

lation, income tax returns, value of products, automobile ownership, telephones, magazine circulation, trade activity, retail outlets, business enterprise counts and buying habits. Trends can be weighed by charting company results over a period, by localities, and comparing them with the percentages obtainable under each type of index, to bring out the relative possibilities of each index as a factor in quota distribution to each industry, thereby indicating, to some extent, those to be disregarded or utilized.

"Combining and Weighing Indices." The illustrations cover many interesting combinations and methods of translating indices into percentages. While more comprehensive, elaborate and technical than many organizations would need to use, these illustrate how far one can go, if necessary, to overlook no possible consideration.

#### The Company as a Quota Determinant

"Product and Company Analysis." The product, its peculiarities, the exchange problem, product use, distribution method used or to be used, and the production, sales and financial departments are herein considered.

"Sales Analysis." Necessary to any reasonable quota structure, this has the advantage of simplicity and ease of accomplishment. This is one of the most interesting chapters of the book, handling practically without gloves the weakness of so many of the quota setting methods in use, including principally those based on guesswork, salesmen's estimates, arbitrary increases and territorial expense; to which might have been added compromises and adjustments of many sorts.

#### The Quota in Operation

"Dividing the Sales Quota." Here there is room for some adverse criticism. The author's assertion that "the sum of the individual quotas should be larger than the final quota, thus allowing for failure on the part of any one man to fulfill his quota" perpetuates an old idea, of no practical value, that has been used and discarded in practice. All individual quotas as well as sales should exactly total the branch figure, and all branch quotas should total the company quota exactly, to insure figure accuracy and establish desirable comparisons between the

<sup>1</sup>Sales Quotas. By Percival White, Harper & Brothers, New York, 1929, pages viii, 254.

division and subdivision and the company.

Also disagreed with is the suggestion that proper quotas, as to sales possibilities, having been established, any adjustments should be made within the period. If abnormal business conditions arise in any particular section, the normal quota should remain as a matter of record. If desired, an entirely separate tabulation can be made up at the Home Office, based on standard quota plus an adjustment for advance or recession of general business in the section. Regular quotas should be disturbed in no other way. Nor does it seem advisable in any sound quota set up to reduce, as recommended, the quota of a territory when a new man takes hold. The quota should be and remain, based on the territory and not on the man. Temporary adjustments of any kind are dangerous and not to be recommended.

Aside from these observations, only praise can be extended to the author for the valuable information and suggestions contained in his chapter on quota division, which also covers such vital subjects as size of territories, reduction of territories, etc. The illustrations of "combining methods," however, are not quite up to date, though interesting as methods.

"The Sales Force and the Quota." Limited space is devoted to the exact subject. A side trip is taken into the subject of remuneration, with or without reference to the quota. If used as a basis for remuneration, by any chance, it follows that the quota must have been previously tried and proved. The chapter is devoted largely to analysis of salesmen's time, number of calls to be made, salesmen's reports and clerical work, office help for the salesman and general sales activity and control.

"Incentives for the Sales Force." Here again is found only partial tie-up with the quota; rather a consideration of such subjects as compensation types—salary, commission, bonus, task and compensation—with incidental reference to expenses. In this section, space is also devoted to sales conventions, capitalizing the competitive spirit, fundamentals for sales contests, the honor club idea and kinds of prizes that appeal. The quota basis is referred to in treating contest activity. Another reason why the quota should be properly set, on known factors, is that it may be satisfactory to the contestants. The treatment of the entire contest subject should particularly interest and help those who favor periodical contests, not only to stimulate sales,

but also to carry along in business the competitive impulse that the American has in him from boyhood on. The chapter might have stated that, as all territories cannot be equal, a contest must be on a handicap basis, with quota as the only fair "official handicapper" possible to find.

"Installing the Quota System." Brief suggestions are given, with due reference to the mistakes that have sometimes been made in what could, with greater care, have been smooth and effective installations.

The final chapter of "Sales Quotas" covers examples of quota practice, presented as illustrations, without particular endorsement.

The case with which the book closes serves to show how the manufacturer entered upon a survey of his potential market and made up tentative quotas, subject to experience in actual operation.

The author has handled a very large subject in a remarkably painstaking and comprehensive manner. The book should not merely be read and re-read, but be closely studied and the page margins marked by the individual for frequent reference.

#### Reviews

F. W. Taylor, *der Vater wirtschaftlicher Betriebsführung*. By Irene M. Witte, C. E. Poeschel Verlag, Stuttgart, 1928, pages 100.

Publisher's note on title page:

"Whosoever wishes thoroughly to acquaint himself with the origin of and the fundamentals of the present day efforts to rationalize management and who on the basis of the knowledge of these sincerely wishes to reach a correct understanding of the problems of organization in their entirety, should by all means acquaint himself with this fluently written book."

To this statement the reviewer gives his most hearty approval, even to the extent of suggesting that a translation of the little book into English would be worthwhile. Comparatively few people have taken the time to read Copley's more voluminous biography of Taylor, on which and on Taylor's own books the author has principally drawn, after a diligent search through an extensive Taylor literature only to find this to be but little more than a useless repetition of the same original material.

A more unbiased and impartial judgment of Taylor and his life work cannot well be conceived, and that though the author was fully aware of Taylor's prejudice against the German people in general. It can be confidently asserted, however, that Taylor never manifested this toward any of the Germans that visited him.

The author tells us that not only was no exception taken in Germany, as here, to the designation "Scientific Management" for what had earlier been known as the Taylor System, but that in certain quarters the designation met with almost contemptuous ridicule. However, she bravely defends the designation on the same ground as Taylor himself; namely, because it was the most significant term of which he and others with whom he consulted could think at the time he was ready to publish the principles of his system which he wished to rid of his own name.

It is all the more interesting that the author has translated "scientific" in Taylor's post mortem designation, Father of Scientific Management, by a German word of comprehensive meaning, including economic and thrift, a word of which the reviewer believes Taylor himself would have fully approved had it had an exact English equivalent. This it simply does not have. And elsewhere throughout the book the German perfect equivalent for scientific has been used in translating Scientific Management.

The reviewer also believes that Taylor would not have objected to the use of the term *Rationalisierung* used in Germany to designate much that we in America understand by putting an industry on a Scientific Management basis, though this does not meet with much favor among his followers here. It should be remembered, however, that Taylor often said that most of his system was only pure common sense.

But while in the essentials this little book describes Taylor's work and efforts in an admirably condensed and truthful manner, it does also contain a few inaccuracies which it has been thought best to point out.

The statement that Taylor perfected his system at the works of the Bethlehem Steel Company (page 16) is far from correct. While he, perhaps, left there with all of his ideas well worked out in his own mind, it took several years more before all these ideas were worked out in a fairly satisfactory manner by his associates.

On page 70 the statement is made that Taylor made his first metal cutting experiments on a vertical milling machine (*Vertical Träsmachine*). This is an incorrect translation for a vertical boring and turning mill, the German equivalent of which is also unknown to the reviewer. This error is no doubt due to a lack of familiarity with machine tools on the part of the author. A similar lack of familiarity with complicated mathematical formulae is probably also responsible for the regrettable misrepresentation on page 73 of some of the reviewer's formulae taken from Taylor's "On the Art of Cutting Metals." As the author on page 30 reveals knowledge of the reviewer's supplement to Taylor's "On the Art of Cutting Metals," the reviewer is doubly chagrined that the author did not reproduce some of the earlier and simpler formulae there given, instead of making the unsuccessful attempt to reproduce the very complicated ones from Taylor's book. As stated in that supplement, those complicated formulae have never been made use of in practice.

On page 8 there is an error in stating that Henry R. Towne, Wilfred Lewis, and Carl G. Barth had before Taylor's time gone through the Midvale Steel works. Only Towne preceded Taylor under William Sellers as president,