

PURCHASING AGENT AND ENGINEER¹By W. E. IRISH²

ONE time some one made this statement: "There is nothing so good that it cannot be improved upon." Probably at the time it was made as the expression of an opinion; since then, as almost every one will agree, it has been proved to be true, and therefore it has graduated from the opinion class and has become an accepted fact.

In most well-organized manufacturing concerns the relations between the purchasing agent and the engineer leave little to be desired; in some they are not so good, and in a few they are very strained indeed.

However, applying the statement which was made so long ago and that is now known to be a fact, it can be seen that there is room for improvement in these relations. In those well-organized companies much might be gained even if little is desired, were the situation studied carefully; and certainly, could the lines of action as used in these same companies be applied to the less fortunate ones, the latter could at least enjoy a greater degree of freedom from unnecessary friction and an increased productiveness.

It is the purpose of this article to assist that manufacturer, if possible, who can see the possibilities in bettering the relationship between his purchasing agent and his engineer, by putting down the facts obtained by inquiry and experience that govern the situation. These facts fall into two classes that tend in opposite directions and either hinder or assist, and it is patent that the elimination of the one and the strengthening of the other will give the desired results.

Some may be of the opinion, and naturally so, that the author is an engineer and therefore biased in his judgment. His tendencies will all be in favor of his side and may put the purchasing agent in an unfair position. His statements will therefore be of no value and his decisions will carry no weight. One is entirely justified in taking this stand until he reconsiders the stated purpose of the article, to put down facts. An

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² Chief Engineer, Hydraulic Pressed Steel Co., Cleveland.

opinion is a belief which may be held by any one and often tends to be acutely partisan. It is something, moreover, which has not been proven and therefore will not necessarily stand against opposition. A fact, on the other hand, is that which has been proven to the satisfaction of every one interested. It will stand against any opposition, is not partisan, and is only not recognized by those who are unfamiliar with all the conditions which it governs.

It is conceded that no blame can be attached to any man who does not recognize a fact as such, for were he able to make himself familiar with all that goes to create any very wide range of conditions, he would necessarily be talented far in excess of the average.

It often happens, therefore, that facts must be proven over again to each individual who sees them for the first time. With this in view, a sufficient number of fair statements can be made in support of the listed facts, so the latter will be recognized as such and the article can be accepted as non-partisan and used to advantage.

Departmental management of the average manufacturing concern can be roughly divided into two headings as viewed by the manager in his line-up to keep things going as they should and to establish and maintain the prestige he desires in his field. These classes may be called, that which deals with the outside and that which is essentially internal. He will consider sales and the credit and collection division of the accounting department as being the main factor in the first class, and production, inspection, cost-keeping, purchasing and engineering in the second.

Appreciating the fact that certain of these departments in the latter class, particularly purchasing and engineering, also deal with the outside world as a part of their duties, he will keep them in the back of his mind as subjects for investigation from time to time to see that they are functioning in this regard as they should. The very fact that for the most part these two departments answer directly to production in the average plant, shows, however, that he considers the

status of their outside contacts as more or less of minor importance, and that the manner in which they meet the requirements of production cheaply and economically is not of so much weight as the danger of failing to secure supplies and equipment by any means at all.

It can be shown that this attitude on the part of any manager is a dangerous one, for the purchasing agent can do as much good or harm, depending on the impression he creates with the salesmen from other companies doing business through him, as can the company salesman himself on whose shoulders rests directly the burden of keeping the prestige of his firm at a high point.

It is true that the impression conveyed outside by the attitude of the purchasing agent and the manner in which he manages his department reacts on the standing of his company indirectly. Nevertheless, it does react, and often in a startling fashion, as the manager would see at once if he were to investigate with this point in view.

Granting such an investigation, there is little doubt that the status of the purchasing agent's outside contacts would be put at least on a level with the importance of his getting materials in his receiving door on time and economically.

Suppose a condition that could arise very easily, and no doubt does every once in a while, and see how it works out.

A certain company is supplying fabricated parts that enter into their customer's complete assembly. This customer is also buying parts made from the same material from one of the company's competitors, and in addition, uses a large amount of the raw material itself. Assume that this customer through their engineering organization have placed a rigid specification.

The salesmen from the various raw material supply firms call at the request of the three company purchasing agents, the two competitors and the customer, to submit their prices and to discuss the specifications. Quite naturally the customer agent will insist on close adherence to these specifications, and it so happens that one of the agents for the competitors also stands his ground fairly and firmly. The other, however, either through lack of knowledge of the importance of the specified limits or through failure to consult his own engineering staff or even with the consent of his engineers, allows certain conditions to slide for a price concession.

It might easily happen that one raw material supply house secured all three orders, being at the time in good

position to deliver, except that they were short a small amount of the rigid specification material. They, however, had some other that was fairly close, and consulting their orders they saw that one of the customers was not particular. All three orders were therefore filled. In making shipment this off material was sent by mistake to the customer company and to the not particular agent's firm, and in due course shipments of fabricated parts reached the customer's platform.

Their inspection department checked representative units and found them satisfactory, so all was accepted. When, however, the customer company came to receive their own raw material which had been specified for a later date than the other two, they found it "off" and rejected it. The supply house at once sent the salesman who had made the deal up to the customer's purchasing agent to investigate. In the course of the talk, which became rather heated, as such talks are apt to become, the salesman made the remark that he could not think of a company that rejected material of a certain kind sent them direct and then let the same thing exactly come from other sources without rejection. He knew from inquiries he had made that they had taken in the fabricated parts from what he assumed had been used by one of the two companies to which he had sold the substitute material. The purchasing agent asked that this be repeated before the engineers and called them in. The salesman knew that he had made a slip, but could only do as requested.

A check was made of all the raw material while the salesman stayed over, and the portion shipped in error was soon discovered. The salesman could do nothing but take it back, and the company whose purchasing agent disregarded specifications and showed himself to be loose in his company stand to the outside sources of supply, received back all it had shipped, and were off the list of the customer company, regardless of all that company's salesman could ever do.

Such things are happening every day, perhaps not so drastically, perhaps not so far-reaching, but every little incident that the salesman carries away with him after his audience, or his inability to get an audience with the purchasing agent, travels with him to all the other companies he sees. These other companies are in many instances customers of that agent's firm, and it does not take long for them to size up their chances of getting the things they asked for, as they ask for them, in proportion to their knowledge of the agent's tactics and methods, gained very largely from remarks let drop by the traveling supply and material salesmen.