed the way people interacted with corporations and financial institutions like banks. The Internet enabled organizations to expand their reach. Building on the Internet's ability, blockchain technology revolutionizes the current business paradigm by improving customer interactions providing transparency, trust, security, and simplification in the purchase process, leading to greater customer loyalty.

The approach

Recent studies show that the gap between the perceived and actual value of blockchain has resulted in uncertainty and disillusionment within organizations. Adoption efforts are driven not only by potential business value but also by market expectations. However, the pre-adoption phase, including awareness creation, disruption assessment, initial exploration, and conducting readiness assessment, is often overlooked by organizations.
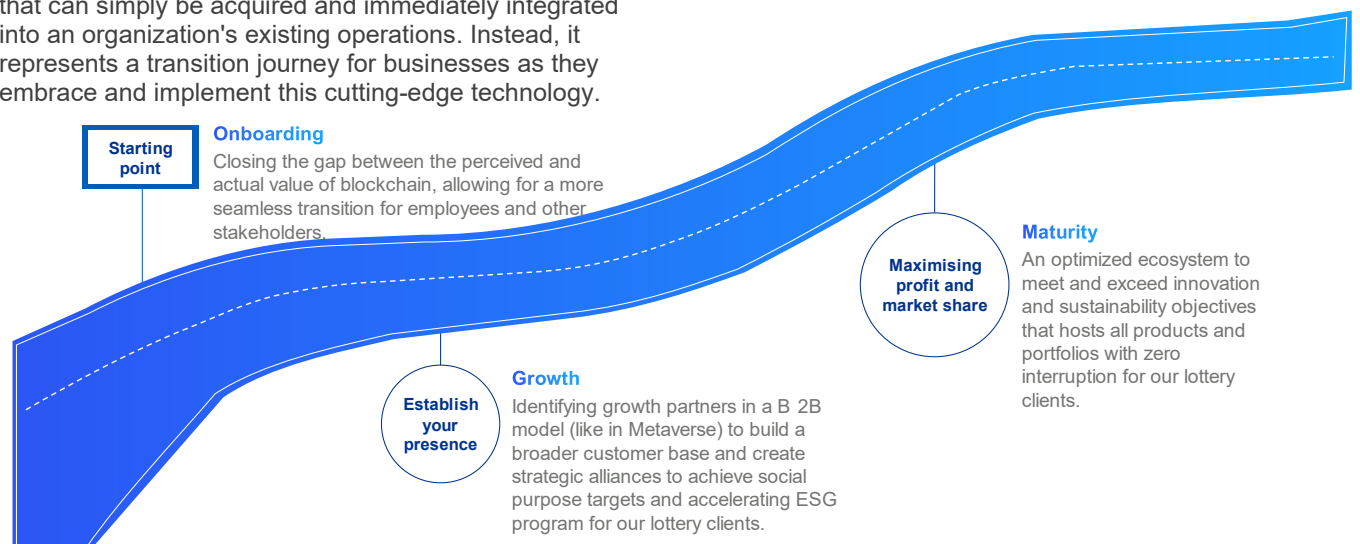
Blockchain technology should not be considered a product that can simply be acquired and immediately integrated into an organization's existing operations. Instead, it represents a transition journey for businesses as they embrace and implement this cutting-edge technology.

At Block Expert, we have devised a multi-faceted, three-staged approach, with distinct phases within each stage, navigating state-authorized lotteries in their blockchain adoption journey. By taking this incremental approach, the organization can minimize the risk of failure and maximize the potential benefits of blockchain technology, while also allowing for a more seamless transition for employees and other stakeholders.

The blueprint

The integration of blockchain into a business requires a well-structured and deliberate approach, given that it represents a fundamental shift in the way companies operate. To ensure a seamless transition and minimize any negative impact on daily operations, a comprehensive, strategic, and staged process is imperative. Block Expert has crafted an adoption blueprint that guarantees a smooth organizational transition and cultural shift, allowing lottery corporations to effectively embrace and incorporate blockchain technology into their existing environment.

Block Expert's blueprint for adopting blockchain in state-authorized lottery corporations, consists of 3 main stages: Onboarding, Growth, and Maturity.

Starting point

Onboarding
Closing the gap between the perceived and actual value of blockchain, allowing for a more seamless transition for employees and other stakeholders.

Establish your presence

Growth
Identifying growth partners in a B 2B model (like in Metaverse) to build a broader customer base and create strategic alliances to achieve social purpose targets and accelerating ESG program for our lottery clients.

Maximising profit and market share

Maturity
An optimized ecosystem to meet and exceed innovation and sustainability objectives that hosts all products and portfolios with zero interruption for our lottery clients.

Each stage is carefully designed to provide a comprehensive solution for the objective of that stage. In the following parts of this article, we will explore these objectives and give an overview of the approach in each stage.

The onboarding stage

Depending on the organizational structure and regulatory requiremetns, lottery organizations might have different appetite for blockchain adoption. Therefore, it is critical to identify organizational limits in order to avoide disruptions to business.

Organizations differ in their readiness to accept new products, services, solutions, and technology. And this goes beyond their service line or industry. Hence, each organization should be evaluated independently and be treated as a unique case study.

Therefore, we have tailored an approach that starts with an evaluation of organizational readiness in using this new technology, to help business leaders take informed decisions at any stage of adoption to minimize the risks and impacts on business. Phases involved in our onboarding stage include: 1) readiness assessment, 2) current state assessment and roadmap development, 3) Implementation, and 4) Integration.

An overview of these phases is covered on the next section.

Phase 1 – Readiness assessment

The absence of a comprehensive framework for assessing blockchain readiness, that is not purely technology-focused, in traditional and heavily regulated industries, such as the lottery industry, prompted us to develop the Organizational Blockchain Adoption Readiness Assessment (OBARA) framework that assesses the maturity level across 5 key scope areas: Management, Process, People, Technology, and Acquisition.
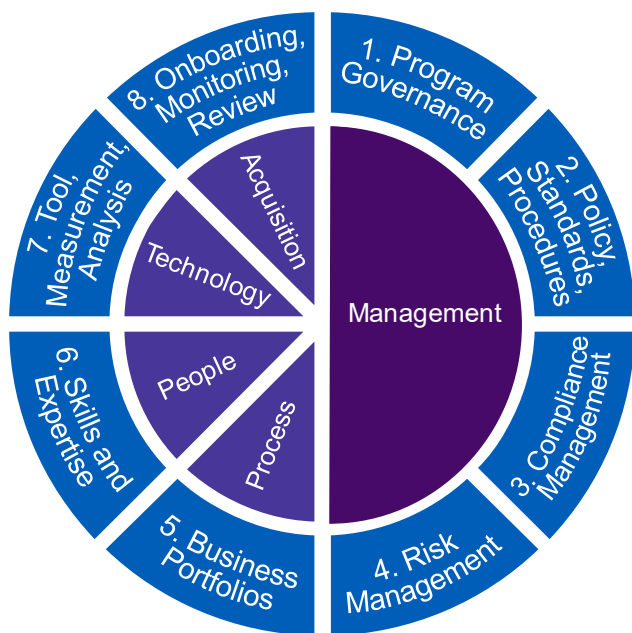
The OBARA framework helps organizations evaluate their readiness for blockchain adoption and identify areas for improvement to make data driven decisions for successful

implementation of a secure and compliant blockchain program. It also aims to identify the maturity level needed for the simplest use cases. This tool will help lottery corporations minimize the risk of failure and maximize the potential benefits of blockchain technology, while also allowing for a more seamless transition for employees and other stakeholders. The assessment includes review of documents and interview of business unit leaders to obtain a board vision of current business profiles.

The outcome of this exercise is a point-based report that provides a detailed analysis of organizational appetite in accepting a disruptive technology. This is a harmless activity with great benefits for senior executives to understand the opportunities presented to them that helps their business to evolve and meet the demands of a new generation of players.

Phase 2 – Current state assessment and roadmap development

If the organization receives a good point from the readiness assessment and business leaders are ready to explore the blockchain capabilities, the next step for them would be a current state assessment of their existing business processes and products.

Activities in this phase include but not limited to deep-dive analysis of products and business portfolios by interviewing product and process owners, to determine which products can be parallely, fully, or partially represented on blockchain and what other "use cases" are available to the business enabled by the new technology, and what gaps exist in current products and processes that need to be addressed before they can be onboarded to blockchain.

Once business decides on the suggested use cases and products to be onboarded on blockchain, a detailed roadmap will be developed, determining the requirements and scope activities for future implementation.

Phase 3 – Implementation

At Block Expert, we assist our partners with their technical needs. We bring in our in-house technical capabilities and provide end-to-end support from developing the Minimum Viable Product (MVP), to piloting for tests and obtaining user acceptance, and releasing to the production environment for public access. Our commitment extends to providing full technical support after deployment to the production environment.

It is important for busuness to confirm the sustainability of new solutions. Therefore, our approach in this phase is to implement and operationalize any use case independently to minimize any impacts on business.

Phase 4 – Integration

Once the operability and sustainability of new products is confirmed, we will help our partners to integrate these new products into the existing business model to scale and boost with marketing activities.
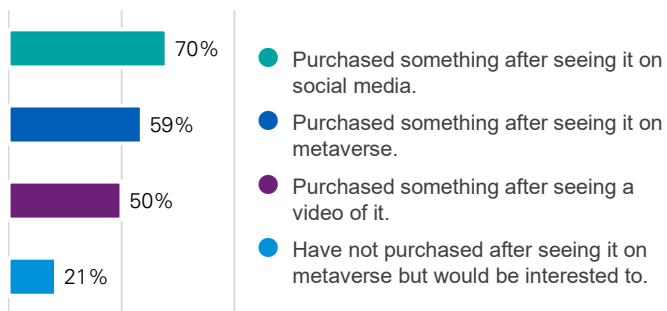
The growth stage

Blockchain provides an ecosystem where businesses can partner together with their communities and build a broader customer base.

Once a lottery established presence on blockchain, we will work alongside them to grow business by identifying gowth partners in a business-to-business model.

An example of such model is connecting the lottery with retail shops on metaverse.

Use of social media and metaverse in B2B purchases in the U.S. 2022

70%	● Purchased something after seeing it on social media.
59%	● Purchased something after seeing it on metaverse.
50%	● Purchased something after seeing a video of it.
21%	● Have not purchased after seeing it on metaverse but would be interested to.

Source: Statista 2022

In this model, retailers (like Nike, Starbucks, etc.) will contrinbute a small amount of their sales on each reciept to a prize pool in lottery, and their customers will have a free ticket to try their chance in winning prizes through lottery busuness model.

Our growth framework will assist our clients to create strategic alliances to achieve their targets in being social porpuse and accelerating their ESG program.

Virtual demonstrations of products and services are gaining popularity in business-to-business (B2B) e-commerce. A survey carried out in the United States showed that seven in ten professionals made business purchases after a presentation on the metaverse or virtual reality, and another 21 percent of them did not have the chance but would be interested to try this out.

The maturity stage

Most lottery organizers have more business in their portfolio and bringing all of them into one dedicated, customized and fit-for-purpose enrironment will help them to be ready for the future that is closer to us than ever.

We help our clients build their own private blockchain, have their own isolated premise that is tailored for their needs, and responds to their future demands to meet and exceed innovation and sustainability objectives.

We will help lotteries to decide on their governance of their blockchain, design the characteristics of the chain and its capabilities, developing the testnet and mainnet of their blockchain, and finally transitioning their portfolios to this newly developed and implemented blockchain with zero interruption.

Next step

Block Expert has a long-term vision for collaboration with its clients. Block Expert's primary business objective is to onboard official and state authorized lotteries to blockchain and offer a value-add service as a one-stop station for development and growth needs bridging the gap between Regitail (retail + digital) and blockchain.

While this helps to develop and expand the operation on blockchain and still reinforcing their existing brick-and-mortar business model, it will benefit the business to sustainably grow and get to the position that deserves in a much shorter time and with no overhead.

We aim to be a trusted blockchain partner to lotteries and remain by their side throughout the journey and afterwards

through extending our subject matter experts' knowledge and experience in the field and providing continuous technical and consulting support.

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