

When the M. R. A. began it was an experiment pure and simple. It started as a philosophical premise. Briefly, here it is:

Few successful men and women represent an all-round development. Most people have made reputations for outstanding accomplishment in a particular field. The same thing is true of manufacturing organizations. To illustrate: Factory A has developed striking excellence in the field of material control; B is very far sighted when it comes to selling and distributing its product; C has shown unusual ability in the handling of industrial relations problems and in building up a living organization; D excels in office routine and accounting methods. In the same company it is not unusual to find one or two departments well organized while other departments are noticeably backward—a lop sided development, in other words. It was thought that an analysis of the things each company had done more effectively than others in the combination would reveal the principles responsible for conspicuous achievements, and that this would make it possible at once to apply these same principles to other lines of industry. This was the theory. After five years, it has become an accepted fact. When each company in such a group patterns its methods after methods which have demonstrated their superiority, and brings its practice up to the standard of excellence represented by the highest achievement, the highest achievement thereby becomes the average.

On account of the diversity of industries, it is seldom practical to attempt to solve a problem in Company A by means of a solution which has proven effective in Company B without such adaptation as will provide for inherent differences in the nature of the two businesses. Instead of presenting an obstacle we believe that the differences in technique and tradition represented in the membership constitute one of the greatest elements of strength which the M. R. A. possesses. Mary Follett illustrates this point admirably when she says, "Difference is here in the world," and I add "to stay." "As we cannot avoid it, we should, I think, use it instead of condemning it . . . set it to work for us. Our opponents are our co-creators, for they have something to give which we have not. The basis of all cooperative activity is integrated diversity." The German philosopher Fichte put it in

another way and said, "Thesis, antithesis and synthesis constitute the formula and secret of all development and all reality."

Trade associations are composed of independent business concerns, but all engage in the same kind of industry. This makes direct comparison possible as between situations in any two or more given companies because they are essentially alike. In the case of the M. R. A. it is rarely profitable to compare productive processes. Upon first thought, the natural reaction is to ask, "What is left?" But business is both a science and an art. Like astronomy, chemistry or any other science, business today represents a vast amount of classified knowledge which can be taught and practiced as an art. It is upon this theory that all our business schools build. The principles underlying all manufacturing businesses are the same. It seems unnecessary to treat as an assumption a fact which has been so conclusively demonstrated. All manufacturing industries buy raw materials, machinery and labor; they convert raw materials into finished products; they all have administrative problems; practically all sell and distribute their product; they all figure costs and keep accounts. As a matter of fact, regardless of the product, most factories purchase many materials in common; e.g., fuel, lubricating oils, belting, paint, lumber, packing material, printing, electric lamps and many other items. The M. R. A. purchasing agents held a meeting every two weeks for a year and a half for the purpose of discussing a four page typewritten list of commodities which they bought in common. Please remember we are considering a group of diversified industries. Latterly, meetings of this committee have been held monthly. During one winter eight meetings were given over to a course of lectures on the significance of the various factors which taken together determine the market. These lectures were delivered by two professors from the department of economics in our university member. A fat text book was used and men in middle life reverted to class room methods.

The handling and control of raw material concerns stores keepers. The items stored need not necessarily be the same. Control of finished stocks and inventories, packing, shipping, motor truck operation involve another group of executives. Grounds, buildings, maintenance, power, light, heat, ventilation, drainage, internal transportation of ma-

terials in process are things plant engineers think a lot about. Safety and accident prevention are much the same everywhere. Industrial relations programs involving the maintenance of the labor force—selection, employment, placement, follow-up, promotion, transfers, training, wage payment, retirement, recognition of length of service—are things that concern every personnel executive. Works managers deal with shop organization problems, quality standards, output, production cost and common problems too numerous to mention. One could make a tiresome list of things that are done in every well regulated office. Heads of sales and advertising departments have much in common whatever the product.

Methods

Now how does it work? First of all, the director does not function as an expert in any field. The chief duty of the director is to see that there is a constant flow of information and knowledge from the membership into the pool and out again, which eventually becomes translated into action. The assistance each company derives from the Association comes directly from the other companies in the group.

In part, this transfer is effected through committees made up of persons performing like functions in the separate organizations. As a usual thing, about ten committees are active at any given time; Committees fall rather naturally into two groups—continuous committees such as Works Managers, Plant Engineers, Purchasing Agents, General Sales Managers. They meet every month to keep posted on matters pertaining to their own fields. It is customary for each of them to lay out a program covering the work of a season in advance. This makes it possible to engage speakers ahead of time and it also makes it fairly certain that each meeting will contribute toward the accomplishment of a definite result.

Almost all committee meetings are held in club rooms of the Boston Chamber of Commerce. They generally start around the noon hour and are usually preceded by a luncheon. Some of them, however, are staged at the plants of members, especially if it is desirable to exhibit some equipment or process in connection with the meeting. Several meetings have been held at the Massachusetts Institute of Technology, which afforded

facilities for demonstrating special apparatus. In one instance, the members of the Executive Board, accompanied by some of their staffs, went in a special car to the central part of this state where they visited a factory which enjoys the reputation of being a pioneer in certain fields.

A committee composed largely of treasurers, vice-presidents and statisticians has been studying for more than a year how to iron out the humps and hollows in the business cycle for the purpose of discovering ways and means of regularizing industry and stabilizing employment. It is called the Committee on the Regularization of Industry.

The aim of commercial indices is to furnish an instrument which will bend light rays, so to speak, in such a manner as to enable observers to see a little further around the next bend in the river. For the past eight months, this committee has been experimenting with what it believes to be an improved tool. This has been called the M. R. A. Demand Index. It is an index built up solely on the basis of receipt of orders in each M. R. A. Company. It leaves out of account such factors as volume of production, rate of shipment and other factors which lag behind receipt of orders by intervals varying anywhere from one day to six months. While this index is still in its infancy, it has been carried on long enough to show that the resulting curve not only moves in essentially the same direction as curves which include the lagging factors, but it precedes their movement by a period varying from several weeks to several months.

A statement of the manner in which the Works Managers' Committee has been operating this past year will show still another method of approach.

Each month on the calendar was assigned for the inspection of a given plant. During this month a day was assigned to each works manager when, accompanied by as many of the members of his staff as he cared to take with him, he visited the plant for the purpose of making a critical inspection. Anything found in the plant which he would not tolerate in his own plant—disorder, poor housekeeping, accident and fire hazards, inefficient practices or equipment, conspicuous waste, low morale or what not—he made note of and included in a report to the director of the Association. At the end of the month, reports of all works managers on this plant were