

An analysis of the figures showing the productivity of salespeople by departments was made. This indicated that, although marked differences in the output of individuals in similar selling positions in different stores would continue, since they were in part caused by differences in the grade of merchandise carried or by differences in the clientele served by the various stores, nevertheless there was an adequate opportunity for reducing the direct selling cost and increasing the per capita sales per salesperson in each of the stores.

When considering various means of reducing this large item of wage expense, it was determined that a flat reduction in the wages of any group of employees was neither desirable nor necessary.

Vacancies caused by normal turnover of employees earning premium wages were, of course, filled in many cases with new employees at lower wage levels. The principal saving was effected in those stores which discovered that they were overmanned in certain selling positions, by not replacing leaving employees, and by transferring superfluous personnel to other departments. The ability to do this intelligently existed when figures showing individual production and selling costs were provided on a comparable basis. Selling tasks or quotas were also established for each department and for each individual on the basis of past experience and planned business.

In a study of the personnel in certain selling departments, it was found that the direct wage expense was unduly high in some stores, partly because men salespersons at high wage rates were used solely in these departments. Some of these men were unable to sell at a reasonable department rate. The selling force of these departments in a majority of stores represented nearly 75 per cent men. It was found by several stores in the group, however, that it was possible not only to render satisfactory service, but to reduce the direct selling cost by using women almost solely in these departments in the same selling positions, and substantial economies were effected in such stores by manipulating the selling force in such departments so that it ultimately represented only about 10 per cent men. The experience of these stores has led the way for other stores to replace men who have left, with women salespeople.

In the average retail store, a considerable portion of the time of salespeople is unoccupied in the morning between 9 and 11 because shoppers do not appear in great numbers until about noon. It has been found possible to utilize during this period some of the time of

salespeople who otherwise might be idle by having them work in certain non-selling positions such as those in the Receiving and Marking Room. An economical practice that has become common is to have salespeople check and mark merchandise in a central marking room during the first two hours of the morning, since this results in the marking room being able to meet the peak demands which occur during this period because of the receipt of large shipments of merchandise. This plan has the additional advantage of using salespeople familiar with the merchandise for checking and marking it, and it has enabled the Receiving and Marking Room to operate with a much smaller force of regular employees.

Considerable reduction in the selling expense has been achieved by certain stores through the use of part-time salespersons for their peaks of business. One store whose peak occurs from 11 to 2 each day and all day Saturday, is able to reduce the idle time of its former full-time salespersons by employing a force of fifty part-time salespersons who report for work all day Saturday but who are engaged only from 11 to 2 on the other days of the week. These short-time persons employed for twenty-three hours a week replace almost the same number of full-time persons that were formerly employed. The yearly saving effected in payroll expense as result of the use of these short-time persons approximates \$17,000, and those employed for the shorter period for the most part are women who are not available for full-time positions.

Maintaining a courteous and dependable force of floormen is a serious problem in every store. In large stores it is not unusual to find the expense for floormen's wages runs from \$75,000 to \$100,000 annually. The limitations of this position are such sometimes as to drive away the ambitious and developing men and to retain, in some cases, only those men who are complacent in an occupation with a restricted opportunity.

In an effort to reduce the waste caused by the too frequent turnover of men floor managers and to improve the service in certain departments, several stores have introduced women in this position. These women have rendered a highly efficient service, especially in intimate wear departments and children's departments. Because the weekly salary paid ranges from \$30 to \$60 this position has seemed much more attractive to women than to men, and as a consequence stores using women have obtained a superior type of person. In four stores alone, the women section managers represent about 50 per cent of the force. Women for this

position have been recruited from the force of salespeople. As salespeople's earnings will average under \$30 weekly, the use of women as section managers has opened a channel for promotion. The salaries of women in this position have averaged about 10 per cent less than the salaries paid to men.

Considerable waste has been eliminated also by better instruction of salespeople. One store found that considerable shortages in their inventory figures of piece goods were caused by salesclerks overmeasuring. Packages intercepted before delivery, when measured, showed an average overage of two inches on every sale. This loss was corrected by thorough instruction.

In some stores the practice had become rather common of sending many small articles intended for shipping, to a central wrapping desk in the shipping department for proper wrapping. By the thorough instruction of salespeople and inspectors in the selling departments, it has been possible to reduce greatly the rewrapping of such merchandise in the shipping department and to save most of the extra expense of having special wrappers for this work.

Especially progress has been made in reducing the waste caused by salespeople sending merchandise to the wrong address. One store was able to eliminate almost entirely the number of packages sent to the wrong address by the simple expedient of insisting upon salespeople printing the initials of the customer upon the address label and also by insisting upon their repeating the address to the customer.

2—Non-Selling Departments

Considerable attention has been devoted to a reduction of waste caused by the use of superfluous personnel in non-selling departments. These efforts have been particularly effective since in the average store it generally is true that more attention is given to the selling personnel, although the non-selling usually represents about 60 to 65 per cent of the entire store force.

An important item of expense in every large retail store is the delivery service. A thorough review of the personnel employed in the delivery department of each of the stores and an improvement in the methods used in routing, sorting and dispatching, made it possible to effect marked savings in the cost of the service by reducing the personnel employed.

A notable instance of this was the entire elimination of wagon boys by several of the stores and the partial elimination of wagon boys on certain routes by other stores. This was the result of changes in routes and, in some cases, changes in type of delivery vehicles. A

clear saving of \$2,400 yearly was effected by one store alone which reduced the number of helpers used.

Another store put a task and bonus plan in effect in the delivery department. This provided for the payment of a bonus of so much per package for all deliveries above a minimum set for each route. Although bonus payments added substantial sums to the earnings of the driver, the reduction in personnel resulted in a net saving in payroll expense in this store of \$3,200 yearly.

Marked savings were also made in the delivery department in certain stores by reducing the force of packers. This was done through the use of padded returnable containers for breakable objects such as pictures, china and glassware, and the use of protective covers for trunks, baby carriages, bicycles, etc. In one large store alone, this practice resulted in the elimination of four men in the packing room who were formerly employed to especially wrap and crate such merchandise.

Another notable reduction in non-selling payroll expense was recently achieved by several stores as a result of a study of the personnel used in the cleaning department, better scheduling of the work and the adoption of more efficient standards for store cleaning. The annual payroll expense of the force necessary to keep certain large stores clean varies from \$45,000 to \$100,000.

A survey revealed the fact that the expense was high in certain stores because part of the work, such as window cleaning, was done by outside contractors, and the labor cost was needlessly high also in some cases because of the employment of personnel that was expensive for this sort of work. By establishing new cleaning standards, scheduling the work more efficiently, using more economical types of labor, having the work done during the day and thus avoiding the higher overtime expense that is paid for night work, and using mechanical appliances for cleaning instead of hand labor, notable economies were achieved.

The savings reported by five stores alone, as result of their job analysis of cleaning and by adopting the foregoing changes, totaled nearly \$40,000.

II. REDUCTION OF WASTE IN MATERIALS

In the industrial field notable progress has been made in the last three years by the salvaging of by-products and by the standardization of containers as to sizes and weights. Large retail stores have also effected marked savings by salvaging wrapping supplies and standardizing the supplies consumed by them.