

# Into the Future



As the CTBA President, I receive many communications expressing opinions about the state of the Thoroughbred racing industry. To be truthful, the bulk of the points of view voiced to me are negative. Some of the complaints refer to matters of global concern to our business, while others are uniquely local in nature.

These criticisms decry all aspects of our sport from the obvious, such as the cost of worker's compensation insurance, to the less obvious, such as the make up of the track condition book. There are certain prevalent opinions: the high cost of raising horses; the low amount a horse brought at an auction; the declining attendance at racetracks; California-bred racehorses leaving our state to be inventory at tracks in other states; the lack of success Cal-breds are having against Florida-breds; the CTBA Sales' Del Mar Yearling Sale does not represent enough California breeders; the continuing urbanization of farm land; and so forth. The list of topics on which there is disgruntlement seems at present to be endless.

The reverse is also true. I seldom hear praise of the positive aspects of our business. I am proud of the contribution the CTBA makes to our business. The CTBA works hard to promote Cal-breds and to highlight the positives. The Del Mar auction has experienced record results in recent years. The Cal-bred stakes schedule is second to none. Racetracks in California fill their race cards with Cal-breds. Our legislative presence has resulted in increased incentive awards, purses and tax breaks for breeders.

Within our Arcadia office we have a great group of employees who all work together realizing the objectives of the CTBA. The efficient processing of the breeder's and stallion awards is handled by CTBA registrar, Mary Elen Locke, and her staff. Cookie Hackworth and her staff work diligently to make the Del Mar sale and California Cup/ Gold Rush/ Sunshine Millions days marquee events for all California breeders. The *California Thoroughbred* magazine, with Managing Editor Rudi Groothedde and his staff, produce a very informative and colorful monthly update on California breeding and racing. Our CTBA web site, supervised by Ken Gurnick, continues to provide timely and pertinent information to our web watchers. Rosemary Stringer gives the expert touch to membership, while Vivian Montoya is a jewel at greeting those who call our CTBA offices or who visit our library. Credit the smooth running of the CTBA to General Manager Doug Burge, who with the fine assistance of Jim Murphy,

CFO, and his staff, and Debbie Winick, Executive Secretary, continue to guide this organization forward during times when our business is exhibiting unsettling trends.

The negative direction our industry is experiencing goes far beyond what I perceive to be the present role of the CTBA within the horseracing community. Industry-wide problems are undermining the national prominence of the entire sport. Is our industry in danger of collapse? Just by asking this question we know we have reason for grave concern.

When a business is in crisis there are various methods to stop the downward slide. The more conservative approach, which tends to result in smaller gains, is called "process improvement." The idea here is to improve on existing systems. Hopefully, with refinement, the business will function more smoothly and therefore more profitably. This is the present route that our industry is taking. Unfortunately, the big areas of our sport—attendance, handle, breeders and owners—continue to decline despite attempts at process improvement tweaking.

Another philosophy for business reorganization, called "process reengineering" is highly risky, but also presents the greatest potential for positive return. In this scenario the business throws out the prior model and revamps the the whole enterprise. Basically, one has to assume there are no sacred cows and start from scratch to create a model where the public will want to spend their money. Whether or not our industry can be successful in completely rethinking our sport is a huge question. Certainly those who love and profit by the ancient traditions, that so dominate our sport, will have a difficult time accepting a complete makeover of this sport.

I am confident that the CTBA, as an important organization integral to the success of certain aspects of the California racing industry, is dealing with the issues germane to it in the best manner possible. I am not sure, however, that our industry as a whole is doing the same. As we face the future, I believe we need to take a far more critical look at the big picture. Other sports have successfully used process reengineering to rejuvenate their businesses. The time is appropriate for an industry-wide discussion, to see if there is a model that can bring us back into the public fore. Maybe then we will be able to quiet the negative voices out there.

—Daniel Q. Schiffer



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