

those who wish a summary of the principles and methods of management. It is readable, thoroughly understandable, and the illustrations are well chosen. The ideal is well tempered by the practical and even though in many instances the author has refrained from stating convictions or conclusions he has indicated the facts so that one is usually well able to draw wise conclusions for himself.

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The Handbook of Sales Management. By S. Ronald Hall, McGraw-Hill Book Company, Inc., New York, 1924, pp. ix, 995.

In the introduction of S. Ronald Hall's "The Handbook of Sales Management" we are told that the author and the publishers came to the conclusion, before a page of this book was written, that the demand today is for a volume that not merely defines sound principles of salesmanship and salesmanagement but reviews how these principles have been applied and what the results of the experiences of hundreds of successful sales organizations have been.

There is growing conviction that modern business is beginning to sense the imperative necessity for a scientific organization of all selling effort. Business organization is motivated by the idea of constantly increased sales at a profit. To make sales and to earn satisfactory dividends has come to mean that selling administration has selected wise business policies backed by an efficient sales organization.

S. Ronald Hall in this his newest book senses the fact that a new technique of selling is in the making. Hence, he proceeds to marshal experience after experience to show what fundamental principles are at work.

Authors of books whose effort is to compile the experiences of manifold business concerns under given classifications represent a certain type of evolutionary thinking in relation to the development of the subject which they represent. Their books envisage concrete after concrete example in an effort to search for an underlying principle or an economic theory explanatory of the question at issue. The fact of the manifold presentation of examples indicates a search, after greater light in justification of the issue in question. From a student point of view this method of presentation seems to many of us unsatisfactory. It means that the author is himself searching for a larger comprehension of the economic laws pertaining to the questions at issue. He is—if you please—assimilating the points at issue in an effort to establish fundamental economic laws in relation to future practice. It is a concrete method of presentation which often confuses as much as it enlightens. It is suggestive of the truth to come, but it does not establish right principles for immediate action.

That we may see the limitations of this method of presentation, let me cite the typical method of developing the thought at issue under the caption "Advertising Appropriations and Budgets." Let us analyze the appropriation discussion. "A vote taken some years ago among large

advertisers showed that 50 per cent of national concerns base their advertising appropriation on sales, taking the previous year's total in calculating the proportion.

"A review of the expenditures of nearly one hundred advertisers showed the largest number ranging from 2 per cent to 10 per cent, the average falling between 5 per cent and 6 per cent. These concerns were all manufacturers or large scale agencies such as importers or jobbers.

"In studying these figures it was observed that the percentages for different years varied greatly. The percentage in one case for a period of nine to 10 years might be 3 to 4 per cent of the amount of gross sales, whereas the percentage in one year might run as high as 10 per cent."

Mr. Hall has dealt in generalities and has given us no deep and fundamental laws or principles based upon the law of average broad enough to be dependable.

Moreover, there is no discussion of the scientific aspects based upon thoroughly established psychological factors. A thorough understanding of crowd psychology and its established concepts is an indispensable part of the discussion of any advertising appropriation. Any other effort to get at its solution is inadequate. Just as physics and chemistry have unlocked the door to a large scale production so the fundamental concepts of the humanistic sciences are the determining factors in establishing the costs of human appeal. Of course the economic aspect of profit is ever in mind. It is the intangible factor of human behavior which so many practical men are wont to call theory. But the march of progress goes on, and increasingly it is coming to pass that the technique of science in relation to merchandising is becoming the basis of advertising values.

These values have been fundamentally worked out in the laboratory. The field research, is to be characterized as merchandising. If advertising is to be effective it is to be effective in relation to the structure of the human mind in relation to the message to be got over. If we are to take chances as to method in getting at principles for future advertising policy, the truth would logically seem to lie in the direction of the humanistic and economic expert in relation to human appeal. Our future technique will then be based on a structural concept of the individual as well as society at large. Our present method as exemplified in "The Handbook of Sales Management" is an assembly of experience experimental in content. The driving force of science, the law of average, and fundamental economic laws have not been utilized to lend conviction as to the fundamental principle at issue. Consequently there is a lack of security as to just the right method to pursue with respect to the future.

The truth of modern advertising efforts is to be discovered in the laws of mind. Costs are to be reckoned as percentage of anything only as they reflect a scientific program in accord with the structure of our minds to get over the message intended. Information and description of all the factors involved go without saying. Science and the fundamental laws of economics give us the only valid explanation of our problem in advertising.

The pressure of modern business is for policies in accord with maximum profits. A new man is rising. To my mind

his method is in direct contradiction to the present one of assembled empiricism. The struggle is on.

In other words, books of the nature of "The Handbook of Sales Management" are what the subject indicates. They are suggestive in that they show experience up to date with an effort to get at economic principles. Books of this nature are invaluable to those who are so dispositioned that they need the authority of others concretely visualized before acting at all. But to the mind capacitated to think in terms of principle and science the book becomes too cumbersome. The "new kind of salesmanship" mentioned in the introduction of the book seems to many of us to demand a more fundamental conception of the philosophy and modern sciences back of modern selling effort. To my mind, S. Ronald Hall's "The Handbook of Sales Management" will do much to lead the concretist to the place where he will be forced to recognize the necessity for more fundamental concepts back of modern business organization. Thus books of this nature represent the transitional stage in which a subject and author find themselves.

To those whose grasp of economic principles is fundamental and whose sciences are definable into a technique for the "newer sales management," the innumerable charts and diagrams afford valuable informative and descriptive matter. These charts become exceedingly valuable in illustrating to doubting Thomases the more fundamental principles at issue.

The chapter headings are most comprehensive in their analysis of different aspects of sales management. Just as comprehensive are the kind and number of concerns in the United States which out of the richness of their classifiable experience are willing to pass the information on to others. Business managers will often be able to compare their own experiences with others. At this point, however, criticism might be made in that many businesses are not comparable.

Coming writers whose emphasis is for a text reduced to pure principle will find this book an invaluable aid in helping them to evaluate and to correlate fundamental principles in this newly developing field.

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Textbook of Industrial Cost Accounting. By Paul M. Atkins, McGraw-Hill Book Company, Inc., New York, 1924, pp. 396.

There is a great deal to be said in favor of the "Textbook of Industrial Cost Accounting," by Paul M. Atkins.

The arrangement of the material of the book is excellent. The principal problems of cost accounting are taken up in the order in which they must ordinarily be considered in the case of an actual cost installation. This excellent arrangement of material, supported by the thorough treatment that is given to the cost problems usually incurred in practice, make the book a valuable contribution to the work of practical costing as well as to the work of classroom instruction for which, according to the preface, the book was primarily intended.

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At the end of each chapter there is a series of review questions which might be used to good advantage for the purpose of classroom discussion. In connection with these review questions the author has also outlined practical exercises in which the student is directed to apply the theories advanced by the chapter to the problems of some manufacturing concern with which he is familiar.

Throughout the work the author stresses the important fact that accounting is simply a means, a statistical means, to the great end of useful management information. As he says, "At all times it should be remembered that this department (cost department) is a service department and that the only reason for its existence is the aid which it can give to the operation of the business." He also makes it clear that the starting point of any successful cost system is a thorough understanding of the problems—manufacturing, selling, and administrative—of the enterprise to which the system is to be applied. The dangerous tendency of practical accountants, involved as they are with statistical detail, is to come to look upon accounting as a mathematical refinement that bears only an incidental relationship to the actual work of producing and selling merchandise. Although the efficiency of accounting forms and methods requires a great deal of care and study, it is the information that these forms and methods will provide the management that determines the success or failure of the system. To this fundamental problem Professor Atkins has contributed many helpful suggestions.

In Chapter I the principal purposes to be accomplished by cost accounting are outlined, with special emphasis on the use of unit costs. In Chapters II, III, and IV, a detailed survey is made of the elements of industrial cost, the cost records and business functions. In place of the customary terms "Materials," "Goods in Process" and "Finished Goods," the author introduces and explains the more modern and scientific terms "Stores Materials," "Worked Material," "Worked Material in Process," "Merchandise in Process," and "Merchandise." In Chapter V a section of the Organization Manual of the American Metal Work Company is reproduced, and in Chapter VI a number of accounting forms now being used by leading manufacturing concerns are illustrated.

The problems involved in the purchase, handling and accounting of materials, and the relative advantages and disadvantages of various methods of pricing materials issued are discussed in Chapters VII, VIII, and IX. Chapters X and XI are devoted to methods of wage payment, the calculation of wages, the preparation of the payroll, and the distribution of labor charges. Chapters XII to XX contain a detailed discussion of all the various problems of analyzing, recording and controlling expenses. Here a number of practical hints are provided for the work of classifying the expenses of a manufacturing plant, and the use of mnemonic symbols is illustrated in this connection. The author makes some useful suggestions also in regard to the analysis and control of the expenses, which ordinarily vary in a more or less definite ratio with the volume of business done, and includes a discussion of the scheduling of expenses for budget purposes. Chapter XIX, "Interest as an Element of Cost," contains a very complete statement of the principal

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