

Your running header should be a catchy 2 or 3 words less than 55 characters bringing out the spirit of the paper.

Moneyball Review – Strategic Metric and Team Dynamics

Northwestern University Predict 402 Section 55

**Abstract**

Abstract should be in a separate page and should not be more than 75 words. It gives the reader enough information precisely to decide correctly whether this document is the right document to continue reading.

Watching the “Moneyball (2011) movie, and summarizing helped me realize that managerial challenges may help find creative solutions, the importance of statistics in business, how business dynamics evolves and how it can be applied in real life. The movie is set in the 2002 season.

The guiding questions are to help you to go in the right direction and use them to develop right concepts and ideas but write the document as a freely flowing document, especially in upcoming assignments. You may use the key idea from the questions as section titles. For example, “Business Model”, or “Do or Die Budget” could be the first sub-title for the paragraph.

- 1. What drove the new business model?** Billy Beane, General Manager of the Oakland Athletics (A’s) of Major League Baseball (MLB), was faced with the challenge of replacing three of the team’s most talented players: Jason Giambi, Johnny Damon, and Jason Isringhausen. The three of whom were lured away by competing teams who could afford to pay higher salaries than the Oakland A’s. Initially, Beane attempted to receive additional funds from team ownership, but was unsuccessful. Early in the film, there is a scene where Beane is sitting with his collection of talent scouts attempting to explain to them that they need to focus on the “runt of the litter” (12m 50s) when it comes to having their pick from the draft. In a scene with the Cleveland Indians, Beane meets Peter Brand who explains his philosophy of hiring talent.
- 2. What strategy was developed in hiring and training under the new business model?** The team used statistics, to determine how many runs were needed to win enough

This is commonly missed in many writings. Every strategy has a strategic metric and you have to strictly follow that measure to achieve success. In Oakland A’s, everyone was hired, trained, fielded, and fired on the basis of whether that person supports the strategic metric or not

no longer evaluate players based on traditional statistics like Runs Batted In (RBI) and Batting Average (BA). Instead they would use more favorable statistics such as On Base Percentage (OBP). After all, the team would

not be capable of scoring the number of runs required if they did not have players who could get on base. Beane approached one specific player, Scott Hatteberg, about their need for a first baseman. This shocked Hatteberg, as he had only played the catcher position his entire career. Beane was not worried about any potential defensive shortcomings, as the statistics predicted that Hatteberg could supply the offensive production the team required.

- 3. How long did it take to start seeing results?** Initially, there was resistance from Art Howe, the team manager, to play the players who Beane and Brand had chosen. This resistance drove Beane to trade away the players who Howe was playing, forcing Howe to play the lineup that Beane and Brand’s statistics predicted would lead to

more wins. Shortly after this drastic move, the team began to win games, including an impressive streak of twenty straight wins, an American League record. From the year Peter Brand was hired to winning in 2002, it took little more than 3 years for Oakland A's to see the predicted winning situation. Analytics requires long term commitment.

This is commonly missed in many writings. This is also important when you build your team for an organization. It takes time to build the resources, alignment with strategies, and create solutions that are well suited bringing out the value of analytics.

**4. What team dynamics started happening**

resistance toward Beane and Brand's approach. Beane expressed his concerns in manner which got him fired. Fusion later went on a radio talk show to inform the public of Beane and Brand's approach during the early parts of the season when the team was not winning. After Beane traded away the players he did not want Howe playing, Howe proclaimed that Beane was "killing this team" (1h 21m). Once the team began winning, players and Howe began to work more as a team, and, I feel, began to realize that what Beane and Brand had done was working.

**5. Does this real life story bear truth in different industry verticals? Can analytics help redeem their company?**

I do believe that there is a great deal that different industries can learn from this "Moneyball" approach to using analytics to help develop better business strategy. Healthcare in particular could make use of analytics to improve everything from staffing to equipment stocking. In my work at the University of Michigan Health System, I have noticed that, for years, administrators have been attempting to solve the problem of under-utilized facilities such as operating rooms. The traditional approach currently in use is to produce reports which detail specific downtimes and which staff members may be responsible. With an analytic approach, they could use historical knowledge to evaluate data points such as operation run time, post-operation cleanup time, and staff member response time to better plan the operating room scheduling process.

It is elegant to see references starting in a new page. Use "APA" style in "References" section of the pull down menu in MS WORD. I see this in 2013 version

References

Lewis M., Chervin S., Sorkin A., Zailian S., Miller B. (2011). Moneyball

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