

Building and Sustaining a Winning Team

An Interview with Boston Red Sox President and CEO Sam Kennedy



SAM KENNEDY
PRESIDENT AND CEO
BOSTON RED SOX

The Boston Red Sox is one of the most storied franchises in baseball. It also is one of the most successful, having won nine World Series championships and playing in 13. Boston Red Sox President and CEO Sam Kennedy has had much to do with that success. Having grown up within walking distance of Fenway Park, Kennedy joined the Red Sox in 2002 after six years with the San Diego Padres. Sam has received a number of accolades during his time with the Red Sox, including *Boston Business Journal's* 40 under 40 Award and his induction into the *Sports Business Journal's* 40 under 40 Hall of Fame. This national honor placed him in the company of the most influential and creative young professionals in the business of sports. Spencer Stuart recently sat down with Kennedy to discuss what it takes to sustain high-performance over time, both on the field and in the back office. We discussed topics ranging from talent development to sustaining a winning culture.

Q: How do you identify next-generation top executive talent — in particular, how do you assess potential beyond just the raw intellect?

A: We favor a lean and flat organization, so we always look for candidates who are agile and adaptable. We often call on people to participate in projects that may be outside of their formal job description, and we like to have people in our front office who are imaginative and can easily adapt when tasked with events and projects they may not have encountered in their previous work history.

In addition to looking at leadership skills, we also look to how people perform their jobs. Those who exhibit our five tool player competencies — commitment, relationship building, judgment, driving success with people and achieving results — as well as our core values are people we want to focus on motivating, developing and retaining.

We also believe it's important to emphasize to all our employees how important their roles are to the greater organization. Just like on our roster, not every employee will be a Hall of Famer or an All-Star. However, each contributor has an enormous impact on the overall team. We take time to reward and honor those employees through awards, bonuses, experiences and personal thanks to ensure that they realize that their work is valued, important and an integral part of the success of the entire organization.

Q: How do you balance the development of next-generation talent with meeting today's performance objectives?

A: Our front office is filled with executives and managers whose work experience varies greatly. We have an entrepreneurial spirit in our culture, and we have several cross-functional committees where those interested in growing their skills and contributing to the organization outside of their day-to-day jobs can get involved. Participating in these committees is a great avenue not only for professional development, but also for employees to raise their visibility within the organization.

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One committee example is our Culture Club. This group is comprised of individuals who are interested in taking a leadership role to ensure that we continue to have an incredible work environment, one where people feel valued and excited to come to work each day.

Another example of how we use cross-functional groups to help provide professional development to our employees is the opportunity to help with special events that come to Fenway. This summer, the Liverpool Football Club tour is coming to the U.S. Fenway Sports Group acquired LFC in 2011. Our sister sports marketing company, Fenway Sports Management, will be promoting and operating LFC's American summer tour. There will be an opportunity for volunteers from throughout the organization to assist in this massive endeavor. These opportunities foster a greater sense of teamwork and provide employees meaningful development outside their daily job responsibilities.

Q: How do you decide when it is time to make a change involving an executive?

A: These are never easy decisions. We try and consider whether an employee continues to contribute to the club's success or whether they have become an obstacle to achieving it. We also weigh what the impact will be from making a particular move and how it will influence dynamics and our culture.

Q: How do you decide when to look "outside" for executive talent vs. using internally developed talent?

A: We have a talented group of executives internally who have been with the organization for quite some time. We try and complement that group with new, outside talent when openings become available to infuse fresh perspective and outside thinking. We are always proactively building a diverse and talented pipeline of candidates for future jobs. One way we are focused on this is by actively building a network with various local diverse organizations and nonprofits to create opportunities. This network has been a valuable

resource to not only meet future candidates but also for hiring into internships which often lead to longer-term roles within our organization.

Q: How did you all define the target culture when this ownership group took over? How, if at all, has this culture evolved over time?

A: From the outset, our ownership group made a series of commitments that they felt were fundamental obligations: consistently playing October baseball and winning World Series championships; preserving, protecting and enhancing Fenway Park; impacting the lives of New Englanders through our charitable endeavors; and developing and nurturing the next generation of Red Sox fans. Those commitments have remained largely consistent throughout the tenure of this ownership group and have provided the blueprint from which everything flows, including our culture and spirit.

Back in 2001, when John Henry, Tom Werner and Larry Lucchino took the reins of the organization, they established five commitments to the fans that ranged from baseball to marketing to the community. In 2015, we thought some of those commitments needed to change to keep up with the evolution of our baseball and business objectives.

We also thought it was important to establish a set of core values. These values center around open and honest communication and building a unified, inclusive and relentless organization that is focused on building meaningful relationships with our fans, players, partners and employees.

We talk a lot about "walking the walk" and making sure that we are holding ourselves accountable not just through communicating these principles but by putting them into action with meaningful employee programs. One example of this is our "race dialogues," which we hold monthly. After an ugly incident during a game in which a fan hurled a racial slur towards an opposing

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player, we began the race dialogues. These conversations are completely voluntary and bring together both full-time and gameday employees to talk about the impact of race in our culture and our country.

We believe that great ideas and strong culture comes from consistent collaboration and is not exclusively a human resources initiative. The concept of the race dialogues came about from our ballpark operations and ballpark entertainment departments working with human resources to identify ways to make forward progress in ensuring that our fans and employees alike find Fenway Park a welcoming and inclusive place for everyone.

Q: How do you periodically diagnose whether the culture you have is what you want it to be?

A: Communication has always important in our organization and we try and make sure we are doing as much listening as we do talking. That has taken the form of focus groups from fans and employees, meetings between players and executives, as well as internal dialogues on social issues that face our employees. We also implemented a tool that lets us anonymously poll employees on a variety of topics related to the culture and working environment. That has been useful in getting candid feedback.

From our first days at Fenway, we wanted to create an environment that minimized hierarchy and process and emphasized debate, communication and teamwork. As we have formalized this approach, we have tried to create ways in which disparate departments can work with one another on projects that are not in their department's purview. We asked for volunteers for our Culture Club, for example, and were blown away by how much interest there was — from all parts and levels of the organization. Once we established the group, we brainstormed ideas of what people would like to work on and that is where they key themes of wellness, social,

recognition and internal education emerged. Each committee has a team and a leader that meets on an ongoing basis and asks for resources as they have ideas.

Q: How do you transfer this culture to new players/coaches/executives as they join from the outside or grow up in the organization?

A: The first thing we always to try to do with new employees or players is to make them feel supported. When a player comes on board, we provide them with a number of resources that can help them and their families get acclimated to Boston and the team. For front office employees, we simply immerse them. We have a tradition at our quarterly company-wide meetings where every new employee is asked to sing their college fight song or answer a random question from a large fishbowl. The point is to break the ice and learn something about the new individual and set the tone for how things are done here. One of the things our Culture Club will prioritize this year is the onboarding process to ensure we are doing our best job in welcoming our new employees. We also have something called The Breakfast Club, where we invite new employees to an informal gathering with me and our head of HR for breakfast to meet people in other areas of the company, learn about the business, ask questions and provide feedback.

Q: What are the most important drivers and shapers of culture —positive and negative — in the organization?

A: People. Your culture is only as strong as the people you have within the organization.

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AUTHORS

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