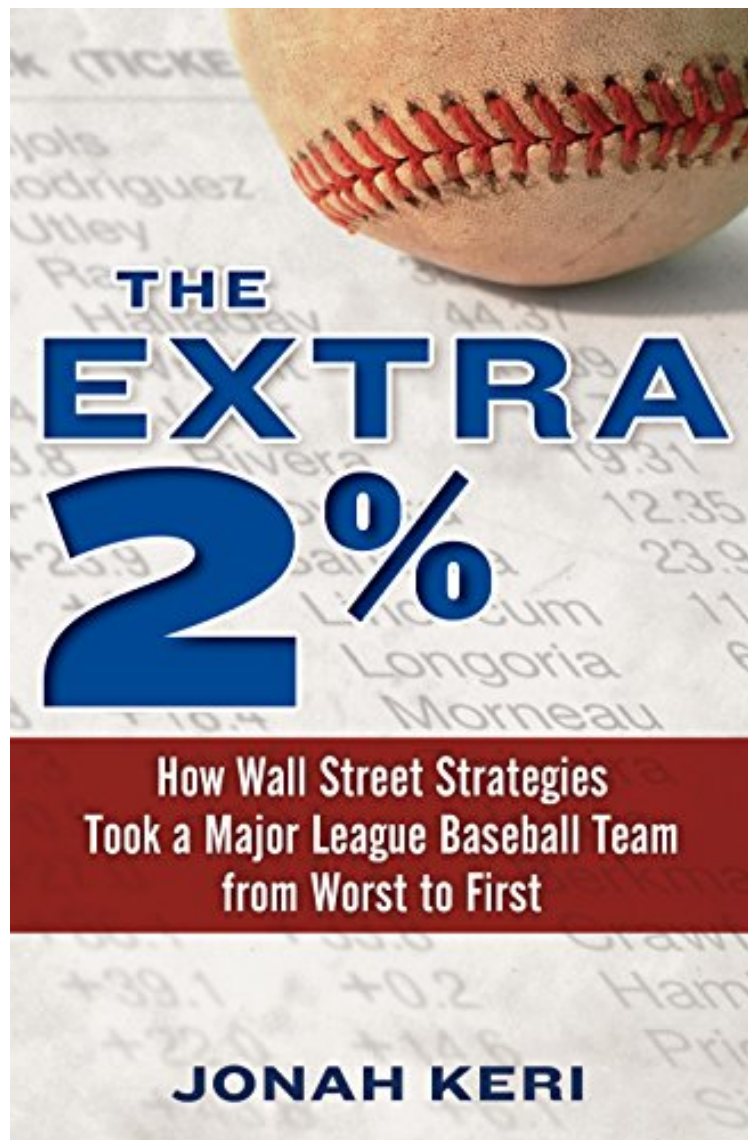


(Read now) The Extra 2%: How Wall Street Strategies Took a Major League Baseball Team from Worst to First First

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Jonah Keri

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Jonah Keri : The Extra 2%: How Wall Street Strategies Took a Major League Baseball Team from Worst to First First before purchasing it in order to gage whether or not it would be worth my time, and all praised The Extra 2%: How Wall Street Strategies Took a Major League Baseball Team from Worst to First First:

1 of 1 people found the following review helpful. What went rightBy WDX2BBBefore getting to the review of "The Extra 2%," here's a relevant story:I spent six years working for a professional sports franchise. There were good parts

and bad parts about it, and one of the good parts was the chance to see a sports team from up close. And in this case, I learned that there were reasons why this particular sports team was mediocre. The organization as a whole had something of a commitment to mediocrity at the time. There was lip service to winning it all, of course, but generally the entire organization didn't put winning at the top of its priorities. And the results showed it. Jonah Keri never worked for the Tampa Bay Devil Rays or Rays, but he did the next-best thing. He interviewed all sorts of people with connections to the franchise, past and present. That includes the decade that the franchise spent wandering in the proverbial desert, and the time after that when they finally reached the oasis of postseason play. The resulting book, "The Extra 2%," is a terrific look at what the world of major league baseball was like in 2011. The then-Devil Rays did just about everything wrong in those early years. It started with the original owner, Vince Naimoli, who knew all about stripping businesses and selling them off at a profit but who knew nothing about the unique aspects of the baseball business. The team went from an emphasis on experience to youth to experience, depending on the whims of the moment. Sometimes the spending was merely wasteful, sometimes the checkbook was firmly closed. Keri has great fun in talking with some of the veterans of those times. Even the team's first general manager reviews his mistakes and miscalculations with good humor and candor. Everyone will love the story about how a lone scout thought a prospect was worth a flier as a draft choice. When his opinion went unnoticed, he left ... and the player soon started a Hall of Fame career. (No spoilers here.) Finally, and mercifully, former Wall Street workers Stuart Sternberg and Matthew Silverman took control of the team in 2005. They accumulated smart people wherever they could find them, seemingly from a variety of walks of life. All of their work didn't produce results immediately, but the team eventually had a magical last-to-first season in 2008 that put the team in the World Series. The baseball business sure has changed in the last 20 years. Every team has a statistical department filled with people who probably could make huge money elsewhere if they weren't so busy having fun. Throw in the matter of regional sports networks, international scouting, stadium issues, and so on, and it's a complicated world. Sternberg and Silverman were looking for that extra two percent that would give them the edge over the competition, and they found it eventually. This could have been really dry material, but Keri works in real-life, first-person stories into the narrative. About the only part that drags a bit is a chapter that explains what the new ownership group did in financial circles -- but it's really necessary to the story. Keri is one of the smart people who used to work for Baseball Prospectus -- not that there aren't some bright folks there now. He's done a number of stories for a variety of publications about baseball and business. Keri knows his stuff, but he's also gone through a variety of sources -- from 175 interviews to checking out blogs and bloggers -- to find information. This was one of the best baseball books of its year. "The Extra 2%" is a superb case study about the baseball business. 1 of 1 people found the following review helpful. brilliantly uses a fun By Jonathan The Extra 2% is a charming book that touches on many aspects of business while being disguised as a true underdog story in the baseball world. The author, Jonah Keri, brilliantly uses a fun, light-hearted humor that allows for an interesting read while seamlessly switching back and forth between business and baseball. It would be difficult to read this book and not have a new appreciation for the Tampa Bay Rays and what the organization had to overcome to escape the mockery that came with treading the bottom of the American League East division for so long. The heart of this book is built around the detailed development of the main "players"; in this story which included the owners, executives, coaches and players and how putting the right people in the right places can dramatically change the overall culture of the organization and its surrounding community. It is apparent that it does not take an experienced sports mind to revive a baseball organization but someone who has the mindset that "Fortune Favors the Bold"; Jonah does an exceptional job of painting a clear picture of the failures that occurred within the organization and the steps new management underwent to take the Rays from "worst to first"; on and off the field. There are many lessons throughout the book that any business person, sports-related or not, should consider implementing in his or her organization. It is evident that some of those lessons are demonstrated through the Rays'; understanding of the importance of patience, sticking to their long-term vision, and trusting the process no matter what. These lessons became the foundation for many decisions and were effective more often than not despite much criticism. The Extra 2% teaches you how vital it is to properly use your competitive advantage and no one did that better than the Rays'; ownership. The idea behind finding the "extra 2%" (that little, but essential, edge on the competition) will always exist, in baseball as in business. By the time you finish this book you will find yourself wishing that the "new look"; Rays had won the 2008 World Series so that they could have pulled off the (almost) impossible Cinderella Story. 1 of 1 people found the following review helpful. So-So Book About a So-So Team By Lee Fink This is a decent effort about a decent team, but will really only be interesting to Rays fans and now Dodger fans, now that the Rays former GM is running the Dodger Front Office. This is no Moneyball. It's not a revolutionary look at a different way to play the game. Many of the successes of the new team leadership detailed in the book are really defined by in contrast to the Rays original owner, Vince Namoli, and can be summed up with three words: "Don't be stupid." A major league owner who nickels and dimes fans is going to be hated; one who does that with an expansion team will lose; one who signs washed up veterans and loses games will be mocked. All of this we have seen before and most callers to talk radio shows could basically do half the job, or more. The Rays faced special problems, including the presence of the Yankees (both in their division, and literally their market), but some of those

were neither the fault of the old owner, nor have they been fixed by the new owners. Indeed, the book while acknowledging some success by the old regime, ignores the fact that bad luck and choices that most good baseball people would make caused a good deal of the problems. By the same token, it seems to overly credit the new regime with moves, including draft picks, that the old regime made. It also gives great insight into Joe Maddon, a crucial part of the Rays success. But it ignores that Maddon's methods weren't Wall Street--they were simply basic principles of coaching and teaching. If other coaches run pointless drills during spring training while Maddon's practices teach players how to play better, this is not a 2% solution--it's just a failure of most major league managers, where college and minor league instructors succeed. In the end, the only central thesis that holds is that Namoli was a bad owner. Interestingly, this book may give insight to the Rays regime as they spread into the rest of baseball. And combined with recent moves, it will cause worries. Friedman applies Wall Street strategies, as the title implies, in order to succeed in a tough situation. How does that apply to the rest of baseball? Not well. Player arbitrage and the like don't really work for a fan base. Moneyball was about finding value where others did not. Its premise was how could Billy Beane replace three high-priced talents that left the As for free agency, and then gets into explaining the fundamental difference in approach that the As used, which has largely revolutionized how front offices have looked at the game. But, even while it was a literary starting point, it revealed a truth--even Billy Beane would have re-signed Jason Giambi and Johnny Damon if he'd had the resources. And successful acolytes of his with vast resources--like Theo Epstein in Boston--have done just that. Indeed, the book mentions that the Yankees Brian Cashman and his baseball operations department are just as talented as Friedman and his team, and points out that after missing the playoffs and losing the division to the Rays in 2008, they took a very defective strategy and went out and bought the best talent available, steamrolling to another world championship the next year. The book does not give any hint that Friedman would operate effectively in such a scenario, and when compared to his early moves with the Dodgers, including a pointless salary dump of their best hitter, it suggests that he does not get it. In the end, it may really be an example of modern Wall Street--hedge trade, arbitrage, but don't worry about real long-term value. The problem with that is that this was the Wall Street thinking when Steinberg, Sterner, and Friedman left the street for baseball, but just before that Wall Street thinking nearly destroyed the entire economy. A note on the writing itself. Like I said, the central argument of the book is overstated--the old regime not nearly so bad, and the new regime not nearly as good. But the writing also leaves something to be desired. Too many digressions within the writing--as if the writer had a good tidbit of information that he really wanted to tell you about, but not really on point. The style was sometimes awkward, making it necessary to re-read sentences or paragraphs. Maybe this was just being too clever. But the examples in the argument had problems. The same players and circumstances would be referenced multiple times, but sometimes for inconsistent reasons. Carlos Pena went from being smartly cast off, to being a lucky re-sign to plug a hole, to a star hitter at the core of the team, to being not a great player but a really good clubhouse presence. All of these were viewed as positive moves, but in the end, it is either evidence for inconsistent points about the new regime. Talented rookies were viewed as key players in re-establishing the Rays brand in Tampa and creating long-term connections with the community, but their trades two years later are labeled brilliant moves of baseball arbitrage.

What happens when three financial industry whiz kids and certified baseball nuts take over an ailing major league franchise and implement the same strategies that fueled their success on Wall Street? In the case of the 2008 Tampa Bay Rays, an American League championship happens--the culmination of one of the greatest turnarounds in baseball history. In *The Extra 2%*, financial journalist and sportswriter Jonah Keri chronicles the remarkable story of one team's Cinderella journey from divisional doormat to World Series contender. When former Goldman Sachs colleagues Stuart Sternberg and Matthew Silverman assumed control of the Tampa Bay Devil Rays in 2005, it looked as if they were buying the baseball equivalent of a penny stock. But the incoming regime came armed with a master plan: to leverage their skill at trading, valuation, and management to build a model twenty-first-century franchise that could compete with their bigger, stronger, richer rivals--and prevail. Together with "boy genius" general manager Andrew Friedman, the new Rays owners jettisoned the old ways of doing things, substituting their own innovative ideas about employee development, marketing and public relations, and personnel management. They exorcised the "devil" from the team's nickname, developed metrics that let them take advantage of undervalued aspects of the game, like defense, and hired a forward-thinking field manager as dedicated to unconventional strategy as they were. By quantifying the intangibles--that extra 2% that separates a winning organization from a losing one--they were able to deliver to Tampa Bay something that Billy Beane's "Moneyball" had never brought to Oakland: an American League pennant. A book about what happens when you apply your business skills to your life's passion, *The Extra 2%* is an informative and entertaining case study for any organization that wants to go from worst to first. From the Hardcover edition.