

Manage Your Money for Betting Success

**By
Darren Power**

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1 Introduction

Before we get started let me just tell you what we are going to learn from this book. Or rather let me tell you what we aren't going to learn, this book does not cover the methods involved in selecting events or participants to bet on what it does cover is methods to ensure that you win when you have a good selection source.

In our experience, both personal and of operating a tipping service, even with a source of winning selections a lot of people are unable to make a consistent profit. What we hope to achieve with this book is to help bettors to manage their money and to help them operate in a way that allows them to win consistently once they have a source of winning selections.

2 Why Betting

If you are reading this then I assume that you have already decided that betting is a good way of earning some additional money. Even so its worth recapping why betting is such a good way of gaining extra cash as long as you have the discipline to operate in a business like fashion.

Lets look at how the returns on horse racing work and why the returns repeatedly outstrip other forms of investment.

The thing about betting as an investment and as a way to make money is that the return is on your turnover and not on your initial investment. The size of your initial investment only has to be big enough to sustain you through your longest losing spell. We'll deal with losing runs later, but even if we expect 20 losers in a row we only need enough money to cover 20 losers.

Let's just understand this return on turnover a bit better before we carry on. On each bet we make we will gain an average profit of something in excess of 10% on the each bet often it will be much more than this and will be typically between 20% and 60%. There will of course be winners and losers and in reality you will make big profits on some bets and total loss on others. But if you are making an average overall profit then you will make this sort of average profit on each bet you make. Return on investment is the percentage you get back over a sequence of bets taking account of any losers as well as all the winnings. ROI is stated as a percentage of the total amount staked. So if you have an ROI of 100% then you got back exactly the same amount as you staked IE no profit and no loss.

Let's run through some examples to explore this statement. In the financial world the return you will get on your investment will be a percentage of the investment you make. If you invest £100 in an account that gives 10% interest per annum then at the end of the year you will receive back your £100 plus £10 interest.

If you have £100 to invest in a betting system that you expect to return 10% profit on turnover you may decide that it is safe to bet one fifth of your £100 investment on each selection IE £20. If your system only produced 1 bet per day that would equate to 365 bets per year which would be a turnover of £7,300 (365 bets at £20 each) 10% profit on these bets would be £730. Which as a percentage of the initial £100 that you put aside for this investment is a 730% return on your initial investment. You won't get that at the your local bank.

Now you may be thinking that £730 profit in the year is not very much but even if you only have £100 to start with or even just £20 you can compound this up into a bigger bank until you have a significant investment.

Also you will hopefully make more than 10% profit on our turnover.

If that is not enough there is currently no tax to pay on profit made from betting in the UK, that's no betting tax, no income tax, no capital gains tax nothing. That's worth at least another 20% to you.

So betting is a good way to make an additional income so long as you operate in a sensible and business like manner.

In the next section we are going to look a bit closer at your betting bank.

3 The Betting Bank

Your betting bank is the sum of money that you set aside to bet with.

The first rule of betting banks is that the money that you set aside is for betting only and is not to be used for any other purpose. You should not be taking money from your betting bank until it is in profit and if you want to build up from a small start you shouldn't take any money out until your bank is at the required level.

The size of your bank depends on a number of factors. It should be as much as you can afford and it should be an amount that you are prepared to lose. The size also will determine the size of bet that you place. It is usual to have a bank of twenty times the stake that you will bet to.

Let's say that you have £100 to put aside, you should then be betting £5 on each selection. It would then take 20 consecutive losers to bankrupt you.

You may want to bet a higher or lower percentage of your bank on each selection. This decision should depend on the strike rate of the selections on which you are betting. If you are betting on odds on shots and you expect to make a long term profit then you will have a strike rate in excess of 60%. With this sort of strike rate you can bet a higher percentage of your bank as it is extremely unlikely that you will hit a run of 20 losers.

It is also a good idea to have a separate bank for each selection source that you are using. So if you bet your own selections and selections from a tipping service then you should have a separate bank for each. That way a bad spell from one source does not prevent you betting the selections of the other source.

We will come back to betting bank at various stages through out this book. For now you need to set aside a sum of money that can be available solely for betting and that you can afford to lose and you need to divide that bank up to match the number of sources that you are using for your bets.

4 Attitude

Having a bank and a plan of action will go a long way to helping you through the difficult patches when attitude is important. We will deal with your plan in the next section in this section we will talk about the mental fortitude that is required to win at betting.

Our average bettor bets for the excitement he also thinks he will win and probably thinks he will win big. He bets for the excitement and for pleasure.

If you want to operate professionally and in a business like manner then we don't want to be like the average bettor.

Lets spend some time with our average bettor, who we will call Norman, to understand how easy it is to lose. Norman doesn't have a bank put aside he bets with the money in his pocket, he is not consistent with the size of his bets.

When Norman wins a few bets in a row he thinks he is invincible and the next big betting sensation so he ups his stakes, just in time for a losing spell. The losing spell wipes him out and he can't afford to bet any more until pay-day and losses a few good bets along the way.

When Norman has a losing spell he cuts back his stakes or quits betting and consequently misses the next few winners. But because he has noticed that his selections are winning again he decides he better get back into the game, you guessed it he's just in time for the next losing run. Norman's on the gamblers roller coaster and loses over the long term consistently.

We need to be different we need to move slowly but surely forward. We will enjoy cheering home a winner but we know there will be more winners than losers and we continue with our plan. When you have a winning run and profits are building up you need to run a sanity check with yourself. If you are expecting to make a 130% return on your investment over the long term and recent bets are showing a 170% return then it is likely that there will be a period of less profit or of loss to balance this out. It is unlikely that your source of selections is twice as good as you expected. Even if it is twice as good as expected if our plan says we don't increase our stakes until our bank doubles then we don't.

On the other hand when we have a string of losers we carry on in the knowledge that there will be winners and if we have planned to bet until our bank is gone then that's what we do.

Let's explore the use of your bank for a minute. If you have put aside a bank of £100 and you have a series of losers and the bank is down to £50 and you quit do you think you have used that bank effectively. No of course you havn't you might as well have started off with a £50 bank because the other £50 has never been used, it is wasted money that could have been used somewhere else. This is why you have to commit your bank as if it is already lost and you must commit to carry on until it is gone. If you cannot make that commitment when you set up your betting bank then you are

not yet confident enough about your selection source and should probably investigate further.

The most important point though is to stay cool, don't get too excited don't be reactionary and trust your plan and work your plan.

5 What's The Plan

I know we have said a lot about the plan but in reality there is not much to it, but that doesn't mean that it isn't important.

In any other operation that is operated in a business like manner there will be a plan, a business plan, a process or just a set of rules. When you have a plan you don't have to think about what to do in a situation you check the plan and then work the plan.

So what will our plan say?

The size of our bank, this is straightforward it is the amount of money we set aside earlier.

What particular selection method or source that this bank is being used for.

The expected Return On Investment(ROI)

The expected strike rate of the selection source.

The expected longest losing run. This can be calculated by dividing 100 by the percent that you are staking and taking 1 away. This will give the number of losers you can take before your bank is bust. Although you are unlikely to hit a run like this you must be prepared for it.

The size of our stakes for each bank. We will deal with stakes in a later section.

The actual monetary amount of the stakes.

Under what circumstances we can increase the unit stake. Again we will deal with this later.

Under what circumstances we can remove money from the bank for ourselves IE take a profit. Again later.

Under what circumstances we can reduce our stake. Later.

Finally when the plan can next be reviewed IE when can we change the rules and do something different. You need to determine how long you are prepared to follow these rules without deviation, we suggest at least a month between changes.

On the following page we have completed a fictitious plan as an example, the best place to write your plan is in the pocket book that you record all your bets in, so that you can refer to it when needed.

Betting Plan	
Starting Bank	£100
Source of selections	A Tipster (maximum bets only)
Expected Return On Investment	130%
Expected Strike Rate	30%
Expected Longest Losing Run (= (starting bank/stake)-1)	19
Stake %	5%
Stake amount (=starting bank x stake%)	£5
Increase stakes when?	When has doubles then double stakes
Take out earnings when	Anytime bank exceeds £500
Reduce stakes when?	Never, bet until bank gone
Next review	1/8/03

6 Staking

You should not be determining an amount to stake but a percentage of your bank. The idea being that you do not want to bust your bank so the stake must not be so big that a losing run will wipe you out. On the other hand it should not be so small that it restricts the growth of your bank and the profits that you make.

So we want it as big as possible, how big is that.

We need to ask ourselves a few questions before answering this question. What will happen if we wipe out our bank? Will we quit betting forever or will we regroup raise some more money for a new bank dust ourselves off and get up for another go having learnt a valuable lesson. If you are going to quit then you should err on the side of caution. If its not the end of the world and you have back up funds or other banks for other selection methods then you can be more aggressive.

So first of all decide whether you want to be slow but sure or aggressive and bullish or somewhere in between.

The next thing to do is as best as possible decide the likely strike rate of the selections that you will be using. The strike rate should directly influence the size of your stake. For example, if you new for sure that every bet you made would win then you would bet all of your bank on every selection.

If you aren't going to win every bet, and we do have to allow for acts of god, which means nobody can be sure of winning every bet then we have to bet a percentage and we recommend the following percentages of bank for each stake.

If you are expecting to have a strike rate of about 20% winners then you should be betting about 1/30 of your bank on each selection which you can adjust down to about 1/25 if you are feeling bullish or upwards if you want to be more careful. The table below gives the mid point for various strike rates:

Strike Rate	Recommended % of Bank
20%	3%
30%	5%
40%	8%
50%	12%
60%	18%
70%	20%

These are sensible suggestions of how much of your bank you should stake and they assume that your overall ROI is in the region of 130%. However even using these sensible percentages does not guarantee that you will not bust your bank, strange things happen and bad runs can hit the best selection methods, what they will do is reduce the likelihood of a wipe-out while maximising your profits.

If you expect to make a higher ROI than 130% then again you can bet a bigger percentage of your bank and if you are expecting a lower ROI then you should use a smaller percentage.

So determine the percentage of your bank that you will bet on each selection by using the table above and answering the questions. You should then calculate a monetary amount that the percentage represents of your bank.

If you have a £100 bank and you are betting 5% then your stake is £5 we will stick with this stake until our plan tells us that we can change it. We won't vary our stake up if we have had lots of winners and we will not lower our stake if we have had lots of losers. We will stick with this stake until we meet pre set criteria set out in our plan or until the review date for our plan arrives at which time we can change the rules.

In the next section we will discuss when to increase our stakes.

7 Work Your Plan & Grow Your Bank

Whenever you are wavering and want to quit or want to reduce or raise your stakes you should refer to your plan. When you create your plan you must commit to following it until the next review. If your willpower is weakening read that plan again and recommit to following it. If you ever decide to pack it in or change the rules you can bet that just after you have done this, things will turn around and you will regret it.

There is no need to change anything in your plan because you have committed your money and accepted that it is not your money anymore. The money belongs to the business, your betting business. You are not to take money from that business for any reason unless your plan states that you can. It's not your money anymore.

Let us look at what rules you should state in your plan for changing the stakes or taking out money.

If, like most of us, you are starting off small you will probably want to grow your bank to a size where the bets you are having earn a decent return. There is little point spending a lot of time on your betting if you're only staking 1 or 2 pounds on each event. We recommend that in order to grow your bank that each time your bank doubles that you increase your stakes. Stick to your original percentage and apply it to your new bank size. So if your bank has grown from £100 to £200 and your stake is set at 5% of your bank then you should now start staking £10. Stick with this new stake until the bank doubles again.

Carry on with this doubling of your bank until your stake gets to a level that you are confident with. Once you are at that level, which might be £500 bank or maybe £5000 bank or more, then you can start taking out some profit. The way I do this is that at the end of each month I check my bank to see if it has excess funds if it has I just take that amount for myself. If there are no excess funds I leave the bank alone until the following month, when I check again.

However you intend to operate make sure it is written into your plan and then stick to it.

You may find that when you write your plan that you want to aim for a regular bank of £500 which might mean £25 bets for you, but as you get close you realise that you would still be comfortable with bigger bets than £25. No worries, next time you review your plan you can adjust your bank target upwards and carry on.

Don't think that you are missing out because you do not have a big bank to start with because this is the best way to operate. If you start with a small bank and grow it gradually and up your stakes in a controlled way as your bank grows so will your confidence. By the time you get to making big bets you will be more confident in what you are doing. You will know what losing runs to expect and you will have been through it all with small stakes. You will be robust and more importantly you will be betting from winnings because you will only have made the initial investment.

When its time to review your plan you should look carefully at the best you have made. Look at the strike rate and the ROI you have achieved and you can then adjust

your plan. Go back through the previous sections of this book and write a new plan based on your new knowledge.

To do this though you do need to keep records. Get yourself a little book and record your starting bank. Record each bet that you make, how the bet was selected, the stake, the starting price, the price you took, the outcome and the date. This way when the time comes to review your plan you will have some facts to work with.

8 Where to bet

Now you have a plan of action we can where we are going to bet, there are three options the first is to visit a betting shop write out a ticket and hand over our money. The problems with this approach are that it takes time because you have to go out to visit the bookies, but worse than that it is more difficult psychologically. That's because when you are having a losing run, which we all have, you will physically be handing over the money each day which will cause you to question your plan and when you are having a winning run and you have the winnings in your pocket you will be tempted to spend it because it's all too easy and 'there's plenty more where that came from'. We don't recommend betting in the betting shop.

The second and third options are to bet on the Internet or on the phone. We recommend either of these methods as they can be performed from almost anywhere and they allow you to create a certain distance from your actions you will get less down when you lose and less up when you win. Remember we are not here to have fun we are here to make money.

For those of you on the internet we have detailed below a number of sites that will be happy to take your bets. Click the appropriate link, sign up, deposit some money and you're ready to go.

If you don't have internet access or you cannot access the internet during the day then a telephone account will suit, for the best introductory offer buy yourself a Racing Post on Saturday where you will find offers from numerous bookmakers to encourage you to open an account with them. When opening an account you will invariably get offered a free bet, what you don't want to do is to bet on anything you hadn't planned to just to get the free offer. The offer you want is the return of your stakes if your first bet is not successful, there's usually one of the betting companies offering this sort of deal.

Links to on-line bookmakers

Here are links to a few of our favourite on line bookmakers, the offers mentioned below were all available at the time of writing, but in any case by using the links below you will get the current concession on offer for each site.



Betfair The number one betting exchange [Click Here for Betfair](#)

Coral who are one of the big three UK bookmakers offer a £10 matched deposit [Click Here for Coral](#)

Blue Square are another respected name offering a £10 free bet [Click Here for Blue Square](#)

Sporting Bet currently offer to increase your deposit by 10% and also offer their existing members a 5% uplift on funds deposited [Click Here for sporting bet](#)

Gamebookers offer a refund of 20% of your first stake [Click Here for Gamebookers](#)

Bet Internet offer tote betting as well as traditional fixed odds betting [Click Here for Bet Internet](#)

For those of you wanting to bet on Australian Racing or if you want to search internationally for Arbs then **RaceTab** is for you [Click Here for Race tab](#)

Sporting Odds offer various concessions which are usually related to the days events, what they do have though is an excellent racing centre with racecards and commentaries [Click Here for Sporting Odds](#)

Bet Hi Lo is a spread betting site that allows the small player to bet with stakes from a penny a point [Click Here for Bet Hi Lo](#)

Victor Chandler are an old respected firm who specialise in a range of early prices they offer new clients a 50% cashback on their first bet [Victor Chandler](#)