

Selling the Game:

Becoming an Owner—Hiring a Trainer and Acquiring Bloodstock

As a racehorse owner, you have two important decisions to make upfront

By Fred Taylor Jr. • Photos by Denis Blake

This is the sixth and final article of the Selling the Game series about the excitement of Thoroughbred racehorse ownership and how to attract new owners, by Fred Taylor Jr. He is the founder and managing partner of Mojo Thoroughbred Holdings LLC, which operates Mojo Racing Partners offering affordable opportunities for newcomers and veterans to become involved in Thoroughbred ownership. Taylor serves as a liaison to the Department of Transportation for a major airline and is a former recipient of the Texas Thoroughbred Association's Allen Bogan Memorial Award for member of the year. If you missed a previous installment, you can find past issues of American Racehorse at americanracehorse.com.

Season's Greetings, American Racehorse readers! Another fantastic and action-packed year of horse racing has taken place, and while it's hard to believe how fast time flies, the holidays are once again upon us. Over the past year, I have shared with you this series of articles in which we have discussed all that inspires horse racing enthusiasts, the fundamental stages of owning and training racehorses and the core elements that go into developing a strategy to help turn your dreams into a successful ownership experience. In this last installment, I offer advice about choosing a trainer and acquiring bloodstock for your racing activities. I want to extend my heartfelt thanks to all American Racehorse readers who have followed along. I wish you and your family very happy holidays!



Choosing a Trainer

The trainer is the coach of your racehorse team. This person will make the decisions about the well-being, development and racing objectives that will help your racehorse reach its highest potential. Your trainer is also the professional consultant who will help you select the bloodstock to best fit your level of racing and work with you to put together the right racing strategy for your stable.

In addition to reviewing the record and earnings of a trainer that you are considering, there are five qualities to keep in mind:

1) Great Attitude

Highly effective trainers should truly enjoy what they do, and they should be passionate about the work and enthusiastic about every aspect of the process to get your horse ready to race. A good trainer has a positive attitude, is confident in his or her methods, is appropriately funny in good times and offers candid feedback and assurances when things aren't going according to plan. If you are a new owner, look for a trainer who is patient and open to questions.

2) Integrity

Your trainer should reflect your standards and core values. The credibility of your trainer is important to your

relationship with your fellow owners, industry associates and racing officials. You want someone who is widely trusted, is seen as a truthful individual, keeps confidences, admits and accepts mistakes and doesn't misrepresent him or herself for personal gain.

A good trainer is one who genuinely cares about people and is concerned about the needs of his or her staff. Horse racing may be a sport rich in tradition, but you'll want a trainer who is current in his or her hiring practices so that the stable includes diverse classes of people and supports equal opportunity and fair treatment of all.

3) Visionary

Every day presents a new challenge and lots of work, but a good trainer understands how choices and decisions made today affect the team and industry tomorrow.

A trainer with vision can anticipate consequences and trends, and has a universal perspective and a breadth of knowledge about the possibilities and likelihoods of the way things will work out in the long run. A trainer should be familiar with the competition and understand which strategies and tactics will be the most effective against the other horses at any level of racing.

A good trainer has what I call "crystal ball" intuition because he or she is capable of evaluating the potential capa-

bilities of young horses, as well as horses in training. He or she is able to accurately envision each horse's competitive talent, breaks down their works into campaigns, anticipates and adjusts for problems and roadblocks, measures weekly performance against goals and expectations and evaluates results in terms of the long-term objectives.

4) Maverick

To be consistently successful, a good trainer understands the values of being flexible and adaptable when facing tough calls, can change initiatives to produce a better result without lowering standards, can make adjustments to the plan depending upon the situation and is seen as balanced in his or her approach despite the conflicting demands of the situation.

A good trainer is willing to step outside the box (that doesn't mean or include breaking the rules) and take calculated risks to yield better results. He or she knows how to get things done both through formal channels and the informal network, and understands the differences and reasoning behind racing rules, practices and procedures.

A good trainer learns from both successes and failures, and looks for clues to improvement. A trainer enjoys the challenge of unbridled talent and should be willing to try new techniques to find winning solutions in both younger and older horses.

5) Good Communicator

An effective trainer understands the importance of making sure his or her clients are welcome behind the scenes and updated on their horse's progress, health and schedule. A good trainer should maintain a dialogue with clients on training activities, changes and results, as well as listen to and consider the opinions of others even when he or she disagrees. Look for a trainer who is an ambassador for the sport and welcomes guests to the racetrack and the barn area.

Determine the Point of Entry and Readiness Time

Before setting out to choose bloodstock (simply put, the horse or horses) for your racing program, you need to decide the starting point of the horses you want to race and how

long you are willing to wait before they are ready to go.

In a similar way that we talked about the different levels of ownership/participation in the March/April 2015 issue, you have to consider whether or not you want instant action with a horse that's already racing. Do you want to take several months and watch a young horse go through the development and training stages? Or do you want to wait several years and see everything from the very beginning of the breeding process?

If you want instant action, then selecting bloodstock from



a claiming race would be the way to go. If you can wait several months (or more) before the horse starts training, then buying an unraced Thoroughbred from either a yearling or 2-year-old in training sale is a good option. And, if time, patience and postponing the chance for immediate return on investment are on your side, then you may be interest-

ed in breeding your own racehorse.

Of course, each one of these levels offers a variety of inspiration and excitement, as well as carries its own risks. When you select horses through the claiming process, you are buying the horse "as is" without the benefit of knowing its physical condition or health (aside from what you can see). When you purchase unraced yearlings and 2-year-olds, they don't have any performance records to evaluate their true competitive ability. And, when you start from the beginning, you are assuming all the risk without any guarantee that the horse will ever be able to race, and you'll incur all of the costs of trying to produce a racehorse—even before the foal is born.

Cost Is Typically Associated with Purpose (but Not Always)

After you decide the point of entry of your racehorse, you then need to determine the appropriate amount of money to spend for that level. There are several things to consider: quality of the pedigree, purpose after racing and potential competitive talent.

Pedigree quality is judged by three things: the historical significance of the stallion's progeny, the historical significance of the dam's progeny and racing success of their

offspring. If you want to buy bloodstock with an exemplary pedigree of both the stallion and the mare, for the potential of the horse to become an important stallion or broodmare after its racing career is over, then that is going to be expensive. If you want to buy bloodstock that comes from a breeding combination that has produced multiple stakes-winning racehorses, then that's going to be expensive, too. And, in the case of a claiming purchase, if you want to buy a racehorse that's had significant success on the track, then the claiming price will be higher.

The great equalizer insofar as the purchase price is concerned (particularly, when buying unproven bloodstock) is the statistical average—no matter the pedigree. On average, 60 to 65 percent of Thoroughbreds born will reach the racetrack, and an equal number will win a race. Only a very small percentage of the horses that make it to the racetrack will win a stakes race.

Given the odds that your horse will win a race, you may be wondering what is the point of owning a racehorse at all? In my first article in the November/December 2014 issue, I explained that the fundamental reason people own racehorses is the unique thrill the sport provides, and I described the cumulative qualities of the overall ownership experience and how winning is the ultimate reward or proverbial "icing on the cake." But, there is another benefit of owning competitive racehorses that most other sporting hobbies don't provide—a decent payout in the form of purse money when your horse finishes second or third.

Thus, the people who can afford to buy finer pedigrees and take greater risks have the option to spend more, while the people who need to operate on a more limited budget use tailored strategies when selecting their bloodstock and choosing where to run.

An Eye for Racing Talent

No matter which entry and price points are being considered, the key to selecting sturdy bloodstock is to include people in your selection process who are qualified to evaluate the physical qualities, pedigree trends and veterinary reports of the horses for your racing plans.

Whether you've been in the business for years or are just getting started, I don't recommend "going at it alone." When possible, it's always better to make a purchase decision based on collective analysis, different perspectives and

consensus agreement.

You should ask at least one subject matter expert (SME) if he or she is willing to help you before deciding on the best mating combination (also known as a "nick"), attending a Thoroughbred sale or going to the racetrack to claim a horse.

The best person to start with is your trainer. After all, your trainer has been working "hands on" developing racehorses for years. A trainer will know what type of horses work best in his or her program, can detect characteristics that should be avoided and has the ability to foresee the physical potential of a young horse that hasn't started training. If your trainer isn't available, he or she may be able to recommend another team member or associate.

You can also work with a bloodstock agent or pedigree consultant for help in evaluating the quality of the horses being considered and to make suggestions that can fit your budget.

Sales representatives from breeding farms and consignment companies can provide reliable opinions about the horses being offered. And, it's also helpful to have a veterinarian in your corner if you are particularly interested in evaluating the horse's joints, lungs, throat, muscles and overall conformation.

The bloodstock evaluation services that SMEs provide come with a cost, and typically the price is based on a set percentage of the purchase price of the bloodstock being acquired. Some charge a flat fee, and some offer their one-time opinions at no charge if they are going to be attending the sale and have the time to do that. As I mentioned earlier, the bloodstock evaluation team has to be in place before attending the sale or going to the racetrack.

Aside from finding people who will help you make the purchase decision, there are additional conditions that have to be in place in order to acquire bloodstock. If you are going to breed a mare, then you'll have to visit the farm, discuss the logistics and work out an agreement that includes the terms for payment. If you are going to attend a sale, you'll have to establish credit with the sale company and arrange transportation and lodging for the horses after they leave the sale grounds. And, when submitting a claim, you have to be a licensed owner in the state the race takes place, designate the trainer who will be accepting the horse on your behalf and fund a horseman's account at the track for the amount of the claim (often plus tax).



Be Open-Minded and Flexible

The last suggestions that I have when it comes to selecting bloodstock are to be open-minded and flexible with your purchase plans.

Over the last 10 years of buying horses at auction and through the claiming process, I have learned that the best tactics when selecting bloodstock boil down to a couple of perspectives: 1) Don't form any opinion (to buy or skip) until you've had an opportunity to see the horse in person, and 2) Keep your chin up if you don't get the first horse you are interested in.

At any given sale, race meet or farm visit, there are a lot of options to choose from. Some of the best runners have either been skipped over because of subtle issues or were discovered while waiting in the wings. Likewise, what looks good on paper, more often than not, lacks the basic physical characteristics that tend to lead to a sturdy runner in the future. And, the last thing you want to have at the end of the day is buyer's remorse either because you're not happy with the quality of the horse you purchased or because you paid too much to obtain it.

As the managing partner of a group that operates on a tight budget, my goal is to obtain the best bloodstock for the lowest possible cost. My partners prefer horses that will provide my group with the quickest path to break even, and if a horse happens to rise above our expectations and take us beyond covering our costs, then that's a satisfying bonus in itself. To this end, when I'm buying from a sale, I'm not there to outbid anyone—I'm actually looking for diamonds in the rough.

Thank You!

Over the last 12 months, I've had the privilege of sharing my insights about the uniquely exciting, rewarding and educational aspects of racehorse ownership. Working with the publisher of this magazine, our goal was to provide readers with first-hand ownership insight that can be used to inform other people about becoming owners in this thrilling sport. If you would like to read the other articles in this series, go to americanracehorse.com/archives and look for "Selling the Game." Thank you for reading my articles, and I wish you all good luck at the races! ★



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