

# ST. LOUIS TRUST

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## The Dewitt Family and Its Baseball DNA

It is a sad commentary that it is rare for the St. Louis Post Dispatch to publish something positive about a leading St. Louis business. But last Sunday, March 20th, the SLPD did just that! The title of the article is “Dewitt Era is 20—And Going Strong” and was sub-titled “Family Business is Baseball”. It appeared on the front page of the paper, not the sports page, above the fold. If you haven’t read it, you should—baseball fan or not—it is really inspiring.

The thesis of the article is that St. Louis is so fortunate to have the current ownership group we have for the St. Louis Cardinals. They are an iconic sports team, now brand, if there ever was one. The team is predominantly owned by a civically minded group of St. Louis families, led by Bill DeWitt Jr. The current President of the Cardinals is Bill DeWitt III, Bill Jr.’s son. The article recounts the events leading up to the 1996 purchase of the ball club by this group and their remarkable success on the field and off. The off the field success is best captured by the stat that the value of the team has risen to over \$1 billion per a recent Forbes estimate, compared to an initial purchase price of \$150 million. Quite remarkable.

What really caught my attention in the article is the family history of the DeWitt’s and how baseball, particularly major league baseball, has been part of their lives for three generations (about 100 years). Bill DeWitt Sr.’s, Bill Jr.’s dad, first involvement in the game was in 1916 when he was employed as a soda and popcorn vendor for the Cardinals. He was promoted in due course up to an assistant and advisor to baseball’s legendary visionary Branch Rickey. He next joined the St. Louis Browns of the American League and ended up as majority owner of the Club. Other stops included senior positions with the New York Yankees (where he signed Mickey Mantle) and the Detroit Tigers. In the early 60s, he became the GM and ultimately the owner of the Cincinnati Reds. He finished his remarkable career as chairman of the Chicago White Sox.

Bill Jr. served as a bat boy while his father was with the Browns and was a key participant in one of the most famous pinch hitter coaching moves in the history of the game. As bat boy, he loaned Eddie Gaedel, a 3-foot 7-inch hitter, his jersey so he could be sent to the plate to take a walk... imagine finding that strike zone! After his father died, Bill Jr. made a run at buying the Cincinnati Reds and became part of the ownership group for the Texas Rangers with his college friend, future President George W. Bush. He next tried to acquire the Baltimore Orioles but was foiled in a competitive auction in a bankruptcy proceeding. In 1996, he rose to the challenge when the Cardinals became available and led the group to acquire the team.

This is not the typical family business story. There was no inheriting of a baseball club. Each generation made its own way in the baseball business and passed on that knowledge or legacy to the next generation by their actions and deeds. Both Bill Jr. and Bill III joined their respective fathers in the business, but it was their choice and not something foisted on them. They loved the game and wanted to be in the business. Both Bill Jr. and Bill III had successful careers outside of baseball before they did. All three DeWitt’s had or have an ownership group to which they are responsible—there is no free riding on the reputation or status of a senior family member. All three

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rose to their ultimate positions on merit and would not have had it any other way.

The Post-Dispatch article brought to mind the importance of “Family DNA”, one of the more interesting concepts in the academic field of Family Business. This excerpt from a book about high performing businesses, family and non-family, describes the concept:

“Every business carries the DNA of its founder. When management, governance, and/or ownership of a business passes from founders to strangers, the DNA is diluted. In animals, the DNA dilution strengthens the strain, often creating exotic beauty and less susceptibility to genetic diseases. This happens with business DNA as well. It’s hard to imagine stronger DNA sets of founder’s DNA than Thomas Alva Edison’s. Yet who can doubt the company he founded, now GE, hasn’t gained strength through decades of DNA dilution. “However, when each founder passes on his company to his family, both the nature and the extent of each dilution is different. The effect is dependent not only on the founder and the successors in the business but also on the founder’s family who are not in the business. That is not to say it is better or worse, but it is certainly more complicated. Therefore, [the study of] family businesses [is] best treated separately [from the study of non-family businesses].”

*Shefsky, Invent, Reinvent and Thrive: The Keys to Success for Any Start-Up, Entrepreneur, or Family Business (2014).*

I thought about this statement in light of the DeWitt family baseball story, especially as it continues to evolve. The DeWitt’s are a great example of a very high-quality DNA strain being passed down across generations. As St. Louisans, we are so fortunate that their particular DNA strain has not been diluted. It is to say that it is better.

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