

STRATEGIC PLANNING FOR THE FUTURE

TOC Board and Staff Participate in All Day Session



As TOC continues to move forward and plan for the future, directors and staff met in February in a one day strategic planning session to discuss the future of California racing, and how we can keep our owner's organization one of the finest in the country. Serving California owners remains priority one for TOC, and to better serve our constituency we circulated a survey during the second half of 2008 to help assess how well the organization was serving its membership and to see what we could be doing better.

Our main goals at the strategic planning session were to review TOC's current practices, brainstorm new ideas, find solutions for current problems, and define our plans for the future. The racing industry faces many challenges today that didn't exist five or ten years ago, including Advance Deposit Wagering (ADW), the costs of breeding and racing, and more recently, a worldwide economy that has been in freefall. Added to that are the uncertain future of our racing venues and training facilities, and the long term viability of the sport.

Based on the membership survey, the issues of major concern to owners are: drug testing, medication guidelines and penalties, purses and overall revenue, expenses and cost containment, ADW, and the marketing and promotion of the sport. In addition, we reviewed members' suggestions for the organization itself. Most of the owners surveyed thought both the board and the staff were doing a great job, but some improvements were called for including improving the *Owners' Circle Magazine* and the website.

The survey reaffirmed the board's priorities: our members have consistently supported stricter medication guidelines and penalties, and it has successfully worked with the CHRB to put those in place over the past four years. However, one of TOC's jobs going forward will be to make sure that those penalty guidelines are followed when tests come up positive. Information about current guidelines and penalties will soon be made available via the TOC website. In addition to publishing information about the various medications in use, a regular "Ask the Vet" column or blog has been proposed.

We are exploring several possibilities as to how TOC can reduce the rising costs of owning a race horse. TOC will be looking first into the practicality of service cooperatives, which could save horsemen and women money on expenses such as feed and straw as well as medications and vet services. It may be advantageous to form some type of HMO for veterinary care. Affordable liability insurance for owners was also a topic of discussion. The flip side of that is that we also need to create a centralized collection service for unpaid bills and to work with the CHRB in getting them to enforce a policy regarding unpaid debt.

In an effort to keep our members informed and up to date with new developments, the TOC website will be undergoing some major enhancements. For further

information about these enhancements, see the article on page 16.

Probably the toughest issue facing owners is the possible loss of racing venues and training facilities. The industry as a whole in California is faced with deficits, rising costs, and diminishing/shifting revenue. With the economy hard hit, wagering is down.

First, we need to protect purses in the short term, and long term find ways of generating more purse revenue. Secondly, the industry needs to identify how it can run our off-site training facilities more efficiently. Thirdly, TOC is exploring the best means to preserve our racing venues for the future.

With MEC's recent bankruptcy filing, the TOC board recognized that protecting owner's funds was extremely important, and was ready to step up with a plan to transfer control of those funds, and possibly more paymaster functions to TOC in the future. We hope to have a plan to do so worked out with track partners by summer. The plan will bring an added benefit in that owners will have one central account for the entire state, which will help to streamline paymaster procedures, and eventually the issuance of 1099's.

Some of the brainstorming done at the meeting included: the recording of TOC owners' seminars and other events for posting on the web site; posting TOC board meeting dates and agendas online; analyzing the feasibility of shortening the time between races and better synchronization of races between north and south; and, looking at fewer racing dates as well as expanding twilight and night racing. The board also feels

that the industry must embrace more modern technology at our tracks as well as make new mini-satellite locations more relevant to today's customers. Being able to place bets from your seat at the track, or being able to bet at sports bars are just two examples of modernizing the sport.

There were many other ideas identified and discussed, and the Board intends to continue this type of planning session in the future, as well as to invite track partners and other organizations to participate in the dialogue. The industry has serious issues facing it today, and it will only be with a cooperative effort among all stakeholders that horse racing will remain a strong and healthy sport.

If you have more ideas on strategic planning for the future for the TOC board to consider, please log onto www.toconline.com and send along your comments and suggestions.

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