

selling force seems practicable; the big problem is to work out such a variety of products and such contacts with the market as to establish situations which may be anticipated, which will give continuity of adjusted production and selling operations. That will give continuity of employment, low costs and increased competitive power.

From the point of view of organization it seems clear that the engineering (analysis and planning) function should be distinct from the selling (in the narrow sense) function. Whether conducted by different departments or individuals depends upon the size of the business.

HERBERT A. BURNS¹: Would it not be well to eliminate one thing from the sales manager's job, and that is gathering the statistics as to what ought to be done? I feel that Mr. Freeland's idea is correct, that the sales engineering department should not come under the sales manager. In the information Mr. Crockett gave to us he indicates that it is up to him what plans should be made. Ought that not be left up to the sales engineer and not the sales manager?

THE CHAIRMAN: It might be a definite service if we should just indicate how we feel about that. My own feeling was made quite clear at the beginning. I have indicated that our own departments of sales planning and sales operating whatever you might call them, are distinct, I am sure I should be interested to know by show of hands how many believe that those two functions are separate, and how many believe planning should be combined with the sales management. (A show of hands indicated that thirty-one believed the functions should not be combined in the sales manager; twenty-eight that they should be; about fifty participants not voting.)

JOHN H. WILLIAMS²: They must, of course, be coordinated.

THE CHAIRMAN: It doesn't mean that in a small concern different persons manage different departments. In a small concern one person may be responsible for the two functions. But they are distinct functions.

SANFORD E. THOMPSON³: It has been my experience in large organizations that there is always more or less

¹Production Manager, New Home Sewing Machine Co., Orange, Mass.

²Consulting Engineer, New York.

³Thompson & Lichtner, Consulting Engineers, Boston and New York.

conflict between the sales and the manufacturing which brings out the importance of the coordination that Mr. Freeland suggested.

There is another point that hasn't been touched on specifically today, and that is the complications which scientific management in manufacture introduces into the sales organization by enabling the factory to turn out so much larger production. Scientific methods do not have their full benefit unless they result in larger production. With the increased production we must have the larger sales.

We are often vexed by superficial industrial engineers at the present day. We are vexed nearly as much by the engineers who have good intentions,—whether they be engineers from outside or whether they be engineers associated directly with the factories,—who strike the high spots only. Sales have been tackled so far with a few exceptions in the same general way as the superficial industrial engineer tackles the production problem. The high spots only are tackled. We have bonuses, quotas and what not, based on guess.

In manufacturing, there are certain fundamentals necessary, as Dr. Person has suggested. We must have a definite control of the manufacture through the factory, something which very few factories have at the present time in sufficient detail. We must have this through job analysis and through standardization.

We also have similar fundamentals in sales and it is equally necessary to attack those fundamentals. We must plan out the work.

There is great danger of perhaps a large number of the men in this room not fully appreciating what job analysis means and we have found and we shall and more prominent, cases of tackling it from the standpoint of establishing bonuses on sales without getting at the fundamental conditions. Mark my words, that is going to happen. You are going to have just the same conditions in developing sales as have been experienced in developing production; the attempts to touch the high spots, to establish piece rates and so on without thorough study.

Mr. Freeland's paper was wonderfully interesting. We must not lose sight of the fundamental principles he brought out, and the most important of all is this engineering analysis as in a production department. It seems to me the biggest job of the sales manager,

where you do not have this extra sales engineering department,—and in a small factory at times it will be necessary to combine the two functions in the same man,—the biggest job of the man, whether he be called a sales manager or whether he be called an engineer, is to get at scientifically determined fundamentals. In the first place, to study the conditions, various things that have been talked of today; in the second place, to develop these things through control and analysis; and in the third place to provide for the maintenance of these standards. This sounds theoretical, but you have got to get down to what are really the fundamentals, or we shall never get anywhere.

WILLARD P. BARROWS¹: It seems to me that the great value of the selling force as an organization to gather information and bring it to the factory, has been lost sight of.

I recall an experience I had some years ago with a concern in bankruptcy. I was receiver and it was up to us to prove our reason for existing and for the court allowing us to continue in business. It was a very reputable concern, and made a very large line of silver goods; I found we were making a very great number of articles,—perhaps four or five hundred,—and that this number was increasing yearly; that although the number had been objected to very strongly by some of the management, they had never eliminated any lines; nothing once begun was ever stopped; and the salesmen, of course, were very glad to have the factory make anything that any of their customers wanted.

I did this: I had a list prepared of every article we made, and I had copies of it made with each article numbered. Then I prepared a list of test questions, about thirty I think there were, calling for such information as maximum bullion and labor, minimum bullion and maximum labor, the salability the year round, stability of design; etc. I submitted to each of some twenty salesmen and shop men this list of articles and this list of questions and requested that they check off on each article where it met the requirement of a certain question and that they be prepared to state the reasons why they had made that report. Everyone responded. We got from twenty to thirty complete reports on all of those articles; they were tabulated and I found whether tea balls had met so many requirements on an average,

and whether a certain kind of spoon or something of that kind had met so many requirements.

Then, after we had analyzed this and gone over it, we called a conference and discussed the various things. I will venture to say that the management learned from this series of conferences more about the conditions of trade through the country, about the different articles that were made, the good and bad points, than they had ever known before. This resulted in the elimination of about two-thirds of the articles.

That was only the beginning. It was just stabbing, that is all; but it was a beginning which enabled us to go on and collect data and tabulate them and keep them where we could get at them. That is an illustration or example of education of the salesmen. The salesmen lived too far away from the plant. They don't know enough about it. The management doesn't know enough about the salesmen. The salesmen live in the atmosphere of the customer.

NORMAN R. HOOVER¹: I have been waiting all day for something permanent to come from this conference. Why can't we organize some kind of a sales managers' association, or club, whereby we can meet from time to time and work the problem out?

E. ST. ELMO LEWIS²: I think we might do something such as the gentleman from the American Chiclé Company suggests. I move you that it is the sense of the conference that four committees be appointed and report at a conference to be held at the call of the Society in the Hall—that is, in October or November, somewhere along there—on the following subjects: (1) Selection and education of salesmen; (2) the organization and functions of a sales engineering or planning department; (3) sales quota, methods of determining and putting it into execution; and (4) a committee on the organization and function of the sales department. I should have those four committees make reports which can be mailed to the members of the conference in advance of the meeting and then we shall have something definite to discuss.

THE CHAIRMAN: Inasmuch as this is, so far as I know, the first meeting of sales managers which has been called to attack the problem from this particular angle,—namely, what can the sales manager learn from the production methods of the factory?—

¹Counselor in Management, Philadelphia, Pa.

¹American Chiclé Co., New York.

²Campbell-Ewald Company, New York.