

merchandising control system with our own houses. We are subject to the same fluctuations as all other concerns which sell direct to the trade or to independent wholesalers.

Our company has had continuous employment for a great many years. We effected that by storing more or less. We have our business divided into three parts: a series of wholesale houses controlled by the company, independent wholesalers, and the larger retailers,—three selling groups,—and at the beginning of each season they hold conferences with the salesmen to get estimates on what they are going to sell. We take our entire factory capacity,—it is figured on six distinct manufacturing processes. We take the total capacity on those six processes and even it up right through the twelve delivery period for six months, each month being divided into the two delivery periods. Then that total factory capacity is divided into the three selling groups, and the salesmen go out on the road and sell against that capacity. We keep them informed by reports practically every day as to just what the capacity is on each block, so that they can bring their weekly reports up to date. We show them each week the number of dozens of shoes they can sell, of each distinct type for each delivery. In addition to that we get estimates from these various salesmen for the different kinds of stock which is going to be required, and we keep a record right through the season as to how the stocks are selling by deliveries. Our whole plan is based on tying up factory capacity with our delivery system to our salesmen.

THE CHAIRMAN: One point was brought up a while ago in which I happen to be particularly interested,—when one of you gentlemen asked if we knew the salesman's job in detail.

We have in our concern a reasonably good department devoting its continuous attention to the problems (we never solve any that I know of) of coordination of selling and production. In January, I think it was, we had a sales conference on the assumption that by next November we should very much want to sell some goods. We have all been, for the last three years, simply finding out what kind of a check-rein would stop salesmen from selling, and how to check the customers, and how to cut their orders without cutting their good will in the bargain. But we felt that by next November, perhaps, we should need to sell. We had a conference to see that we were thoroughly covered in every conceivable direction,—if we were

ready for the advertising, for necessary new goods, and so on.

One of the striking things in that conference was that we were all talking glibly about the salesman's job, and that there were no two views of his job, in the room of fifteen people, which even resembled each other. So we decided to try to find out the nature of the salesman's job, and to subject it to Mr. Taylor's method of job analysis,—time study, if you please.

Our first reports,—on an apparently typical salesman, although we realize we must do twenty times as much work before we have any thorough results,—show that forty per cent of his time is spent in travel. That is a pretty expensive investment. If we found in the factory forty per cent of any workman's time spent in walking around and getting the material and getting ready to do something, we should say there is a great opportunity to save and get bigger production. The chances are you can save a good chunk out of that forty per cent. We found also that sixteen per cent of the salesman's time is spent waiting for an interview; fifteen per cent is sales conversation—selling; and six per cent is miscellaneous conversation. Only fifteen per cent in actual sales conversation!

Many a time when we started the same kind of a job in the factory, we thought we might get fifty per cent increase and we frequently actually got one hundred fifty per cent. And Mr. Barth can tell you bigger yarns than that. Now, if in the selling end we can't get by this thorough analysis, similar very material increases in results over what we used to have, it will be a very unusual and a very strange experience for us. Every time we have tackled such a job we have found we were awfully bad and could make great improvement.

HENRY W. SHELTON¹: I am particularly interested because I was a salesman and sales manager for six or seven years before going into production work, and went into production work because I found from sad experience the lack of coordination between the selling and production. I hate to think nowadays of some of the crimes committed as a salesman against the production side. And since then I have equally suffered under the crimes which salesmen have committed against the production side.

It seems to me that there are representatives here, probably, of a number of different kinds of industry, and that one of our difficulties is that we are talking

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more or less in different languages. That is, there are some of us who have the problem of manufacturing to order. Others manufacture to stock. Others manufacture style goods. Others manufacture articles with respect to which, perhaps, the prime problem is educating customers in the new uses; and so on. Then there are those who have the metropolitan sales problem, and those who have the national sales problem. The sales manager's problem that Mr. Crockett is interested in is going to differ in very important ways from the problems of other sales managers.

Therefore in regard to that questionnaire, I feel that we may get into difficulty unless we do something in analyzing the kinds of sales problem which we have to face, possibly by industries or in some other way that your committee may undertake. I would like to suggest that point.

Another general point seems to me of importance. We are apt to think of the salesman as a distributor of that which the production side has produced. I think if to that thought we should link up the thought of the salesman also as a collector of information from the whole territory and field, on the basis of which, the factory can produce better and more constantly. And to organize the means of collecting the right kind of information through our sales forces, is quite as much of a problem of sales management as that of how to sell the goods which will keep the factory continuously producing.

H. S. PERSON¹: In the call for this meeting the specific inquiry was made whether there is anything in the experience of the application of scientific management methods to factory production which can be carried over and utilized in the selling end. It seems to me we can help ourselves by analyzing the major elements in the production technique, and then asking whether there are analogous elements in the selling field.

The first major element in the production problem is analysis, constant analysis, of the production requirements, processes and progress; and in the course of such analysis the accumulation and filing of data—ultimate unit data—concerning every possible produc-

tion operation. These data, if properly collected, are sound and usable in different combinations, as new production situations (different kinds of production orders) come to the department. Query number one: Is there a similar element in the selling problem? I have always believed there is, and Mr. Freeland's talk has made that belief a conviction.

Another major element in the production problem is as production orders come in, to lay out detail operations to meet the requirements of those orders, in advance, and to direct and control the operations,—not leave them to chance. This is possible in part because of the accumulated dependable data referred to above. Query number two: Is there a similar element in the selling problem? I think there is.

A third major element in the production problem is to establish and maintain standard conditions of operations; so that when it is directed that a certain thing be done, it will be done in accordance with directions, under conditions which may be relied upon, and with results which are calculable in advance. This is possible because the data on file have been collected under all conditions, and related to the conditions which are maintained, and may be combined in calculation in accordance with the conditions surrounding the operations being planned. This establishes control, which produces results in accordance with the control. Query number three: Is there such an element in the sales problem? Again, I believe there is.

You may say I am pretty optimistic. I acknowledge that; but it is from optimism that experiments come, and from many experiments at least a few concrete results worth more than the cost of all the experiments. You may say that investigation and analysis is of course a problem of selling; but when it comes to such a standardization of conditions and control as has been developed in production,—the thing is impossible in selling. I believe some advance in that line is possible, however, and that is what we are here to inquire about.

The big problem in any business is not merely to coordinate production and selling, but to coordinate all along the line—production, selling, and the demands of the market—so as to give the selling department as well as the production department,—if not stable conditions at least unstable conditions which are calculable.

Analysis of the elements and the collection of usable data is certainly practicable; precise control of the

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