The Story Beyond the Numbers – Operational Intelligence for Equine Business

ARTICLE 09.24.26   SHERRI HELMOND; TRISHA UNSELD

Looking beyond the financial statements to understand what is driving performance – and what to do next.

Traditional financial statements remain foundational to running a successful equine business. They tell owners and leadership how the business performed: how much revenue was generated, where money was spent, whether results were on budget and how the business is positioned financially.

But in a complex equine operation, those answers often lead immediately to a second set of questions. Why did transportation costs rise? Which horses or programs drove the increase in veterinary expense? Did a more aggressive race or competition schedule create enough value to justify the added cost? Which areas of the operation are producing the strongest financial and non-financial results?

That is where reporting can evolve into a management tool. By connecting financial results with the operational activity behind them, equine businesses can better understand what drove results, what those results mean for the business and what should happen next.

Financial Reporting Tells You What Happened, Operational Intelligence Helps Explain Why

View the business through the lenses that matter the most.

An income statement may show an expense category is over budget or that a revenue stream changed materially from the prior year. The next layer of value comes from understanding the operating activity behind that variance.

Equine businesses are rarely one-dimensional. A single financial result may be influenced by the horse, trainer, location, track or show venue, breeding activity, competition schedule, vendor, ownership structure and a multitude of other factors. Looking at only one of those elements may reveal part of the story, but rarely the entire story.

The most useful reporting structure is the one which allows leadership to evaluate the same business activity through the lenses that matter most to the operation.

- Knowing that transportation expense increased is useful. Knowing the increase was driven primarily by a particular group of horses attending a larger number of higher-caliber events in different locations provides context. Adding the resulting purses, prize money, sales exposure, performance outcomes or other business objectives can provide an even more complete picture.
- If veterinary expense increased, leadership may want to know whether the change was concentrated in a particular horse, department, location or vendor – and whether it represents a one-time event or a broader trend.

The goal is not to replace financial reporting, but to build on it. Management reporting starts with financial results, then adds context by connecting the numbers to the activity, decisions and outcomes behind them. That context creates a more complete conversation about what is driving the business.

Connect Financial and Nonfinancial Information

Financial results do not occur in isolation. Horse counts change. Competition schedules include more or fewer events. Training rates change. Sale activity varies. Breeding programs evolve. The caliber and location of races, shows and events can look very different from one year to the next.

That is why useful management reporting combines financial data with a focused set of operating measures. Depending on the business, those measures may include horse counts and mix, event activity, sales results, breeding activity, trainer or rider activity or other indicators that directly help explain performance.

The goal is not to measure everything simply because the data exists. It is to identify the operational indicators that have a meaningful relationship to financial performance and strategic goals.

Build Reporting Around Decisions, Not Reports

There is no universal reporting package that will be equally valuable to every equine business. A Thoroughbred racing operation may place greater emphasis on race schedules, purses, future breeding value and horse sales. A high-performance sport horse operation may focus more heavily on trainers, riders, competition schedules, travel and individual horse costs. Breeding organizations and multi-program operations may have another set of priorities altogether.

The common principle is to begin with the decisions leadership is trying to make. What questions do you repeatedly ask about the business? Where do you need greater visibility? What goals are you working toward? Which trends would cause you to act differently?

The most useful reporting package is not necessarily the one with the most pages or metrics. It is the one organized around the questions leadership needs answered.

Starting with those questions also helps avoid analysis paralysis. More dashboards and more data do not automatically create better decisions. Useful reporting should make it easier to recognize trends, evaluate tradeoffs, and focus attention where it matters most.

Use Operational Intelligence to Look Down the Road

Once an organization understands the factors driving historical results, the same information can become a stronger planning tool. Budgeting, forecasting and scenario analysis can help leadership evaluate what different decisions could mean before capital or resources are committed.

Consider a potential investment in an upcoming stallion. Historical information can establish a baseline, but the real management questions are forward-looking: What could the income and expense profile look like? How long might it take to recover the initial investment? How do stronger and weaker scenarios compare? Which assumptions have the greatest effect on the outcome?

For example, reporting can help leadership evaluate whether adding horses or changing the competition schedule is likely to create enough financial or strategic value to justify the added cost. In that way, the analysis becomes more than a look back; it becomes a tool for evaluating the impact of specific decisions before resources are committed.

Turning Information into Action

Financial statements provide the foundation. Operational context explains the story behind the results. Thoughtful analysis turns that information into clearer decisions about what comes next.

The process begins by identifying the questions that matter most to the organization and building reporting around the information needed to answer them. When financial and operational information come together, reporting can do more than describe performance – it can help owners and operators understand the business more deeply, identify opportunities and make more informed decisions about its future.

Dean Dorton helps equine organizations strengthen reporting, planning and analysis in ways that reflect how each business actually operates. Whether the need is greater visibility into performance, more meaningful management reporting or stronger forward-looking planning, the right framework can help owners and operators turn information into action.