

WINST★R'S



COMET

Justify blazed
a Triple Crown path
that exemplified
the farm's successful
change in strategy

By Maryjean Wall
Photos by David Coyle

The many faces of the WinStar Farm juggernaut packed the stage at the 2018 Eclipse Awards. Justify had more owners than hairs in his tail when he won the Triple Crown for the farm, resulting in a full house accepting the gold Horse of the Year statuette.

Winning the coveted Triple Crown is every horse owner's dream, one that WinStar Farm owner Kenny Troutt amplified through a global partnership in Justify.

Strategic partnerships are a major part of his new plan for WinStar, a plan that took the farm to new heights in 2018 and has it positioned for continued success. In addition to Justify's sweep of the Triple Crown, WinStar and partners saw 2018 success with Bulletin in the Breed-

Kenny Troutt, holding the Eclipse Award statue with wife Lisa, repositioned WinStar to ensure a bright future.



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ers' Cup Juvenile Turf Sprint, with the undefeated juvenile Improbable, and with stakes winners such as Audible, Yoshida, and more.

WinStar stallions including Pioneer of the Nile, Speightstown, and More Than Ready were represented by high-priced yearlings at the major sales. And the farm has added 2017 Kentucky Derby winner Always Dreaming and stakes winner Good Samaritan to its already robust stallion roster for this year.

Elliott Walden, WinStar's president, CEO, and racing manager, gives all the credit to Troutt and his leadership. "Kenny's a visionary," Walden said. "He has a saying that if you do what other people do, you get what other people get."

Retooling the business model

It's hard to imagine that less than a decade ago Troutt, who with partner Bill Casner founded WinStar in 2000, nearly walked away in frustration. Outwardly, the farm appeared to go from strength to strength, winning races at the sport's highest levels, from the Kentucky Derby to the Belmont Stakes, from the Breeders' Cup to the Dubai World Cup. Its stallions were in demand and its auction results strong.

But, Troutt acknowledged, "It was a struggle." He could not see the operation continuing under its then business model. The farm was leaking money.

"We even discussed at the time selling everything at the November sale," Walden said, "Kenny felt we had this big footprint of a farm and we weren't using it to full capacity. We weren't efficient. It was kind of like a hotel half full. Our fixed costs were very high, and we needed to become more efficient."



ANNE M. EBERHARDT



BARRY WILLIAMS

Top, Troutt leads Justify after the colt wins the Kentucky Derby, then cheers him home as the son of Scat Daddy takes the Belmont Stakes to secure the Triple Crown.

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In every business he has owned, Troutt has devised a mathematical formula to lay out how much he needs to take in and how much to spend to make the enterprise profitable. He's had considerable practice: He said he's owned a company of some sort since he was 6 years old, when he organized an operation to unload watermelon trucks, set up neighborhood bicycle races for a fee, and collect empty Coca-Cola bottles for the refund. He made his fortune later in life when he sold the telecommunications company he had founded, Excel.

So, Troutt put his math to work. He bought out Casner in 2010 and devised a formula he hoped would make WinStar succeed. Casner and Troutt remain friends, and Casner sometimes stays in a house on the farm, where he keeps about 15 mares. Except for the farm's timeless appearance on Pisgah Pike in Woodford County, the WinStar of today in no way resembles the WinStar of old. Inside the operation, huge changes have taken place.

The partnerships have accounted for one obvious change. Troutt's revised business model included changes of direction, all to make better use of facilities and to maintain cash flow. He greatly expanded the broodmare band and the



A mare and foal are commemorated in bronze.

number of stallions. He bought more land. He enabled WinStar to make greater use of its training center across the road from the iconic farm office.

The fourth part of the plan, bringing in

global partners, was the coup de grace that led to numerous people owning Justify during his racing career. Ownership came under the umbrellas of China Horse Club International, Head of Plains Partners, and Starlight Racing, all partnerships comprising many people. SF Racing had been involved since the beginning but leased its racing rights to Head of Plains and Starlight following Justify's initial winning race. Justify, a son of Scat Daddy, was a \$500,000 purchase by China Horse Club and WinStar's subsidiary, Maverick Racing, at the Keeneland September yearling sale.

WinStar also had a partnership ar-



Elliott Walden, WinStar's president, CEO, and racing manager, makes most of the farm's decisions with support and input from Troutt.



WinStar began with 400 core acres. As part of Troutt's revised business model, the farm now encompasses 2,252 acres, plus additional leased land.

rangement with Audible, winner of the Holy Bull Stakes and Florida Derby last year and third behind Justify in the Kentucky Derby.

It seemed the new WinStar was experiencing a "career year" last season. With Justify the icing on the cake, Troutt could feel validated, vindicated, and confident he had set the farm on the right course of sustainability.

"It did a lot for my family," Troutt said, describing the emotional payoff from saving the farm and then Justify winning the Triple Crown. "My family is very, very passionate about the farm. They just love it. We have two sons and one daughter, and they're all very into it. They really love horse racing and the farm."

Justify's reported sale for \$75 million to Coolmore's Ashford Stud was extra icing on the cake in terms of dollars. "Yes ma'am, that'll help a little bit," Troutt said with understated humor, speaking by phone from his Dallas office. For anyone wondering how he could part with a Triple Crown winner, Troutt evoked the self-sustaining theme inspiring WinStar business under the new model. In this model, sentimentality holds a lesser place.

For example, Troutt said he's seen too many people in the business become so emotionally attached to their horses that they cannot sell when they should. "There are times you do have to sell to become profitable," he said.

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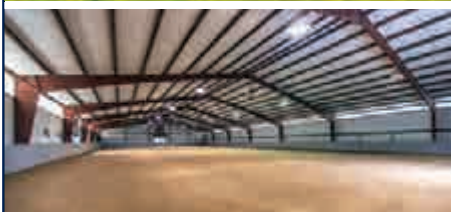
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WinStar's stallion operation includes stalwarts such as Tiznow, above, and newcomers such as Always Dreaming, right, who won the 2017 Kentucky Derby. Below, brass nameplates with each stallion's name are affixed to the halters of visiting mares.



Higher values

With WinStar's sustainability the goal, Troutt visits the farm more frequently than he did in the past. He is now on the farm three times a month, and his increased presence has led to a synergy with his employees. "I let Elliott make the decisions, but he and I discuss things and talk things over," Troutt said.

Troutt said he's very proud of the way WinStar has remained focused. He's also proud of his employees and the culture he and Walden have worked hard to instill at the farm. (Employees and their families now number about 150, up from 60 a few



years ago.) Both men are devoutly Christian and bring their beliefs into every part of their lives, hoping their employees will do the same. Walden texts a Bible verse every day to those who want one. A chaplain comes to the farm regularly. "It's amazing how the Christian faith has really grown on this farm," Troutt said. "The evidence is the way they're acting, how they feel, how they're just growing. That is very, very important to me."

Perhaps this focus on higher values has spilled over into the farm's sustaining focus on growth. Troutt and Walden certainly believe that. "If you ever see a WinStar person interviewed, they

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For Troutt, the Thoroughbred business is a numbers game, and, thus, WinStar has increased both its horse population and acreage. However, certain things remain unchanged, such as the striking office complex, right.



always thank God,” said Troutt. During Justify’s reign at the top of the sport, there were a lot of interviews, leading to expressions of faith. “And when I go to functions in Dallas, that’s something that’s been brought up by different people,” Troutt said. So, he’s proud of his team.

WinStar no longer has Justify on the farm, but he is most certainly not forgotten. Walden said, “We have a nice picture of him in the stallion barn with the whole team behind him.” Justify spent from July to mid-September last year at WinStar before moving to Ashford. WinStar planned on breeding at least 10 mares to him this season.

Justify always will be remembered as a bargain, a good deal all around. The \$500,000 WinStar’s subsidiary, Maverick Racing, and China Horse Club spent to purchase Justify at the yearling sales was pennies on the many dollars Troutt has spent on land and stallions and mares in the past nine years.

WinStar began adding to the broodmare band during the economic downturn that began in 2008. With mares becoming

available at a good price, the number of broodmares at WinStar grew from about 60 to about 150. Likewise, the number of stallions increased, from six to 22.

“It’s a numbers game,” said Troutt. The more numbers, the better chance at success, though success is never guaranteed.

The game actually is more than numbers. Walden said a successful horse farm is a balance of volume and quality. It took WinStar a few years to get it right after Troutt took over.

“We recognized we didn’t do it exactly right because we focused on volume without focusing on quality in 2010 and 2011,” Walden said.

“So, we’ve spent the last four years trying to catch up the quality. We’ve spent an average of about \$10 million a year for the last four years on our broodmare band, and we’ve culled 15 to 20 mares a year. We feel really good about where we are today.”

Troutt said he’s proud that WinStar claims a stunning success rate of 5 percent graded stakes winners. The national average is 2 percent of the annual foal

crop. “We’re getting better at it. We keep improving,” Troutt said.

Looking to the future

The centerpieces of this upward trajectory are the training center developed by Troutt and Casner that opened in 2010 and the new stallion complex opened in 2013.

The stallion complex includes a veterinary station overlooking twin breeding sheds. All routine lab work takes place in the veterinary station.

The main portion of the complex houses 18 stallions. Another barn behind the main portion accommodates overflow and quarantined horses shipping back from the Southern Hemisphere breeding season. Surrounding the complex are 24 paddocks of three acres each.

When mares are led through the rear of the complex for a meeting with their assigned stallion, the staff attaches a brass nameplate with the appropriate stallion’s name to each mare’s halter. The staff also wears earpieces, so they can hear the stallion’s name. As a further check to make

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sure mares are going to the correct stallions, the staff has devised a sort of sign language. Each stallion has his own sign: Speightstown's is three fingers that reference Spiderman throwing three fingers to spin his webs.

Inside the entrance hall to the complex, Super Saver's 2010 Kentucky Derby roses stand encased in a custom cabinet for visitors to see. A few trophies from other races tastefully sit on display, although their numbers are nothing compared to the scores of trophies that WinStar displays in the farm office.

A life-sized bronze statue of Distorted Humor stands serenely atop a pedestal at the foot of the lane leading to the stallion complex. Distorted Humor is the main man on this farm. His record, and the sculpture, leave no doubt. "He put us on the map," Walden said, "with [2003 Kentucky Derby winner] Funny Cide and [grade 1 winner] Awesome Humor being in his first crop for us."

Distorted Humor is the main man but not the only man. Tiznow, More Than Ready, and Pioneerof the Nile are hugely popular. Last year, WinStar's 22 stallions covered 2,549 mares.

Distorted Humor transitioned into the WinStar stallion operation when Casner and Troutt purchased Prestonwood Farm and founded WinStar on that property in 2000. At age 26 the old boy is still happily breeding mares this spring and, as WinStar marketing coordinator Bethany Wurl said, "We'll let him tell us how much longer he wants to do this." One frequent visitor to the stallion complex is Hall of Famer Chris McCarron, Tiznow's retired jockey. Wurl said McCarron occasionally shows up unannounced, like he's part of the WinStar family, to commiserate fondly with the stallion that took him through two Breeders' Cup Classic wins. Moments like these are woven into the WinStar lore.

Across Pisgah Pike from the stallion complex, the WinStar training center stands as another model of renewed efficiency. Young horses preparing to go to trainers at the races exercise here on a seven-furlong all-weather track connected to a five-furlong uphill gallop. Training center facilities include a hyperbaric chamber, a cold-water spa, and an Aquatred horse treadmill.

The physical size of the entire farm has increased under Troutt's stewardship, to

Casner-Troutt years, also seen from the road. The office was built on a grand scale, and the interior offers sweeping views of the farm.

Lining the road to WinStar's main entrance, weathered osage orange trees arc overhead to form a tunnel of branches. The trees evoke an imagined scene of what life must have been like in this place when the core of WinStar land was surveyed in 1788. The survey preceded Kentucky statehood by four years. Virginians,



Young horses get their early lessons on the track at the WinStar training center.

2,252 acres owned and another 292 acres leased. WinStar began with 400 acres. As the original partners, Casner and Troutt, brought in architects and bulldozers to work magic on the land, WinStar developed the reputation of a stunningly beautiful property.

Some 60,000 gallons of water fed from a natural spring flow daily over a waterfall that drops into a man-made lake. These icons of WinStar can be seen easily from driving by on Pisgah Pike. Another icon is the farm office, constructed during the

North Carolinians, and others were only beginning to settle the Bluegrass and bring their horses with them.

Walden, working with David Hanley, who has been general manager since 2013, said he can't believe he goes to work behind farm fences where the beauty of the land and quality of horses are hard to beat.

Hoping another magic year might strike, WinStar set out on the Kentucky Derby trail again this year with Improbable, owned in partnership with China

Horse Club and Starlight Racing. The dream for all the owners is another Justify, now that they've tasted the magic elixir. This certainly goes for Walden and Troutt.

"It's very rewarding to be able to come to work every day with really good bloodstock and do it with a team you enjoy working with and with everybody pointing in the same direction," said Walden. "And to be able to think you could be right next to the next Justify. Not everybody has that opportunity, so we're very blessed that Mr. Troutt has given us the resources to go out and do what we think we need to do to try to get those kinds of horses." **KM**



Justify's Triple Crown trophies join the many others that illuminate WinStar's office and testify to the farm's success.



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