



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

**BEST OF
THE BLOG**

#06, OCTOBER 2019

“Icebergs Ahoy!”, but are the Officers on the Bridge of the Titanic Looking Through the Wrong End of the Telescope?

“The ROA is just tinkering around with the Titanic’s deckchairs. Where is the overarching strategic vision? What are the major strategic priorities? What are the strategic goals and targeted initiatives? What are the resource implications for the industry?”

Just back from a super, relaxing holiday in the relatively isolated north-west of Tenerife. If you like golf, do go and stay at the Hacienda del Conde and play golf at the Seve Ballesteros course at Buenavista. While there, I read a bit about the island and I certainly wasn't aware that Horatio Nelson didn't just lose a sea battle off Santa Cruz, but it is also where he lost his arm. Apparently it was a battle he should never have lost – it was all down to complacency, not marshalling his resources properly, incomplete information and the wrong analysis of the situation. A bit like British racing, as you'll see in this blog.

I kept my eye on a number of racing topics (I know, I should get out on the golf course more), and once again the strategic snail of the ownership strategy caught my attention, largely through an article in the *Racing Post* written by Jonathan Harding. For over a year I've been frustrated about the lack of clarity and progress on this strategy even though, apparently, the budget for it is now £1.66m, with the Levy Board alone contributing £790,000. The only way to gauge whether we're getting value for money from this substantial investment will be the outputs from the study, and its impact on the attraction of new owners into the sport while retaining current ones. A coherent strategic plan still hasn't been issued, and it does look as though the ROA is just tinkering around with the Titanic's deckchairs. Where is the over-arching strategic vision? What are the major strategic priorities being addressed? What are the strategic goals and specific objectives that can be measured over a 1 / 3 / 5 / 10-year time horizon? What are the detailed and targeted initiatives to be deployed, and what are the resource implications for the industry? None of these questions have been properly addressed. Apparently there will be a communication exercise in the autumn and nothing would give me greater pleasure than putting ticks in all the boxes, and seeing the Titanic steer away from the icebergs unscathed.

Most worryingly, the *Racing Post* article stated that the strategy is all about "evolution not revolution". The ROA has prioritised retaining owners over actively recruiting them, and that sort of one-eyed strategy appears to be gross neglect. Also, they have chosen to treat prize-money as a separate issue, and again that is flabbergasting. Just keep moving those deckchairs around

It's not as though the icebergs aren't big, prominent, ugly and frightening:

- Sole owners are in significant decline, down from around 7,000 to 5,000 in the last ten years.
- There are now more owners aged over 80 than under 40.
- The returns to owners are dreadful, with 73% of those owners receiving less than £2,500 per year, due to both the quantum of prize-money and its allocation. It is far too concentrated at the top tier of the sport, which benefits hugely anyway from ongoing stud value.
- The betting industry is hurting. For example, William Hill's profits are down 33% with 700 betting shops likely to close by the end of the year.
- Racecourses are increasingly forecasting "significant risk of falling income" and almost inevitably reduced prize-money as a result. Newbury, which already has woeful prize-money for the quality of its racing, issued a note to that effect.
- While Logician put in a superb performance in the St Leger (for a £700,000 pot, the second-most valuable British Classic after the Derby), throughout the festival there were many under-subscribed races, which wasn't surprising in view of the poor prize-money. Day 1 had a meagre £149k and the last two races on Leger day were 0-110 handicaps with prize-money between £12,450 and £15,562, whereas similar races at the York Ebor festival were worth £70k. Owners and trainers are voting with their feet / hooves. Those two races at Doncaster had three and two runners respectively.

And yet the ownership strategy isn't examining initiatives to bring new owners into the game, nor to boost the prize-money to sustain it. This beggars belief.

Meanwhile, of course, it is very different elsewhere in the world. The new Saudi Cup, to be staged on 29th February 2020 at the King Abdulaziz Racetrack in Riyadh will be the richest ever race, at US\$20m. Even the undercard has US\$7m of prize-money. *The Times* has a view that we are now going to see a "high-rollers' triple crown", with trainers targeting this race along with the Pegasus in the US, worth £7.4m, and the Dubai World Cup at £9.9m.

Oh, to be a high-roller operating at the platinum end of racing, whether globally or in the UK. For them, life is rich and rosy, and indeed the ROA's magazine, *Thoroughbred Owner & Breeder*, reinforces that view with all the top trainers, horses breeders and owners being feted and now has pages of over-priced "fashion" drivel as well. It would be a nice magazine to read in the lounges of the Titanic, maybe alongside a copy of the ROA's ownership strategy, when it finally makes its appearance.

Icebergs ahoy! Do we have any lifeboats?

