



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

**BEST OF
THE BLOG**

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Time for a UK-Wide Syndicate Strategy – To Increase and Retain Owners in the Sport

“British Racing has no strategy focused on syndication. It has no meaningful data. It has little knowledge of syndicate members, nor their needs and requirements. It is, in effect, a ‘black hole’. Yet there is a considerable opportunity to grow syndication.”

Recently we flagged up a number of priorities for the new Chair of the BHA, Annamarie Phelps, who took up the leadership position on 1st June. I'm sure by now she's only too aware of the big challenges facing racing and the key questions that need to be raised, and then answered. So for example, what are the major sources of funds that will guarantee the viability of the sport; does the expansion of the race programme continue (as the new CEO of the Racecourse Association advocates), or is it to be reduced (as the Horsemen's Group would probably prefer); what are the priorities and funding implications of the new ownership strategy being developed by the Racehorse Owners Association; what are the ethical and integrity issues that need to be addressed as part of risk mitigation for the sport; and how are the problems of recruitment, retention and welfare of racing staff to be resolved? Doubtless there are also many other pressing concerns for Annamarie's first 100 days.

All those questions are relevant for someone taking a top-down perspective on racing. Obviously in Owners for Owners we're immersed in the day-to-day of grass-roots owning and syndication. However, in this blog we're trying to make the link between the top-down and bottom-up perspectives in the context of syndication.

We're members of the Racehorse Syndicates Association, which is actively promoting ongoing improvements in the ownership experience so that syndicate members are attracted into the game and retained within it. As part of that promotion, several important and little-appreciated facts are being publicised. It should be said that the numbers are only estimates, as absolutely no-one anywhere in racing has accurate facts and data on the importance and contribution of syndication to British Racing and that says everything, doesn't it!

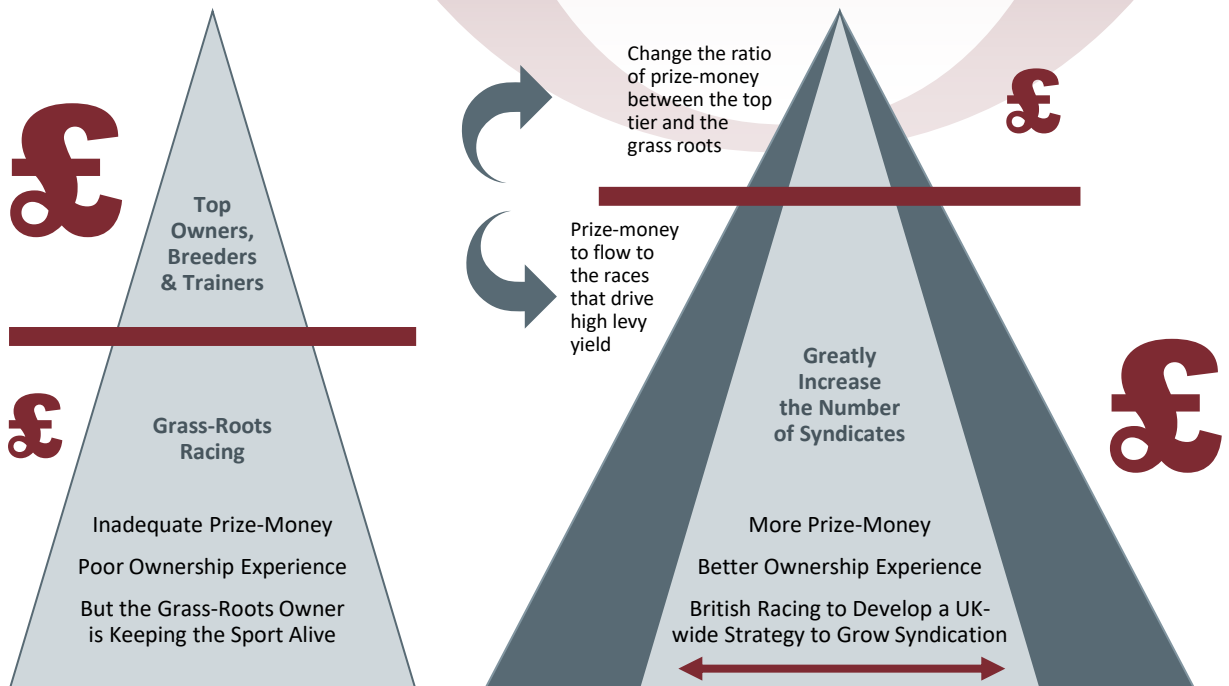
- Insight 1: there are 2,500 syndicate organisers in the UK. Assuming ten owners on average per syndicate, that is 25,000 owners. They are the unknown stakeholders of British Racing.
- Insight 2: the total number of horses owned by syndicate organisers in the UK is estimated to be 5,000. Assume that the expenditure with trainers, vets, jockeys etc. is £20,000 per year, that is £100m contribution to the racehorse training industry.
- Insight 3: if we assume that the syndicate organisers replace these horses every other year, and the average bloodstock price is £30,000, then the income for the bloodstock industry is £75m.
- Insight 4: the running of syndicate horses clearly makes an important contribution to competitive racing, betting turnover, levy and media rights. We have no knowledge of the quantum of this, but let's estimate that it is £25m.
- Insight 5: if 2,500 syndicate organisers and the 25,000 owners is correct, and these owners visit racecourses once a month, spending £50 on each visit, then that is a £30m income for racecourses across the country from syndicates.
- **Total annual contribution to British Racing from syndication is £230m.**

At the moment, British Racing has no strategy focused on this important sector. As already mentioned, it has no meaningful data. It has little knowledge of the syndicate members, nor their needs and requirements. Faced with what is in effect a "black hole", there must be a considerable opportunity to grow significantly the syndication of racehorses in the sport. In the past there have been one or two rather trivial attempts to promote syndication, of which a good example is the flawed "In the Paddock" web site that doesn't even work properly. It all looks very amateurish and half-hearted.

Everyone in racing surely buys into the expansion of syndication. However, to do that there are a few much wider issues that need to be addressed, as highlighted in the diagram overleaf.

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Fundamentally Changing the Ownership & Prize-Money Pyramid



**Too Much Money Goes to the Top of the Sport
"The Foundations are Too Weak"**

**Spread the Prize-Money More Fairly,
Particularly to the Grass-Roots Owner
"Broaden & Strengthen the Base"**

The left pyramid shows that there is an over-concentration of money at the top, while the grass-roots foundation, which is where the vast majority of syndicates are operating, is crumbling, with many trainers and owners struggling financially. One solution would be to change the ratio of prize-money between the top and the bottom of the pyramid. As a timely example, although we adore Royal Ascot as an event with all its pomp and circumstance, it embodies the elitist nature of the sport. That is not an argument to change Royal Ascot, but we believe that far too much money is concentrated into the top races, and therefore goes to the top owners, trainers and breeders. We need more money for the grass roots. In the right hand diagram, the point is also emphasised that any realignment of prize-money should flow to the races that are the most competitive and generate the greatest betting levy.

I wonder whether that data is readily available or is it another black hole?

