

THE
ECONOMIC
CLUB OF
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On March 7th the Club was pleased to host Chicago Cubs Chairman and ECC board member Tom Ricketts at The Hilton Chicago Hotel for a Special Cubs World Series Celebration. After the presentation, Jay Levine moderated a conversation with Mr. Ricketts that featured questions texted in from the audience. After the program, attendees were invited to take a pictures with the World Series Commissioner's Trophy and eat ballpark food at a strolling buffet in the Grand Ballroom.

When the program opened for remarks, Mr. Ricketts was welcomed with a standing ovation from the over 900 members and guests in attendance. The Club presented a short compilation of video clips from a 2013 Club dinner program that featured both Tom Ricketts and Theo Epstein. During the dinner, the two shared their strategic framework for making the Chicago Cubs the best team in baseball with three goals: win a world series, preserve Wrigley Field, and be a good neighbor.

In achieving their first goal, they also became one of the most recognized sports team around the world. According to Mr. Ricketts, there were 50,000 stories, 62 billion impressions, and 18 million tweets about the Cubs World Series win.

"We were a better team than people even know," said Mr. Ricketts. "Obviously the best win percentage of the regular season. Aside from being third in runs per game, we were first in almost every category in baseball. In addition to being a fun offensive team, we're very much a defense minded team."

A far cry from the team he took on seven years ago.

"When we came in 2010, it was a very high payroll, it was a very old team, we didn't have a good record, we had a very bad farm system, we had the worst facilities in baseball, we had the longest drought in the history of sports," he said. "So when you add all of those up, that's a package not a lot of people go looking for."

Despite this fact, Mr. Ricketts, a lifelong fan of the team, took on the challenge of revitalizing the Cubs organization. The first step for meeting his high standards was bringing in great leadership, which he found in Theo Epstein, president of baseball operations, and Crane Kenney, president of business operations. From 2010 to 2016, the Cubs staff grew from 197 full-time employees to over 400.

A huge part of that expansion occurred in their scouting department, adding roughly 30 percent more scouts. According to Mr. Ricketts, since his last program at the Club,

Cubs scouts have driven roughly four million miles, flown 6.5 million miles, scouted 25,000 players and filed 75,000 reports resulting in the creation of over 2,500 player plans for people in the organization.

“So it’s not just about having more bodies, it’s about having those bodies work more effectively. And really, we’ve built one of the best scouting organizations in baseball,” he said.

One tenant of that scouting philosophy is finding players with good character, a welcomed addition to the search process.

“Before we draft a player we go deep into a player’s makeup, to understand what the player is all about. Will that player be accountable for their own development, will they take responsibility for what they’re trying to do and what they’re trying to accomplish as a player, and will that player be adaptable,” said Mr. Ricketts. “Baseball is a game of failure. You fail most of the time. When you start to get success you will start to fail again.”

Though again, Mr. Ricketts emphasized that the best team wouldn’t go anywhere without the outstanding leadership of Cubs Manager Joe Maddon. The presentation shared a clip of Mr. Maddon at a press conference on his first day in 2015 as manager of the Chicago Cubs, telling reporters that the team would win the World Series.

Ultimately, Mr. Ricketts attributes the success of the organization to the loyal Cubs fans.

“Had we not had this great fan base to basically, ride through these tough years together, we would never have got to this goal. When you have a great team, a great manager, and great fans, it leads to a great World Series,” he said.

After his remarks, Jay Levine asked questions of Mr. Ricketts, some texted in live from the audience.

View a selection of the questions and respective answers below:

Mr. Levine: Over the past 16 seasons, 11 different teams have won the World Series. What makes it so difficult to repeat?

Mr Ricketts: No matter how many games you win in the season, it doesn’t predict how far you’re going to go in the postseason. You have to be healthy, you have to be hot, you have to get the breaks. It’s not like the NBA or the NFL where the better team almost always wins. You really just have to get to that moment and hope that your guys show up and perform in those situations.

Mr. Levine: The Yankees and Dodgers have paid over \$200 million a year for players over the years, the Cubs aren't quite there yet. Do you have kind of a personal salary cap number that you do not want to go over?

Mr. Ricketts: No, that would also be news, Jay. So we're going to avoid that one. [LAUGHS] Basically baseball doesn't have a salary cap, but if you go over the salary threshold you end up paying taxes on that player. Hopefully we'll always have enough money to put great players on the field.

Mr. Levine: What is it going to take to keep Theo Epstein here? Do you think he'll be off to the next challenge?

Mr. Ricketts: For those who don't know, Theo just signed for 5 more years at the end of September. It's kind of funny, I went to see him during spring training in 2015 to try and see if he wanted to extend, and he said 'Oh, we'll talk about it later.' Then we met at spring training 2016, we went out to dinner, and I said 'don't pull out any of the graphs and of the data, I'm going to lose my negotiating leverage, but I think you're the best in baseball.' He said, 'Ok, that's great, now I'm going to lose all my negotiating leverage by telling you that no matter how much you pay me, I'm not leaving.' [LAUGHS] So that's how our negotiation began last year. So we got to the end of the year and basically then my goal was that he was the highest paid president in baseball because he deserves to be that.

Mr. Levine: Someone in the audience made the suggestion to keep him busy with the Bears in the offseason. [LAUGHS]

To see more of the interview, please view our [Speakers](#) page.