



Bringing Experienced Owners Together - Joining Forces to Buy Better Horses - Campaigning for Change

**BEST OF
THE BLOG**

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The Base of the Pyramid Crumbles – Racing Ignores That At Its Peril

“The grass roots of our sport cover the vast majority of trainers, breeders, owners and horses. If the financial returns were terrible pre-pandemic, then they are nothing short of catastrophic now, and the situation is only going to get worse. Many are teetering on the brink. The base is crumbling.”

British racing is a big industry, and at the top tier of the sport a considerable amount of money can be made. In the Blueprint we examined the profitability of all the stakeholders. In 2019, the aggregate of the top five yearling sales in England, France and Ireland made £250m for their consignors. The annual income earned from the top stallions at Coolmore, Godolphin and Juddmonte exceeded £200m. Despite all the aggressive noises being made by certain Flat trainers, the top 20 trainers in the UK make significantly more profit than the bottom 20 racecourses. It would be easy to conclude, perhaps unfairly, that the most vociferous members of the training community wish to maximise their returns even further. The platinum layer of the sport is being run by the few, for the few, with an over-concentration of income in the hands of those who don't just make significant money every week of the year but also sit astride the downstream value chain that accrues from breeding rights.

How different it is at the bottom of the pyramid. The grass roots of our sport cover the vast majority of trainers, breeders, owners and horses. If the financial returns were terrible pre-pandemic, then they are nothing short of catastrophic now and the situation is only going to get worse. The majority of trainers and breeders are either technically insolvent or teetering on the edge of it unless they have other sources of income, and of course the vast majority of owners whose horses are running primarily at classes 4, 5 or 6 are losing on average 93p in the £ every year, with the returns not even covering the raceday costs of getting horses to the track.

These owners are spending £527m a year, to lose a collective £428m. If our forecast is correct, there will be a 20% contraction in the owner base over the next five years, which will lead to an immediate loss of £124m. But the far bigger damage is the 1:7 multiplier that leads to a much greater financial hit of £868m as the ownership contraction ripples through bloodstock, levy yield, media rights, racecourse attendance and the whole ecosystem of suppliers connected to training and racing.

Racing ignores the grass roots at its peril. This is where the contraction will be most felt, and hit hardest. We implore the leadership of the sport to produce, with urgency, a Racing Recovery Plan. Without that, the pyramid crumbles.

If You Want a Plan of Action – Learn from a General (or Management Consultant)

Have you heard the bells of Peover? All will be revealed.

When Ged Shields and I launched our campaign on 12th July to make the retention and acquisition of owners the number 1 goal of a racing recovery plan, we challenged the industry to produce and implement that plan within 100 days. Fifty days out Nick Rust, CEO of the BHA, announced such a plan but unfortunately the reaction to it has been decidedly muted. While it is encouraging that at least the stakeholders have focused on a number of goals and duly published them, they don't meet my criteria, as a former management consultant, of an effective and motivating plan of campaign to help the racing industry get back on its feet, bring in significant additional revenue, boost prize-money and do everything possible to keep owners involved in the sport. A plan needs very clear goals and objectives, well-structured and sequenced activities, specific timelines and deliverables, explicit roles, responsibilities and accountabilities and, most importantly, be designed to enthuse everyone connected to the plan so that they are highly motivated to implement it. It should galvanise proactivity with a strong sense of urgency. Anyone in a key position, when asked about a recovery plan, should be able to summarise it clearly and know their own role within it. Sadly this plan doesn't achieve this (or at least, not yet).

General George S. Patton famously stated that: “A good plan, violently executed now, is better than a perfect plan next week”, or, if applied to racing, next month / quarter / year. There was no misunderstanding Patton’s colourful, and often profane, speeches. The one he made to the Third Army the day before the D-Day landings was immortalised in the film, *Patton*, starring George C. Scott, which won seven Oscars. Patton favoured strong, decisive action and commanding from the front. He wouldn’t have had much time for the wishy-washy, weasel words of racing’s leadership. Mind you, I don’t know if we need quite the level of exhortation that Patton is most famous for in his comment that: “No poor, dumb bastard ever won a war by dying for his country. He won it by making the other poor, dumb bastard die for his country.” Powerful stuff!

Long before my career led into consultancy, I lived up in Cheshire, not too far from Knutsford and Alderley Edge. One of my favourite pubs was The Bells of Peover, next door to a church. Many years before that, Dwight D. Eisenhower and Patton used to relax there in the evenings while masterminding the Normandy invasion. Maybe I should invite the top brass of the BHA to a planning meeting in this historic setting?

