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**BEST OF
THE BLOG**

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Ownership Strategy: What Do You Think Of It So Far? - Rubbish!!!

"Couldn't help but quote Eric Morecambe. The ROA's Ownership Strategy is beautiful from a design standpoint but empty of content from a strategic perspective. It passes the 'half test' of racing initiatives – three years to create them and three years to ignore them."

In the last couple of weeks I've spoken to almost as many journalists as I've had bottles of champagne to celebrate winners – and I've had a few! A number of articles have come out already, in *The Daily Telegraph*, *The Guardian*, *The Times* and the *Racing Post*. The theme is the Ownership Strategy, or rather, its absence, despite the sudden release of almost 200 pages by the ROA on 3rd November – not a bad day to bury voluminous information, as it was the US Presidential election and two days before the second lockdown started.

Incredibly, the biggest document, an 166-page slide pack, was produced in 2017, so why on earth it has not been publicly released before is beyond me. The Horsemen's Group are passionate about transparency but not, apparently, when it comes to their own discussions and decision-making. This document passes the first part of my "half-life test" for British Racing decision-making, i.e. three years to produce a report, followed by three years to bury it. I could not help but quote Eric Morecambe! They are beautiful documents from a design standpoint but "rubbish" from a strategic perspective. Here's why:

1. **Is there a strategy?** The greatest academic in strategy in the world is Professor Richard Rummelt of the University of Southern California. He describes most strategies as "garbage", long "laundry lists", "statements of desire" that avoid dealing with the small number of difficult, complex, critical issues; peppered with a huge number of "f" words – "fluff" and "flannel". All the ROA documentation confirms that they have not produced a strategy, despite being paid £1.2m to do so.
2. **Is it an Industry-wide Ownership Strategy?** No. Somewhere along the line from 2017 it has morphed into what, in effect, is an ROA membership drive. I have no problems with the ROA trying to attract more members, but they were given the task of finding out ways of retaining and attracting owners to the sport, which is not the same thing.
3. **Is it capable of being implemented?** As there is absolutely no plan of campaign, no road map, no targets or deliverables, no resource plan or funding model, you quickly conclude that the answer is "no".
4. **Has the so-called "strategy" been scrutinised?** There's no evidence to say that it has. While doubtless a number of individuals are aware of these documents, there has been no challenge process and therefore the ROA has not been held to account. Indeed, and going somewhat further, if you asked the board members of the ROA under oath about their sight and scrutiny of these documents, I believe that some would confirm that they weren't aware of them until 3rd November. A board is there to hold the chairman and chief executive officer to account, and there seems to have been a serious breach of governance here.
5. **Is the industry engaged?** No. Indeed, if you ask anyone, in any position (outside the ROA, of course) in British Racing whether they understand or are committed to the ROA's ownership strategy, they will come out with an identical response: "What is it? I haven't seen it." In a sport as territorial as racing, it takes some doing to produce such unity.
6. **Has racing and the Levy Board received good value for money?** It most definitely hasn't. This is one of the most worrying features of the investment made, and one that the Keep Owners in Racing team intend to raise with the chair of the BHA, Annamarie Phelps, later in the week. If it's not a scandal, it's certainly a fiasco.

Back to Eric Morecambe. Did you know that his real name was Eric Bartholomew? Although he was born in Morecambe. That's you now primed for quiz night for whenever we're allowed back into pubs again.

A Very Important Enabler of an Ownership Strategy – Why it's Time to Register Every Owner and Properly Understand the Ownership Base

An entertaining article by Peter Scargill from the virtual Racing Post Arms suggested a tiered system of ownership for segmenting sole owners from syndicate members on the racecourse. This is a sensible suggestion but it needs to be underpinned by data otherwise it could have a negative impact on the overall level of ownership.

Surely nobody would argue that a syndicate member with 5% of one horse should enjoy the same on course privileges as a sole owner. But what about the syndicate member who owns 10% of ten horses or an individual who owns a leg in four horses?

The sensible way forward is for all the % shares of each owner to be aggregated and for the resultant data to drive a multi-tiered/ segmented ownership hierarchy. For example , Platinum for those owners with the % equivalent of five horses or more, Gold for those with 100% or more, Silver for those with 50% or more and Bronze for the rest. Racecourses could determine which level of ownership status would gain access to Owners & Trainers facilities on certain days. For instance , with an ordinary midweek meeting the racecourse might grant access to all ownership levels but a big Saturday meeting might allow just Platinum and Gold. Indeed, such status levels could increase ownership by encouraging owners to buy extra shares so they could get to the next level.

But there is a huge problem.

Racing cannot set sensible thresholds for ownership status because it doesn't currently know what thousands of its owners actually own. There are around 35,000 owners in the UK but only 14,000 are registered and even being registered only provides a partial picture of what an owner actually contributes to the sport. I'm involved in 19 horses but am the registered owner of just one of them. The sport doesn't know what I own in total. I've been a member of the ROA for five years but they haven't a clue either. I know scores of other owners who are investing £50k+ a year in the sport yet don't appear on it's radar. So taking the simplistic but ultimately flawed option of tiering ownership on a sole owners v the rest approach could cause British Racing to lose large numbers of owners who invest substantially in the sport.

The answer is simple. Every owner and every share they own, no matter how small, **MUST** be registered. This would reassure owners that they actually own what they think they own and would enable the sport to finally understand its ownership base. Then, and only then, could it introduce a tiered ownership approach safe in the knowledge that it understands the value of every individual owner. The inevitable complaints about extra bureaucracy and administration should be ignored because the prize for the sport is so much greater.

