

have not solved the problem but have worked out something in our sales policy this year which is a help. The tendency of our salesmen, whether they are on commission or salary, is always to go out and get the order. They hate to do any missionary work which will mean a sale for the distributor. Our sales policy this year states that a retail store that purchases from 50 to 199 rugs can buy directly from Sloane, providing it takes 100 per cent of the order in one shipment. If the order is from 200 to 399 rugs, 50 per cent of the shipment must be made at one time. This means that we practically cut ourselves off from servicing this group; the Sloane salesman who can sell that kind of an order belongs on a throne. We have written into our sales policy inhibitions which make it practically impossible for our salesmen to do much against the jobber. They have to go out and help the jobber salesmen. If we knew the volume of business being done by these jobbers in each county we could give a salesman a territory and make him responsible for what is sold in it, whether through jobbers or department stores. We do not have the figures, however. A Chicago jobber may go down to Indianapolis to sell, for example, and we do not know exactly how much is sold by the retail store to the ultimate consumer. The one thing we have accomplished is to make it practically impossible for the middle-sized retailer to buy directly from Sloane salesmen.

As to what this plan has accomplished—Mr. Kendall's second question—I can make a few definite statements. One of our aims was to get the distributors to establish a definite inventory-control system. Close to 50 per cent of them have

done this. Some did it voluntarily and others had to be sold on the idea. Less than 50 per cent of them have set up sales records, another of our major aims. They are enthusiastic about the profits the plan has yielded them. I met with a group of distributors recently and got quite a different response from what I had received two years ago when the plan was presented. At least there has been progress in mental attitudes, and Sloane is well pleased with the results. Price schedules are being pretty well maintained and there are fewer large orders at low rates on which only small deliveries are ever made. I think this is about as definite a report as I can make on results.

In answer to Miss Lies' questions I would say that we use the ideal stock units combined with cost of goods in building up the dollar inventory. Selling price could be used or cost of goods plus mark-up, but we feel there is an advantage in using cost of goods in that it is easier to handle and less subject to fluctuations. The inventory-control system gives definite characteristics for every weave, size and pattern by seasons. This means that the inventory figure can be arrived at quite automatically, but that it changes from month to month in accordance with the changes in characteristics.

Dr. Person asks if we could not set up salesmen's and distributors' bonuses territorially. As I have said before, we are not able to define territories and therefore cannot work out such a bonus. We should like very much to have direct salesman's compensation based on all the sales in a territory. I cannot quite see paying the distributors a bonus for what the direct salesman sells.

Spring Meeting on Planning

Hotel Benjamin Franklin — Philadelphia, Pa.—April 30, May 1, 1931

Detailed programs will shortly be available, but in the meantime we announce that we hope to present the following prominent speakers on special phases of the general subject on Sales Planning—Stuart DuBois Cowan, Cowan & Dengler, Inc.; on Office Planning—Walter D. Fuller, Curtis Publishing Company; on The Relation of Cost Accounting to Budgeting—Floyd F. Hovey, Eastman Kodak Company; on Planning on

the Scale of an Industry—Thomas L. Chadbourne, Attorney representing the American sugar interests at the Brussels conference; James A. Farrell, President United States Steel Corporation; Walker K. Hines, Director Cotton Textile Institute; on National and International Planning—Major L. F. Urwick, Director International Management Institute, Geneva, who is to be our guest at this meeting.

Industrial Employment Code¹

Tentative Draft Presented for Discussion Only by the Industrial Code Committee of the Taylor Society²

THIS code has been drafted in its present tentative form by a committee appointed for that purpose by President Henry P. Kendall. It has not been adopted either in part or as a whole by the Taylor Society or by the Committee itself as a final document. No plans have been made for its adoption by the Society, but it is hoped that after ample time for discussion—perhaps one year—some code may be developed which will meet with the approval of the Society. Such a code as a formulation of experience, especially if kept up to date by a standing committee, would be very useful to industry in the United States, and possibly it would be of interest in other countries, especially those represented in the membership of the Society.

Some members of the Committee have suggested that a comprehensive Management Code should be developed with the Industrial Employment Code as a first section. No recommendation on this point is made by the Committee, but the suggestion may throw new light upon the discussion of the present draft and its potentialities.

The Committee desires the widest possible discussion and suggestions from whatever source they may come as to the form in which such a code may be of the greatest use and as to its content. We believe that there are great possibilities of usefulness for such a document if wisely drafted and therefore invite the co-operation of the Society and its friends to this end.

¹Presented before a meeting of the Taylor Society, New York, December 5, 1930. Discussion of the Code will be continued at a meeting to be held in Philadelphia, May 1, 1931.

²Industrial Code Committee of the Taylor Society: Arthur E. Barter, Works Manager, The Plimpton Press, Norwood, Mass.; Henry Bruere, President, Bowery Savings Bank; John M. Carmody, Editor, *Factory and Industrial Management*, President, Society of Industrial Engineers; Morris Llewellyn Cooke (Chairman), Consulting Engineer in Management, 1520 Locust Street, Philadelphia, Past President Taylor Society; Gustave Geiges, Personnel Manager, Gotham Silk Hosiery Co., Inc., Philadelphia, Past President, American Federation of Full Fashioned Hosiery Workers; Lillian M. Gilbreth, Consulting Industrial Engineer, Montclair, N. J.; Francis Goodell (Secretary), Industrial Engineer, Naumkeag Steam Cotton Co., Salem, Mass.; Willard E. Hotchkiss, Dean, Graduate School of Business, Stanford University, California; Gorton James, Director of Marketing, The Thompson and Lichtner Company, Boston, Mass.; Florence

I. Purpose, Scope and Use

This code is offered for use by those persons who are responsible for working conditions and human relations in industry, who wish their procedures and policies to be rated above the average in standards of employment in the United States. It is not a counsel of perfection. Leaders who keep ahead of the procession in advancing standards for labor as industry increases its productive capacity will regard this code as a minimum. But perhaps half the industrial enterprises in the nation may find themselves below its requirements in some particulars.

All, however, are invited to check their conditions by it point by point; to report those points at which a higher standard has been proved practicable; and to experiment with those possibilities not yet attained by them.

If the word "code," through its association with legal procedure, implies some form of compulsion, or if through its usage in mechanical engineering it suggests greater precision than is yet possible for human relations, it should be pointed out that the compulsion and the precision of this code rest upon the accuracy with which it has formulated actual experience in industrial establishments. The group which has formulated it has sought to make it a record of good practice at present in what may be described as the upper half of American industry. As industry in the United

Kelley, General Secretary, National Consumers League, New York; Morris E. Leeds, President, Leeds and Northrup Company, Philadelphia; L. C. Marshall, Professor in the Institute for the Study of Law, The Johns Hopkins University, Baltimore, formerly Dean, College of Commerce and Administration, University of Chicago; H. V. R. Scheel, Vice President, Betany Consolidated Mills, Inc., New York; F. A. Silcox, Industrial Relations Director, New York Employing Printers Association, Inc.; Francis Lee Stuart, Consulting Engineer, New York, formerly Chief Engineer, Baltimore & Ohio and Erie Railroads; 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, President, Puro Bleaching Corp., Consultant in Paper Machinery Industry, 200 Fifth Avenue, New York.