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BULLETIN OF THE
TAYLOR SOCIETY
A SOCIETY TO PROMOTE THE SCIENCE AND THE
ART OF ADMINISTRATION AND OF MANAGEMENT

Published by the Taylor Society at
Engineering Societies Building
29 West Thirty-ninth St.
New York

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other month. Per Year to Members, \$2.50; to others \$3.00.
This Issue \$1.00

Entered as second-class matter, Dec. 17, 1921, at the Post Office at
New York, N. Y., under the Act of March 3, 1879.

VOL. VIII FEBRUARY, 1923 No. 1

CONTENTS

COMMENT	1
STATISTICAL COMPILATION	3
Some of Its Uses as a Function of Scientific Management.	
By Harry B. Horwitz, Harry A. Wem- bridge and Herman J. Hutkin.	
THE ORGANIZATION AND MANAGE- MENT OF A MEDIUM-SIZED PLANT	12
The Corona Typewriter Company, Ltd. By Percy S. Brown.	
REDUCTION OF WASTE IN OPERATING DEPARTMENTS OF LARGE RETAIL STORES	31
Work of the Retail Research Association. By Philip J. Reilly.	
COMMUNICATIONS	38
REVIEWS	39

COMMENT

IN every way—content, emphasis, illustrations, the reproduction of a Taylor cost distribution sheet—this issue of the BULLETIN is highly satisfactory. We do not recall that a Taylor cost distribution sheet has ever before been published. This reproduction will be of interest, not only to accountants and statisticians, but to factory managers as well. It is the product of statistical-accounting technique, but its purpose is information to executives for the purpose of *executive control of current operations*—not merely to tell the story of something in the past which is beyond control, which is characteristic of so many cost summaries. It should prove to be of unusual interest.

S.M. 7 124

WHILE this cost distribution sheet is an example of a modern, carefully-devised cost technique, it is interesting to note that it does not differ in principle from such reports as devised by Taylor some thirty years ago. Few people know that he was one of that small group of pioneers in cost accounting. In so far as available evidence shows, he was the first to devise a system of cost accounting which tied in with the general accounts. In the files of the Taylor Society is a little document, deposited by Carl G. Barth, which is of historic interest; it is a preprint of "A Piece-Rate System," "to be presented at the Detroit Meeting (June, 1895) of the American Society of Mechanical Engineers." On it is a rubber-stamp impression as follows:

FRED W. TAYLOR, M.E.,
Ross Street, Germantown, Philadelphia.
CONSULTING ENGINEER
Systematizing Shop Management and
Manufacturing Costs a Specialty.

In the early nineties, therefore, between the Midvale and Bethlehem periods, Taylor offered himself as a systematizer of shop management and a cost specialist. This professional period had three phases: first, primarily the systematizing of shop management, but experience soon showed him that such costs as the accountants of that day could furnish were of no use for purposes of control; second, there followed an intensive study of and emphasis on cost accounting which revolutionized (in his practice) the cost accounting of that day; third, realizing that shop efficiency was more important to his clients than improved cost accounting alone, a return to the emphasis on systematization of shop management with cost statistics subsidiary—a tool of factory management, a most important mechanism dependent upon and contributing to other mechanisms of good management.

IN those days cost accounting was something new—and an interest of shop executives rather than of accountants. A search of the leading bibliographies of management shows how little was then written on the subject. We can find only the following titles prior to 1900:

- 1885—Metcalf, Henry. The Cost of Manufactures and the Administration of Workshops, Public and Private. New York: J. Wiley & Sons.
- 1886—Metcalf, Henry. The Shop Order System of Accounts. In *Trans. A. S. M. E.*
- 1889—Anonymous. Engineering Estimates, Costs and Accounts. London.