College of Business book review by AJ Grube

Title: "The Extra 2%: How Wall Street Strategies Took a Major League Baseball Team from

 Worst to First"

Author: Jonah Keri

Publisher: ESPN Books

Length: 253 pages

Price: $26.00 (hardback)

Reading time: 5 hours

Reading rating: 8 (1 = very difficult; 10 = very easy)

Overall rating: 4 (1 = average; 4 = outstanding)

Jonah Keri has cleared the bases with “The Extra 2%”. In his book, the author describes how the Tampa Bay Rays evolved from being the laughingstock of professional sports to serious contenders in Major League Baseball’s toughest division. However, beyond the worst-to-first story lies the unique account of what happens when three business executives with little experience in baseball apply “Wall Street strategies” to change a franchise and a sport.

The Rays’ recent success was in no small part due to the application of aggressive, strategic business principles to a sport that had traditionally hired executives with exponential baseball knowledge but little business knowledge. For ten years, the Tampa Bay Devil Rays averaged 97 losses per season and finished last nine out of ten times. The team’s executive leadership had extensive experience with scouting and player development. However, in efforts to cut expenses (for the benefit of an extra dollar of revenue), the executives sacrificed quality, morale, and community relations.

Keri describes three executives who changed the game of baseball. Andrew Friedman, Matt Silverman, and Stuart Sternberg had very little experience playing, coaching or scouting, baseball. Instead, all three had come from careers on Wall Street.

Friedman, currently the Executive Vice President of Baseball Operations, played baseball at Tulane University. He was hired in 2004 as the Director of Player Development, leaving a career at MidMark Capital.

Silverman, the team president, was just twenty six years old when he moved from a career at Goldman Sachs to work for the Rays. He had never played, scouted, coached, or managed for a professional baseball team.

Sternberg, who eventually took over as managing general partner of the Rays in 2005, had worked for Goldman Sachs before pursuing a career in private banking.

 Despite having non-traditional baseball backgrounds, all three knew how to identify a company with value and how to add value to a company. Further, all three men were passionate about baseball. The trio then applied their knowledge of business to almost every aspect of running the Tampa Bay Rays, starting with exorcising the “Devil” out of the team’s name. They changed traditional approaches to employee development, marketing, public relations, and personnel management – the intangibles of any business. The three even participated in the development of new metrics that would assist with achieving success on the diamond. Further, even the smallest transaction was viewed as being crucial to the success of the team. A series of small decisions made wisely would come together to build a successful organization. This focus provided Tampa Bay with the extra two percent, which made the difference in a losing team and a winning team.

While the Boston Red Sox and the New York Yankees will always have the advantages of larger markets and endless revenue streams, the Rays continue to demonstrate creative ways to apply new ideas for competitive gain. “The Extra 2%” is an entertaining and fascinating look at success that comes from the application of business principles to a sport organization. Further, it serves as an emphatic demonstration of success that happens when creative business ideas are nurtured and applied.

AJ Grube is an associate professor of sport management in the College of Business at Western Carolina University. Her interests include intercollegiate athletics, team cohesion, and Title IX. For previously reviewed books, visit us at our website at [www.wcu.edu/cob/](http://www.wcu.edu/cob/).