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THE BLOG**

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New Year's Resolution for the ROA – Incentivise Owners & Syndicates to Increase their Involvement

“Sole ownership has been declining for ten years. It is vital that new owners are brought into the game. There should be a commitment to promoting shared ownership through syndicates, via national marketing and via the creation of incentives.”

For the last two years I have been pressing the Racehorse Owners Association (ROA) to produce and publish the Industry Ownership Strategy for which they received £1.65m of funding from the Racing Foundation. There has still been no sign of it, and I'm just hoping that the powers-that-be in Holborn have this output high up their list of New Year's resolutions.

While they dilly and dally, ownership is in decline. Indeed, sole ownership has been declining for ten years, while the age profile of owners has been only increasing. As the prime investing stakeholder in the sport, it is absolutely vital that new owners are brought into the game, while retaining the current ones. At the heart of the Industry Ownership Strategy there has to be a commitment to promoting shared ownership through syndicates, and that needs both resources to run national marketing campaigns and the creation of incentives designed to prompt owners to increase their involvement.

There has been a lot of discussion about how to deal with the increasing numbers of owners within the facilities of the racecourses. As syndicates increase in number and in size, a much greater strain has been placed on O&T facilities. Racecourses only really have two options available: they can increase provision and / or restrict access. It is quite likely that racecourses, individually or collectively, will adopt one of two solutions. Either they will introduce a tiering of owner privileges (rather like First Class and Business Class lounges on airlines) or they will start to offer a "package" of benefits whereby, for example, a syndicate can trade off free lunches for additional badges.

I'm sure a number of these blogs will be devoted to this subject because it has potential for unintended consequences. For example, racecourses could be tempted to treat owners as first-class or second-class citizens with sole owners "up in first class" and syndicates and partnerships "down the back of the plane".

What is really needed is a much more thoughtful approach which actually incentivises owners to increase their involvement in order to access different tiers of benefits, which I believe is the model used in Australia. Basically the more horses / shares in horses you own (and the greater your economic contribution to racing), the greater the benefits that you enjoy. It also has to be emphasised that, at the moment, racing has no real insight into that economic contribution. So, for example, there are many syndicate owners who have multiple shares in horses but there is no way for racing to pick that up and respond to them as to more valuable sole owners. It is essential in an ownership strategy that this capability is developed and applied across the whole ownership base, and that requires a different registration process, ownership IDs and technology platforms to support it. However, none of that process / technology is particularly innovative, and has been in use in the retail and airline sectors for thirty years or more. Racing is well behind the wave on this, but the good news is that none of the systems required are particularly complex and should not be expensive to introduce.

At the same time, such a registration process would remove the potential abuses such as those encountered by one of our owners through his involvement in the Supreme Racing Club. Ged Shields recently had a letter published on the subject in the *Racing Post*, and it is worth reproducing it in full below:

"As one of the many victims of the Supreme Horse Racing overselling scandal I think its long overdue that the racing authorities in the UK and Ireland introduce an owners' registration system that is fit for purpose. The current approach is hopelessly inadequate. Obviously.

Since the scandal broke, we've heard the BHA and ROA and other bodies making the case for syndicate operators to sign up to strengthened codes of conduct and suggesting some sort of licensing scheme may be the answer. The blunt truth is that neither suggestion would have prevented the Supreme situation.

What we need is a transparent online share register that allows owners, no matter what size of share, to check their share has been registered and the combined ownership shares for each horse. So, for example, John Smith can see he has been registered for 5% in Horse A, 10% in Horse B etc and then when he clicks on Horse A he can see his 5% and the % shares other owners have in the same horse. He doesn't need to know the names of the other owners so GDPR shouldn't be an issue. He just needs to see his share has been registered accurately and that the combined shares in the horse don't add up to more than 100%. This kind of online platform would allow owners themselves to police the share register of the horses they are involved in and would have prevented the overselling undertaken by Supreme Horse Racing. It would represent a huge improvement on the current system.

As racehorse owners we invest thousands in the sport and deserve a registration system that works much harder to protect our investment. This needs to become a top priority for the racing authorities in the UK and Ireland and there is no sensible reason why it should not be implemented in a matter of months. I hope for once they will act quickly."

All of this shows the urgent need for an Industry Ownership Strategy that is genuinely innovative, and backed up by detailed operational plans required to introduce these much-needed changes. It has taken the ROA almost two years to produce very little, and yet a number of owners with whom I am regularly in contact could readily create the framework of the strategy during the course of a long dinner and a few bottles of fine wine. And British Racing would have received a lot of change from its £1.65m. Indeed, my view is that unless there is progress quickly, this strategic initiative should be taken away from the ROA and put in the hands of a new industry leadership group with the insights, motivation and skills to do something about it. In short, ROA – get on with it or move out of the way.

