

man's stay in that territory. The basis of the system is a route map showing the most convenient routes by which the salesman can reach the different towns in his territory, these routes being arranged not only in reference to the geographical situation of the various cities to be visited, but with regard to the railroad connections, both for entering and leaving the town. Thus, although one town might logically from its geographical position be on the same route with a nearby town, the train connections between the two might easily be such as to render it advisable to place the town upon an entirely different route.

The several possible customers in each town are listed upon report blanks, which contain the essential information which is necessary for the home office to have regarding the customer. Among this information there is included the names of the various officials of the company with whom the salesmen can do business, number of men employed, nature of product, character of equipment in the factory, etc. Blank spaces are provided with appropriate notations, so that the salesmen will give to the home office exactly the information it needs without omitting anything important and yet omitting all matter irrelevant to the subject of making sales. Attached to the report blank is a tickler slip on which is entered by the salesman the time at which the prospects should be interviewed again. The tickler slip is filed in the home office to come up at the proper time and indicate to the office that the salesman should be contacted so as to call on that particular prospect at about the time needed. The cards are posted upon a bulletin board in the home office representing the "jobs ahead" exactly as jobs ahead are represented upon the shop bulletin board. At the time that the salesman should visit the prospect off the given route, the cards for this route are taken from the bulletin board at the same time as the series of slips giving the salesman's address and work for the next two or three days are posted, so that it is always possible for the office to get in touch with him, if necessary, at any time during his trip.

The salesman's reports, which afterwards become the cards

upon the bulletin board, are filed in the envelope which carries upon its face a duplicate of the information on the card. Thus, when the cards are forwarded to the salesman as his order to start upon a trip, the office still retains in its possession all the information relating to the prospects which the salesman has. The system is extremely flexible and is so arranged that a salesman may be stopped at any point in his trip and started upon another route to cover an emergency, which may have arisen after he started on the trip originally planned. When this event takes place, the salesman returns to the office all the cards relating to the prospects which he has not visited, and the office arranges a new route for him which will include those possible customers at the earliest practicable date. The clerical labor involved in the routing of salesmen by this method consists of a stenographer and a boy. The cost is certainly no more, and is, probably less, than the former methods of handling salesmen, inasmuch as the amount of high priced executive's time which must be devoted to the sales department is much diminished.

Considering the greater number of customers visited and the natural increase in sales which should result from the greater activity of the sales force, the cost per sale of running the sales department should be materially diminished. Unfortunately the business situation in the country has not been such since this system was instituted as to exhibit the full possibilities of it, and therefore comparisons between it and the former methods of handling salesmen are not possible.

The bonus system takes into account a number of factors, among them the number of calls made per day, the closeness with which the calls are kept to schedule, the amount of business secured, etc. This feature of the work has been developed to a smaller extent than the routing and scheduling, although it is thought that it is capable of much further extension. It is felt that the application of the principles of scientific management to sales work is hardly started as yet, and that it is capable of extremely wide development.

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## OFFICERS OF THE SOCIETY

*President* (1914-15) Harlow S. Person, Hanover, N. H.  
*Vice-President* (1914-15) Morris L. Cooke, City Hall, Philadelphia, Pa.  
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Carl T. Barth, 6151 Columbia Ave., Philadelphia, Pa.  
C. Bertrand Thompson, Harvard University, Cambridge, Mass.

Harlow S. Person, *ex-officio*.

## THE ANNUAL MEETING

The annual meeting in New York was an unqualified success. Upwards of 190 persons attended the various sessions and 36 sat down to dinner at the Engineers' Club. The general subject of the meeting was Scientific Management and Labor and the papers and discussions dealt with the questions of organized labor, wage payments, selection of employes and kindred topics. Abstracts of the papers are given on other pages of this bulletin, together with principal discussions thereon. Complete discussions are on file at the Secretary's office and can be seen by any one interested.

### New Officers

The following officers were elected at the annual meeting: Vice-President, to succeed Wilfred Lewis, Charles Day, Philadelphia, Pa.

Member of Governing Board, to succeed H. P. Kendall, Sanford E. Thompson, Newton Highlands, Mass.

Members of the Membership Committee, Carl G. Barth, Philadelphia, to succeed F. A. Parkhurst and C. B. Thompson, Harvard University, Cambridge, Mass., to succeed Wilfred Lewis.

### New Members

The following were elected to membership in the Society at the annual meeting:

*Members*—J. A. Bursley, Prof. Mechanical Engg., University of Michigan, Ann Arbor, Mich.

Richard A. Feiss, of Joseph & Feiss Co., Cleveland, Ohio.

*Associate Members*—John M. Bruce, Consulting Engineer, 5710 Grand Central Terminal, New York.

Milton Herrmann, of Herrmann, Ankam & Co., 31 Thomas St., New York.

*Junior Members*—Lyle E. Jenne, 120 E. Washington Lane, Germantown, Philadelphia, Pa.

D. J. Walsh, Jr., Herrmann, Ankam & Co., Lebanon, Pa.

### Applications for Membership

The following applications for membership are before the Membership Committee:

Arthur Ro. Zachert, Babcock & Wilcox Co., Bayonne, N. J.

Elroy C. Robertson, Leavenworth Apartments, Syracuse, N. Y.

Robert B. Wolf, 128 Prospect St., Berlin, N. H.

Walter N. Polokov, 1233 Chapel St., New Haven, Conn.

### NEXT MEETING AT NEW HAVEN

The next meeting of the society will be held at New Haven, Conn., on Feb. 12 and 13. The general subject of the meeting will be "Cost Accounting and Scientific Management." Features of the meeting will include a visit to the plant of the Acme Wire Co., an informal smoker, and a dinner at the Hotel Taft. A tentative program is given below. Details will be announced to the members through the mails at least one week prior to the meeting.

### PROGRAM OF NEW HAVEN MEETING

Friday, Feb. 12,

8 P. M.—Address, "Cost Accounting Theory and Practice," Yale University, Mason Laboratory.

10 P. M.—Smoker, Hotel Taft.

Saturday, Feb. 13,

9 A. M.—Visit to Acme Wire Co.

12.30 A. M.—Luncheon, Hotel Taft.

2 P. M.—At Yale University, Mason Laboratory.

Address, Scientific Management as Applied to Public Service Properties with Special Reference to Cost Statistics—Charles Day.

Address, An Outline of the Scheme of Accounting as Developed by F. W. Taylor with Especial Reference to the Relation of Cost Keeping to Other Functions; Mnemonic Symbolization; Classification of Expense; Distribution of Burden.—H. K. Hathaway.

6.30 P. M.—Dinner at Hotel Taft.

8.15 P. M.—Discussion of papers of the afternoon session.

### CURRENT WAGE THEORIES<sup>1</sup>

By PROFESSOR C. A. PHILLIPS<sup>2</sup>

Economic Science is passing through a stage of readjustment. Old theories, notably wage theories, have been cast aside, and new ones, ardently advocated, are being subjected to rigorous tests. Of current wage doctrines the "marginal productivity" and "bargain" theories command hearty assent. The advocates of the "bargain" theory of wages regard the wage question as a price problem, the solution of which is to be found in the relation between the supply of labor and the demand for it. While the supply of labor is fixed roughly

<sup>1</sup>Abstract of address at the Annual Meeting, December 4, 1914.

<sup>2</sup>Dartmouth College.