

we have a quota based on the people in business that should be sold.

We take this as a fifty per cent factor at the present time. We started by making the user a sixty per cent factor changing later to fifty per cent; the business enterprise not using, a forty per cent factor; and population, a ten per cent factor.

Population, however, is a troublesome factor, because we have different kinds of population. We had to make an adjustment for the Indians the Chinese and the Negroes. We had to determine how many Negroes it took in the South to make one white man as a business possibility. And then again we must realize that, for instance, New Britain, Conn., with a foreign factory population, is a very different proposition from the population in the state of Iowa, filled with wealthy farmers.

The population factor will help until you can get to the point where you can get some real data as to the people you have sold and how much they have bought and the similarity of the other prospects in the territory; after which population can be discarded as a factor in some cases, while in others it should be retained.

Our quota system is a refinement following a number of years of research and practice; the company is not merely sold on the proposition, the district manager is not merely sold, the agency manager is not merely sold, but the salesman would be like a lost child if he didn't have a quota to work for and to exceed. And by having the salesman know that the plan has been worked out on a thoroughly fair basis, he knows that when he has for instance a fifteen hundred point territory that there are fifteen hundred points worth of business there, and it is up to him to get it as a minimum.

Some people say, "Why not rate quota according to the relative ability of your representative in each territory"? If you do that you will never get anywhere. You must rate the possibility of the territory and then find the man for the place. If he can't bring out the full sales possibilities, you have the wrong man. There are modifications, there are some men who can sell in the Ozarks and cannot sell in the city of New York, and vice versa. It is a part of sales managership to properly place those men.

In working up these possibilities it is very simple to set a county quota based in part on machines in use and in part on business enterprises that have not been sold, and obtain a county valuation figure.

The next proposition is how to get this quota for an agency down to the individual man. Take for instance the city of New York where we have five separate branches in one city. There we have to introduce the "block" system.

The block system is nothing more in the world than assuming each city to be a "state," and providing that little state with its proper counties. A "block" is a "county in the city." We block the city, getting a good map of the city, and mark on the four sides of each block the value of the product which has been sold, or is in present use. If one's records are far enough along one can also have a count on that block of the prospects that have not been sold, and rate them by perhaps twelve business and four rating groups the same as one does a county.

Then group these blocks. A good busy block with office buildings in it will make a "county" in itself. In the residential section you will have to take the whole end of the city to make one block. Simply create a measuring stick of some kind and then make arbitrary blocks and don't change them. If you decide to give your men an average of say fifteen hundred point territories, simply give each the requisite number of neighboring blocks, and when one gets a territory he knows it is a fifteen hundred point territory, that the business is there and it is up to him to get it.

By the old method of hit and miss quotas, when you dismiss a salesman or he leaves you, you just cut his territory in two, making two territories out of it, and give each of the new men the same quota the old man had. Perhaps this meant more business; but the man knew it wasn't a fair distribution, and when the man's state of mind isn't right he won't produce. About two or three months ago, at a meeting of sales managers in this city, I presented a few charts and traced through the method by which the individual manager can take the company figures and utilize them to make proper territorial units for his men. There are some managers here who are going to visit my office tomorrow just to see how this idea has been worked out in a local territory.

My map at Detroit shows how it is worked out for the United States as a whole. In an agency we indicate each block on maps, on city maps and on country maps, separately marking each block with its quota for the month and cumulative for the year to date. We have colored tickets to show how these units are traveling. A yellow ticket means below

quota today. White means above quota but below the agency average. Red means above the average, and blue means better than two hundred per cent.

The men as they come in observe the tickets and go back into their territories with minds made up that those yellow tickets are not going to stay there longer than they can help. Bulletins to the out-of-town men carry the same information.

Back of the idea is this: Too many of us wait until the year is over and then get a lot of statistics that enable us to figure out all the mistakes we have made. If we could have a system where we could get this information like a daily newspaper and know where we are traveling, we would take corrective steps in time. If we see a yellow ticket on a map surrounded by a lot of red ones we can correct the conditions before it is too late.

I want to say that if you have fixed your quota right and the man knows that it is fixed right, then he is satisfied with his territory and goes out to demonstrate how much he can exceed his quota. If you have contests of any kind, and they are good things at times in any organization, they must always be based on a handicap rate, because it is absolutely impossible to give all agency managers and all salesmen territories that are absolutely equal in possibilities.

CORRESPONDENCE

TO THE EDITOR:

As a mining engineer, I have worked along lines similar to scientific management. However, it was not until I entered the industrial field that I heard of Mr. Taylor and his work and began to be interested in management as a science. My first step was one of investigation, not of scientific management, but the science of management. I discussed it with men who professed to be experts in it, with manufacturers and their employees, in fact, with anyone who had come in contact with the work.

This investigation showed that to the general public, Efficiency, Engineering, Scientific Management, Industrial Engineering and so on are synonymous. It was also evident that they are all considered as sys-

tems or cure-alls. Even in plants where work along Mr. Taylor's lines had been done, there were those who considered it as a *system*. In rare cases was any of this work considered a science.

The work of Mr. Taylor was so sound, and the principles and mechanisms that he developed from his studies so logical, that it is difficult to understand why his work has not been recognized for what it is—a branch of engineering. Unfortunately for the acceptance of his teachings, his ideas were taken up by all sorts of men. There were those who had been taught by Taylor himself and who are fully prepared to do the work. But there were also accountants, auditors, mechanics, shopmen, clerks and what not. This was bad enough, but was made worse as each one gave his work a special name, such as Efficiency Management, Industrial Management, etc. But the crowning error was when they assumed the title of Engineer. They were not engineers and had no conception of the functions of an engineer or his method of thought, training, etc.

One always thinks of a doctor as a man who has gone through a course of preparation and training; one whose work has been recognized by a diploma from a recognized institution. They do not think of the chiropractor in the same way, no matter what good work he may do. The same may be said of the engineer. He has gone through a period of study and apprenticeship. He has earned the title which has been bestowed upon him by the institution which trained him. He has not assumed the title as does the chiropractor and the so called industrial engineer.

The teachings of Mr. Taylor have been held back because all work similar to his has been classed as a cult, and because the men doing it have taken a false title.

A business man is not easily taken in by cant, in fact, he seriously objects to anything of that sort. Yet this is what is handed him in many discussions on scientific management. It must be realized that when the layman talks of scientific management, he does not associate it with any particular school. When one speaks of the Taylor System to him he considers it only one of the several *systems* being introduced by "experts." Therefore, when he hears discussions on psycho-analysis, the psychology of the workman, etc., he loses faith in the entire work. That kind of discussion strikes most men as mere hypocrisy. It is in line with the doctor who uses Latin phrases to impress his patients. What the business manager wants is facts.