

indirectly profitable on the theory that many a tall oak has grown from a very small acorn. Certainly it pays to analyze and find out if there is such a thing as a profitable small order.

#### B. Planning the Work to be Done

Just as in manufacturing, planning plays an important part in sales operation. Sales planning must set up an organization of regional representation, of personnel, and of customer relationships; and devise methods of actual operation which will yield the best results.

Any organization that plans to distribute its merchandise on anything other than a local basis must set up some sort of regional representation. The task of selecting the one best suited to a particular organization falls to planning.

A force of salesmen has to be built and rebuilt and an adequate training program for the whole sales organization must be devised. Planning must seek to co-ordinate sales personnel with the rest of the company personnel so that all the organization becomes a team rather than a loose structure made up of jangling parts. The outstanding fact is that the matter of sales personnel cannot be left to chance. Salesmen are not just born nor do good salesmen naturally flock together. Sales planning must find ways of obtaining good salesmen and fitting them together into an adequate organization.

Planning must seek the kind of customer relationship which will give the greatest return in sales. There are the recognized channels of distribution (1) of selling directly to consumers, (2) of selling to dealers, (3) of selling to jobbers, (4) of selling through mail orders, and (5) of manufacturers conducting a chain of stores of their own. Planning must decide which of these either alone or in any combination offers the best opportunity. In our own case we use them all, and while certain complications naturally arise from this fact, nevertheless by and large, it is our experience that each one tends to build up the other.

The credit policy which sales planning must study is far-reaching in its effects. Salesmen are eager for new accounts, and to sell large orders to old accounts. Credit caution demands that the possibility of bad accounts be kept to a minimum. Provision must also be made for the follow-up of all customers to see whether the terms of sale are being observed. We have found in our own com-

pany that a very effective method of keeping eagerness for sales within reasonable bounds and on the other hand of keeping credit restrictions from being too stringent, is to put a high sales executive and a high credit executive and the treasurer of the company on a committee, holding frequent meetings to go over the puzzling cases and so define policy more and more sharply.

Another problem of sales planning, that of proper times of delivery in given market conditions, is a combination of merchandising and of factory control as well as sales planning. Sales planning can register customer demands for delivery to guide the merchandiser in co-ordinating factory production and market demands. This co-ordination was described under the heading Merchandising.

As a further part of sales planning, it is just as necessary for a sales force to estimate what it can do in the way of sales and set up this estimate in a budget form, as it is for machine and credit requirements to be so budgeted. Sales budgeting works two ways. Starting with the individual salesman and running up through whatever other units of selling exist, each makes an estimate of what the next year's results will show. Then when all these estimates are reconciled by some control agency in terms of the whole business, the whole is broken down into precisely the same units as the estimates came from originally. Thus a task in volume properly balanced between optimism and pessimism is set and made directly applicable down to the final selling units.

A good many years ago it was found that the careless routing of the material which flows through a factory was a costly bit of poor managing. The same truth applies with equal force to the routing of salesmen. To avoid unnecessary travel but to assure that there shall be the proper amount of travel; to see to it that the traveling is to the most desirable places and to avoid duplication of traveling all are fundamental pieces of sales operation that sales planning must study. This too is closely hooked up with scheduling. If it be important that a salesman go to the right places, it is equally important that he shall go at the right times and the proper number of times. Furthermore it is necessary that within his job, the salesman shall devote proper amounts of time to actual selling, and to what is called missionary work or development work. The salesman can no more

effectively work these problems out for himself than can the individual workman schedule the flow of work coming to his machine. Sales planning has a scheduling function which parallels production scheduling almost exactly.

One test of good planning and indeed of all management is the building up and maintenance of the proper amounts and kinds of records. It is a very easy matter to err on either side of this question. It is not an easy question to answer, but certainly sales planning like all planning must study it continuously and painstakingly.

#### C. Functionalization

The possibility of some degree of functionalization is the third element of scientific management practice that may be applied to the selling field. The job of selling must be thoroughly analyzed as a first step. F. W. Taylor made this same sort of analysis of the position of foremanship in manufacturing. He found that really to perform the foremanship task as it existed called for a combination of qualities that either could not be found combined in one person, or if there were such a person would certainly warrant a position at the very head of the organization. He found further that certain parts of the foreman's job could be regarded as separate functions. These functions were sufficiently simple that they did not call for impossible combinations of human qualities to handle adequately.

The job of selling can also be subject to searching analysis. It will develop that there are different kinds of selling jobs and that there are radically different parts to the whole job which is now given to salesmen. The short of the matter is that salesmanship stands today just where foremanship stood in the 1880's. Analysis, unbound by custom

ONE reason why no more success has attended the efforts of those who have attempted to build a system of scientific marketing is that they have put their faith in methods and men, and not in principles. The most successful scientific production methods will fail if imposed upon the company's marketing activities in unmodified form. The principles, however are just as good for one activity as for another, and, if they are properly carried out, success will be sure to follow.

and tradition, will show that some salesmen sell established customers well but do a very poor job of digging out new prospects, or of working over prospects into customers; while other salesmen do the scouting and missionary work better than the steady contact work with old customers. It will be surprising if the next few years do not show some interesting experiments in dividing up a sales force. Most of the salesmen will have a definite list of customers which they are to cover on a moderately flexible time schedule; others will cover wider territories, selling little but marking out the field for subsequent working of a small body of especially qualified salesmen.

It is certain that much of the clerical work and figuring now done by salesmen in the field can be better done by centralized clerical forces. Salesmen's material can be better and more cheaply prepared for them than is the case when it is sent out to them under the mistaken notion that because they do it in the evening it doesn't cost the company anything.

We expect also in sales management to see a similar growth of functionalizing, already started by the separation of merchandising from the sales management job. The education of salesmen, their equipment, their routing, lend themselves in larger organizations at any rate to specialized studies which are to be put together in co-ordination by the sales managers.

Men in charge of sales departments can without question make fruitful use of a study of the trend of experience in the organization of staff and line functions in factories,—if they can study this freed from the deadening thought that because the two jobs of selling and manufacturing are different the one can learn nothing from the other. There are basic similarities.

The rise of the most successful business men is dependent upon adherence to certain universal principles. It may be possible to proceed against the current for a time, but ultimately these guiding truths, which have become established through thousands of experiences, will prevail. It may be observed that this is another way of saying that theories are the means whereby success is attained. (Percival White, *Scientific Marketing Management*, p. 95.)