

Frederick L. Lamson. We employ no children at night and use them only occasionally in the daytime. And in general we employ no women. Competition and certain family conditions have forced us to use some. We use some minors under eighteen years of age on certain jobs. We plan eventually to use no children and, to use women only on operations at which they are more competent and to which there is very little strain attached. If our competitors would come into line we could do away with these evils immediately.

Merritt B. Lum.⁸ Do you see a result in the South of these demonstrations of Mr. Kendall's? Are other plants realizing the significance of them and attempting to apply the same methods?

Frederick L. Lamson. I can perhaps answer that question best by repeating two stories. One of our competitors told me: "We have got to get in

⁸Marketing Counselor, Chicago, Ill.

line, Mr. Lamson, because you are getting all the good help and we are getting the poor. The people who live in your houses would not live in mine." Another mill thought it would be a good idea to seek advice from their employes as to what they could do to increase production. One of their employes wrote on the questionnaire that was sent around, "Turn the mill over to Kendall to run."

George D. Babcock.⁹ May I add my comment to the last question? I have lived in North Carolina for two years and have been deeply interested in observing industrial developments. What Mr. Kendall is doing is impressing the South. His paper presented before an Atlanta meeting was reprinted in all the important southern papers. Editorials commented generally favorably upon it. I see much of the southern local press and know that Mr. Kendall's activities are very frequently mentioned.

⁹Manufacturing Engineer, Chunn's Cove, Asheville, N. C.

Industrial Code Committee

THE following members have accepted the invitation of President Kendall to serve on an Industrial Code Committee which will render a report at the annual meeting which will be held in New York early in December:

Henry Bruere, First Vice-President, Bowery Savings Bank, New York, and Director Rock Island Railroad; John M. Carmody, Editor, *Factory and Industrial Management*, McGraw-Hill Publishing Co., Chicago, and President Society of Industrial Engineers; Morris L. Cooke (Chairman), Consulting Engineer, Philadelphia; Gustave Geiges, Personnel Director, Gotham Silk Hosiery Co., Inc., Philadelphia, and Past-President, American Federation of Full-Fashioned Hosiery Workers; Lillian M. Gilbreth (Mrs.), President and Treasurer, Gilbreth, Inc., Montclair, N. J.; Francis Goodell, Industrial Engineer, Naumkeag Steam Cotton Co., Salem, Mass.; Willard E. Hotchkiss, Dean, Graduate School of Business, Stanford University, Stanford University, Cal.; Gorton James, Editor, *Business Week*, McGraw-Hill Publishing Co., New

York; Florence Kelly (Mrs.), General Secretary, National Consumers League, New York; Frederick L. Lamson, Assistant to the President, The Kendall Company, Boston; Morris E. Leeds, President, Leeds & Northrup Co., Philadelphia; L. C. Marshall, Professor in the Institute for the Study of Law, The Johns Hopkins University, Baltimore, and formerly Dean, College of Commerce and Administration, University of Chicago, Chicago; H. V. R. Scheel, Vice-President, Botany Consolidated Mills, Inc., New York; F. A. Silcox, Director Industrial Relations, New York Employing Printers Association, Inc., New York; Francis Lee Stuart, Consulting Engineer, New York, and formerly Chief Engineer, Baltimore & Ohio Railroad; Mary van Kleeck, Director, Department of Industrial Studies, Russell Sage Foundation, New York; Joseph H. Willits, Professor of Industry, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia; Robert B. Wolf, Consulting Engineer, Wolf & Hill, and President, Pulp Bleaching Corp., New York.

The Major Sales Problems of 1930¹

An Analysis of the Merchandising Problems of the Decade Now Beginning

By FRANK R. GOODELL

Partner, Anderson, Davis & Hyde, Inc., New York

THE CHIEF difficulty in making a collective analysis of current sales problems is the fact that they are so desperately miscellaneous. The natural objective is to find common denominators which are representative of the general marketing situations, but this is not easy because of the wide diversity in the sales problems of the individual. In preparing this paper I have selected case examples from a variety of industries. The object will not be to relate one problem to another but to establish the relatively few sources from which they spring.

Sales problems, like the poor, we have always with us. Throughout a period ranging from 1908 to 1925 when my work was exclusively in selling or sales management, I cannot recall a time when we did not *think* we had major problems. And as I look back, not the least of them was to keep the customer's good-will in those periods when the factory could not fill his orders.

It seems a far cry from those days of almost unappeasable demand to these days of overabundance. And if the sales problems of those simpler days were matters of ordinary routine, certainly those of today have become intensely intricate and imperative. In fact, the job of profitably distributing our normal production is now the most baffling and elusive factor in business.

The amazing progress made in other departments of industry has served to throw marketing into bold relief and to greatly magnify its importance.

Our leading enterprises have clearly gained a mastery of corporate finance and control. They have acquired surpassing efficiency in production. Guesswork has been supplanted by controlled operations in budgeting and buying. Much has been done to reduce the former hazards of business. And yet, from the standpoint of assured

¹Paper presented before a meeting of the Taylor Society, Columbus, Ohio, May 1, 1930.

profits, these elements have little value when volume expectancy is not made good. The sales problem is proverbially the "X" in the equation. And despite an improvement in forecasting, sales will probably continue to be an "X" in the business program. But we may congratulate ourselves that the presence of an "X" in an equation represents the first forward step toward its solution.

In considering the sales problems of 1930 we see them first as surface manifestations of underlying economic forces. They are characteristics of the basic developments and trends in which they are rooted. As a step in getting closer to the substance of the major problems let us briefly review the background of what we might call the Drama of 1930. It is a play in four acts and a Prologue to which we arrive just after the curtain has fallen on the first act.

During the intermission we have an opportunity to review the action which has taken place. It is appropriate that we should start with the Prologue because it prepares us for the plot which is now unfolding. The Prologue takes us back ten years when the walls of America's post-war prosperity were as imposing as those of Jericho.

Within a few months they had crumbled into dust before the trumpet blast of forced deflation. Manufacturers began to talk of new and fearful things—buyers' strikes, buyers' market and hand-to-mouth buying. Agriculturists saw the towering values of land and crops quickly swept away. Security holders saw substantial equities obliterated with the suddenness of an explosion. And finally the consumer who had gone on a buying strike lost whatever initiative he enjoyed by a drastic reduction in his purchasing power.

It is doubtful if the industrial history of any nation has ever witnessed such a rapid plunge from the heights of prosperity to the depths of commercial chaos. And yet, within two years, such is the recuperative power of a resourceful people,