

# ACCOUNTING FOR FUTURE GROWTH THE MODERN CFO: FROM ANALYST TO STRATEGIC ALLY

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and  
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**PGRI INTRODUCTION:** When I was talking with CEO Mary Harville and asking her about how the role of the CFO has changed over the past decade, and how that is even more the case at the Kentucky Lottery Corporation, Mary suggested I interview her CFO Maggie Garrison. I suggested we feature an interview that includes both Mary and Maggie, and she agreed. Thank you! I think you dear reader will agree this turned into a most interesting study of how one of the most progressive lotteries in the country balances the need for fiscal responsibility with investment in change and innovation.

To understand the success of Mary and the entire team at the Kentucky Lottery, you first need to know Mary's vision when she took the helm of the Lottery in 2020 after being appointed by Gov. Andy Beshear. Prior to her appointment, Mary served as Senior Vice President, General Counsel, and Corporate Secretary of the KLC for 16 years before ascending to the C-Suite. Soon after taking the reins, Mary made multiple innovative changes that produced exciting results across the board and leaves the organization well-positioned to continue its mission in the future. These changes include partial corporate restructuring.

Significant structural changes to the organization began within months after Mary's appointment. Several long-time advisers in executive level positions announced their decisions to retire, while at the same time, emerging leaders were ready to advance to the next level. To move forward, Mary drew upon her innovative spirit to not only adapt and optimize organizational efficiency, but to ensure the company is strategically focused in the pursuit of its mission of funding college scholarships and grants. Today, every member of Mary's initial 2020 senior leadership team is no longer with the Lottery, and Mary has either hired or promoted nearly all of her executive leadership team to their current roles. Leadership coaching has been utilized to assist in this important time of transition.

One example of Mary's vision is Maggie's outstanding success at the KLC. Maggie joined the KLC in 2011, was promoted to Vice President in 2015, and Mary named her as CFO in February 2023. Mary's initiatives have broken down departmental silos and forged a multi-disciplinary approach to running a multi-billion-dollar enterprise, and at the forefront has been the expansion of the CFO role to champion of innovation and sustainable growth.



**Paul Jason:** Mary, how did you smooth the path for your senior executive team to work collaboratively; and support the transition of the CFO from the "sales prevention department" into the Department of "Let's figure out together how to turn this into a financially viable action-plan that optimizes performance and results."

**Mary Harville:** My career began at the Lottery in legal, as general counsel. We're a sales organization, and I wanted to support that. But others in leadership seemed to be habituated to certain kinds of unflattering stereotypes: calling the Legal Department the "Sales Prevention Department," for example, and they didn't even know me. So I am sensitive to that. In meetings, the departmental silos were interfering with productive communications between VPs. There was this feeling that Legal and Finance in particular weren't entirely welcome, especially when the discussion turned to product or sales. There was a clear "Stay in your lane," or "Don't tell us how to do our jobs" vibe.

When I became CEO, I knew we could do better. I looked for opportunities to replace that adversarial dynamic with something more collaborative. So now, when someone brings forward a proposal – whether it’s a new product or a sales strategy – we don’t just say “no” and explain why it can’t be done. We say, “Let’s talk about it and try to find a way to make it work.” We’ll identify the obstacles and work together to overcome them – or find smart ways around them. Of course, some ideas don’t hold up under scrutiny. But no one can say we didn’t push every angle, explore every possibility, and stretch our thinking to create options, spark innovation and uncover new solutions.

I believe the VPs from all functional areas — Legal, Finance, Marketing, Sales, Products, Security, , Communications – should operate as one team. Managing the business should be a collaborative effort. That’s why we’ve hardwired in a weekly all-hands leadership meeting. One purpose is basic project management and accountability – to make sure we’re aligned. But the other purpose is to foster the kind of regular interaction that builds the deeper relationships necessary for real collaboration.

When I was general counsel, VP meetings were more ad hoc – small groups pulled together to address specific issues. Maybe the CEO, CFO, and Marketing VP would meet to review a proposal from a vendor. Or Legal, Security, and Sales might huddle over a compliance concern. But we never had what we have now: regular, consistent and productive meetings with the entire leadership team in one room. And then after those meetings, I trust the VPs to drill down further in smaller groups as needed. But it starts with that shared foundation. Now, when the Products Department shares a new game concept in our all-hands weekly, other VPs can informally raise any concerns or issues. This can all take place even before the concept is taken to the Project Steering Committee for formal approval to move forward.

Work may be organized around our need to specialize in order to acquire expertise. Then we create departments with experts in a particular discipline. But we shouldn’t forget that the real world is not actually organized into distinct silos.

## “What we can do is invest prudently in innovation, knowing that sustainable growth requires more than just cutting costs or increasing operational efficiencies.” – Maggie Garrison

Whether it’s a new game, a sales strategy, a cost-cutting idea, or an operational change — it always overlaps multiple departments. We need to process ideas through an enterprise-wide lens. That’s how we make sure they’re truly viable. We need to stay vigilant in breaking down silos and turning ideas into actionable, cross-functional plans. It takes discipline and constant attention.

I’m sure we’re not doing everything perfectly. But I do think we’re all clear on the importance of communication, teamwork, and taking a multidisciplinary approach to planning and execution.

I thought this background might be a useful framework for Maggie to talk about the CFO’s role. Because de-siloing isn’t a one-and-done exercise. It starts with mutual respect for what each V.P. and department contributes. But, as Maggie will probably say, it’s something that has to be reinforced every single day. I have asked Maggie to join us because truly, Maggie has been the tip of the spear in making that happen — building bridges, earning trust, and championing real collaboration.

**Some have called lotteries risk-averse. I say — of course they are. Their in-state stakeholders wouldn’t have it any other way. How has your strategy to engage your team, especially your CFO worked in this respect?**

**M. Harville:** We’re state agencies, or quasi-state agencies, and we answer to governors and legislators who expect us to prudently manage this multi-billion-dollar enterprise. Our mandate is to grow its value and generate funds for good causes, not just this year but for decades to come.

I honestly encourage and welcome our vendor partners and others who bring new ideas, fresh perspectives, and a passion for innovation. And I understand their frustration when we can’t move as fast as they’d like. But we operate in a space where considerations that aren’t even on

their radar may be top-of-mind for us.

**Maggie Garrison:** I think we do push the envelope — but we do it within a well-defined, disciplined framework. Every new idea or initiative goes through a structured process: we gather data, measure outcomes, adjust, and then scale if it proves out. If it doesn’t, we recalibrate or pivot to more promising ground.

Of course we aim to mitigate risk. But we do know that there is no such thing as perfect visibility into the future which means that risk can never be eliminated. What we can do is invest prudently in innovation, knowing that sustainable growth requires more than just cutting costs or increasing operational efficiencies. Those things give you a quick bottom-line boost, and there’s nothing wrong with that. But maximizing net funds to our beneficiaries over the long term? That means growing the top line. And that demands smart investment in innovation and new ideas.

**What happens when a proposal can’t be tied to a clear metric or quantifiable result? “Player engagement,” for instance. Just because it is hard to measure does not mean it isn’t important.**

**M. Garrison:** There are ways to measure almost anything. Certainly there are metrics for Player Engagement. But your point stands — some outcomes are trickier to quantify. Not everything maps neatly into ROI formulas. That’s why, in addition to looking at direct costs and benefits, we also have to consider opportunity costs. What potential revenue or strategic gain might we be leaving on the table if we don’t act?

Sometimes, you have to lay the groundwork for future success even when the data is murky and the returns aren’t immediately visible. Like your example, player engagement. For instance, we’d pulled back from licensed property games after reviewing the data — the

*Continued on page 42*

by tying every big win back to its core mission: supporting public education. Instead of focusing solely on jackpot dreams, press releases highlight not just the winner but also how the game's revenue benefits local schools—with specific figures and even a searchable database on our website where players can see exactly how much funding their district has received. This messaging strategy, reinforced by proactive media outreach, helps Californians feel that even if they don't win the jackpot, their participation still contributes to something meaningful—making schools and communities the real winners.

**In conclusion, what do you see as the biggest threats and opportunities on the horizon?**

**H. Shergill Chima:** The biggest threat when I came on board was public misunderstanding—mainly the perception that Lottery funds just went into the general fund. We've worked hard to change that narrative and protect the integrity of the program, including cracking down on illegal courier activity and educating retailers about the consequences. On the opportunity side, California's scale creates incredible potential, and now—with leadership

stability for the first time in years—we're finally in a place to pursue real innovation. For me, this work is personal: my parents immigrated from India, became farm workers, and put five daughters through college. Supporting public education through the Lottery feels like giving back to them. I see the impact in local schools, I hear the stories, and it reminds me daily that this mission matters. After nearly seven years, I truly believe the California Lottery is hitting its stride—and I'd be honored to keep building on that momentum for years to come. ■

*Accounting for Future Growth The Modern CFO: From Analyst to Strategic Ally — continued from page 12*

incremental sales gains didn't appear to justify the incremental costs. But then we realized we were missing a different kind of impact. These games were bringing in new players, some of whom go on to play other games and end up converting from a non or infrequent player to a casual or even frequent player. That is a measurable impact, but we did not know where to look at first.

That's when we adjusted our lens. The cost of acquiring new players is high, and the payoff isn't in a short-term sales spike — it's in long-term player value. If we don't invest in acquisition tools like licensed games, the opportunity cost is steep when you compare it to what it would take to get those new players through other means.

gives us far better tools to measure the impact of our outreach efforts. We can track click-throughs, follow the player's journey, and see exactly how our messaging performs in real time — and how every piece of our digital presence either pulls players in or pushes them away. That kind of visibility just doesn't exist in the retail world, where play is anonymous.

So now we're focused on bridging that gap. We're taking what we've learned from iLottery — those sharp, data-driven insights — and looking for ways to apply them at retail. The goal is to better understand our retail players' behavior the way we do with our digital players.

to their initiatives. Maggie has an incredible talent for helping teams translate vision into financial terms — so success can be measured clearly, and the benchmarks and timelines are well-defined.

We want all of our VPs to take a multi-disciplinary approach, but it's especially important that the CFO can guide others through the financial lens of the business. That's where Maggie shines. As a lawyer, I don't naturally think in those terms — and that's exactly why we need a culture where that kind of financial fluency is supported and expected. And while I can advocate for that environment, it's Maggie who brings it to life.

She's earned the respect of her peers not just because of her expertise, but because she truly listens. People go to her for input because she genuinely wants to understand their goals — and then she stretches to help them get there. She doesn't just explain the numbers, she teaches them, in whatever way someone needs to truly understand. And then, just as importantly, she inspires people to think creatively about how to move forward in a fiscally responsible way.

Everyone knows I expect proposals to be built on a foundation of financial viability, and Maggie is both the sounding board and the steward of that standard. The beauty is that our team welcomes her guidance — because they trust her, they see the value, and they know that working within her framework is the surest path to getting a green light for their ideas.

**“She doesn't just explain the numbers, she inspires people to think creatively about how to move forward in a fiscally responsible way.”** — Mary Harville

Similarly, in the online world, it all starts with player registration. Retention is also key, but nothing happens until someone signs up. That shift in mindset — toward expanding the player base — has become central to how we think about growth. Because again, it's about building for the future, not just spiking this quarter's sales. I should point out that the digital world

**That's why we're leaning hard into digital. A growing share of our investment is going toward building out our digital capabilities and data analytics. It's where we can truly measure, learn, and refine.**

**M. Harville:** I think it's crucial that every department applies the CFO's framework