

ABSTRACT OF A PRELIMINARY REPORT

of the

COMMITTEE ON THE ORGANIZATION AND FUNCTIONS
OF THE SALES OPERATING DEPARTMENT

PRESENTED AT THE ANNUAL MEETING OF THE TAYLOR SOCIETY

NEW YORK, DECEMBER 3, 1920

FOREWORD

THIS report is preliminary only. The committee desires that it be clearly understood that it does not feel that it has discovered new principles or new method, or made new conclusions, relative to the performance of sales operations.

The committee feels that its work has been only a beginning; that much further study and thought is essential; particularly that the aid of many sales managers is now required for the furtherance of its investigations. It is as a challenge to sales managers to offer such aid, and to provide a common starting point for such aid, that this preliminary report is rendered.

The committee believes that its first problem was not to discover new methods, but to attempt to discover the functions as represented by existing methods, in sales operating. The report attempts to present in summarized form the functions which seem to be inherently present in successful sales operating.

Except for the assumption of certain major departments this report makes no assumption that the performance of the functions summarized must be by distinct departments, sections or branches of an organization. The report attempts to discuss the problem in terms of major and subsidiary functions.

For the benefit of those who were not present at the meeting of June 25, it should be stated that the approach to the problem was definitely set by the following question: "May there be scientific management in the conduct of sales operations corresponding to the scientific management which has been developed in the production department?" Therefore throughout the report selling functions are compared with production functions.

TENTATIVE CONCLUSIONS

1. Selling seems to break down into two major

functions, distinct in their nature and in the types of personnel required for their performance:

(a) The making of larger plans for the marketing of a product, involving analysis of the market and the product, the preparation of master schedules, and the coordination of production, financial and selling resources; called Sales Engineering, Sales Planning, Merchandising, Merchandise Control, etc., and in many instances cared for by advertising or selling agencies:

(b) The actual conduct of the selling operations, involving the detail planning of selling operations, the selection, training and direction of the sales force, the detail planning and conduct of selling operations when salesmen are not used, and all contacts with the customer; called in this report Sales Operating.

2. Sales Operating seems to break down into two principal functions:

(a) The detail planning for, the preparation of materials for, and the supervision and control of, all elementary selling processes. (This function breaks down into elementary functions or processes.)

(b) The actual conduct of sales operations in accordance with the planning and control established in 2a above. (This function also breaks down into elementary functions and processes.)

This report is concerned with 2a only; investigation of 2b is to come later.

3. Conclusions 1 and 2 are the result of a study of a variety of selling departments, and present functions which seem to be inherent in selling; they are not, however, recognized by every selling organization and their execution provided for by functionalized parts of the organization. In one organization one or more functions, in another organization other functions, are recognized and defined.

4. Taylor has shown by his work in production that proper results can be brought about only by sys-

CHART OF SALES OPERATING FUNCTION AND ITS RELATIONS
WITH
EMPHASIS ON THE PLANNING AND CONTROL SUB-FUNCTION