

are not sound for another, and answers that are sound today may not be sound tomorrow. I have only attempted to indicate what I regard as the principal problems of the manufacturer of equipment, as contrasted with those of other manufacturers, and the *fundamental* answers to these problems.

*Method* is the important thing, and I know of no better method of tackling any sales problem, in any line of work, than that of research. I recently noticed an editorial on research in a comic weekly. It was almost brutal in the manner in which it poked fun at the subject. This is an attitude that is most irritating to those of us who are deeply interested in the topic, but we must have to admit, if we are honest, that our stabs at research have not always been impressive. We have done more talking about research than real research work. It is an old method, to which the human race owes much of its progress, but we still look upon it as an abstract and mysterious thing that is good only for academic men and large corporations; in fact, good for almost anyone but ourselves. It has been used haphazardly in almost every successful business enterprise that exists today, but its consistent use by design and intent is still only too rare.

I think the reason why we have done so much talking about sales research and so little really planned work is that we have not recognized research as a separate force in business. When used it has been linked with other activities, such as advertising and product development. It is a separate force, however, just as advertising and cost accounting are separate forces, and until this is recognized the full value will never be derived from its use. The average concern usually employs research to meet some emergency, whereas it should be used to *avoid* emergencies. To use research in this manner is about as sensible as it would be to engage in a big national advertising campaign to get one order.

In an effort to bring out the point that research is a separate force we have prepared an illustration that purports to be a sort of allegorical picture of business as a whole. (Figure 1)

I wish every one of you would regard the "army" as your own business army, whether you are in the manufacturing business, banking, insurance, public utility or what-not. The objective of your

business army should be the cultivation of "Known Markets For Present Products," the cultivation of "New Markets For Present Products" and the cultivation of possible "Markets For New Products." Between your army and your objectives, however, stand mountains of "Sales Resistance" that must be scaled or pierced before the objectives can be reached. In the distance you have the attack of "Competition" bearing down on the same objectives, and it is your job to reach them first, or at least to get a good share of the three markets indicated on the right. In the distance is a mountain of "Untapped Resources of Product and Methods" with which to serve the markets more effectively. Your competitor, of course, has the same opportunity to dig into this mountain that you have, and to assay its riches.

The observation blimps are the eyes of your business army. Without them your officers are handicapped by a limited perspective. With them you are able to get the right perspective, and to see the valleys and passes through the mountains of "Sales Resistance." You are able to see what the "promised land" of markets really looks like, to survey calmly and dispassionately the activities of competition and to interpret the significance of its moves. You are further able to discern new and untried methods and products. With this setup you have a militant business—organized, aggressive and far-sighted. To be ideal, a business should have sound sales policies and organization, backed by a product of sound economic worth, underlaid with sound general management, and guided by intelligent research.

If you further analyze these elements you will see that sound general management consists of sound financial policies, including accounting, credit, and collections; sound legal practices; good purchasing, transportation and insurance policies; knowledge of business conditions and trends; proper treatment of employees; right attitude toward owners and public, and toward progress in general; proper control by systems and statistics; and proper understanding of and co-operation with sales aims and activities. That is sound general management.

The product of sound economic worth should have true economic utility. You may be able to put another type of product across by high pressure sales methods, but you will not be able to

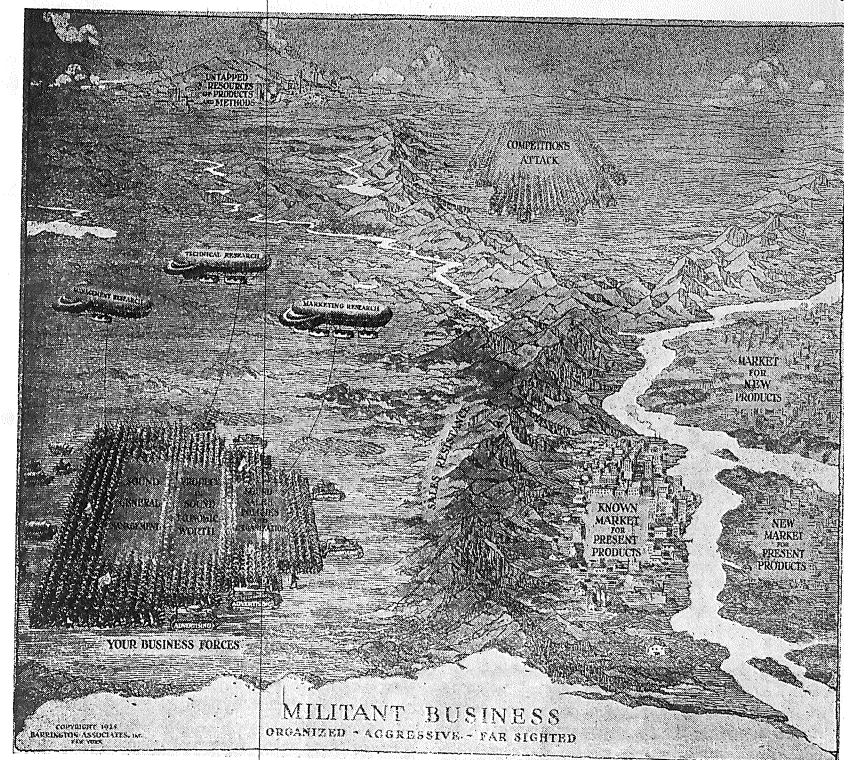


Figure 1

build a business for 1940 with it. The product should also be efficiently and economically produced, and at the proper geographic points. An effective engineering department should help toward this end. It should be correct in styles and sizes, and in the price set upon it. Incoming materials should be carefully inspected, also goods in process and finished goods. The finished product should be delivered to the user in good condition and at the proper time. The product should have distinctive qualities that are easily demonstrable. These are, of course, ideals against which

your products may not check completely. It should be interesting to any manufacturer, however, to check his own products against this list of elements to note how close to par the product really comes.

Sound sales policies and organization are made up of proper knowledge of markets; proper sales promotion plans; proper sales strategy and campaigns, with the ways and means of making them effective; proper publicity, both in advertising and propaganda work; proper sales outlets; proper operating costs, controlled by budget; proper control by systems and statistics; proper handling of per-