A Blueprint for Racehorse Ownership in the UK: Making retention and acquisition of owners the number 1 goal of a Racing Recovery Plan

July 2020

Owners for owners
Racehorse Partnerships

Ged Shields | Jon Hughes

Racing needs a post-pandemic Recovery Plan with the retention and acquisition of owners as its number 1 goal.

Owners matter. The financial strength of racing is inextricably linked with the continued commitment of owners to keep funding it. The Covid-19 crisis has put this commitment under unprecedented pressure while accelerating the pre-existing challenges that both owners and racing were already facing.

Think of the pandemic as a kind of "time machine" that is rushing us towards the end phase of a process that was always likely to happen. Owners are re-evaluating their ongoing support, with a significant number likely to reduce their involvement sooner rather than later.

Now that the immediate danger of the pandemic has passed, the risk is that racing will revert to the "old normal" rather than embrace the "next normal". We believe there is a better approach. **A Racing Recovery Plan should be developed as a matter of urgency** with the retention and acquisition of owners as its number one goal. It has to bring the stakeholders together in a way that puts aside discord and disagreement – collaborate to succeed.

1. Without a Recovery Plan there will be **a major contraction in ownership over the next five years**. We believe the impact of the pandemic will be worse than the financial crisis of 2008/9, when the number of owners fell by 1,889 (17%) and horses in training by 2,621 (12%). We predict that owners will decline by 2,244 (20%) and horses in training by 3,531 (15%). The immediate financial loss to racing will be £124m.

2. Once the initial excitement of ownership has faded, **poor prize-money is the major factor that drives owners out of the sport**. The median return on investment is 8p on the Flat and 6p for NH, after deductions. Owners lose between 92p and 94p in the £. In 2019/20, owners spent £527m and lost a collective £428m. While owners don't expect to make a handsome return on their racing investment, they increasingly feel short-changed. An inconvenient truth is that **other stakeholders in the industry do rather well out of owners' annual expenditure … and their losses**.

3. For every pound spent by owners, £7 is generated across the industry for bookmakers, breeders, trainers, racecourses and sales houses. **This 1:7 multiplier amplifies the £124m financial loss to racing to a significantly more damaging £868m**. We are alarmed about the negative impact of this multiplier on all stakeholders and their staff. Cutbacks will be painful.

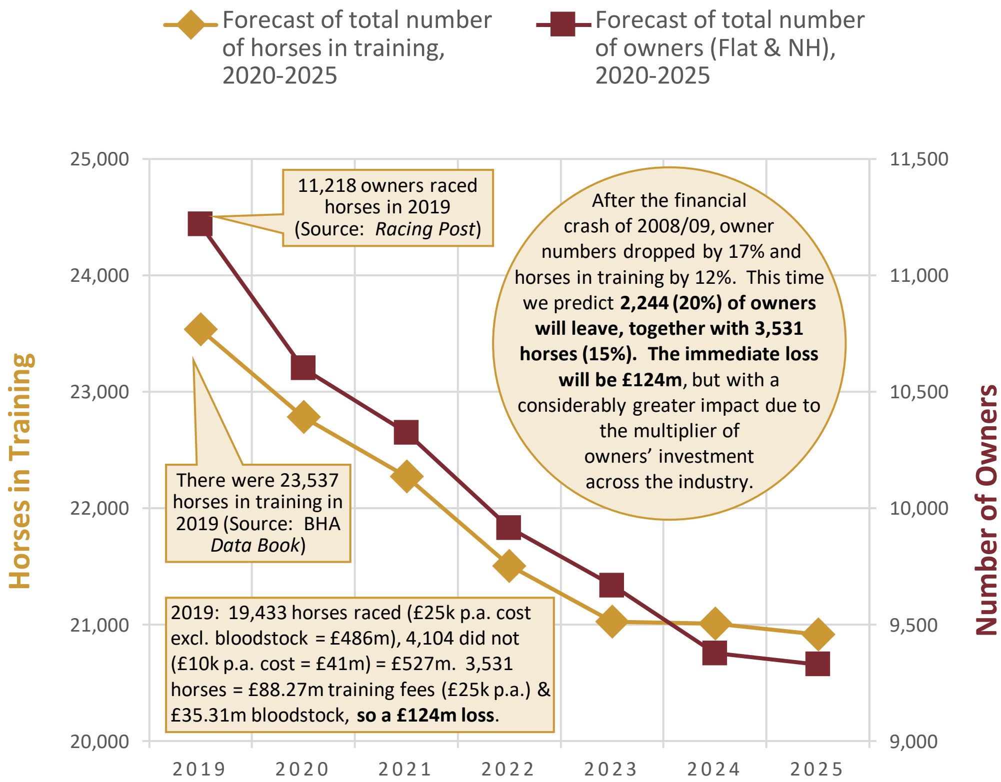
4. **Racing needs a strategy to attract and retain owners**. A co-ordinated and well-funded nationwide marketing plan is needed, and for it to be adopted particularly by trainers and syndicators. Retaining owners requires radical reallocation of prize-money to ensure a better, fairer and more acceptable return, while simultaneously improving the on- *and* off-course ownership experience. In the longer term, racing's funding model has to change.

5. 75% of all races are Class 4-6. **Prize-money should be restructured and reallocated to grass-roots racing**. Minimum prize-money for a Class 6 race should be £7,500, distributed 50% for 1st, 25% for 2nd, 15% for 3rd and 10% for 4th . This would mean that all these owners, as a minimum, recoup (just) their racing expenses for the day. This is at least an important start.

6. The financial damage to racing of a significant contraction in owner numbers will be considerable. **A phased Racing Recovery Plan needs to commence immediately**. Owners want to see rapid and positive changes. Task teams fully representing the whole industry should be put in place, reporting to a stakeholder-led Recovery of Racing Group. Accountability for success sits with these stakeholders. A first phase of immediate action is required throughout Q3 / Q4, 2020, focused on retaining owners.

Two postscripts: (1) The first race back after resumption on 1st June generated £600k in bookmaker profits. The winning owner received a miserly £2,782 before deductions. (2) Royal Ascot made a dramatic reduction in top prize-money. It had no negative impact on entries or horse participation on raceday.

Expect a major contraction in ownership in the UK over the next five years. It could be worse than after the 2008/9 financial crash.



Note: Trend lines are based on the actual declines in owners and horses in training between 2009 and 2014. **We fear that the contraction will be far worse than this**. Substantial numbers of horses went out of training during lockdown. Throughout this blueprint, we assume that **owners will decline by 20% and horses in training by 15% over the next five years**.

And ten years from now, the landscape could be hugely different, according to John Gosden.

“The first thing that will change is due to what has happened to the economy, not just in our country but all around the world. That is going to have a significant impact. We're an entertainment business but also a luxury goods department and, as everyone knows, it's very expensive for anybody to have a horse. Syndicates will become a far bigger part of the industry but unless you have proper prize-money you won't encourage too many of them.

I think we'll see a dramatic restructuring of racing. I believe a number of the racecourses will not survive and I particularly worry for the small independents. It's also clear to me the horse population will shrink because people won't be able to afford to own horses in the way we see now.

There's another huge factor. A lot of the big owners aren't young people any more.”

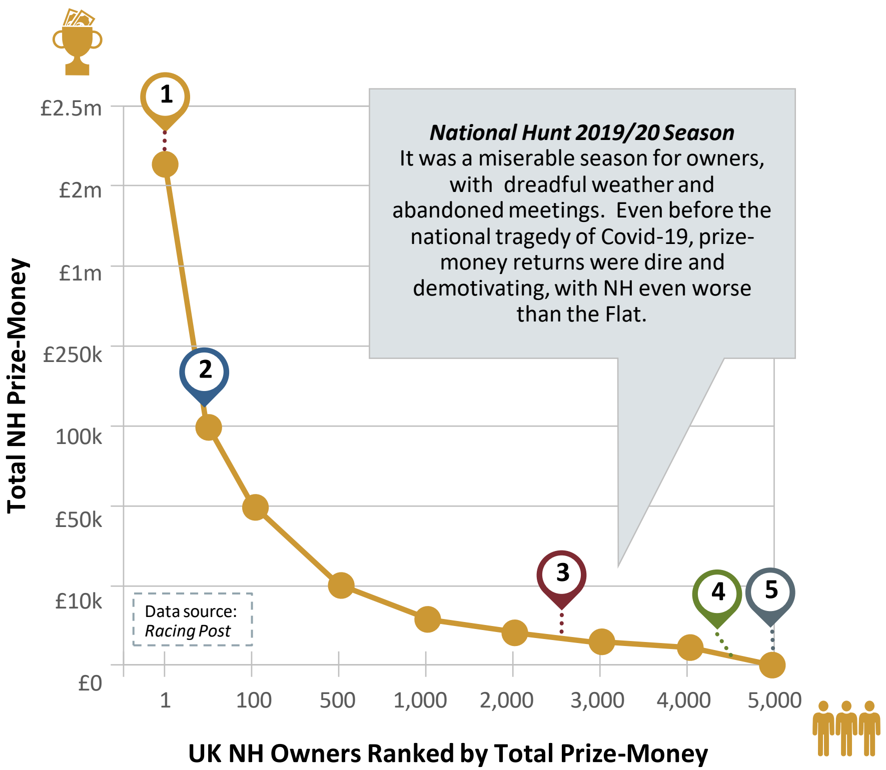
Racing Post interview with John Gosden by Lee Mottershead, 13th June 2020.

“The trend is your friend” is a phrase often used in the investment world. It won't be for racing in this decade, due to three factors:

1. **Economic contraction**: the UK faces the worst recession since the War, rapidly rising unemployment and the collapse of many smaller companies, particularly in leisure and hospitality.
2. **Owner demographics**: average age of owners is around 60, and with substantial numbers over 70 there was always likely to be a reduction in their investment. Also, they remain wary of Covid 19 and this may inhibit future investment in ownership even further.
3. **Disposable income**: balance sheets, both personal and company, will have to be rebuilt. As that happens, owners will cut back if the lessons from the last financial crisis are anything to go by.

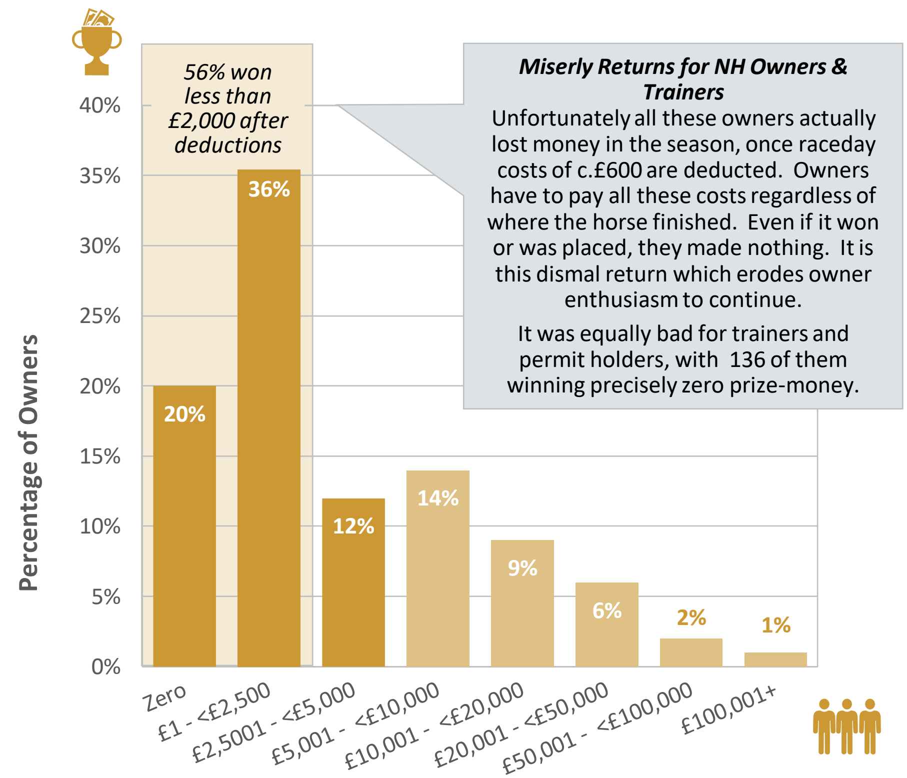
Once the initial excitement of being an owner has faded, the total amount and allocation of prize-money quickly becomes a demotivator. It is one of the key factors that drive owners out of the sport. Consider the returns from National Hunt, 2019/20.

NH prize-money won by owners soon falls off a cliff …



1. #1 Owner on prize-money: J.P. McManus, £2,138,544, but with 141 horses racing he lost an estimated £1.81m.
   44 owners won £100k+ but had substantial losses.
2. These 44 owners ran 692 horses and lost £7.5m.
3. The majority of owners won <£2,000 after deductions
4. 984 owners (20%) won no prize-money
5. 136 trainers / permit holders won nothing

… with the majority of owners winning < £2,000 per season



Total NH Prize-Money won vs. Actual Received per Owner, 2019/20

Estimated raceday costs: assume horse transport £250, stakes entry fee at the lowest level £29, administration fee £32.90, NH jockey fee £173.59, NH riders' insurance £22.57, racing plates £75. Total c. £600.

The factors that bring owners into the sport are not those that drive them out. This is why racing needs a proactive ownership strategy that deals simultaneously with both acquisition *and* retention of owners. It is the top priority for racing.

Strategies to Boost Owner Acquisition

Acquisition Strategies

Strengthen the Emotional Return on Ownership

What attracts owners into the sport

1. Enjoyment of watching the horse run
2. The non-raceday elements
3. Dream of winning races
4. Social aspect of racing with friends
5. Love of horses and association with them
6. Enjoyment of racing with the family

Examples of Proactive Strategies to Boost Owner Acquisition

- Develop and implement an innovative UK-wide marketing plan
- Proactive promotion by all stakeholders nationwide
- Expand shared ownership with a major campaign on syndication
- Showcase ownership on TV and through ownership ambassadors
- Introduce a nationwide series of prospective owner days at stables

What drives owners out of the sport (the "churn rate" factors)

1. Cost of keeping a horse in training
2. Poor prize-money
3. Need to redirect money on to other things
4. Facilities and treatment of owners on and off the racecourse
5. Limited success
6. Not a good trainer experience

Examples of Proactive Strategies to Boost Owner Retention

- Improve the funding model, with extra sources of prize-money coming into the sport
- Reallocate prize-money with higher minimum race values for grass-roots racing
- Rationalise and reduce all the registration fees and administrative charges
- Improve the off-course ownership experience with high-quality communication
- Improve the on-course ownership experience with more flexible owner benefits

...

Understand the Tipping Points in Owner Acquisition and Retention

While Improving the Financial Return on Ownership

Strategies to Reduce the Churn Rate

Retention Strategies

Note: These conclusions on owner acquisition and retention are our interpretations of the BHA and ROA's *National Racehorse Owners Survey*, 2016.

MARKETING 78%
The excitement of watching your horse gives the emotional return. Acquisition marketing sells that.

TRAINERS 53%
Visiting trainers and their yards is crucial for bringing in new owners. It needs more promotion.

SYNDICATES 73%
Most owners start off with others. Make it easier to locate and join syndicates that are properly regulated.

RACECOURSES 80%
Being on the racecourse is the highlight of ownership. Provide more flexible benefit packages.

PRIZE-MONEY 65%
Poor prize-money drives out owners, particularly at the grass-roots level. Address this.

COSTS 82%
Owning is expensive. High cost drives churn rates. Syndicates reduce them. Cut irritating charges.

As a minimum any owner whose horse finishes in the first four should cover the costs of the raceday. Plan A on minimum race values addresses that need. In addition, implementing a more radical Plan B assumes a substantial contraction in total racing.

	NH 2019/20	Flat 2019
Owners who won less than their annual costs	98%	97%
Owners who won <5% of their annual costs	47%	43%
Owners who won zero prize-money whatsoever	20%	15%
Owners' median return on investment (in the £)	6p	8p
Total loss for owners in this season	£163m	£224m

In 2019, owners spent £527m on training fees. They lost £428m. This is simply unsustainable.

Total prize-money in 2019 was £154m; less 20% deductions = £123m; less owners' contribution to prize-money = £24m. Therefore net = £99m. £527m - £99m = £428m loss.

Number of NH & Flat Races Analysed by Class in the 2019 Season

	NH	%	Flat	%	Total	%
Class 1	210	5.6	293	4.6	503	5.0
Class 2	236	6.3	459	7.2	695	6.9
Class 3	683	18.3	567	8.9	1,250	12.4
Class 4	1,731	46.5	1,405	22.0	3,136	31.0
Class 5	826	22.2	2,050	32.1	2,876	28.5
Class 6	35	0.9	1,564	24.5	1,599	15.8
Class 7	0	0	37	0.6	37	0.6
Total	3,721		6,375		10,096	

75% of races across both codes are at Classes 4-6, which is where the vast majority of the grass-roots owners' horses race.

Plan A: continue with the minimum race value changes in prize-money introduced by the Resumption of Racing Group while increasing prize-money from Class 6 upwards. Any owner with a horse in the first four will then at least cover their raceday costs.

	Minimum	Cost
Class 1	£50k	£25.0m
Class 2	£35k	£24.3m
Class 3	£15k	£18.7m
Class 4	£12k	£37.6m
Class 5	£9k	£25.9m
Class 6	£7.5k	£12.0m
Total		£143.5m

Our Proposal	
1st	50%
2nd	25%
3rd	15%
4th	10%

Class 6 Race Examples	
1st	£3,750
2nd	£1,875
3rd	£1,125
4th	£750
Total	£7,500

Total Cost of Plan A = £143.5m

This is less than the current total of £154m annual prize-money.

- A prize-money scheme where the minimum per race is £7,500 is affordable.
- Prestigious races should be able to generate additional prize-money, e.g. through sponsorship.

Plan B: reduce the number of fixtures & lower class races by 25% and / or adopt a tiered model

In addition, racing could pursue more radical restructuring. A major cutback in lower class races would save £20m per annum. Racecourses could be tiered: top tracks receive the most money, with the lowest level tracks given freedom to organize themselves, while receiving minimal funds.

The economic impact of owners' expenditure on the whole racing industry is huge, and is the prime driver of financial success of all other stakeholders. Every pound spent by owners generates £7 elsewhere across the industry.

Owners

?	High net worth sole owners
?	Owner breeders
?	Partnerships
20%	Syndicates & racing clubs

20+ different owner segments & marketing propositions to be defined

£527m	**Owner Annual Expenditure** Total spent by owners in 2019 on training, keep, vetting, entries (excluding bloodstock)
£145m	**Bloodstock Expenditure** Annual expenditure by owners on bloodstock (excluding HiT sales).
£672m	**Total Annual Investment** Estimated total investment by owners in 2019 on training fees & bloodstock.
7p	**Average Return on Investment** Median return on investment for each horse in training via prize-money less deductions.
2%	**Annual Cost Recovery** Less than 2% of owners managed to cover their annual costs in 2019.

There were 23,537 horses in training in 2019 (BHA *Data Book*) & 11,218 owners raced their horses (*Racing Post*).

Owners on the Flat 2019. 6,255 owners raced 11,524 horses. 144 won £100k+ in total but with 2,545 horses, lost a net £5.95m. Few broke even. The bottom 58% of owners, 3,649, lost a net £107.5m. 2019 costs for the 11,524 horses were £288m (excluding bloodstock). Total Flat prize-money was £104m. Net Flat prize-money (after deductions) was £64.2m.

Owners in NH 2019/20 4,963 owners raced 7,919 horses. 45 won £100k+ in total, but with 692 horses, lost a net £7.5m. Only 19 broke even. The bottom 67% of owners, 3,341, lost a net £90.6m. 2019/20 costs for the 7,919 horses were £198m (excl. blood-stock). Total NH prize-money was £50m, but net £35m after deductions and owner prize-money contribution.

Multiplier: the £672m spent by owners generates £4.2bn for bookmakers, £600m for racecourses and £145m in bloodstock, i.e. £4.95bn, 1:7.

Racehorse Trainers

3	Trainers with 201-300 HiT
20	Trainers with 101-200 HiT
225	Trainers with 21-100 HiT
278 (53%)	Trainers with <20 HiT

23	**Big are Getting Bigger** 23 trainers have more than 101 horses in training across the Flat and National Hunt.
76%	**Small are Getting Smaller** 400 trainers have fewer than 50 horses in training and the majority have <20.
10%	**Trainer Percentage Return** Trainers take 10% of all prize-money and this is an important source of income for the yards.
£2,089	**Flat Median Trainer Percentage** The median Flat trainer won 10% of £20,894 prize-money in the UK in 2019.
£336	**NH Median Trainer Percentage** The median NH trainer won 10% of £3,365 prize-money in the UK in 2018.

There were 23,537 horses in. The figures on the number of trainers and horses in training (HiT) are from the National Trainers Federation, June 2020. There are also 59 permit-holders.

There were 676 trainers in 2013, so a decline of 13%. 76% of all trainers have fewer than 50 horses in training, while only 4% have more than 101. The vast majority of trainers are winning less than £10,000 per season from their trainer percentages.

The top trainers, with the largest yards, make significant profits. John Gosden's winnings in 2019 were £8,000,228 (trainer percentage £800k+) and in NH, for 2018/19 season, Paul Nicholls' winnings were £,307,172 (trainer percentage £300k+).

Trainers with yards of fewer than 40 horses struggle to be profitable.

Trainer median prize-money based on data from the *Racing Post.*

Syndicates & Syndicators

100	Racing clubs
250	Commercial syndicators
300	Trainer-led syndicates
2,000	"Friends" syndicates

35,000	**Syndicate Owners & Clubs** Based on owner numbers in syndicates and including racing club members.
4,450	**Horses in Training** All the horses in commercial / trainer-led syndicates, clubs and "friends" syndicates.
1 : 5	**Increasing Importance** There were 23,537 horses in training in 2019, so one in 5 of them is in a syndicate.
£156m	**Annual Investment** Based on £25k p.a. of training fees and £10k on bloodstock every year (£30k over 3 years).
1,421	**Ratio of UK Population** 42,626,681 members of the population aged 30+, so 1 in 1,421 are in syndicates.

Analysis based on estimates from the Racehorse Syndicates Association (RSA).

Racing clubs: c.100, some with thousands of members. If 50 members per club, 5,000 participants. Average of x 3 horses per club = 300.

Commercial syndicators: c.250. Average of x5 horses per syndicator = 1,250. If 15 owners per horse = 18,750 owners. This may be an under-estimate as micro-ownership is increasing.

Trainer-led syndicates: c.300. Average of x 3 horses per trainer = 900. If 10 owners per horse = 9,000 owners.

"Friends" syndicates: x 1 horse per syndicate x 6 owners = 2,000 horses and 12,000 owners.

Assumes that each syndicate horse costs c.£30k in bloodstock and races for three years, i.e. £10k per year.

Very little is known about these owners and club participants. They are the "unacknowledged stake-holders of British racing".

Assessing the Impact of a Decline of 20% in Owners and 15% in Horses in Training from 2020-25 on the Bottom Line of Racing's Stakeholders

Owners are the prime funders of the industry, with a significant multiplier effect. Contraction in their numbers will hit very hard right across the sport. Total annual investment of £672m generates £4.95bn elsewhere: a 1:7 multiplier. **20% owner contraction = £124m immediate loss = £868m out of the industry**.

The business model for the majority of trainers is barely sustainable. They have insufficient horses to generate much profit; fixed costs are high, and their prize-money percentage in total is low. **Losing 2,244 owners and 3,531 horses will reduce immediate income by £88m**. This will hit hard, and trigger insolvency for some.

It is only in shared ownerships such as syndicates that there has been any growth in recent years. They help retain sole owners who might otherwise drop out of the sport, as well as encouraging expansion in ownership through new entrants. **Maintaining and growing the £156m investment per year will be absolutely vital.**

The economic impact of owners' expenditure on the whole racing industry is huge, and is the prime driver of financial success of all other stakeholders. Every pound spent by owners generates £7 elsewhere across the industry.

Thoroughbred Breeders

3,318	Breeders in the UK
3,500	Number of direct employees
4,778	GB-born foals in 2017
9,100	Total connected jobs

£250m	**Yearling Sales**	Aggregate of the top five 2019 yearling sales in England, France & Ireland.
£200m	**Top Stallion Income**	Annual income earned from top stallions at Coolmore, Godolphin & Juddmonte.
30%	**Potential Decline in Foals**	4,800 foals are born each year in the UK. Could be a 30% decline (worse than 2008/12).
1-3%	**Poor Level of Profitability**	Low average returns across the industry. 66% of breeders are unprofitable.
£427m	**UK Economic Impact**	19,000+ jobs supported and a high economic impact across the UK, according to the TBA.

The number of breeders in the UK is in decline: down from 3,400 (2013) to 3,318 (2018). About 4,800 foals born p.a. to c. 9.000 active broodmares.

Rewards are enormous at the top of the pyramid but 66% of breeders are unprofitable and this situation is worsening. 1-2% of breeders are leaving the industry p.a.

Return on capital employed for the industry is 1-3%.

Considerable economic impact on the UK economy, particularly in rural areas with an extensive network of suppliers and 19,000 jobs. This contributed £427m in 2017.

The last economic crash following 2008/9 reduced the foal crop by 26%.

Source: The Thorough-bred Breeders' Association & PWC report 2018.

Loss of annual foal income is estimated at £15k per foal. A 30% reduction is 1,440, so a notional loss of annual income is £21.6m, but much greater loss of income from lost sales.

Racecourses

17	Dual purpose courses
19	Flat courses
23	National Hunt courses
59	Total number of courses

7m	**Five-Year Goal for Attendance**	Strategy for Growth in 2015 set a target for raceday attendance of 7m.
5.62m	**Declining Attendance**	There has been little improvement in five years: 7.8% annual decline.
1,567	**Median Raceday Crowd**	Apart from festivals, raceday crowds are low. Sometimes paying customers are <200.
£600m	**Racecourse Income**	Steady increase in income from £478m in 2012, primarily due to hospitality and media rights.
£147m	**Reliance on Media Rights**	Media rights have grown significantly from £88m in 2013. Our estimate is at least £59m+.

Income / costs are based on our estimates of growth since a 2013 Deloitte study and the recently disclosed c.£600m income p.a.

Revenue: £478m to £600m.
Outflow: £484m to £605m.
Entries: £114m to £143m.
Food: £100m to £125m.
Sponsors: £31m to £39m.
Media: £88m to £147m.

Raceday costs are high: £173m to £216m. So are overheads: £110m to £137m. Substantial capital expenditure of c.£1bn over the decade drives interest charges of £30m+ p.a.

JCR and ARC account for 60% of revenues and independents 40%. Typical top course revenue £45m+ per year vs. smaller track £4-5m.

Total prize-money in 2019 was £153m. Racecourse contribution £81m, HBLB £48m and owners £24m.

Media rights income grew from £57m in 2008 to £88m in 2013. We have recalculated using a 9% p.a. growth figure.

Bookmakers

£948m	Off-course betting (OCB) on dogs
£972m	OCB on numbers
£1.57bn	OCB on football
£4.22bn	OCB on horseracing

£4.2bn	**Racing Turnover**	For the year to March 2019, this is the amount wagered on horseracing off-course.
£522m	**Gross Gambling Yield**	This yield reflects the profit made on bets excluding associated costs.
£282m	**Net Profit from Racing**	Estimated as a margin of 6.72% on the total amount wagered of £4.2bn.
£429m	**Net Profit + Media Rights**	The combined figure of book-makers' net profits + our estimate of total media rights.
£42.5k	**Average Profit Per Race**	The combined profits divided by the number of races in 2019, which were 10,085.

Data sources: Betting Industry of the UK, Statista.

Enormous changes are impacting the gambling industry – a combination of huge growth as well as regulatory constraints. For some, market capitalisation is rocketing while others struggle with consolidation costs. There is huge scope for innovation, e.g. the "Super Pools" at Royal Ascot in 2020 generated total co-mingling betting of an average of $4m per race, with 20 jurisdictions involved.

Race 1, Newcastle, 1st June, Class 6 Handicap x 12 runners. Matched bets on Betfair = £1.2m (part of Flutter with 38% of the online market. Assume Betfair accounts for 50% of Flutter's online revenue), so £1.2m accounts for 19% of the total online monies wagered, i.e. £6m. Assume a 10% return = £600k. **Return per horse to the bookmakers = £50k. Winning owner = £2,782.**

Assessing the Impact of a Decline of 20% in Owners and 15% in Horses in Training from 2020-25 on the Bottom Line of Racing's Stakeholders

Thoroughbred breeding is a vital stakeholder in GB horse-racing. A major contraction in owners will have a devastating impact on the large number of already financially marginal breeders. We predict **foal numbers will drop by 30%. £22m of initial contraction but much greater downstream loss from fewer eventual sales.**

Racing may be the #2 sport behind football in paying spectator terms, but attendances are in decline. Racecourses have balanced their books through expanding their hospitality offerings and retention of media rights. Only the top courses on top days are truly profitable. **Racecourse profitability has been shattered by the pandemic.**

Equity investors regard the gambling industry as a resilient sector in the face of economic contraction. With the scope for innovation it is most unlikely that bookmaker profitability will suffer. One risk is that falling horse numbers increase the number of non-competitive, less than 8 runner races. **Fewer horses = less betting = reduced levy.**

Racing should not underestimate the financial damage likely to occur as a result of a reduction in owner numbers. Action is urgently needed. Phase 1 of an Owner Retention Plan should be launched this summer. Phase 2 then follows in 2021-2025.

Accountable for Action

A Recovery Plan needs to be designed and implemented by action-oriented task teams. Key stakeholders should be represented and accountable. The BHA's role is to facilitate it.

A Unified Vision

A stakeholder-led Recovery of Racing Group should be formed to develop, own and implement a recovery strategy with owner retention and acquisition as the number 1 focus of endeavour.

Owner Retention Plan, Phase 1: Immediate Actions, Q3/Q4, 2020

Owner Retention & Acquisition Plan, Phase 2: 2021-2025

Stakeholder Buy-in to the Top Five Most Critical Strategies

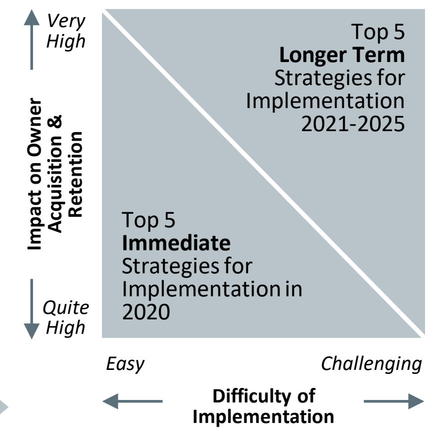
Integrated Ownership Strategy	Funding, Prize-Money & Fixtures	Innovative Marketing & Communications	Off-Course Ownership Experience	On-Course Ownership Experience
Develop a segmented plan of action that targets all the key owner types through multiple channels of media and communication.	Establish an Executive Council for the funding of British Racing to develop an innovative five-year plan of improvement.	Produce and implement British racing's first-ever Ownership Marketing Plan that targets each owner segment.	Lockdown led to a huge expansion of, and innovation in, off-course communication. Racing needs to accelerate this development.	Develop a new range of flexible on-course benefits and privileges for owners that meet the varying needs of different types of owner.

Four Supporting Capabilities will Need to be Funded and Resourced

1. Leadership & accountability: with specific strategies led by designated stakeholders
2. Project management: a network of teams reporting to the Recovery of Racing Group
3. Digital technology: harnessing its power to transform owner communication
4. Data-driven decision-making: systematic analysis underpinning all key decisions

Prioritised & Focused

The critical actions to retain and grow ownership need to be prioritised against required deliverables, i.e. target number of owners to be retained and acquired.

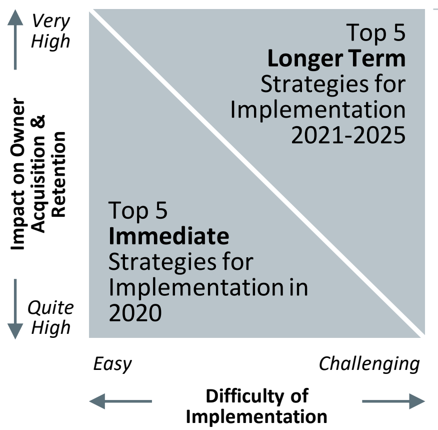


Racing should not delay in forming the task teams. Rapid action is required throughout Q3/Q4, 2020. Owners need to be motivated by what is implemented. There will be immediate feedback on progress or otherwise in the median prices and clearance rates at the bloodstock sales. ***Phase 1 of the plan puts a big emphasis on communication and compensatory benefits to all owners, who have been frustrated at being treated as "non-essential" during racing behind closed doors.***

"We face huge challenges across our industry which must be tackled together if we are to ensure the sport we all love can recover from the current crisis and grow into a more robust model in the future." New ROA President, Charlie Parker, June 2020.

A Prioritised & Focused Plan

The Recovery of Racing teams will need to identify and prioritise a wide range of important initiatives. There is no time to lose. This calls for agreed goals, clear principles and a collaborative, proactive way of working.



Collaboration on Contested Issues
1. Collaboration of the stakeholders is vital. They must work together on the plan.
2. They should not duck the contentious issues. They must find common ground.
3. Robust project management is required to keep everything on track.
4. Each task team needs a dedicated leader with clear goals and accountabilities.
5. A transparent approach should be adopted, with full access to all data.

	Phase 1: Immediate Actions, Q3 / Q4, 2020	Phase 2: More Radical Strategies, 2021-2025
An Integrated Ownership Strategy	1. Form a virtual Ownership Strategy Team in July to produce an action plan for immediate implementation. 2. Confirm leadership roles & accountabilities of key stake-holders: BHA, GBR, NTF, RCA, ROA, RSA. Provide funding.	11. Each owner segment needs a long-term plan: high net worth, sole, breeders, companies, partnerships, syndicates & clubs. 12. Each of these strategy workstreams should be led by the most relevant stakeholder group. Share out these key tasks.
Funding, Prize-Money & Fixtures	3. Retain the current reallocation of prize-money and minimum race value arrangements. Sort out media rights allocation. 4. Form an Executive Council, **including** the bookmakers, to develop an innovative five-year funding plan for racing.	13. Council addresses two prime subjects: increasing total funds for British racing + size and shape of the race programme. 14. Address next phase of Levy reform, betting innovation, optimisation of the Race Programme, handicapping changes.
Innovative Marketing & Communications	5. An industry-wide team to produce racing's first ever Ownership Marketing Plan targeting each owner segment. 6. Identify all these segments, the ownership propositions and the most appropriate channels, media and communications.	15. Address the inadequacies of racing's marketing and digital communication capability. Harness external specialists. 16. Three prime opportunities: high net worth individuals, trainer-led initiatives and syndicates / shared ownership.
Off-Course Ownership Experience	7. Lockdown triggered huge creativity by trainers, syndicators, racecourses and broadcasters. Expand it. 8. Many owners cannot go racing. Provide a quality package of compensatory benefits for non-attendance.	17. Scrap all racecourse restrictions on video and audio communication to owners by trainers, jockeys & syndicators. 18. Create an owners only, privileged-access British Racing portal, The Owners Club, connecting owners to raceday highlights.
On-course Ownership Experience	9. Owners need full, appropriate and safe access to the paddock, hospitality, their horses and trainers ASAP. 10. In Q3/Q4, racecourses to do everything possible to make owners feel special and welcome. "Go the extra mile."	19. Syndication is increasing owner numbers. Produce more flexible packages of owner benefits to accommodate them. 20. Owners making the greatest financial contribution are not acknowledged. Develop a Gold Tier of privileges to do this.

Leadership & Accountability	Each strategy to have designated leaders, provided by the most appropriate stakeholder body. Hold them accountable.	Leadership by all the key stakeholders must be unified and collaborative. Remove and replace those who block change.
Project Management	Each task team to operate in line with defined principles and ways of working. Adopt a four-week rule: urgent action is called for.	Task teams to report regularly on progress to a stakeholder-led Recovery of Racing Group which challenges and approves actions.
Digital Technology	During the pandemic, digital communication has expanded dramatically. Learn from best practice and expand it.	Produce a digital technology strategy for British Racing that puts marketing, promotion and communication centre stage.
Data-Driven Decision-Making	All key decisions need to be facts- and data-driven. Logic and analysis of data underpin the required implementation plans.	Provide funding so that task teams can gather and analyse the necessary data, e.g. optimising the race programme.

The Authors of this
Blueprint for Racehorse Ownership in the UK

Ged Shields: involved in racehorse ownership since 2015 and has had 38 winners so far. Current trainers are Ruth Carr, Richard Fahey, Ralph Beckett, Ed Walker and Willie Mullins. At present has shares in 18 Flat horses and one National Hunt chaser – Gr.1 winner Kemboy. Former Vice President of The Sherwin-Williams Company with international experience in marketing and mergers & acquisitions. Stood for the Racehorse Owners' Association board in 2020.

ged.shields@yahoo.co.uk.

01226-495149.

Jon Hughes: an owner since 2004 with 94 winners so far. Current trainers are Karl Burke, Philip Hobbs, Anthony Honeyball, Martin Keighley and Charlie Longsdon. Runs Owners for Owners, and involved with 21 horses, from foals to chasers. Former chairman and co-founder of specialist management consultancies in procurement and supply chain, and visiting professorships at the University of Birmingham and Vlerick Leuven Gent Business School. Chairman of Martin Keighley's yard in Gloucestershire.

jon@ownersforowners.co.uk.

01451-850780.