



Chart I

gummed labels of which billions are used. Here are sealing waxes and crepe papers showing wide variety of colors and uses, with some few products which are made from the crepe paper such as napkins and paper covers. Here are Christmas and Hallowe'en seals and tags showing an application of the tag and label ideas in a direction that was an outgrowth of simpler forms after they had been in use for very many years. Here are sample pieces of cover paper as used by the Box Division where fine boxes are made for the jeweler and other high-class trades, and here also is a ring case made of fine leather which shows still another extreme angle of our many-sided business.

Most of these items are carried in stock in some form or other, and many thousands of other styles are made to order. Our 300 odd salesmen call on many classes of trade, of which the principal ones are: First, the dealers, such as stationers who buy our goods to sell again. These are the people to whom you would go if you wanted a small box of gummed labels or other Dennison item. Second, the consumers, the people who buy our goods to use. These include the jewelers who buy our boxes and cases in which to deliver their pieces of jewelry, the railroads and industrial institutions that buy our tags and labels for many purposes, and the vast bulk of merchants of whatever class who have occasion to use some of the many products which we manufacture.

It is quite easy to see that we have an intimate contact with the people who are actually using our goods. Not only do our several hundred salesmen keep us posted on anything new which they are able

to think up, but we also have four retail stores in the largest cities of the country and from them we are able to get the point of view of the ultimate consumer in a much more intimate way than would be possible if we had to depend on the dealers' clerks. Our lines prosper as we keep ahead of the crowd. A suggestion, given while some woman is using our crepe paper in the fashioning of a paper hat, may easily be very much more to the point than a multitude of similar suggestions coming through a less intimate contact. This contact, which has made our crepe paper work possible and which has been the means of decorating a vast number of people and articles with items made from sealing wax, is constantly bringing new uses for old items or suggesting a totally new merchandise.

A simple chart of our organization (Chart I) will show the place of the merchandise managers, and this is the point of view from which this subject is being discussed. Our merchandise managers assume part of the duties which are ordinarily associated with sales managers. The other part of those duties is with us assumed by the general sales managers. The merchandise men have direct charge of the creation, production and sale of merchandise as such. Insofar as this same merchandise may require to be sold by salesmen, the general sales managers assume control of the salesmen, their traveling plans, etc., concerning themselves mainly with the dollars and cents aspect of sale rather than with the merchandise aspect. This plan allows our merchandise managers to give their undivided attention to the merchandise without having to concern themselves with problems of personnel.

						1922						1923		
						DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.		
ITEM														
						SCHEDULE								
						PRODUCTION								
						TOTAL								
						SALES 1923								
						TOTAL								
						SALES 1922								
						AVAILABLE								
						BACK ORDER								

Chart II. Drawing of Section of Schedule Sheet

A few comments on our selling policies will help you understand the actual budgets when we come to them. We plan on a definite expansion of a certain per cent each year. In order to bolster sales in times of depression we try to launch new merchandise. When sales are easy we withhold the new ideas to save them for a time of greater sales resistance. We try to keep a reservoir of ideas so that a comparatively quick change in the general business conditions may be met from this reservoir. When sales lag in good times we put on extra efforts, perhaps conduct a sales campaign on certain items for which we have quite large facilities, or stage some variation of a selling campaign with dollars and cents sales as the predominating factor. Our salesmen are sufficiently keen so that we secure a very good amount of cooperation in such campaigns, as is proven to our satisfaction by a recent sales effort which in a limited amount of time gave us orders for 100,000,000 extra gummed labels of a certain variety. We try to anticipate the dull times by developing new merchandise for those times and also by developing salesmen. This last method is quite the opposite of that adopted by a great many concerns which try to add salesmen during good times when business is easy to get, and let their salesmen go during the dull times when business is hard to get. By following the opposite rule we are able to go into a dull time with a staff of salesmen who have been particularly trained to anticipate an abnormal amount of sales resistance. During the early months of 1920, at which time we were

obliged to withdraw practically all of our salesmen because of an oversold condition of our factory, we correctly anticipated the business depression of late 1920 and early 1921, and in the Spring of 1920 added several dozens of new salesmen to our force and had them spend several months under the guidance of our senior salesmen in preparing themselves for the time which we felt sure was not far away when we would require every possible sale that could be made. As a result of this anticipation the depression which struck the company during the latter part of 1920 found us with an augmented and a trained sales force and we went through that year with an employment roll which at its lowest was a fraction over 96 per cent of normal.

With this background we believe that you can more easily understand the actual budgeting of our sales and products and may also grasp the technique of scheduling of items quite easily. We should emphasize the point that men of the selling organizations are directly in charge of our factory production and that this production is reviewed at least monthly, if not oftener. The schedule sheets (Chart II) will show you the mechanics and you should particularly notice the amount of information which is available to the one doing this scheduling. For each item in our line we have the sales by months of the previous year plus the estimate for this year; plus the sales per month and the total sales for this year; plus the production by months and the total production for this year. There is also