



WEDNESDAY, DECEMBER 9, 2015

**Idea Factory:
Part 2, Pitch Session**

Mr. Doug Reed: Good afternoon and welcome to the afternoon sessions.

This is the Idea Factory, Part 2, another in our theme of innovation.

If you missed part one, which probably many of you did, part one happened yesterday.

Teams were assembled from our attendees.

We thought what a great idea.

Sometimes the best ideas come from right here, you guys and gals.

We had basically a brainstorming session, essentially.

They did a little brain writing first, they — on their individual efforts they thought of ideas that would help racing and then they were randomly put into teams and shared their ideas, prioritized their ideas.

We're told that they're gonna have a two minute pitch session here today.

They got to pick who was gonna pitch for their team and these were the people selected as the pitch person for each team.

They have two minutes to present.

The judges are you guys.

I'm gonna have Wendy explain the judging in just one moment.

Before I do, I wanna thank our sponsor, International Sound Corporation, who's sponsoring this event and tell you what the prize is.

The prize is \$1,000.00 donation to a racing charity of the team's choice. The teams have also picked a charity, should they win the \$1,000.00 will go to the charity of their choice.

In the spirit of goodness there, we hope a charity benefits from all of this good idea generation.

I do wanna recognize an important person sitting in the front row; Mr. John Goodman is one of the founders of the program.

Just to let you all know, this program was founded by industry people like you. It's Mr. Goodman, Mr. Vessels, and others that actually created this program and you see us all up here all the time but most of the time we're down at the university and some of our presenters know that very well as they are students.

Wendy, why don't you come up here and explain the judging.

Ms. Wendy Davis: Wonderful. Well thanks, Doug.

What you will be getting, and we've got some students that are gonna be handing out sheets and they're coming around right now. We do have each team, the name of the presenter, and the team members who worked on these ideas. What I'd like you to do is to select your favorite idea and your second favorite idea and you will mark a number one or a number two next to that team. What we'll do when all the teams make their pitch and we're done with this session, what we'd like you to do is just put those ballots, it can be face down, on the table in the back, the brown draped table. We'll tally those up and let you know which team wins and which charity wins. As we pull the teams we'll let you know what their charities are.

Mr. Doug Reed: We can do the draw, how about — we'll call someone up from the audience. We'll turn them this way, Wendy.

I'll put six pills in.

Audience Member: Hey, you know, you got a couple racing officials up here that will make it —

Mr. Doug Reed: I know that's what I'm saying.

Dan doesn't trust me. You know, ex-racing secretary.

It's the ex I think that worried him.

What do you wanna do here George-Ann?

Do you wanna pull the slips, the pill —

Ms. George-Ann Hale: I'll shake.

Mr. Doug Reed: Shake, all right. Just go ahead —

Ms. George-Ann Hale: Where do we put the pills?

Mr. Doug Reed: Put 'em in here on the — I told her I was —

Ms. George-Ann Hale: One.

Ms. Wendy Davis: This is Joe Longo.

The charity is Thoroughbred Charities of America.

Ms. George-Ann Hale: Three.

Ms. Wendy Davis: This is Todd Boker, the PDJF.

Ms. George-Ann Hale: Six.

Ms. Wendy Davis: John Moss's team and the charity is HART, H A R T.

Ms. George-Ann Hale: Two.

Ms. Wendy Davis: That is Dan Fick's team, Race for Education.

I'm gonna go up to the front on this one if I can grab it.

Ms. George-Ann Hale: Four.

Ms. Wendy Davis: That is Kevin Schnoor's team and it's the TAA.

Ms. George-Ann Hale: It better be five.

Ms. Wendy Davis: That is. Sophia's — tell me how to say this —it's a horse's name?

Ms. Sophia: Prodigious.

Ms. Wendy Davis: Prodigious Fund and it's retired race horses.

Mr. Doug Reed: We can start.

Ms. Wendy Davis: Yeah.

Mr. Doug Reed: No reason not to start.

We got the timer up.

We've got our first contestant, Joe, come on up.

You got your two minutes of fame.

Mr. Joe Longo: Just start whenever?

That was me last time.

Just start whenever?

Mr. Joe Longo: I've taken it upon myself to name our group The Three Amigos.

What we're gonna be presenting really is our idea is an exotic wager auctioning yourselves, which when you actually look at it is EWAY.

I guess you can look at that kind of like EBAY.

Basically the whole idea between something like this is that you are making this marketplace or these options where you can sell your wager really in between races.

The idea is — I'm sure plenty of you out here are players, where you may have been say five for five in a big pick six but something dramatic may have happened.

You may have a jockey change, or equipment change, or even a late scratch that really changes the whole race flow.

If you feel you may not have enough coverage, and since we frequently complain about the long time between races, this would essentially be a marketplace that would be on an ADW where each person would be able to list their individual ticket and kinda the same way EBAY operates, you have a buy it now function.

If you really wanted to take the straight money there between the race, that would work.

Another option would be basically an auction.

That auction would end once that race — you know the next leg goes off.

I think the real idea here is that it allows you that — again, if you're not exactly very high on your ticket or maybe you don't have enough coverage, that you in turn can still make a profit in the end.

I do think it's something that would absolutely work.

Lord knows, I'm sure plenty of us have done this before, just throwing tickets all over the place.

Really being that it would be partnered with an actual ADW, security concerns I don't think would be an issue in terms of the transfer of money and the holding of tickets.

That would also be done there as well.

They would facilitate the actual transfer of the funds. Really we envision some type of host or maintenance fee would be withheld by the ADW for conducting this marketplace.

I do think it would keep fans entertained between the timeframe of the races.

Thank you.

[Applause]

Mr. Doug Reed: Thank you, Joe.

Todd?

Todd Boker: I'm number three.

Mr. Doug Reed: Oh number three, okay sorry.

Mr. Fick?

Mr. Dan Fick: I'm the one with the PowerPoint, there we go.

Okay, so what is Nickelodeon Racing?

It's a turnkey national racing program.

In the program you get curriculum resources, leader guide books, student textbooks, workbooks, videos, online educational programs, virtual racing games.

We've got logo products, hats, shirts, and jackets, corporate sponsors and group liability insurance.

What's your definition of kids?

How many Bob Baffert's do we have out here that got involved, fell in love with horses and horse racing when they were a kid?

Come on.

That's where we started.

Our definition of a kid is any student between the ages of five and 25.

Kids at the track programs, this is for the younger ones.

Classroom visits by track staff at the classroom.

Classroom field trips back at the track.

Track tours, photo ops with jockeys, horses, trainers, horsemanship and riding classes, a Jockey Club membership club for the younger kids, summer day camps at the tracks, family days at the track, and turn your apron into a drive-in movie theater.

For the teenagers, let the high school choirs present the national anthem, cheerleading contests, day at the track for each high school, introduction to track jobs, essay contests, scholarship awards, and host their socials and their proms.

College, campus racing club, Greek nights, scholarship day at the track, sports team recognition at the track, salute the football or the volleyball team, job fairs at the track, college bowl, handicapping contest, and create an entertainment zone where the kids are gonna go just to get away, sports bar and grill and night clubs.

Who's gonna develop it?

Who else, the Arizona Racetrack Industry Program.

Who's gonna sponsor it?

Who needs to spark young people into the idea of, "I'd like to be a horse owner, or a breeder, or a participant in the industry," more than these three.

How many track operators do I have that would pay \$1,000.00 a year for this turnkey program?

Nobody?

[Laughter]

Mr. Doug Reed: Sit down, Dan.

Mr. Dan Fick: Thank you.

[Applause]

Mr. Doug Reed: Thank you, Dan.

Todd, now it's your turn.

George-Ann, the reason Dan Fick didn't trust me is I learned a few things from Lou Raffetto and he thought maybe Lou might have taught me something about the draw.

It's Todd's turn now.

Mr. Todd Boker: I don't have a PowerPoint, so I'm already at a disadvantage I can see.

Yesterday there was a great panel called 45 Ideas in 45 Minutes.

Everybody got a minute to present an idea.

Dan was gracious enough today to give me two minutes, so I'm gonna give you two ideas.

Idea number one takes a page from Greyhound racing.

We think that horse racing should also assign a grade to all of the races.

We're not proposing to eliminate any traditional conditions, but rather just assign a simple letter and/or number designation to help identify the quality of the race as compared to the other competition levels.

We would enlist the help of the Jockey Club, Equibase Company, and InCompass to come up with an algorithm that would enable all of the races to be graded, even the historical ones.

We want a rating system that works across all tracks; much like a buyer speed figure was designed to do.

We think it's a great way to help educate new fans by encouraging them to start reading the past performances, but in a less intimidating way.

You only have to look at the class of the race and the finish position of the horses and you can use that to make an educated decision.

When you get done with that and you understand it, then you can move on to the more esoteric items in the PPs.

Idea number two comes from our team, not uniquely of course, thinking that new fans are the best way to enable us to continue to grow the sport.

We believe television is the best medium to do that and we're primarily here today to pitch a new reality show called Jockey Wars.

Other than being a Kardashian, most of the top rated reality shows all have an episode portion of it that is called competition, think *Survivor*, *American Idol*, and *The Bachelor*.

While the sports had a couple of attempts at reality shows, none of those shows actually had direct competition where people won and lost on a weekly basis.

We believe that adding this element is the key term to the long-term viability of the TV show, after all our sport is really about competition.

The show would feature eight to twelve apprentice riders as they share their back stories and work toward the goal of becoming champions.

We want them to work with hall of fame jockeys and trainers to improve their craft.

Most importantly, there's an elimination at the end of each episode and the show would culminate with a live competition on a big day when fans, casual fans, are most apt to tune in.

Thank you.

[Applause]

Mr. Doug Reed: Thank you, Todd. Kevin, you're next.

Mr. Kevin Schnoor: Hey, how's it going?

Our idea is called Crack of Dawn Racing.

The majority of racing now is during the afternoon and there's some races at night.

The races at night came about to help fill a void in the schedule there is for the horse player.

There's a void between 8 A.M. to 12:30 and we think a track could fill that.

It really wouldn't be very hard to regulate.

It would just come out of change and post-time, a couple weeks — a week early.

It'd be as simple as that.

We'd recommend a smaller time track, like Mahoning Valley Racing Club.

We're not recommending Saratoga to start running at 8 A.M.

At Mahoning Valley, their purses — they handle 500,000 on a Saturday and around 750,000 on a Monday and Tuesday.

Their handle jumps when they run unopposed, which they would be running in the morning.

In the morning, you could have a brunch with bloody marys, mimosas, waffles, pancakes.

It would help bring families out to the track.

Also in the summer, the weather would be better in the morning.

It wouldn't be 95 and humid like in the afternoon. It would be 70 and you would — it would be a more pleasant time for the fans.

It's not totally unheard of.

People get up early to watch and wager on the Dubai World Cup, so it does happen.

I'm also on Twitter and I see people posting about Australia and Hong Kong till like 3, 4, 5, 6 A.M.

It doesn't really matter; people are always looking for action.

Vegas is the same way. People are playing Blackjack or Pai Gow or whatever they're playing until all hours of the night.

If something was going on in the sports book, like Mahoning Valley, they might go and play that.

We think that somebody running in the morning would help fill this void in the schedule and we think it would be profitable for that racetrack.

Thank you.

[Applause]

Mr. Doug Reed: John Moss.

Did I get that right?

Mr. John Moss: I am last.

Mr. Doug Reed: That's okay.

Come on Sophia, Sophia McKee.

Audience Member: Now we know why you weren't in charge of the draw.

Mr. Doug Reed: Exactly.

Ms. Sophia McKee: My team was Alexa and Keith; they're students here at the program.

When we started going through ideas we noticed a common theme.

It was this concept of bringing the horses to the people or bringing people to the horses.

Our idea is this ride-a-thon at race tracks, #rideforracehorses.

The idea is creating a nationwide ride-a-thon or ride at the racetracks to raise awareness for thoroughbred aftercare, to bridge the gap with the equestrian community, and to look and do education to bring them into our world.

Can you imagine how cool it would be to ride your horse on the racetrack?

I mean it's a privilege just reserved for jockeys and exercise riders.

If you think about it, the racetrack is perfectly set up to open our gates and allow other horsemen onto our track.

We already have out riders, which is more than any other horse show has when a horse gets loose and takes off, and it's a unique opportunity to connect as a national fundraiser for aftercare that could potentially benefit the local rescues that you're working with or go into a national pool.

When we look at this, we also see it as an incredible — incredibly positive media campaign to promote retired race horses and what the industry is doing for those retired race horses and educate them.

When they're there, they could ride their horse on the track and then maybe get their picture taken in the winner's circle.

What a great moment to have with your horse.

The way it could be structured, you pay \$50.00, you get a cool t-shirt, you get to ride on the track.

Or maybe you get sponsored by the mile and you get \$20.00 every mile.

In that case, I want an endurance horse.

Either way, it's a great way to raise public awareness, have a national campaign, #rideforracehorses, and get the word out there about what the industry is doing in positive efforts to help rehome and take care of our athletes.

Thanks.

[Applause]

Mr. Doug Reed: Okay, John. I know a couple of — quite a few of these up here are either students currently or former students.

They'd probably love to put this timer gong on me when I go into lecture mode.

Mr. John Moss: Okay.

I know I'm not gonna need the full two minutes 'cause I can tell you right now, as soon as I explain this to you you're gonna love this idea.

You're gonna embrace this idea with both hands and you're fully gonna go out and implement it at your individual racetracks.

It's mainly gonna be for the operators, but you're gonna understand it the second I say it.

The word is drones.

[Laughter]

Drones, okay.

Drones because what drones can do is they can provide a camera on top or underneath that drone and you can start getting a visual, top view of all of your races.

Why would you wanna do something like that?

You provide a high definition quality camera underneath this drone.

It's a new angle that somebody is always looking for.

They're always looking to view the races a little bit differently.

You always watch — you watch NBC sports and some of the others when they're broadcasting races.

They look a little bit different.

They're always changing the angle.

Now we can add in a different one, not only the pan and the head-on but now we can get a top down angle.

Not only will this draw more interest because you've got a high quality view and you can watch the race more accurately, but it also has the benefit of allowing stewards to watch the races when they're doing an inquiry to see exactly where a horse comes in on another one.

Right now that's one of the stewards' biggest complaints is especially on the turn, going into a turn or coming out of a turn, they can't quite see what was going on.

If you increase the availability of seeing exactly what's going on in the race, you not only increase the transparency when they're actually conducting an interview or conducting an inquiry, you're gonna get more confidence from the better because they're gonna see that the steward's got the best angles possible, that they can adjudicate it properly.

You're gonna bring more attention to your particular track because who else has drones and it's just gonna increase the awareness.

It's a great angle, it's a great view, and I think it's something everybody in this place should embrace.

I'll leave you with an image in your mind.

If anybody can recall I think it was Mind That Bird in 2009, when he won the Kentucky Derby, watching him weave in and out of the traffic.

I didn't unfortunately bring a PowerPoint, somebody didn't tell me, otherwise I would've shown you that video.

It was spectacular to see that horse move through the pack.

You can do that with a drone.

Thank you.

[Applause]

Mr. Doug Reed: I'd like to thank all of the contestants, I'll call you guys, it was a great job, great ideas. It's your turn to vote. This is the end of the session. Turn your ballots in in the back.

At the start of the next session we'll announce the winner.

Did I forget something?

Ms. Sophia McKee: I just wanna add one thing that — a good idea without try is just a good idea.

I'm committing to my team's idea and Emerald Downs will enact a ride-a-thon or a ride at Emerald Downs to benefit aftercare and retired race horses.

If any other track wants to jump on board with me, we're gonna go ahead and do it.

Mr. Doug Reed: Thank you, Sophia.

Go ahead and vote.

We'll announce the winners right in here at the start of the next session so we have just enough time to tally the votes.

Please thank our contestants.

[Applause]