

# Industry Update 2015

## Strategy for Growth



# What we would like to achieve today:

- An overview of the challenges that the industry is facing
- An update on the Strategy for Growth work so far
- How we move forward from here
- Discuss the power and understand the benefits of working together
- Seek your further feedback and ideas

# British Horseracing today

## Strategy for Growth





# British Racing – more than just ‘our’ sport

85,000 jobs

£1.1 billion in core annual expenditure

£10 billion in annual on/off shore betting turnover

£130m prize money forecast for 2015

5.8 million racegoers attending 1,429 fixtures in 2014

A global leadership role and international reputation



# Why is growth needed?

- Only a 26 pence in the pound return to owners
- 7% fewer horses in training over the last five years
- 15% fewer sole owners than in 2010
- Many trainers, jockeys and breeders are struggling to make ends meet



# Why is growth needed?

- Racecourse profitability under real pressure
- £400m gross margin decline on horserace betting over the last ten years
- Levy income could drop to just £50m in 2017



# British Racing is at a crossroads



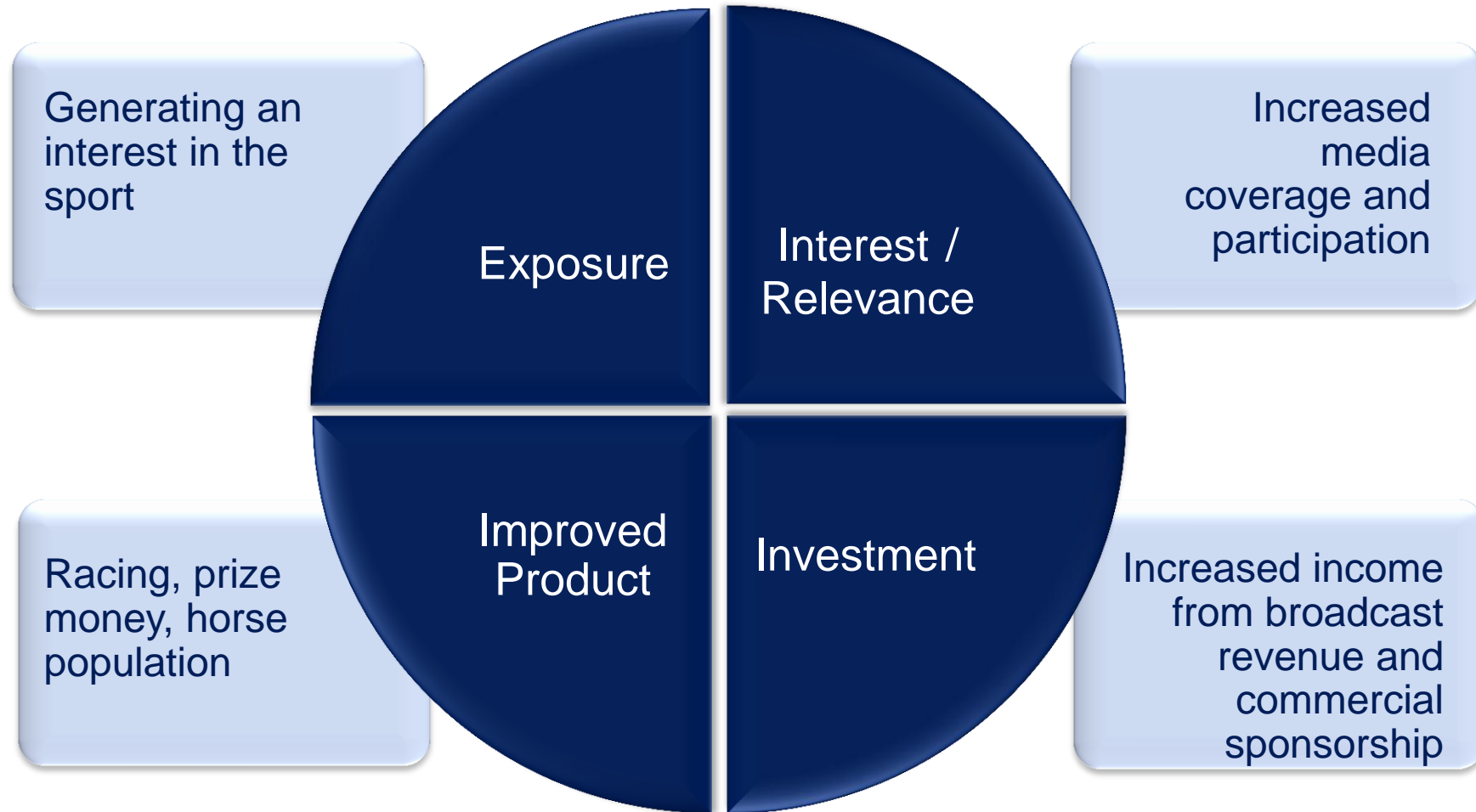
## **An overview**



**Our job is to promote racing at a national level,  
encouraging greater consumer participation**



# Why promote Racing? The Virtuous circle...





# How We Promote Racing...



# Our Human Stars...





# Our Equine Stars...

- Sea The Stars was a 'missed opportunity' for the sport
- No such mistake was made with Frankel





# Our Big Moments...





# Our Unique Assets...





# Creative Stuff...









# Quirky Stuff...



# Broadcasting ...



## Dark Horse: The Incredible True Story of Dream Alliance

Watchlist

## How to Win the Grand National

WATCH NOW

ABOUT

SERIES & EPISODES

CLIPS

Mark Evans examines what it takes to win the Grand National, drawing on new technology and analysis of horse anatomy to reveal the secrets of success

Channel 4  
8pm

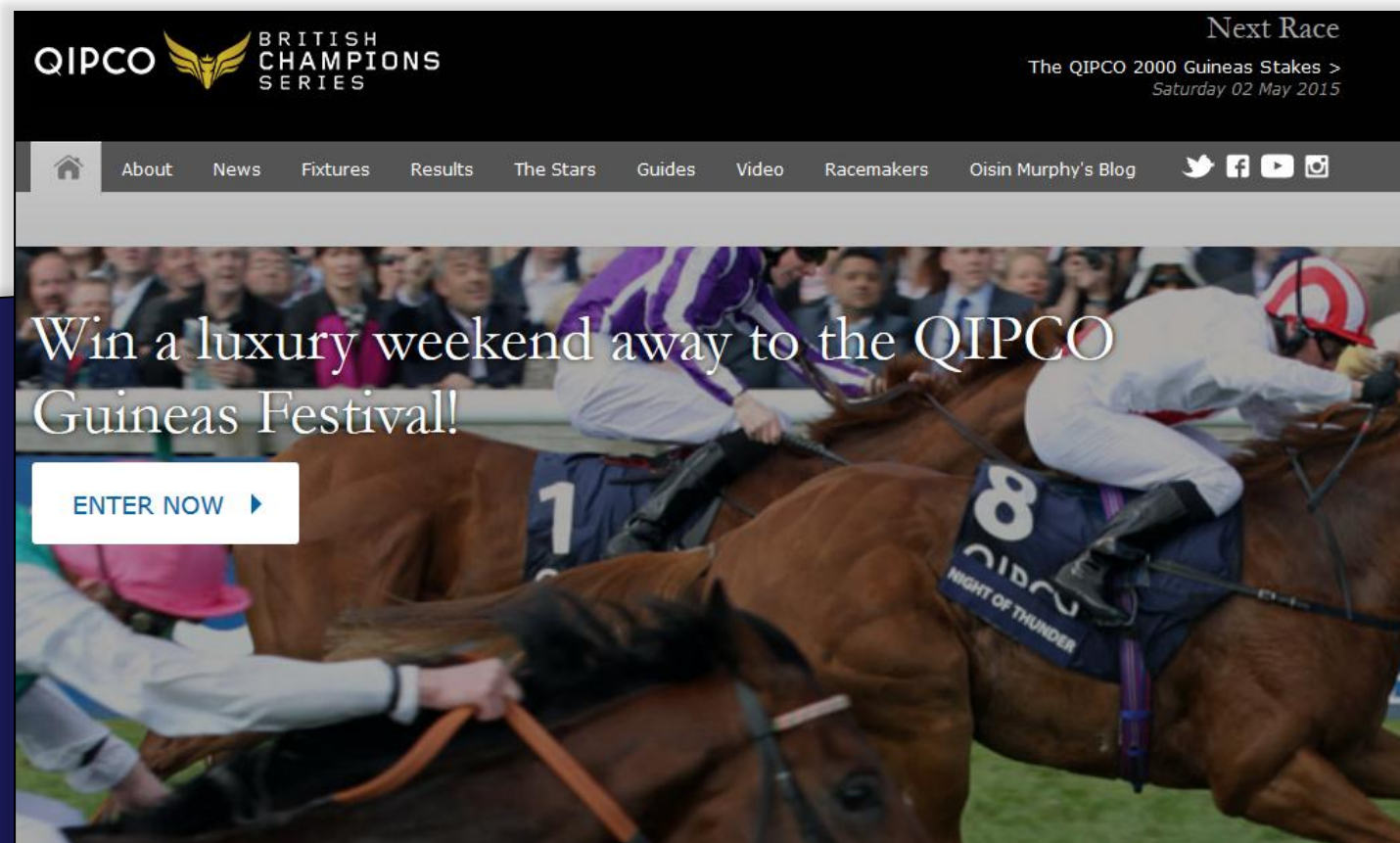


WATCH NOW ON 4oD

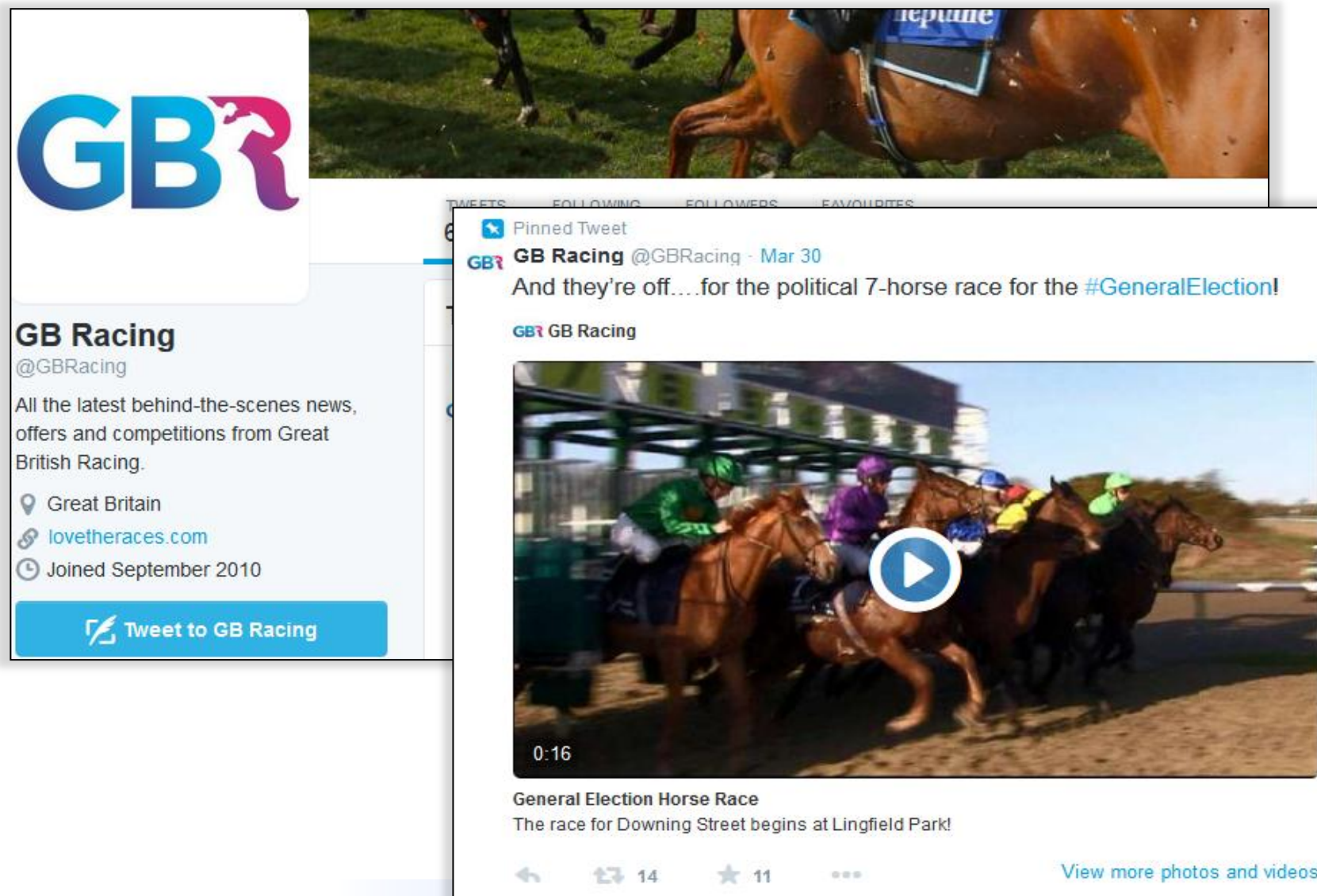




# Initiatives: Existing Fans



# Initiatives – New Fans



The image shows a screenshot of the GB Racing Twitter profile and a pinned tweet. The profile card on the left includes the GB Racing logo, the handle @GBRacing, a bio about behind-the-scenes news, the location Great Britain, the website lovetheraces.com, and the date joined September 2010. A blue button at the bottom of the profile says "Tweet to GB Racing". The pinned tweet, dated March 30, is titled "GB Racing @GBRacing" and contains the text "And they're off....for the political 7-horse race for the #GeneralElection!". Below the text is a video player showing a horse race with jockeys in colorful silks. The video has a play button icon and a duration of 0:16. Below the video, the caption reads "General Election Horse Race" and "The race for Downing Street begins at Lingfield Park!". At the bottom of the tweet, there are icons for replies (14), likes (11), and a link to "View more photos and videos".

**GB Racing**  
@GBRacing

All the latest behind-the-scenes news, offers and competitions from Great British Racing.

Great Britain

[lovetheraces.com](http://lovetheraces.com)

Joined September 2010

[Tweet to GB Racing](#)

**Pinned Tweet**

**GB Racing** @GBRacing · Mar 30

And they're off....for the political 7-horse race for the #GeneralElection!

**GB Racing**

0:16

**General Election Horse Race**  
The race for Downing Street begins at Lingfield Park!

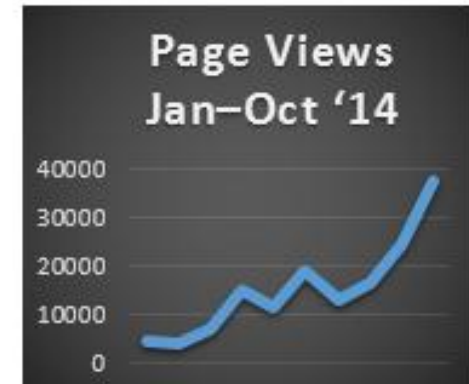
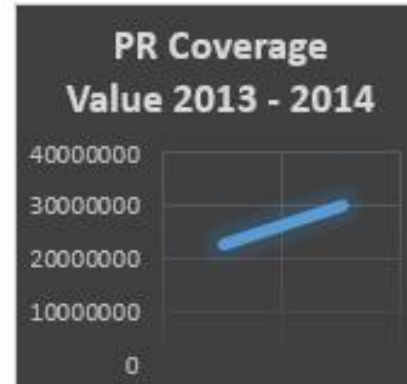
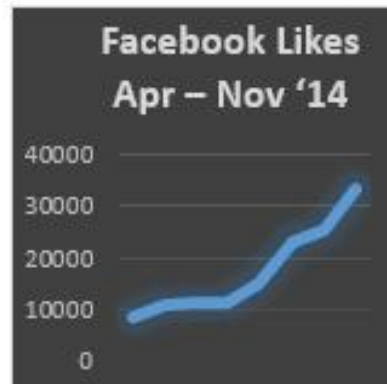
14 11 [View more photos and videos](#)



# Local Level



# Measuring Effectiveness - British Champions Series Platforms





# Promoting Ownership



**ZOO Magazine** ✓

@ZOO



 Follow

Meet ZOO's new horse - it's Rhythm Star!  
Bookies beware... [bit.ly/10vfL6Q](http://bit.ly/10vfL6Q)



# Major Initiatives: Jockey Championships



Build stories throughout the season



Position our Jockeys as athletes



Enhance broadcast appeal



Engage a wider audience



# Jockey Championship Sponsor

## — THE *Stobart* JOCKEYS — CHAMPIONSHIP



# Major Initiatives

## British Champions Series – a success story

- Prize money doubled on British Champions Day
- 4 Group 1 races on British Champions Day (from 2 in 2011)
- Initial 2 year deal extended to 5 years (2017)







# GBRI VISION

To maintain and grow  
the economic activity by  
foreign consumers in the  
British Racing and  
breeding industries

# GBRI Activity



International Concierge Service



Wealth Insight Tool



International Ambassadors



The London Sale



GBRI Members Club



Stakeholder Partnerships





# GBRI Activity



British Polo Day Partnership



Quintessentially Partnership



Flagship Events



International Travel



International PR



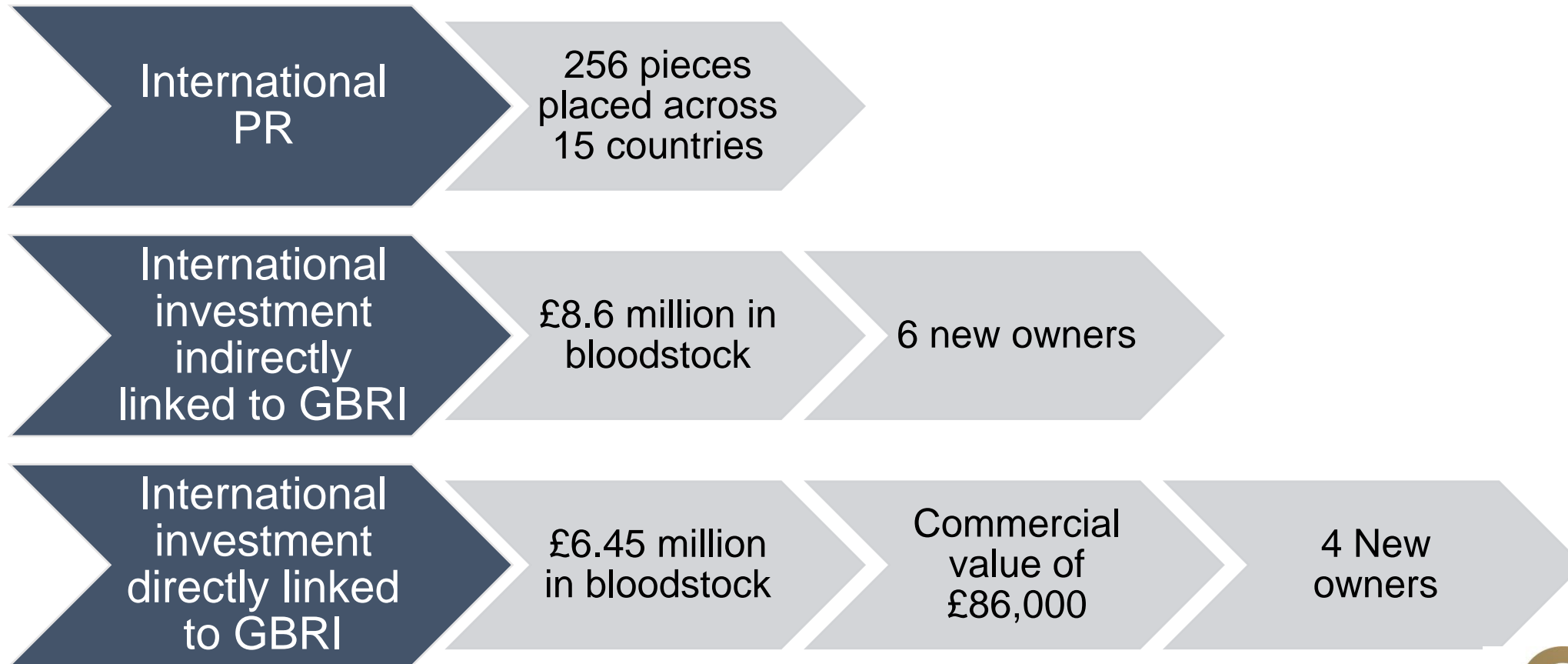
Team British Racing



INTERNATIONAL

GREAT BRITISH RACING

# GBRI... The results







## **An overview**

# BHA – key responsibilities

## Racing:

- Organisation
- Administration
- Competitiveness/quality

Regulation, including Veterinary and Equine Welfare

Integrity

People Welfare and Training

Public Affairs





# Progress – Racing

- Improvements in the Fixture List, providing increasing balance and addressing the Good Friday issue
- New initiatives to improve competitiveness and field sizes
- Launch of Jump Racing Review



# Progress – Regulation and Integrity

- Jump race starting procedures
- Whip statistics
- Equine Welfare
- Anti-doping measures





# Progress – People Development and Public Affairs

- Restructuring the sport's welfare and training provision
- Success of the Government relations drive
- 'The Racing Right' – a significant success for the whole industry



# BHA challenges and areas for improvement

- Being in tune with our participants
- Focus on transparency and accountability with stakeholders





# The broader industry: key successes



- RCA Showcase Seminar and Awards



- Renewal of Stobart sponsorship to 2017



- Leading role in signing prize money agreements with 56 racecourses



- Expansion of legal assistance scheme for members



- Signing of export deal with the Chinese Government

# The broader industry: new initiatives



- RCA link up with Drinkaware, a first in sport



- Reviewing and transforming jockey training



- A new, competitive approach to the ROA Gold Standard



- Working to maximise the number of skilled stable staff available



- Ensuring the sustainability of staying horses and races



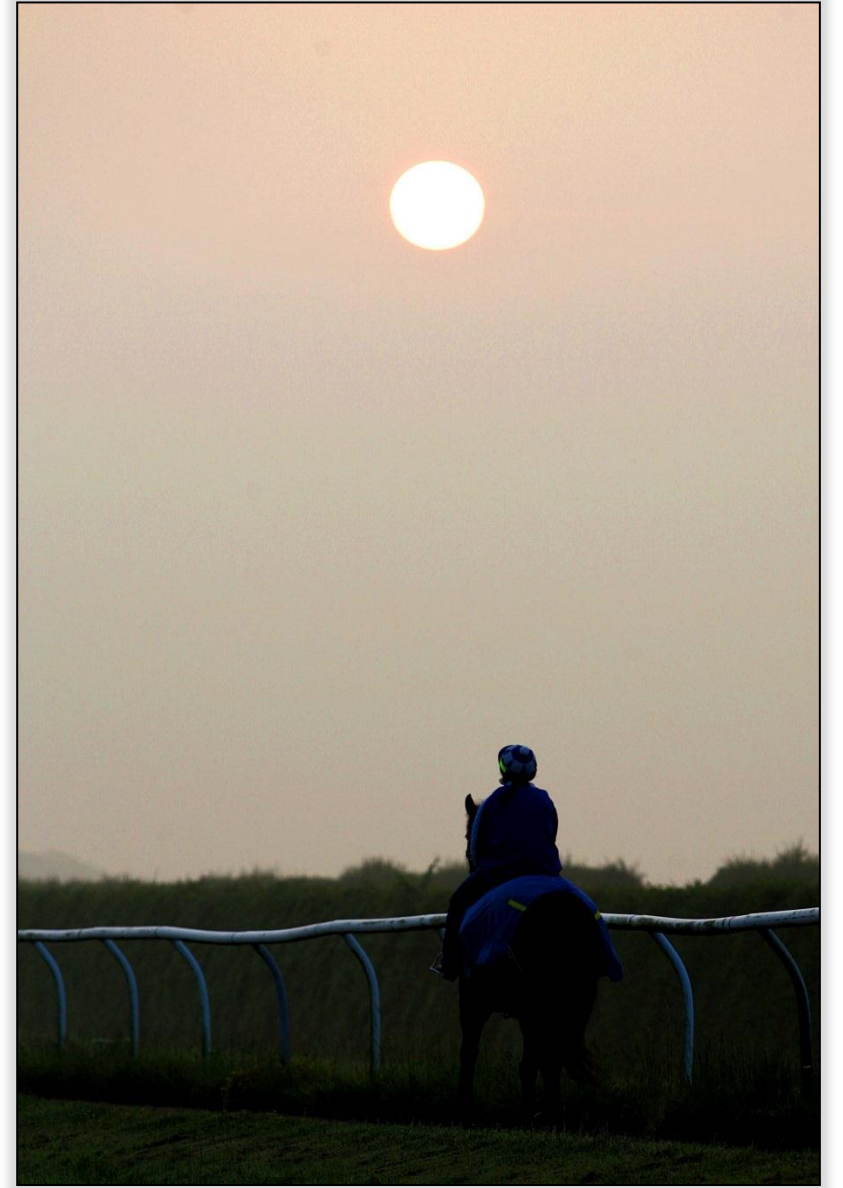


# British Racing – challenges and opportunities

# Strategy for Growth

## Proud history; Bright future

- We are the guardians of the sport
- We have tremendous heritage to build on
- We, Racing PLC, believe in our future more than our successful past
- We are working towards a more sustainable funding model
- Making the sport healthier and more sustainable for participants

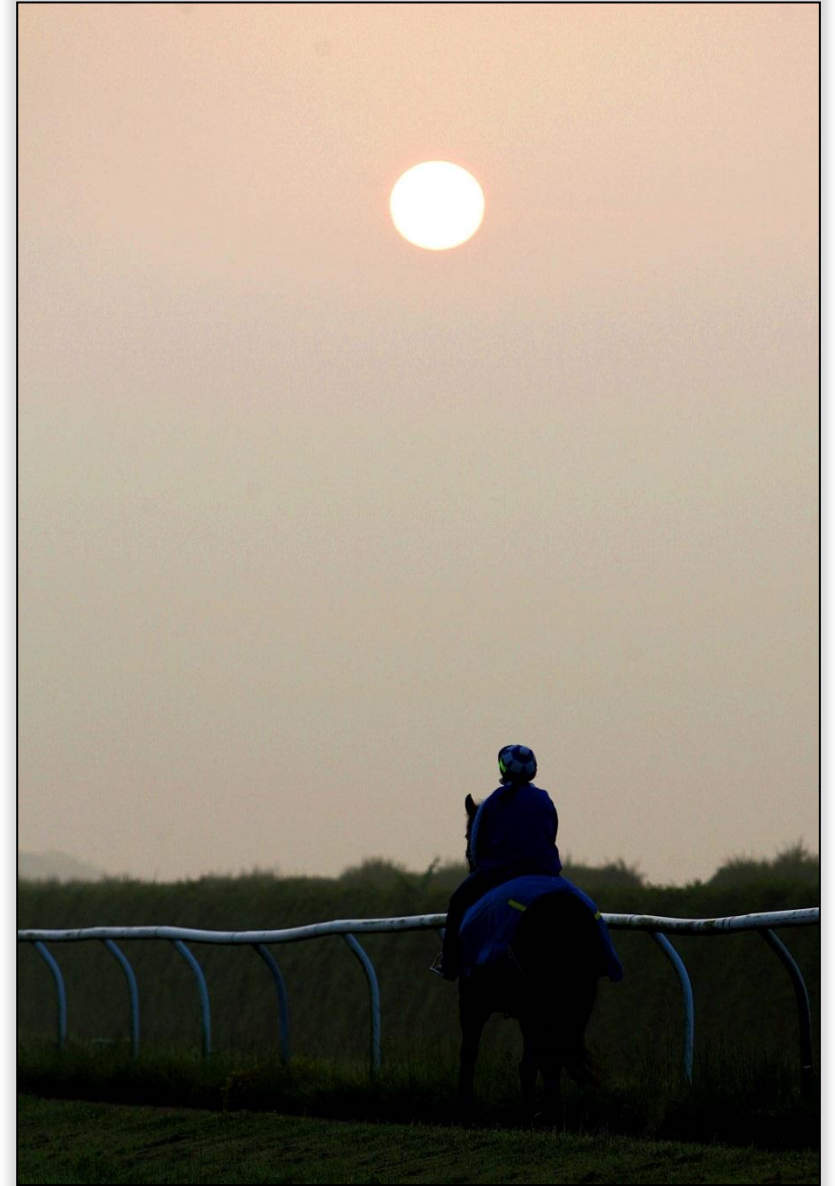




# Strategy for Growth

## Proud history; Bright future

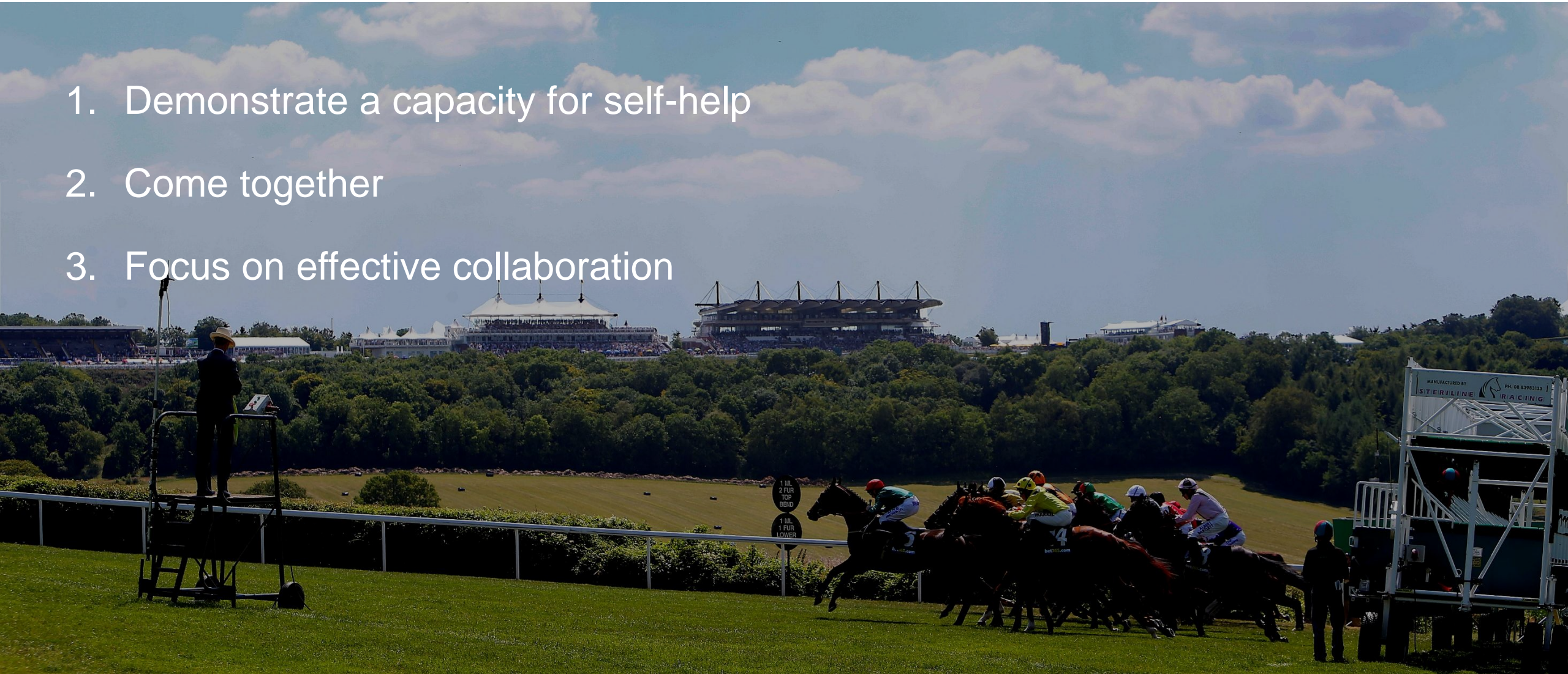
- Discussions amongst racing's leaders in early 2014 identified some of sport's fundamental processes and touch points were in need of development
- Agreed that unified approach to issues was only way for sport to ensure that change delivered was meaningful, effective and to the benefit of all
- Racing has come together in a number of areas to discuss, shape and deliver an holistic strategy
- This strategy can form the basis for a period of sustainable and sustained growth over the next few years





# In order to deliver growth, Racing must (and has already begun to):

1. Demonstrate a capacity for self-help
2. Come together
3. Focus on effective collaboration

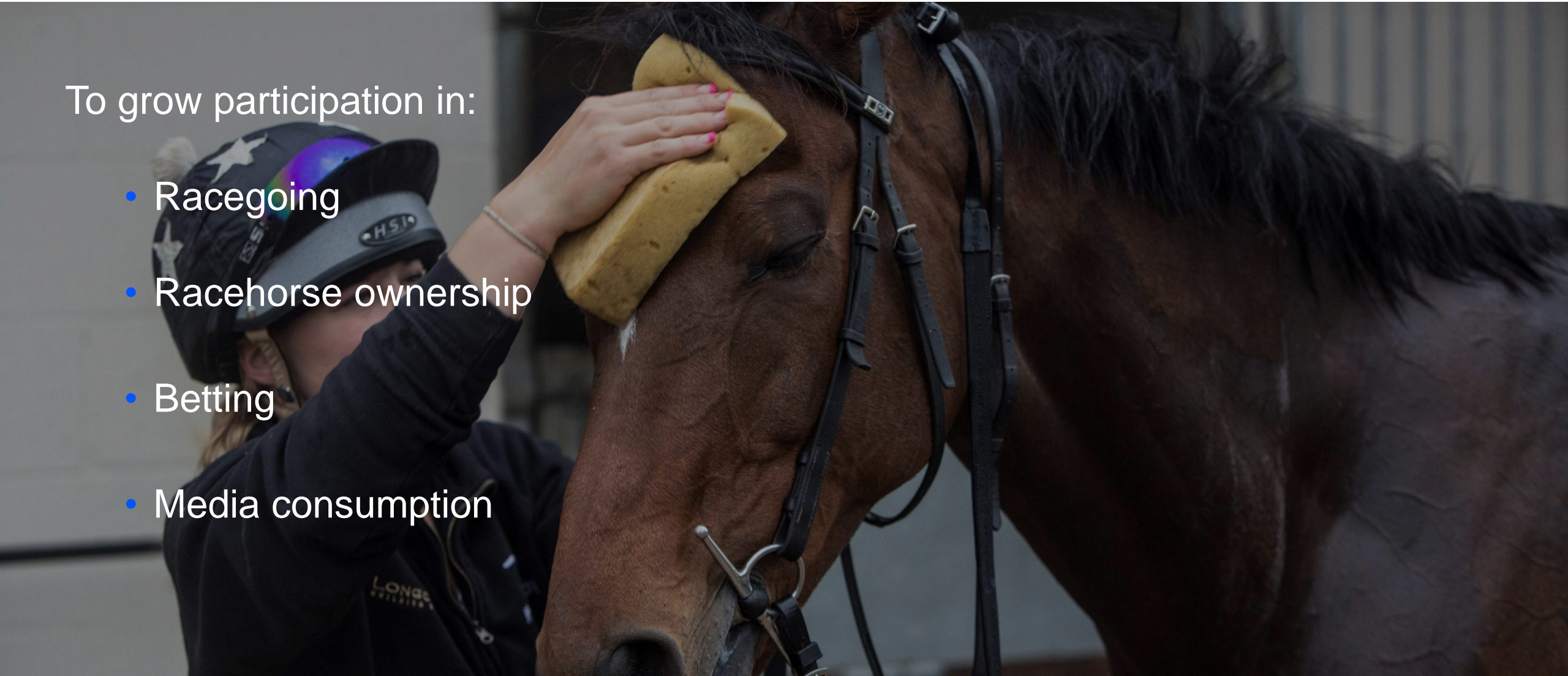




# Key aims:

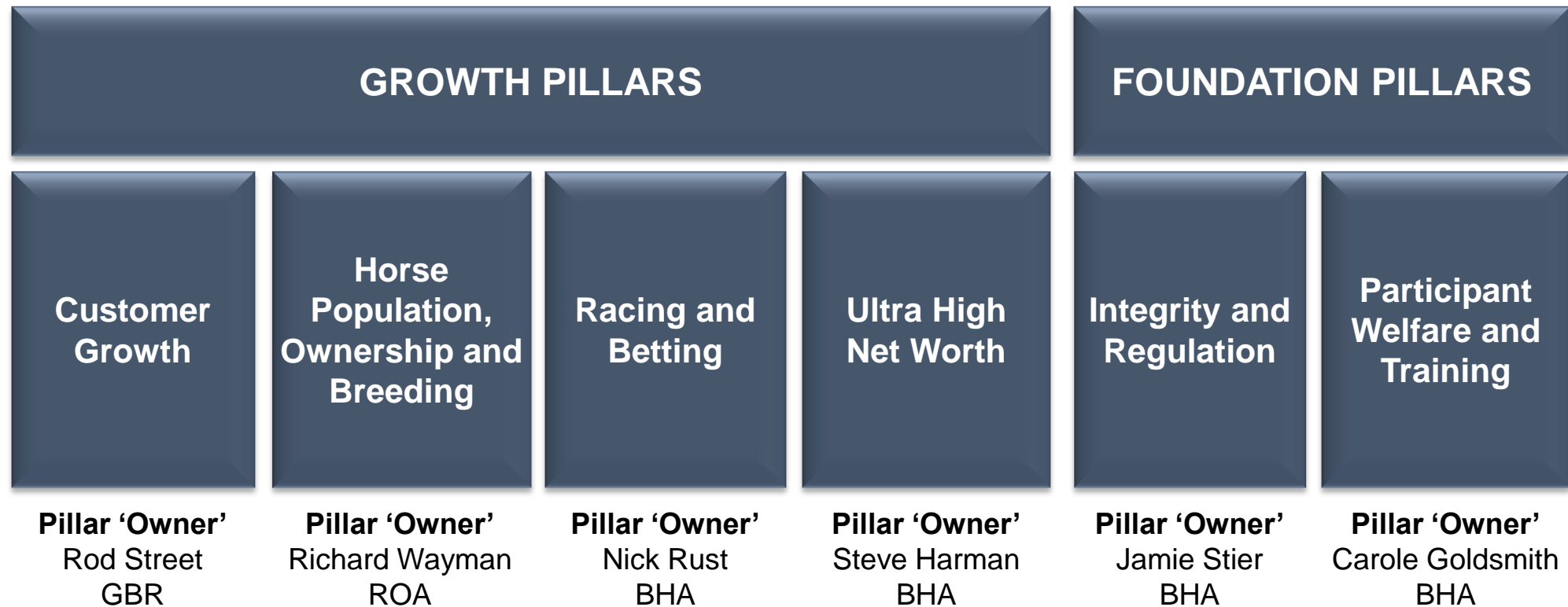
To grow participation in:

- Racegoing
- Racehorse ownership
- Betting
- Media consumption



# The pillar structure focuses on six pivotal areas:

Six pillars – four growth focused; the other two regulatory focused





# Underpinning this strategic work, a set of five key enablers was identified as fundamental to the success of the project as a whole

With an impact and influence reaching across each and all of the six pillars, these were:

- Government relations
- The Racing Programme
- Racing's future financial model
- A Community Engagement Strategy for the sport
- Communicating the project and its progress





# Customer Growth Pillar

Owner: Rod Street - *Chief Executive, GBR*

Key aims:

To better understand Racing's customers by leveraging customer data across Britain's racecourses.

To create customer insight that can inform how Racing grows its customer base



# Customer Growth Pillar

- Consumer insight
- National survey
- Sponsorship
- Social and digital media



# Horse Population, Ownership and Breeding Pillar

Owner: Richard Wayman - *Chief Executive, ROA*

## Key aims:

Growing ownership across the sport

Enhancing the ownership experience, both on and off the racecourse

Working towards an increasingly sustainable environment for breeders

to do business in





# Horse Population, Ownership and Breeding Pillar

- Ownership administration
- Syndicates
- Ownership Experience
- Colours



*Picture a Manchester United-owned horse racing against an Arsenal-owned horse in their respective colours...*

# Racing and Betting Pillar

Owner: Nick Rust - *Chief Executive, BHA*

## Key aims:

To generate significant ideas in reversing the negative trends in betting on British Horseracing  
To return betting on British Horseracing to growth



# Racing and Betting Pillar

- ‘Owning Thursdays’

*Positioning Racing as the big betting event every Thursday*

- Aligning GB and Ireland race timing

- Racing and betting forum

- Co-operation
- Innovation
- Punter research



# Ultra High Net Worth Pillar

**Owner: Steve Harman - *Chairman, BHA***

**Key aims:**

- To develop ideas for tailored UHNW packages for foreign and UK UHNW families
- To transfer UHNW practices from outside racing
- To build an UHNW capability within racing



# Ultra High Net Worth Pillar

- Shortlist of UHNW targets
- Identification of potential assets
- Integration and optimisation of new and existing resources
- Further develop Racing's relationship with UKTI



# Integrity and Regulation Pillar

**Owner: Jamie Stier** – *Director of Raceday Operations and Regulation, BHA*

**Key aims:**

Ensuring a world leadership reputation for British Racing in the areas of integrity and regulation

Ensuring that the Rules of Racing and their implementation are clear, accountable, fair and consistent



# Integrity and Regulation Pillar

- Continued focus on Anti-Doping and implementation of new Policy
- Voluntary Anabolic Steroids Testing Protocol to be introduced
- Rules of Racing rewrite
- Impactful, cost-effective targeting of risk areas



# Participant Welfare and Training Pillar

**Owner: Carole Goldsmith** – *Director of People and Development, BHA*

## **Key aims:**

Re-structuring the sport's welfare and training provision

Enhancing training and education provision for participants

Improving occupational welfare within Racing

Delivering a more joined-up approach to careers and recruitment, employers and employment practice



# Participant Welfare and Training Pillar

- Funding reform
- Integrated recruitment
- Learning and development
- Injury rehabilitation
- Structure and key appointments







# Funding



# Funding

- Many of the recommendations made as part of the Pillar process require significant capital outlay
- E.g. both the Syndicates and Customer Engagement pieces under the Horse Population, Ownership and Breeding Pillar are likely to involve the set up of entirely new business unit
- A Funding Group, comprising a number of senior industry figures tasked with investigating potential for new funding streams to be accessed via the following routes:
  - Corporate partnerships
  - Venture capital
  - Private equity
- This is a long term project, however, early progress has been good



# Critical success factors - growth

Coming together as an industry, we can grow:

## Participation

- The number of horses in training
- Betting participation levels
- Racecourse attendance levels

## Funding

- New income for the sport



# Critical success factors - growth

Coming together as an industry, we can grow:

## Participation

- The number of horses in training – **1000 new horses by 2020**
- Betting participation levels – **up 5% by 2018**
- Racecourse attendance levels – **reaching 7 million by 2020**

## Funding

- New income for the sport – **£120m extra p.a. by 2018**

# **Coming together as an industry, we will extend our world-leading reputation in:**

- Equine Welfare
- Integrity and Regulation

## **And develop a 'best in class':**

- Co-ordinated Welfare and Training Programme
- Sustainable Recruitment Programme

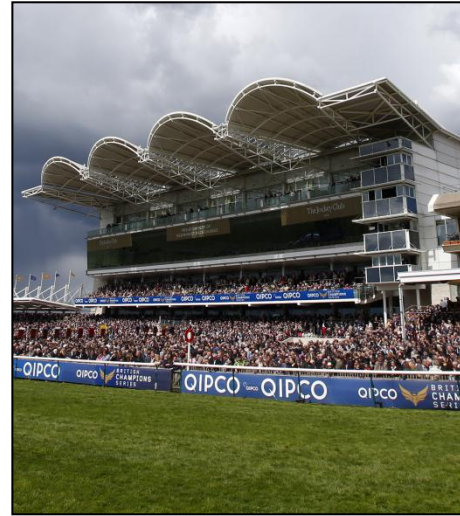


# So what's in it for me?



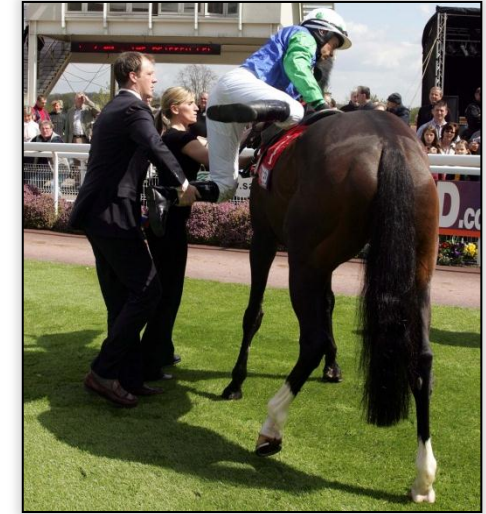
## Owners

- Easier to get involved
- Better experience, both on and off the racecourse
- Better return/more fun for my money



## Racecourses

- Increase in racegoing
- More competitive fields
- Better income/viability



## Jockeys

- Financial security
- Improved, balanced approach to discipline
- Improved training and support

# So what's in it for me?



## Stable Staff

- Improved security, conditions and career path
- Improved Welfare and Training



## Breeders

- More sustainable future
- Growth in ownership demand creates demand for breeders
- Race Programme more closely aligned



## Betting Operators

- Growth in betting on British Racing
- Fair and sustainable funding (no free-riders)



# So what's in it for me?



## Trainers

- More Horses in Training and owners
- Better matched opportunities to run
- Better recruitment (sustainable approach)



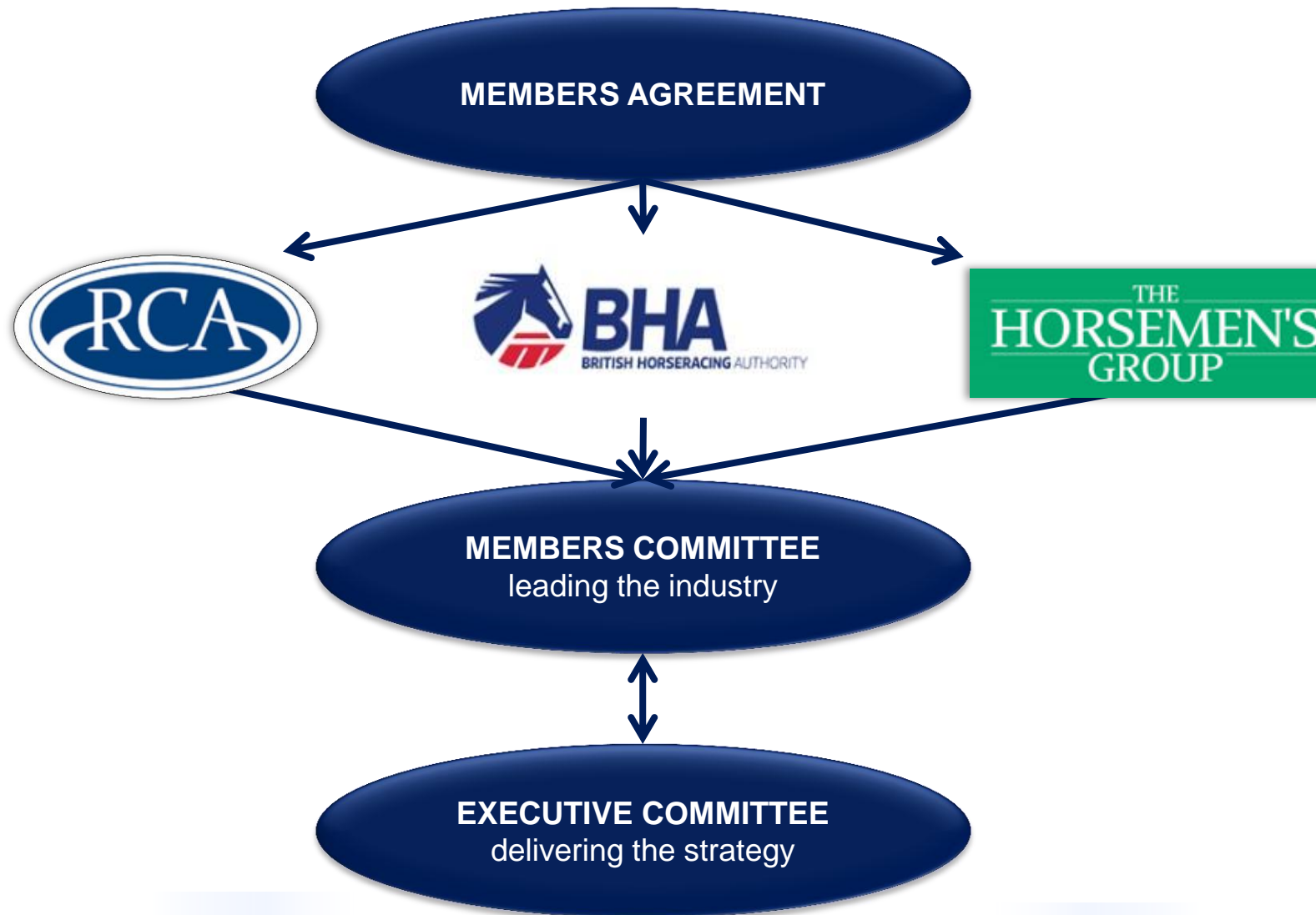
## Consumers

- A competitive sport offering good value for money
- Competitive betting
- Compelling viewing

**How can we be confident  
of success?**



# A structure for delivery:






**We can come together to  
deliver growth – you can help**



# The British Horseracing Industry Strategy:

A photograph of several jockeys on horses racing over a hurdle. The jockeys are wearing colorful silks: red and black, red and white, white, green, and red and white. The hurdle is made of wooden poles and is covered with a thick layer of brown straw. In the background, a white sign with the number '2' is visible.

**Many challenges  
One journey  
One voice**



# Industry Update 2015

## Strategy for Growth

