



**Reinvent Your Organization:
"We've Got to
Think Differently"**

REINVENT YOUR ORGANIZATION:

The story of the Oakland Athletics baseball team contains powerful lessons for business application. The story ignites inspiration to challenge yourself and your company to be exceptional. As Brad Pitt, who plays legendary Billy Beane, says in the movie, "We've got to think differently."

If you haven't already seen the movie or read the book, Moneyball, it is worth consideration. Not only does it have a great story of a general manager who had the courage to change the way he evaluated baseball players—his assets—based on data; but it also offers substantial insights on the use of analytics and how it can help in business. In essence, three key themes are prevalent in Moneyball that one should keep in mind. These three points provide the discussion about strategy in the following content. The themes are:

- 1 *Think differently and question everything as you look for inefficiencies.*
- 2 *Look beyond traditional metrics and find numbers that are better indicators of undervalued assets.*
- 3 *Ultimately, find value in your business.*

1. THINK... *differently*

When developing a new strategy, the primary action organizations need to execute is to *think differently* and *question everything* when looking for inefficiencies. Constant adaptation to the environment and continuous strategic planning is necessary for businesses and organizations. Particularly in the today's environment, change is absolutely essential to any business. Furthermore, building a differentiated edge is becoming increasingly difficult. Because of the current overflow of companies, the continual changing consumer preferences, the simplicity of finding resources of information, and the endless options for a company, firms must keep their businesses constantly moving and gaining value. Thus, practical and profound strategy must consider the effects of the changing environment, and it begins with thinking critically and differently. Re-examining everything is exactly how the Oakland A's found success.

Knowing something is not simply to have received information, but also to have interpreted it and related it to other knowledge. When Billy Beane decided a change was needed in the A's recruiting process, he turned to principles used on Wall Street. He would say, "The draft has never been anything but a [...] crapshoot. We take fifty guys and we celebrate if two of them make it. In what other business is two for fifty a success? If you did that in the stock market, you'd go broke." [Lewis 2003, p.17].

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Cross-examining different industries and taking lessons from wherever you can will lead to improvement and most likely innovation. This example is further explained by the reason Beane chose a Harvard economics graduate as his assistant rather than a baseball know-it-all. His assistant, DePodesta, simply brought a different and new perspective that scouts, who had been in the business for years, couldn't bring to the table. The character in the movie, Peter Brandt, is a fictional character based on DePodesta. Beane allowed DePodesta to be in the draft room when the draft room was generally for scouts and not assistant general managers. DePodesta could have easily made it on Wall Street, but he found the market of baseball players, as he viewed it, much more fascinating. The point is, the Oakland A's began thinking differently by relating economics to baseball and relating player statistics to recruitment—which, in turn, yielded greater success for the organization.

In business, we must also elaborate and question what we are told. Further, we must examine new information and relate it to other information. Doing so, will enable us to use knowledge to interpret new situations, to solve problems, to think, to reason, and essentially, to learn something that we didn't know before. Learn to use knowledge as a means, not an end.

2. LOOK...*beyond*

Secondly, look beyond traditional metrics and find numbers that are better indicators of undervalued assets to distinguish your business from others. In an interview of Billy Beane with Sports Analytics TV, Beane said, "I think the idea that you wouldn't use all the information available to you in any business, [then] I think you probably aren't taking advantage of all the things you can." Further, he emphasized the fact that there are certain key metrics involved in the success of business that can help you form a better decision-making process. Today, organizations have access to an enormous amount of data; in particular, data about the assets they use and maintain. Data and facts are meaningless if you don't interpret them and turn them into information. This information will transpire to help you make important decisions, improve processes, and ultimately produce cost savings.

The Oakland A's eventual success was a consequence of several factors, and looking beyond was certainly one of them. Their recruiting system was off and heavily driven by the scout's opinions. The revolution of their baseball team occurred when they stopped taking the conventional routes of recruiting players. Success occurred when they began to seek out numbers that were better indicators of undervalued assets, players. This concept is applicable to business as well. Getting to the root of the issues rather than constantly poking around on the surface will prove to be better for the long run in your business. This root-searching process can be achieved by using your resources and looking beyond traditional metrics; and, in turn, it will lead to success.

Again, **without interpretation, facts mean nothing**. Facts require context to possess full functionality and consequently, lead to understanding and growth in business. Interpreting facts is how we begin to develop knowledge about business. A company must develop an effective strategy that focuses on its assets, particularly on their relationship to different aspects of the organization utilizing these facts. These facts compose the elements about what defines success with a company, which is a crucial element to consider. If a company creates a strategy that embraces information and facts, then that company will develop connections that will go beyond profitability.

A business must use knowledge gained from looking beyond to interpret the issues in a new perspective to develop a strategy that will provide greater benefit for the long term.

3. FIND... *value*

Finding value in your business should be your central and final goal. Brainstorm it, pursue it, find it, and define it because value is ultimately what matters. Value is what you find when you think differently and look beyond. For the Oakland A's, value was players who in the past were unrecognized and unappreciated. By beginning to study statistics like on-base percentage and slugging percentage, they found players who got on base in simple ways. Consequently, they **won games**. You, too, can learn to win games.

Search for value in your business by looking at numbers that you don't usually pay attention to or measure. These numbers will allow you to operate your business more effectively and your employees to work more efficiently. Value can be found in other ways as well, such as in the experience of your customers or even your competitors. However, don't be deterred as you begin your quest for new metrics. Looking for undervalued assets often plays runner-up to the more glitzy pursuit of top line growth.

To find value, ask yourself what really drives my organization? Are there new ways to look at and evaluate information like the Oakland A's did? A CEO of a Fortune 500 company once said, "Companies care more about the widget they make than the resources and the assets that make the resources." In Moneyball, one can clearly see this with how they evaluated players. Traditionally, they only noticed players that looked a certain way, ran a certain speed, and swung a bat at a certain velocity, but in the end, these players were not successful. How true it is in business that **we are so focused on the traditional end results that we forget about the steps that get us there**. Finding value in your organization is about seeking out new answers and, yes, new questions.

"What these geek numbers show—no, prove—is that the traditional yardsticks of success for players and teams are fatally flawed. Even the box score misleads us by ignoring the crucial importance of the humble base-on-balls."

- Michael Lewis

SUMMARY

In Moneyball, Billy Bean set out in search of inefficiencies in the game, looking for, in essence, new baseball knowledge. He chose to look beyond traditional baseball recruiting methods and found exceptional value and success when he began to think differently.

The story of Moneyball not only transformed baseball but the world beyond; allow it to inspire a change for your organization as well.

Dive into your resources now to become more powerful by thinking differently, looking beyond traditional metrics, and discovering greater value.

If you are unsure of where to begin, start by reexamining everything, such as how you access and analyze data. Stop analyzing the same numbers over and over again, and find new numbers and new indicators to provide a clearer picture of your operation. Then, look beyond your current processes and consider a fresh approach to interpreting data that will, consequently, enable you to make better decisions—increasing efficiency, enhancing your customers' experience, and creating value.

Take a cue from Moneyball, and allow these three themes to transform your business. Examine your operation in a new light, and you will discover that a revolution in your company can be inspired by you.

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