

Fixed odds sports betting is certainly not for the faint-hearted. Evidence suggests that few actually beat the bookmaker to make a profit over the long term. Nevertheless, the fact that even a few punters are successful verifies that gaining a betting edge is not simply a pipe dream. Provided one learns how to gain this edge, and more importantly adheres to a sensible risk management of his betting strategy, fixed odds sports betting offers a potential investment opportunity to those seeking a little more excitement than merely collecting an annual low interest return from their savings.

The theme of this book has been to encourage the fixed odds sports bettor to think more analytically about his betting strategy, about the markets he invests in, about the type of wagers he makes, about betting value and numerical approaches to finding it, about ways of gaining a head start, and most importantly of all perhaps, about money management and an examination of risk. It is only through such clear thinking and critical appraisal that a bettor can hope to maximise his chances of success. Without this, the bookmaker will always maintain the upper hand.

1. Set aside a betting bankroll

Without a proven record of long-term success, any punter should avoid betting more than he can afford to lose. The most sensible approach to safeguard against this is to set aside a bankroll for the purposes of betting, the size of which should not encroach on the need to pay the bills. If this is lost, the punter should consider the possibility that fixed odds sports betting will not, for him at least, offer a suitable investment opportunity.

2. Research your sport and be selective

There are literally thousands of fixed odds sports betting opportunities to be found every week, and for every one the bookmaker has hoped to stack the odds against you. To improve your chances of overcoming this disadvantage, it is prudent to concentrate on one or perhaps two key sporting markets. Research these thoroughly. For the smaller, less popular markets, like darts, volleyball, cycling, ski jumping or biathlon, the bookmakers will often know less about the events than a regular follower of such sports, and may only have one or two odds compilers studying them. Be selective and don't bet because you have to, but only when you feel you have identified an edge. After all, the worst you can do by not betting at all is break even.

3. Keep accurate records

For all your betting, keep accurate records of the selections backed and their prices, the amounts wagered, and the profits or losses incurred. Keeping a truthful betting history will help you to analyse your strengths and weaknesses, to assess your profitability and, most fundamentally of all, to reveal whether you have the talent to gain an edge. For advisory services, keeping and publishing an honest record goes without saying. Without one, customers have no idea how meaningful any profit claims will actually be.

4. Value-bet or don't bet at all

Winning bets are the only ones that make money. True, but you can't win all the time. Without winning more often than the bookmaker has priced you to do so, the losers will ensure that your betting bank will remain in the red. Seek to identify and measure value in the odds, through a comparison of bookmakers' prices, quantitative and qualitative forecasting techniques and a professional's "feel" for its availability. Find the value and the winners will take care of themselves.

5. Test your forecasting systems

Punters adopt different approaches to forecasting and prediction. Some prefer to study subjectively, reading up on the news about each event, and making betting judgements on the basis of information about injuries, morale, motivation and so on. Others prefer to quantify information about form, and develop rating systems to predict the outcome of the next contest. For either approach, but more specifically for numerical forecasting, test and retest your systems, and identify significance. Be wary of spurious relationships, which may misrepresent the meaningfulness of any significant association.

between hypothesised predictors and the actual outcome of events. Remember that if one looks long and hard enough at a set of data, a relationship of one form or another, whether meaningful or not, can usually be found. Very few will ultimately turn out to be profitable in the long run.

6. Identify favourable betting markets

There are all sorts of wagers, from match bets to ante post, scorecast to handicaps. Every punter will have his favourite type of betting market, but it is shrewd to focus on those where the bookmaker has limited his overround. These include bets where the number of possible outcomes is a minimum – 2 – and include Asian handicap betting in football, American sports wagers and 2-way betting in many other fields. The imposed disadvantage the punter will face is lower, both because the bookmakers can afford it to be so, and because there is little room for them to manoeuvre behind less generous prices.

7. Bet singles

For decades, bookmakers imposed preposterous restrictions on the availability of single bets, where the punter needs only to back the outcome of one event. Since the explosion of the offshore and Internet fixed odds betting industry, these restrictions have thankfully all but disappeared. Unfortunately, punters fed on the lure of the bigger payouts from multiples and perms still place these unfavourable bets en masse. For highly successful bettors, it is true that profits can be enhanced, but the risks in seeking them, through the larger overrounds and lower strike rates, will always be greater. Singles on their own can offer quite reasonable rewards without the undue worry of losing the betting bankroll early. A punter's greed is so often his downfall. Why try to run before you can walk?

8. Back favourites or short prices

Contentious but undeniably apparent, at least in football betting, is the presence of a favourite–longshot bias. Demonstrated empirically beyond question in the European football fixed odds market, it potentially owes its existence to the risk-averse tendencies of most bookmakers, who would sooner overprice an odds-on selection than expose themselves to excessive liability by offering value in the longshot. Backing only short prices will not be enough on its own to secure a betting edge, but for those who choose to do so, the imposed average disadvantage is significantly smaller to start with. Backing shorter prices also means you will win more often and expose your bankroll to less risk if betting level stakes. Don't, however, back a favourite just because it is a favourite. Back it because you believe it contains real value, and that the bookmaker has made a mistake.

9. Compare bookmakers' prices

Really this goes without saying. If one bookmaker offers 1/1 whilst another offers 6/5, it would make little sense to take the less generous price. Perhaps a new betting account may need to be opened to take advantage of the opportunity, but provided the bookmaker's reputation is sound and the transaction costs, if any, are small, this should not create an unnecessary distraction. Also consider the betting exchanges, where you can bet against other punters rather than against a traditional bookmaker. Despite commission payable on winnings – usually 5% – the odds available with exchanges are frequently more favourable since there is technically no overround to overcome. Remember, however: do not simply bet because your bookmaker offers the highest price. Make sure the odds contain value.

10. Identify your risk preferences

Are you a risk seeker or a risk avoider? The answer to this question will shape your entire staking strategy and money management. Risk seekers are happy to back high odds and large multiples, preferring the thrill of big-win gambling to the mundane grind of "win some, lose some" betting. Furthermore, some gamblers are prepared to chase lost capital through ratcheting up the stakes after each losing bet. Be warned: this policy will NOT guarantee profits, whilst the risks of failure are considerable. If you prefer to play it safe, a simple level staking plan will suffice, or perhaps a policy of staking to win a fixed profit each time you bet. Betting a percentage of your bankroll through simple percentage bank staking or more advanced Kelly staking can yield significant rewards for the proven

bettor, but he must be prepared to wait out potentially longer periods of loss making in order to secure a greater payday at the end of the line.

11. Always analyse your betting record

Money in the bank from winning bets is a wonderful feeling, particularly if you believe your skill and judgement has earned you that money. Avoid becoming complacent, however, and investigate whether your profits could simply have arisen by chance. If this is the case, they may not come so easily in the future. Even where you have established significance in a betting history, beware of unexplained factors that may be accounting for your level of success.

12. Learn how to lose

Perhaps the most important lesson a fixed odds sports bettor should learn is how to lose. Strange as this may sound, it is actually understanding how to manage losses and cope with losing runs that is so often the key to this business. Having the patience to outlast such deleterious sequences, and the willpower to resist chasing the losses, is the hardest part of gambling. Succeed here, and your chances of avoiding outright failure are greatly enhanced. Simply staying in the game is half the battle. If you aren't in it, you can't win it, regardless of any ability you have at beating the fixed odds bookmaker.