

## ABSTRACT OF A PRELIMINARY REPORT

of the

### COMMITTEE ON THE SALES QUESTIONNAIRE<sup>1</sup>

PRESENTED AT THE ANNUAL MEETING OF THE TAYLOR SOCIETY  
NEW YORK, DECEMBER 3, 1920

#### FOREWORD

A RESOLUTION passed at the Sales Executives' Conference of June 25 called for the appointment of a committee which should secure, through a questionnaire addressed primarily to the manufacturing organizations represented, data concerning current practice in organization for and the conduct of sales operations, with reference particularly to the coordination of selling and production. The committee is made up of the chairman of the other committees and two members at large, and to it has been given the additional duty of acting as a planning committee for the work of all committees established by vote of the conference.

Painstaking work by a sub-committee resulted in a tentative questionnaire which was so comprehensive that it was concluded not to send it out without most careful working over. It was decided, however, to send out immediately, to secure data for guidance in working over the comprehensive questionnaire, a brief set of questions which would yield evidence as to whether in practice there is special effort to coordinate sales and production and recognition of a functional distinction between sales engineering (planning, merchandising, etc.) and the conduct of sales operations. The following is a report on this preliminary questionnaire.

This questionnaire was sent to the firms represented at the June conference—fifty-two—and at the time of the preparation of this report for printing twenty, or about two-fifths, had reported.

It should be observed that these firms are fairly representative of the best in general management rather than of the average. There has no doubt been a double selective force at work; those attracted by such a con-

<sup>1</sup> Reprinted from Vol. 5, No. 6, Dec., 1920. The demand for that issue has exhausted the supply, and because of evidence of a continuance of the demand, it has been decided to republish the sales reports.

ference as that of June 25 would be representative of energetic and inquiring firms; of that group, those who had data available for prompt response to the questionnaire would be representative of firms which have the habit of inquiry and self-analysis.

They represent a wide range with respect to the nature of the products, the quantity and value of output, the number of personnel engaged in factory operations and the number engaged in marketing operations.

The Committee believes that the results of the inquiry, although meager, are not without value, especially as establishing a "toehold" for the first steps towards scaling a veritable precipice of difficulties ahead.

#### RESULTS OF THE PRELIMINARY QUESTIONNAIRE

##### I. SALES ADMINISTRATION

The function of determining general sales policy; of approving general plans and schedules which have been worked out and proposed; of settling (by the exception principle) matters which cannot be settled by those executives more directly concerned with sales engineering and the conduct of sales operations.

1. Where in your organization is the final authority for determining or approving a sales plan or campaign? (such as Directors; President; General Manager; Committee of department heads.)

Four replies state that this responsibility is in the directors; four that it is in an executive committee of directors who are heads of operating departments; one that it is in a committee of operating department heads; one in an executive committee; one in a President; one in a Vice-President in charge of sales; two in the General Manager; one in the General Sales Manager; one in the President and General Manager; two in the President and Sales Manager; one in the Sales Manager who carries exceptional matter to the General Manager; one reply states "no organized method—we 'cut and try'."

2. Do plans come to the determining authority (accompanied by necessary information) from some special individual or department of your organization? (Such as Sales Engineering Dept.; Merchandising Dept.; Merchandise Manager; Sales Research Dept.; Promotion Dept.; etc.)

Six replies state that such plans come from special departments (Sales Engineering, Sales and Planning, Merchandise Council, Sales Statistics); three that such plans come from various sources; one from a committee concerned principally with the financial budget; one as a consensus of opinion of department heads; three from the Sales Manager; one each from Merchandise Manager and Asst. Sales Manager; three state that there is no organized information sent to authority determining sales plans.

3. Do these plans come to the determining authority for its consideration and approval in the nature of definite schedules (a) which outline a sales plan or campaign only; (b) which outline a coordination of sales, production (or purchasing) and financial actions involved?

Eight replies state that plans aim at complete coordination of sales, production and finances; one that such coordination is limited; one that such coordination is chiefly financial; three that a sales plan only is attempted; three that sales plans are made, with such a rough checking against factory capacity as the General Manager or Sales Manager can make without special detail information; two that there are no definite sales plans.

##### II. SALES ENGINEERING

Also called Sales Planning; Merchandising; Merchandise Control; Sales Research; Sales Promotion; Sales Development; etc. The function of devising sales plans for consideration of the ultimate sales-policy-determining authority, involving the study of markets, old products, new products, competition, production capacity, etc.; involving also possibly the preparation of master schedules embodying the sales plan.

1. Do you recognize the devising of sales plans as a function distinct from actual selling?

Interpreting this to mean general plans and master schedules, seventeen replies state that this is a distinct function; three that it is not.

2. Does your organization provide for a department or staff which is responsible for the function of devising sales plans? What is the name given by you to the department?

Nine firms state that they have no such separate department or staff; one that such a staff is being organized; ten that the function is recognized and provided for by special departments such as Sales Engineering, Sales Statistics, Sales Promotion, Sales Planning departments; one by a committee of the Directors consisting of department heads; three by special executives; one by outside experts.

3. Does the sales engineering or planning department, in its research, study: (a) markets; (b) old products; (c) new products; (d) competition; (e) plant capacity?

Of those firms which make special provision for sales planning, eight consider all of the phases of the problem; four additional consider all except plant capacity; five firms report that these matters are taken into consideration by the General Manager and department heads; five state specifically that no special study is made of them.

4. Does the sales planning department limit its activities to research and reports; or does it work out specific written plans in the nature of master schedules which provide for coordination of sales, production and finance?

Five firms reply that in addition to research, master plans and schedules are prepared which coordinate sales, production and finance; one that such work is just beginning; one that master schedules are prepared without much research; one that the scheduling is limited principally to finances; three that the Sales Manager or his associates prepare rough schedules; seven that they can claim neither research nor the preparation of master plans and schedules.

5. If you have not a functionalized sales engineering or planning department or staff, state how you provide for the performance of this function.

Of those firms which do not provide for sales engineering or planning by special departments or staffs, four state that sales planning is a responsibility of the Sales Manager, either alone or in consultation with salesmen; one, of an executive committee which has additional duties; one, of a Vice-President in charge of sales; one, of the President's office; one, of the Superintendent of the Factory who watches shipments, orders and production.

##### III. SALES OPERATING

The functions of carrying out sales plans, involving the selection, training and direction of salesmen; the working out of detail plans to give effect to master sales plans; the securing and preparation of sales materials; records of sales performance and cost; contracts with customers; etc.

1. Do you recognize this as a function distinct from sales engineering or planning?

Sixteen of the firms replying state that sales operating is recognized as a distinct function; one that it is coming to be so recognized by them; two that it is not so recognized.

2. Is this function performed by a department or unit distinct from that which performs the function of sales engineering or planning?

Thirteen replies state that sales operating is not performed by a separate department; four state that it is performed by a separate department; three that the separation of sales engineering and operating is only partial.

3. Does your sales operating department have charge of the following functions (if not, state what