

### Did the Red Sox blow it with Jon Lester?

Late last night (or early in the morning on the East Coast), the news hit Red Sox nation like a 2x4 to the gut: longtime ace starting pitcher Jon Lester had jilted the Fenway faithful by signing a 6-year, \$155 million contract with baseball's loveable losers, the Chicago Cubs. Forget for a moment that Lester was no longer a member of the Sox (they traded him to the Oakland A's for slugger Yoenis Cespedes on July 31<sup>st</sup>). Forget for a moment that it took a contract that was the 5<sup>th</sup> biggest ever for a pitcher to lure Lester from Boston, errrr, Oakland. And forget for a moment that the \$25.8 million annual average value of the deal is the 2<sup>nd</sup> highest for a pitcher in the history of baseball, 2<sup>nd</sup> only to three-time Cy Young Award winner Clayton Kershaw.

Forget all of that. The Boston Red Sox don't play 2<sup>nd</sup> fiddle to anybody, right. When they really want somebody, they get him. Except when they don't.

Flashback to six years ago, when the New York Yankees outbid the BoSox and inked first baseman Mark Teixeira to an 8-year, \$180 million contract. That worked out well for four years (including and especially during the 2009 title run) but Tex's \$22.5 million annual salary is now one of many financial albatrosses across the necks of the Bombers' brass. The other biggest Bronx financial bummer is the \$61 million that is still owed to Alex Rodriguez. Remember, the Yankees outmaneuvered the Sox on A-Rod too, acquiring the man who was at the time reigning MVP from Texas in the 2003-2004 off-season when the Sox thought they had a deal trading Manny Ramirez for Rodriguez. Despite Manny's habits of being Manny, I would say that that no-trade worked out pretty well for Boston, two World Series titles later and no A-Rod drama.

So the question here is, how badly did the Red Sox blow it with Jon Lester? The conventional wisdom is that they did. Months after Lester's spectacular performance in the Championship postseason of 2013, the durable lefthander uttered words that most likely gave his agents a profound case of nausea: he told the media the truth. Lester said that he liked playing in Boston, he said that he wanted to stay in Boston, that he would be willing to give a "hometown discount" and acknowledged that he wouldn't get the same kind of contract when negotiating with only one team as he would as a free agent.

The Red Sox bean-counters, never ones to look a gift workhorse in the mouth, took the "hometown discount" and offered him a four-year contract worth \$70 million. Not chump change for you and me, but it looked really weak coming just weeks after the Cincinnati Reds signed the immortal Homer Bailey (owner at the time of a career ERA of 4.25 around his two no-hitters) to a 6-year contract for \$105 million. Lester and his agents politely said "no thank you very much" and reportedly never made a counter offer, obviously feeling that the initial offer was so far below his market value that further discussions would not be productive. Good move for the Lester great grandchildren's college funds, I would say.

So, again, how outrageous was the \$70 million low-ball offer? Again, we have to remember that this is a ton of money but the economics of the game of baseball dictate salary values that are beyond normal comprehension.

Since many in the media used the Bailey contract as the example of how insulting the Lester offer was, let's look more deeply into it. Let's actually compare Homer Bailey and Jon Lester, not regarding their entire careers but regarding their most recent performances. Forget for a moment Lester's post-season performance: how did Bailey and Lester do in the previous regular season?

<u>2013</u>	<u>W-L</u>	<u>ERA</u>	<u>IP</u>	<u>SO</u>	<u>BB</u>	<u>WHIP</u> (walks + hits per 9 innings)
Jon Lester	15-8	3.75	213.1	177	67	1.294
Homer Bailey	11-12	3.49	209	199	54	1.124

Bailey's numbers were actually a bit better. Now what if you compare a two-year sample size? Lester looks even worse when you factor in his miserable 2012 campaign, when he logged an ERA of 4.82 with a 9-14 record, doing his part to contribute to the misery of the Bobby Valentine year.

<u>2012-2013</u>	<u>W-L</u>	<u>ERA</u>	<u>IP</u>	<u>SO</u>	<u>BB</u>	<u>WHIP</u>
Jon Lester	24-22	4.28	418.2	343	135	1.338
Homer Bailey	24-22	3.58	417	367	106	1.182

Now consider this: Homer Bailey is 2 years younger than Jon Lester so his 6-year contract is designed to take him through his age 34 season; a four-year contract would Lester would have done the same. Bailey's contract had an annual average value of \$17.5 million. Lester's would have had the same, the only difference being the number of years.

Now there is a massive "BUT" here, and that's that Lester was one of the key contributors to the 2013 title, compiling a 4-1 record with a 1.56 ERA and clearly Lester and his agents felt that should be rewarded.

Still, take a look at this chart: this shows Lester's final 15 starts of 2013 (including the post-season) compared to his previous 60 starts. Those 60 starts include the first 23 starts of 2013 (in which he had a 4.52 ERA), all of 2012 and also the final 4 starts of the historic 2011 September collapse, in which he went 0-3 with a 8.24 ERA and a bucket of chicken wings.

<u>Jon Lester Comparison</u>	<u>W-L</u>	<u>ERA</u>	<u>IP</u>	<u>SO</u>	<u>BB</u>	<u>WHIP</u>
Last 15 starts '13 (incl. post)	9-3	1.98	104.2	81	28	1.099
Previous 60 career starts	15-24	4.89	368.1	306	127	1.404

Does it seem unreasonable that the Red Sox would offer a mere \$70 million when you look at both the last 15 starts of 2013 but also the previous 60 starts? Was it unreasonable for them to worry that perhaps the end of 2013 was just a great hot stretch and that he would regress to something in between that fantastic run and what he had done previously?

Ultimately, just like Max Scherzer bet that his 2013 Cy Young season represented his true worth when he turned down a truly legitimate offer of 6 years and \$144 million, Lester bet that his 15-game performance at the end of 2013 was the true measure of his worth. As it turned out, he was right. He posted a fantastic season in 2014 (split between Boston and Oakland) and parlayed it into \$155 million and the Red Sox fans, his former teammates, and the team's management can either cry about the spilt milk or move onto Plans B through Z.

Boston's reported final offer of \$135 million for 6 years was very fair and probably an overpay for a pitcher who will turn 31 years old in January. They simply got outbid by their former GM Theo Epstein, who no doubt sold Lester on having the chance to make history by contributing to the Cubs' first World Series title since the final year of the Teddy Roosevelt administration (1908). And the extra \$20 million probably didn't hurt either.

The Red Sox will be fine. They have the \$135 million that they didn't spend on Lester, a surplus of quality outfielders and a farm system teeming with desirable prospects so GM Ben Cherington will be able to make trades to rebuild their starting rotation. They won't get a pitcher of Lester's caliber but they'll get some solid arms and have enough young nearly-major-league-ready starting pitchers that one may break through and emerge as their ace of the future.