

Written by Aryeh Rabinowitz
Monday, 01 September 2008 19:00



His career was a kaleidoscope of scouting great players and working for colorful organizations. Whether it was for the St. Louis Browns, Baltimore Orioles, Kansas City Athletics, or Cleveland Indians, Henry “Hank” Peters was an executive that had a keen eye for talent, which allowed him to be an active part of MLB from the ‘50’s through the ‘90s.

Peters worked the likes of Charlie Finley, Bill DeWitt, Gabe Paul, Edward Bennett Williams, Jerry Hoffberger, and Richard Jacobs.

Under his tenure, the Orioles won AL pennants in 1979 and 1983, as well as the 1983 World Series.

Some of the players he drafted define Hall of Fame. Rick Monday, Reggie Jackson and Cal Ripken, Jr. are but a handful of the greats Peters was involved in drafting.

And, Peters' work in baseball spanned the minors, as well. He was the sixth president in the history of the National Association of Professional Baseball Leagues from 1972 to 1975.

Though Peters retired in 1991, this interview shows he still has an extremely good grasp of how

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the position of GM functions now along with the business of baseball. We've interviewed the likes of [Buzzie Bavasi](#), [Bowie Kuhn](#) and [Fay Vincent](#), but with [Tal Smith](#) the possible exception, Peters is the executive that has a career that equally spanned MLB both before the era of free agency and afterward – a key market dynamic that many GMs could not adapt to.

In this far-reaching interview conducted by **Aryeh Rabinowitz**, Peters touches on how the role of general manager has changed, how he approached the amateur draft, the influence of Bill DeWitt and Jim McCloughlin, his hiring of Mark Shapiro, his work as president of the National Association of Professional Baseball Leagues (which became MiLB), how he views the work that Andy MacPhail and the Orioles have done this past season, and much, much more. –
Maury Brown

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Aryeh Rabinowitz for the Business of Sports Network: *Could you give me an overview of what a normal day is like as a general manager in Major League Baseball?*

Hank Peters: Well, there's the old general managers and there's the new. When I started out in the business – which we're going back quite a few years – a general manager was responsible not only for baseball operations, but for the entire business operation of a ball club. And, back then, your typical day was a lot different than it would be in today's era when the general manager of a ball club is pretty much only limited to taking care of the baseball matters. I think that probably what you'd like to talk about would not be yesterday, but would be today, and that would be, "What does a general manager do today who has nothing but the responsibility for baseball?"

I think that what I would find is he would come in to his office and he would always have a report of all the minor league games of affiliated clubs; not only the line scores, but the summaries that the field managers call in after each game to give you an idea of who did what and how they looked doing it, which is more important, perhaps, than what they actually did.

When you got through with that, why, of course, you'd have your normal correspondences that would be coming across your desk. You might have information that has piled up overnight in the form of a lot of e-mails maybe, waiver information from the Major League offices, and you

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would have to review of multitude of things that come under the heading of baseball operations.

Probably some time during that morning period you would have some conferences with your minor league club director regarding what was going on in the minor leagues. And depending on the time of the year you would have to be also conferring with your director of scouting in preparation for the free agent draft. And then, of course, depending on the time of the year, you've got a lot of reports coming in on other professional teams, both in the Major Leagues and the Minor Leagues, which requires a lot of time to read these things over and make a lot of notes for your own private information.

So that's kind of the way the day starts out now.

Bizball: *What are some of the responsibilities of a Major League general manager?*

"I was responsible for stadium operations, broadcasting, concessions, just about anything you can think of, in addition to the baseball operations."

Peters: To give you an idea, when I first joined the [Baltimore] Orioles, which was the fall of 1975, I was the General Manager and Executive Vice President. Those were my titles. I was responsible for stadium operations, broadcasting, concessions, just about anything you can think of, in addition to the baseball operations. Back then, a lot of my time had to be consumed by these other business matters because they required as much time of mine as anything else that I did. They were important because most of these things had a lot to do with the financial success of the ball club and the income that generated from these various sources. And, of course, there was also the expenditures that would be involved in operating the stadium and operating the ball club.

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Today, clubs have an executive vice president of business and an executive vice president and general manager. They're separate entities, the one taking care of all these business operations that I had to take care of years ago, and the other one taking care solely of the baseball [operations].

Bizball: *When you were a general manager, how were contract negotiations handled, and what role did the general manager play in those negotiations and signings?*

Peters: Of course, that again is something that changed in baseball. Back in 1976, when the free agency rules came in to the Major Leagues – where players would have the right at certain points in their career to become free agent players unless they signed with the club prior – that put a whole new dimension on contract negotiations.

“But back then, and we had a lot of stars on our ball club - Jim Palmer, Mike Cuellar, Brooks Robinson, and others - who were making at that time what was considered the astronomical figure of \$100,000. But that all went out the window as the 1976 season progressed and we started to get into the multiyear contracts.”

Back in 1976, which was the first year that free agency was in effect, you weren't really feeling the effects of free agency. The payroll for the entire 25-man roster of the Orioles was about \$1.5 million. Now, that's for 25 players, and today you don't get a utility infielder for \$1.5 million. But back then, and we had a lot of stars on our ball club – **Jim Palmer, Mike Cuellar, Brooks Robinson**, and others – who were making at that time what was considered the astronomical figure of \$100,000. But that all went

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That again was a whole new dimension for baseball. You always could have signed your players to multiyear contracts, but there wasn't any necessity to do so prior to '76. So, for the most part, players were signed on a yearly basis. Now, of course, your prime players are in a position to negotiate multiyear contracts at very favorable terms. I bet in most situations the general manager does the negotiating with the player's agent. I don't know of any Major League player today that would not have an agent who represents him in contract negotiations. [*Editor's note:* A

t least one current player, Curt Schilling of the Boston Red Sox, represents himself in contract negotiations.

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Back in 1976, the first year of free agency, when agents first started to show up on the scene, there were a little speckling prior to '76, but, for the most part, it wasn't very evident. But from '76 on, the agents became very prominent in baseball and they play a very prominent role today.

In terms of who handles the contract details like terms and conditions, that depends on the individual club, and how they prefer to operate. In my own situation – I retired in 1991 – I always handled the negotiations myself. I set the terms and sometimes I would turn the matters over to our club attorneys to draw up the contract and the language that might be appropriate for going into that contract. But the negotiations themselves, I handled. And I was responsible for the terms of the contract.

I think today, because of the magnitude of the contracts and the amounts that are involved, that probably a lot of clubs have a financial man that sits in with the general manager as the negotiations progress so he can monitor where they're going financially. After all, every club has a limit to how much they feel they can afford to spend on their player payroll. Somebody, maybe someone other than the general manager, has to monitor that. General managers are anxious to get the player under contract so they know they have him as a player. Financial people have to worry about where they're going to get the money to pay him.

Bizball: *How did you, as a general manager, handle the First-Year Player Draft of amateurs? How much did you rely on your department heads and scouts to do? Throughout the year how*

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much communication goes on between the GM and the scouts?

Peters: The primary function is carried out by your director of scouting and his staff. Most clubs probably employ anywhere from 20-30 scouts that cover the country and the Latin American countries. They submit all the reports that come in to the home office. Today, I think a lot of the clubs have given their scouting personnel computers and they are able to transmit the information immediately after they've seen a player via a computerized report. Years ago – believe me, there was a time when we didn't have computers – we had to rely on telephone messages and the mail to get the information in.

Again, it's kind of a progressive thing. High schools and colleges start playing, depending on where they're located, some time after the 1st of the year, which leads up to the draft in June. Within your scouting staff you have territorial scouts who have an assigned territory. Then you might have national cross-checkers. When the territorial scout reports that he has what he thinks is going to be a hot prospect – someone who could go in the first or second round – then the team office will send in one of the national cross-checkers to take a look at this player.

He is supposedly an expert judge of talent. Also, because he is a national cross-checker and going all over the country to look at the better talent, he's in the position to say, "This player in this territory is better than the one in this territory." When it comes time to prepare for the actual draft and you're trying to put the prospects in the order in which you'd want to select them, the national cross-checker plays a vital role. He's probably over any other personnel that you have and is the one who can compare player-to-player and can advise the scouting director and general manager who he thinks would be the prime prospect.

The scouting director is between the scouts and the general manager. The GM has scouts at his disposal who are what you would call professional scouts. We've got all these specialties today. It's like going to the doctor: They send you to somebody else. If you have professional scouts, they will concentrate almost all of their scouting activities on looking at the other Major League clubs and maybe their Triple-A and Double-A clubs so they can evaluate the talent. When deals come up, they have the ability to recommend to the general manager because they've seen all these players – people who would fit very well in your organization – and if you can get them into a deal, go ahead and do so.

For example, **Andy MacPhail's** deal with Seattle. [**Editor's Note:** This trade reference is to the February, 2008 deal in which Baltimore sent starter Eric Bedard to Seattle for reliever George

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Sherrill, touted outfield prospect Adam Jones, minor league reliever Kam Mickolio, and highly regarded pitching prospects Chris Tillman and Tony Butler.

] He got some players that were in the minor leagues and the Orioles' scouts last year, and maybe over the years, had followed these players. The professional scouts had recommended them and it was a deal where he could acquire them. So those are the scouts that report almost solely to the general manager. They might not report to the scouting director.

"In the draft itself there's a combination of decision makers. The director of scouting will make the calls but the general manager will be right at his elbow."

In the draft itself there's a combination of decision makers. The director of scouting will make the calls but the general manager will be right at his elbow. A lot of times there are factors that enter in to who you might want to select. Sometimes it could be the position of the player that's available to you, if he's not taken before your turn comes up. It might be a question of signability. Is he a high school kid who's had a lot of time to say, "No" if he's not interested in what you're going to propose? Also, who the player has retained as an agent. Is he a guy that you can deal with or is he a guy that is an unreasonable person to deal with? These are things that all have to be considered and the general manager and the scouting director have to work together.

One thing that we all have to understand about the operation of a ball club is the old saying "The buck stops here." The general manager is the guy who ultimately has to bear the responsibility if the club has made poor drafts over the years and is not acquiring the free agent talent that they should be.

Bizball: *When you were moving up the ranks from being a scout to becoming a general manager, was there any one person that helped you immensely? What was the most important advice you received from him? Also, what advice would you give someone like me, an avid baseball fan, who's interested in being involved in the business of baseball?*

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Peters: I started my baseball career so many years ago, in the Fall of 1946 with the old St. Louis Browns. They're no longer around, as you know, and they became the Baltimore Orioles in 1954. I was hired by **Bill DeWitt and Jim McCloughlin**, and over the years they were both instrumental in helping me get other jobs because when the Browns were moved to Baltimore I was out of a job. But I elected to try to stay in baseball. And over the years I changed jobs, changed clubs, but it lasted for 45 years, so I guess I have no complaints.

I don't know that there was any one particular piece of advice. I came along, fortunately, in an era when there were a lot of what you'd call the old-time, tobacco-chewing scouts around – baseball men. They taught me an awful lot. I was able to sit in on a lot of meetings and sessions where baseball would be talked and talked and talked and talked. You could just pick up helpful information that came in handy along the way. I think the one thing I did learn is never to get too high or too low about your ball club because you can over-evaluate or under-evaluate what you have when you do that.



Baseball is a business where a lot of young guys have been moving up the ladder very rapidly and becoming general managers. Most of them seem to have been well-grounded in what you might call business and computer operations. As an example, up in Cleveland, **Mark Shapiro** was the last guy that I hired when I retired. We hired him because he had expertise in computers (

[Read The Biz of Baseball interview with Mark Shapiro](#)

). This was in 1992, and we were just then really getting into the computerization of our scouting information and other facets of our business. We felt his work could really help us in that area, which he did. I then retired, so the rest is kind of history. But he did very well and he moved up the ladder in the Cleveland organization and eventually became the general manager [in 1992]. But his entry into baseball was the result of Mark looking like he had a lot going for him. He had knowledge in a field where we needed help. And the fact that I knew his dad, too. Ron Shapiro [a well-respected sports agent since the inception of free agency] is a heck of a guy.

Today I think that if you're going to try to become a general manager there's several things. First, you better have a deep love for the game of baseball because it's a very demanding business. It looks like a lot of glamor, but there's an awful lot of work involved, too, and some ungodly hours that you have to devote to your job. Also, I think they need to be well-grounded in

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the use of computers, electronic devices, and all the other things that are now coming into vogue.

I don't know that, as a means to break-in to the business, a law degree is a necessity. An MBA can't do you any harm. It just depends on how long it's going to take you to get it [laughing]. Like I said, you have to be literate in the areas I mentioned.

Bizball: *How did serving as President of the National Association of Baseball Leagues (Minor Leagues) for 4 years help your decision-making process as a general manager?*

Peters: When I was elected to that position I had been with the Cleveland Indians organization for about 7 or 8 years and there was no light at the end of the tunnel up there at that time. The ownership didn't have any money. Our budget was cut, not only in the area of player development, but scouting. It was kind of a disaster. I had a lot of people in baseball I knew in the Minor Leagues as well as the Major Leagues. The president of the Minor Leagues was Phil Piton and he was retiring. The position was open, they asked me to throw my hat in the ring, and I did. I was elected to that position. I think the first contract I had was for three years and then they renewed it for another five years, which I didn't complete. It turned out the job was very heavy in administration – settling disputes among players, clubs, and leagues – not a lot of challenges.

I had spent all of my career in the player end of Major League Baseball where the challenges lie. I ended up missing that. **Frank Cashen** was then the general manager of the Orioles, and **Jerry Hoffberger**, the president, wanted to bring him back into the National Brewing operations. Frank and I had known each other, so Frank called me to see if I'd be interested in taking over the Orioles job. I turned it down the first time because a lot of people had gone to bat for me to get me elected to that job [as president of the Minor Leagues].

After thinking about it for a year, I talked to Frank again and the job was mine if I wanted it, so I made the switch. Like I said, the presidency of the Minor Leagues, you'd expect you were the commissioner of the Minor Leagues, more or less, but that position boiled down to administrative work. I enjoy that, but not to the extent that I enjoyed running a ball club.

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Bizball: *How did winning two pennants ('79 and '83) and the 1983 World Series in Baltimore affect the fan base? Did it lead to higher team revenue?*

Peters: A lot of things happened. Looking back, I think the Orioles' top attendance was like 1.2 million people, which they'd only done one time [the Orioles drew 1.195 million fans in 1977]. I think we were averaging about 1 million fans a year at best. Back then, because of the lower payrolls, you could survive on that type of an attendance figure. But with the advent of free agency, and we knew the impact it was going to have on our Major League player payroll, you had to look ahead and say, "Where are we going to get some additional revenue because we can't live on what we have."

One of the things I found when I first came to Baltimore was we weren't doing anything down in the Washington, D.C. market. At that time Washington wasn't about Major League Baseball. The Senators had been moved to Texas and became the Texas Rangers. All I heard from the staff was, "They hate us down in Washington. They don't like baseball."

I accepted that for a year or two, but then I said, "We've got to crack that market. It's so many people to the south of us. If we go north we've got the Phillies. We go east we've got the ocean. We go west we've got the mountains. The only place there are people is south, or southwest, in the Washington-Virginia area. Our games were being carried on about a 50-watt station in Washington. I can't even tell you their call letters. Al Harrison, who was our director of business affairs, he and I went down to Washington and we paid \$7,500 to have a station carry our games. Doesn't sound like a lot, and it isn't a lot in today's dollars, but back then it was a major, major thing to do. But we got a foot in the door down there.

We hired some people to go down there and canvas there, sell tickets and promotions, and generally started to break in. Of course, we also changed our flagship stations in Baltimore. We left Channel 13 and went to Channel 2. And we went over to [AM station] WFBR and went on the air and they really promoted the hell out of us. Then we did a lot of other things: we introduced the bird [mascot], got [announcer] Rex Barney saying "Give that fan a contract!" But most of all, we had exciting teams, a lot of come-from-behind victories, dramatic victories.

We brought in **Jon Miller** as an announcer, who has no peer in the business. All of a sudden Bill Hagey shows up and things start to break. [*Editor's Note: "Wild" Bill Hagey was a fan in the late 1970's and early 80's famous for starting O-R-I-O-L-E-S chants from the upper deck.*]

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] We introduced 3-buck night and started to fill that upper deck with a lot of young people who came out and guzzled beer and rooted for the Orioles. Things took off. Next thing we knew we drew a million-and-a-half people and after that attendance just kept climbing year after year.

And Washington, of course, became a very important area, as did northern Virginia, for Orioles attendance. We really marketed down there. And with Ed Williams, who was a Washingtonian and part owner of the Orioles, we did even more down there because he was well-connected. We opened a store.

All those things have probably changed today. I don't imagine that's going on, particularly now that they have their own ball club in Washington. These things all had a very big impact on how the attendance took off there in Baltimore.

Bizball: *Looking at Andy MacPhail's moves since he has become GM of the Orioles, how do you think his decisions have affected the organization in the short term and long term?*

Peters: I haven't followed things, and I don't follow things as closely as a lot of people, but I think they've been a very pleasant surprise on the field this year. Certainly, some of the talent that Andy acquired in two major deals he made have given the Orioles a much better look, not only for this year but for the future.

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"I think Andy [MacPhail] is kind of from the old school, too, and recognizes that you're not going to be a good ball club until you have a good, productive farm system. And this is something that the Orioles sadly neglected for quite a number of years."



Edward Bennett Williams

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"You can't have a club like the Yankees with a \$200 million payroll and down in Miami, Florida they've got a \$25 million payroll. Somewhere, something's wrong."