

UNIVERSAL
LIBRARY

OU_170410

UNIVERSAL
LIBRARY

OUP—552—7-7-66—10,000

OSMANIA UNIVERSITY LIBRARY

Call No. *658-81 / R 765* Accession No. *14094*

Author

Title

This book should be returned on or before the date last marked below.

**AN INTRODUCTION TO
SALES-MANAGEMENT
AND THE CONTROL
OF SELLING**

1704910

AN INTRODUCTION TO SALES-MANAGEMENT AND THE CONTROL OF SELLING

BY

THOMAS RUSSELL

PRESIDENT OF THE INCORPORATED SOCIETY OF ADVERTISEMENT CONSULTANTS; PRINCIPAL
OF THE THOMAS RUSSELL SCHOOL OF SALESMANSHIP; AUTHOR OF "COMMERCIAL
ADVERTISING," "SUCCESS IN RETAIL ADVERTISING," "RETAIL
SALESMANSHIP," ETC.

GERALD DUCKWORTH & CO. LTD.

3 HENRIETTA STREET, LONDON, W.C. 2

MCMXXVII

*First Published in Two Volumes,
1924-5, Second Edition. 1927.*

Registered at Stationers' Hall

All rights reserved

MADE AND PRINTED IN GREAT BRITAIN BY THE WHITEFRIARS PRESS, LTD.,
LONDON AND TONBRIDGE.

TO
THOMAS SWINBORNE SHELDRAKE
TO WHOM
FOR HIS PUBLIC WRITINGS
NO LESS THAN FOR HIS PRIVATE COUNSELS
THE AUTHOR'S OBLIGATIONS ARE
HEREBY CONFESSED
THIS BOOK IS DEDICATED
AS A TRIBUTE OF MANY YEARS'
FRIENDSHIP

PREFACE

THE chapters on Sales Management and on the Control of Selling respectively, here combined in one cover, originally appeared as two separate books. The substance of them was contributed by me to *The Times* in its Trade and Engineering Supplement, and it is through the kindness of the editor and proprietors that I was allowed to reprint them. This I did in response to a number of requests.

The first editions of each volume have been exhausted and the present re-issue fulfils the intention expressed in the preface to the second of them. Except for the mechanical re-arrangements thus necessitated no changes have been introduced, because none were required.

THOMAS RUSSELL.

*Clun House, Surrey Street,
London. W.C.2
March, 1927.*

CONTENTS

PART I

CHAP.		PAGE
I.	THE SALES-MANAGER AND HIS DUTIES . . .	11
II.	TRAINING AN INDOOR SALES-FORCE . . .	20
III.	SALESMANSHIP IN SHOPS . . .	29
IV.	APPOINTING A SALES-MANAGER . . .	34
V.	THE SALES-MANAGER AS LEADER . . .	39
VI.	THE MAN ON THE ROAD . . .	46
VII.	SELLING TO THE RETAILER . . .	57
VIII.	WHAT TRAVELLERS MUST DO . . .	62
IX.	THE CONTROL OF TRAVELLERS . . .	66
X.	THE SALES-MANAGER'S OFFICE-WORK . . .	80
XI.	CATALOGUES AND PRICE LISTS . . .	89
XII.	SALES-MANAGEMENT FOR EXPORT TRADE . . .	93
XIII.	PROBLEMS OF PERSONALITY, LANGUAGE AND SEASON . . .	104
XIV.	SURVEYING THE FOREIGN FIELD . . .	112

PART II

I.	SALES-ACCOUNTING . . .	125
II.	SALES-ACCOUNTING AND SALES-COSTING . . .	131
III.	THE ELEMENTS OF SELLING-COST . . .	136

CHAP.	PAGE
IV. PRACTICAL EFFECTS OF SALES-CONTROL . . .	142
V. THE COMMERCIAL TRAVELLER—NEW STYLE . . .	148
VI. TRAVELLERS' EXPENSE ACCOUNTS	153
VII. INDOOR SELLING COSTS	158
VIII. EMPIRICAL SALES-MANAGEMENT ; MAIL-ORDER SYSTEMS	163
IX. STATISTICS AND THE SALES-MANAGER . . .	168
X. SYSTEM IN SALESMANSHIP	173
XI. TRAVELLERS' ROUTES	178
XII. FORESIGHT IN SALES-MANAGEMENT . . .	183

AN INTRODUCTION TO SALES- MANAGEMENT AND THE CONTROL OF SELLING

PART I

SALES-MANAGEMENT

CHAPTER I

THE SALES-MANAGER AND HIS DUTIES

SALES-MANAGEMENT, as an organized calling, is highly modern, being not much more than half a century old. Previously there was little need for specialized selling, because while traders and producers no doubt desired increased business, they were not, as they have now become, dependent for their very existence on large sales.

Until the factory system, with its use of machinery and resulting large output, had begun to push production to the intensive stage, manufacture hardly kept up with population. But when machinery began to turn out goods in great quantities, the heavy interest-charge on plant necessitated faster and faster production, and made it necessary to create and stimulate markets—to sell the goods instead of merely allowing them to be bought. The manufacturer, instead of supplying a few customers near at hand, made use of improved transport and communications to enter distant markets. At the same time, the

small shop with the shopkeeper's family and apprentices as its sole staff, selling almost directly from producer to consumer, began to develop into the emporium with its hired assistants, who must earn their wages by making money in the till replace as quickly as possible goods on the shelves.

THE SALES-STAFF ANALYSED

Following the universal rule of evolution, business control has developed from the simple and homogeneous to the complex and varied. Functions not long since performed by the same individual have become differentiated, and have been distributed to several persons. Travellers and salesmen used to write directly to their customers. The same man who called upon the clients of his firm also received them when they returned this compliment. Division of labour makes for economy in selling.

Allowing for variations determined by the size and character of the business, the selling department of a wholesale concern normally divides itself into three branches—the showroom staff, selling to customers who call; the travellers who seek custom out of doors; and the office, where records are kept, clerical work is done, goods are sold by post, and stimulation is applied to the selling branches. Retail businesses, of which the problems will be discussed in a future chapter,

usually require only the first of these branches, and some part of the last; often they do not possess any functional sales-management at all. A good counter staff and an experienced shop-manager are able to handle the customers satisfactorily, where competition is not very keen, or where the shop deals in but one line of goods. A miscellaneous business, divided into departments, requires management of a more stimulating character.

THE COST OF SELLING

Selling must be controlled by a strong supervising hand; it will otherwise cost too much. Manufacture is never fully efficient until a costing system is used—though this indisputable fact is not yet quite always realized. Merchandising and distribution equally require proper supervision of costs. It is futile and dangerous for either a producer or a wholesale trader to fix the price at which he can afford to sell goods in a competitive market without knowing what the actual selling costs him. To work by guess means allowing the market to determine the price. As soon as the business begins to feel its feet the market will be only one factor—the competitive—in the calculations involved; and the business will never be safe unless competent sales-management estimates in advance the cost of selling, and labours unceasingly to reduce it. In the

absence of such an estimate, or in the presence of an estimate that is substantially inaccurate, one of two dangers will arise. Either the prices will be fixed too high, and business will be lost through competition; or they will be fixed too low, and will not show adequate profits.

The cost of selling is made up of rent, rates, and taxes, lighting, and similar establishment charges; wages of salesmen and travellers and the expense of management; commissions, if paid; printing, postages, and advertising; samples; travellers' fares and hotel bills; and losses through deterioration of goods which either do not sell at all or have to be bargained off. It is the business of the sales-manager to avoid the last of these expenses and to get a maximum return out of all the others.

Not all these elements of selling expense are directly proportionate to, or derived from, volume of sale. Some of them may be fixed quantities, at all events quantities that will not alter until the volume of sale has outgrown a certain limit, when new warehouses and sale-rooms become necessary. Until this limit begins to be approached it is evident that every increase of volume reduces selling costs per cent. of sales, in so far as they are made up of the fixed outgoings referred to. So long as the saleroom is big enough to accommodate all the business done, the debit for rent will be diminished for the whole of the

sales every time the sales increase. Efficient sales-promotion is therefore a money-saver as well as a profit-earner. Obviously staff is the most important element of selling expense, the element most under control, and the element of which the efficiency can be most highly developed by good management; and the sales-manager's staff will be discussed first of all.

A sales-manager, that he may get the best possible service out of his staff, must begin by selecting the right men and women to serve under him. They will normally be required for three sets of duties, each calling for an entirely different type of mind—the showroom assistants, the travellers, and the office staff. Very great economies in selling cost can be achieved by a right selection of men, and it is worth while to analyse the characteristics which have to be sought.

THE SELLING STAFF

While salesmanship is a business which must, in any event, be learned, there are types of personality, quite easily recognizable by an experienced observer, which furnish a guide to the choice of men. The showroom requires a more receptive and sympathetic personality than the road. Selling on the road requires a more robust and dynamic personality than the showroom. Women make good salesmen indoors. On the road, apart from

other disabilities, their smaller physical resistance and their sensitiveness usually disqualify them; though here and there you will find a woman who overcomes all obstacles. When found, she is invaluable—hard-working, systematic, persevering, loyal. But her type is so exceptional that there would be little profit in attempting to differentiate her training from that of the male traveller, though the methods used with the two would differ in some particulars.

SELLING IN THE SHOWROOM

A woman traveller is, essentially, a developed showroom salesman—receptive rather than aggressive in type, skilled in the tactful art of allowing a customer to buy more than he perhaps intended, little apt to create very much demand by active methods. What is known as “raising the sale” is an important function, and one for which many women show marked aptitude.

Indoors, the salesman meets customers who have come to market. The buying impulse is there; it has not to be created. That is why a receptive type of mind is required in the indoor salesman. Much that is true of warehouse, or wholesale, salesmanship applies equally to retail shopkeeping, though there are differences which will be discussed hereafter.

A person who is quick to grasp a suggestion,

knowing instinctively what you are trying to say before the sentence is out of your mouth, will make a good indoor salesman, of either sex. The characteristic, then, for which to look is this receptiveness, and a quality often rather sentimentally spoken of as "sympathetic." The indoor salesman must be able to command confidence. Customers coming to the warehouse are on their guard. They know that they have put themselves at a disadvantage. They are quick to suspect any move which has the air of cajoling them into increasing their commitments. A good salesman does increase the order. But the customer goes away feeling, not that he has been sold more, but that he has seized an opportunity which he would have been sorry to miss. Evidently the gift of being able to instil confidence into the mind of the customer is even more important here than in outdoor selling. It is important in both cases; but confidence is created by a different type of methods. This is particularly true of selling to retail traders goods which they will have to sell again. They buy of the indoor salesman in quite a different spirit from that in which they give their order to a commercial traveller, and a correspondingly different personality is required to handle them.

The qualities and value of a good indoor salesman are often undervalued, in comparison with the more showy personality of the traveller.

THE COMMERCIAL TRAVELLER

It is almost impossible, when engaging a traveller, to avoid hearing a good deal about his "connexion." But the point to look for is not his connexion, but the personality by which he has obtained it. The days are passing away when people buy goods from one man rather than another because they like him better, or because he plays a better game of billiards (or a worse), though they may admit him to their presence more readily than a stranger on that account. The goods must sell the goods, and the man to make a traveller is the man with the right personality to introduce himself effectively. Added to this must be the qualities of courage, force of personality, and what, for want of a better term, is detestably called "magnetism," to enable a man to obtain the interview and impress himself upon the customer when he has found his way in.

THE SALES OFFICE

In choosing the superior functionaries of the sales office the points to look for are ability to plan and organize, the gift of writing a good letter, and a taste for writing and illustrating catalogues, circulars, and advertisements—or for procuring their preparation and production. A commercial instinct is combined with some literary and artistic

taste in a few persons, and at this end of the business that combination must be sought and found.

Organizing qualities are commoner, and can be much more easily acquired. No special type of mind is needed. Even a very good organizer is often little more than a sublimated clerk. The training of these staffs will next be considered in turn.

CHAPTER II

TRAINING AN INDOOR SALES-FORCE

THE qualities required to make a good indoor sales-person having been briefly described in the previous chapter, the next step is to consider how these qualities can, by proper training, be developed to their highest efficiency. No inconsiderable part of a sales-manager's functions is to train in accordance with his own ideals of salesmanship those who serve under him. They will not necessarily be novices. But even an experienced traveller or salesman requires stimulation, if he is to do the best of which he is capable; and in any event, he must absorb the spirit of his chief. As the latter will preferably have graduated from the ranks of salesmanship, but will have had a thorough and systematic training, not confined to mere rule-of-thumb work on the road or in the showroom, he will be well versed in the difficulties and temptations to which his staff is exposed.

The training of the indoor sales-force is one of his duties.

Certain qualities of a salesman are by nature best utilized if innate. That is not to say that even these cannot be taught; but it is quicker

and more efficient to start with them ready-made, if possible. There are some characteristics which militate so violently against salesroom work that an attempt to overcome them would consume too much time and effort to be profitable. The very trait that would make a man a good commercial traveller may, for instance, sometimes make him almost hopeless indoors. A certain breeziness and a flow of talk, with the gift of taking command of the conversation, are essential to an outdoor salesman. They would require some suppression if the same man had to do his work in the showroom.

That is why modern practice is against allowing a traveller to meet customers at headquarters; though, if he has previously known them well, so that they are accustomed to his personality, he may be able to overcome the disadvantages inherent in the same personality if it encountered strangers on the wrong ground. But such exceptions do not weaken the rule that division of labour, and consequent specialization, give the best results.

TRAINING THE SALES-PERSON

Women, because of their natural receptiveness, not only sell more successfully indoors than otherwise, but are more readily trained than men. The required teaching divides itself into two parts—teaching the goods, and teaching how to sell

goods. Salesmanship is an art which must be adapted to suit different trades, but it has broad and general principles which can be taught by themselves. Nevertheless, the most powerful weapon in the armoury of anyone who has to sell is knowledge of the selling-points inherent in the merchandise itself.

Using this knowledge is another matter. To be able to recognize selling-points in the technical facts about the goods requires experience. A trained understanding detects them, where they would be missed by a novice in selling, however well instructed in manufacture. The most economical, and therefore the efficient, plan is for the sales-manager to teach his staff just as much as will (1) give them confidence in the presence of a buyer; (2) enable them to marshal their selling-points effectively; and (3) furnish the answer to any criticisms likely to arise. It is possible for a salesman to learn too much. As he cannot possibly be equipped with technical knowledge that is exhaustively complete, he may lose his grip of what is essential by having his mind crammed with unnecessary details.

THE SALESMAN'S NERVE

From the nature of the indoor salesman's personality he is likely to be less confident than the outdoor man. The latter travels under his

own steam. He must rely upon himself. There is no higher authority at his elbow to help him out of a difficulty and answer questions for him when he does not know the answer himself. When cornered, he will generally manage to evade the point by side-tracking a customer whom he knows how to control. The indoor salesman must, perhaps above all things, be taught not to lean on his superiors or upon anyone else, precisely for the reason that he has better opportunities to do so than the man on the road. He must resist the temptation to grasp these life-lines. From the moment when he wavers and sends up signals of distress, his influence weakens, and he loses the respect and confidence of the customer. The traveller has not to be taught this, but the indoor salesman must learn it early.

The best safeguard for his nerves is knowledge of the goods.

The next best is confidence in the house. In no circumstances, short of actual blundering, should the salesman be corrected before a customer. He must learn, from the moment when he is trusted to sell, that he has nothing to fear, as well as nothing to hope, from bystanders. And he must acquire another confidence—confidence in what he sells. He must not only know the goods, but believe in the goods—with enthusiasm that does not halt, with a steady faith that is almost affection.

THE PLACE OF ENTHUSIASM IN
SALESMANSHIP

This warmth and this confidence are the very essence of salesmanship, and they should permeate the atmosphere of the salesroom. They must be supplied by the sales-manager, and by his personality they must be impressed upon the temperament of the sales-force. This sounds more difficult than it really is. A practised manager can warm up his own enthusiasm and impart it to others. Very likely it will need to be renewed again and again. This is the purpose of the conferences of the whole staff which some sales-managers find so valuable. If the staff is not properly enthusiastic, a new salesman, over whom his chief has laboured, quickly cools when he reaches the salesroom. He must not be subjected to this chilling draught; and that he may not be, it is essential that the faith of all the men in the goods shall be genuine, not assumed or affected.

THE TONE OF THE SALESROOM

A new salesman must be taught to answer both questions and objections, but salesmanship must also be studied *per se*; it is the more difficult to teach by direct precept. The practical example of the trained selling force will come to the

teacher's aid. A newcomer can be given some mechanical task in the showroom so that he may be present without having the air of hanging about in idleness. He can hear what is said to customers and inquirers, and pick up the tone of the place. This "tone" has importance. No two teachers of selling can have exactly the same temperament, and a sales-manager with the force of character required to impress his ideas on a staff is sure to tincture their methods with his own manners.

THE SALESMAN AT SCHOOL

What he here picks up unconsciously will supplement what he has learned by precept. Supposing him to have had no selling experience at all, he is taught first how to answer questions clearly and without waste of time ; for a salesman's time costs money, and besides, a customer who is wearied by a prolix talker may hurry away before there is time to introduce "the next article." He must also learn how to lead a customer to something about which he has not asked any question, the second subject marking a decided advance in difficulty. The objections which have been found to be most often advanced against particular objects of sale are also described to him, and the facts which answer them impressed clearly on his mind. It is usually found

better to provide the salesman with facts which dispose of objections than to supply him with what is sometimes called "standard talk," and similarly the best salesmen are not made by teaching a "standard approach" parrotwise, though where the material supplied to a sales-manager in his staff is of an intellectual calibre which forbids him to expect great things, salesmanship taught by rote is better than no salesmanship at all. The standard system is most often employed where a large staff has to be trained and kept in training (it will need this)—more especially for the road. Its strength is that by its aid a good many salesmen can be launched quickly; its weakness that when they meet with an objection on which they have not been instructed, they are sure to blunder.

THE VARIOUS CUSTOMERS

The last part of the salesman's discipleship at the feet of the sales-manager is his training in the difficult work of suiting his salesmanship to the temperament of customers, or, to put the thing pedantically, his training in instinctive psychology. He must learn to estimate quickly the attitude of each customer, until his adeptness in this art is so advanced that he seems to him-

self to know instinctively whether cautious, far-seeing demonstration that there can be no possible risk in buying the goods is the right line to take with a visitor evidently pessimistic and distrustful; or whether a lighter and more optimistic prediction that profit is certain will more quickly win the confidence of optimists.

It is, before all other things, confidence that the salesman must create. People do not buy goods in hope; they must know, or at the least firmly believe themselves to know, that their purchase is sound, and the salesman who knows his business will succeed in selling not only the goods but the house, sending the customer away with an improved opinion of the firm.

In the wholesale business, with which we are at this stage alone concerned, it is always more important to create a great deal of confidence than to sell a great quantity of merchandise. The young salesman must therefore be taught how to limit the amount of goods which he unloads upon a customer. He must, indeed, be trained to think of his customer's interest as well as his firm's; no good salesmanship comes of the idea that selling is a battle in which the buyer must lose before the seller can win. To sell to a technical purchaser more material or tools than he should take at once, or to a retailer more wares than he will be able to sell in a reasonable time, is not only not clever; it is actually stupid,

and a good salesman must have the courage to refuse or reduce an order, even when his sales-book happens to be a little thin.

He must also be taught caution in giving credit, and tact in refusing it; and the same is true in retail salesmanship, which is the subject of the next chapter.

CHAPTER III

SALESMANSHIP IN SHOPS

IN part, the training of a retail shop-assistant follows the same lines as that of salesmen in the wholesale showroom. The types of personality which succeed in the two places are similar, but the characteristics distinguishing the indoor whole-sale-salesman from a traveller require to be accentuated in the shop-assistant. On the other hand, more tact is needed in retail than in wholesale selling, and what is called "pushing" must be kept under yet severer restraint. As it is incumbent upon a sales-manager to understand the work of any staff which he may be called upon to control, the principles which he will inculcate in training wholesale and retail salesmen and travelling men on the road must be expounded even at the risk of making a work on Sales-management read, in parts, like one on Salesmanship.

In all these places questions of credit arise, and as these were mentioned at the end of the last chapter, they may conveniently be dealt with now.

A clear understanding must exist between the salesman and the sales-manager or the house on the authority to grant credit. Few things can

militate more actively against success in selling than a salesman's uncertainty about his right to accept an order if he obtains it. His nerve will go all to pieces if there is any doubt on this. Where a salesman or a shop-assistant has not sufficient experience to be trusted with credits, some plan must be adopted by which he can inform himself of the customer's standing, without attracting the attention of the latter.

REFUSING CREDIT

Most customers bear a refusal of credit with more patience in a letter than by word of mouth. Where a purchase is to be forwarded, the question can be evaded by a salesman in distress; but it is not very good salesmanship to sell goods, and even push for an increased order, and then write that the customer's account will not bear the charge made upon it. "If they won't trust me, why did they solicit my order?" the customer naturally asks himself. The assistant must cultivate his inborn tact, and be taught how to wrap up the demand for payment in acceptable words. Sometimes he can get out of the difficulty by pleading lack of authority: "I am not allowed to forward an order of this extent without payment." Where the customer has not an open credit, but is asking for articles to take away, the mere presentation of the bill, before wrapping them up, acts as a silent, but unquestionable intimation of "no

money, no goods," and customers (who no more enjoy being refused than the salesman enjoys uttering refusals) take the hint. Often the best plan is to take payment for granted: "Probably you will prefer to pay now, rather than to have the carman wait for the money?" in an interrogative tone, will do the business. Where the average unit of sale is high, as in jewellers' shops, furriers, and the like, the need for caution is proportionately great, and attempts at actual fraud are more frequent than elsewhere, the goods being readily convertible into cash by a dishonest customer. Assistants here must be specially trained; customers who intend to pay will not commonly misunderstand the position; but it is necessary to refuse delivery on credit rather than risk a loss which would be heavy.

TRAINING SHOP-ASSISTANTS

The assistant in a retail shop cannot be so fully trained in knowledge of everything that he sells as the salesman in a wholesaler's saleroom; the number and variety of articles handled are too great, and information is less accessible. The customers of a retail shop, fortunately, do not expect of the assistants so much technical knowledge as the customers of a wholesale house; the questions which they ask, and the objections which they raise, are also more ignorant, and can

be more easily answered. Acquaintance with manufacturing processes is very useful, and some shops, small as well as large, find opportunities for assistants to visit factories, or attend technical lectures. The Ministry of Education has at times promoted the latter, and good results have been obtained.

The tact of a shop-assistant must serve him to find the happy mean between servility and something which takes the air of insolence towards his customer. Assistants must be trained to respect their customers and themselves too. Self-respect earns sales—it does not lose them; but it must be understood that selling is not conversation. The old shopkeeping doctrine, “the customer is always right,” has limitations. Properly trained, an assistant can hold his ground without giving offence. If he knows his business technically, and has been taught salesmanship too, his sturdiness will command confidence; and confidence sells goods—everywhere.

TO PUSH OR NOT TO PUSH

Similarly, tact must guide the shop-assistant in what is called “trading up,” or inducing a customer to enlarge his purchases. It is quite possible for a well-trained assistant to sell more goods than the customer intended to buy, without the impression of pushfulness being given. Inventions for helping sales have been introduced into

many shops. In one large chemist's a lady who asks for any of the numerous articles employed for beautifying the finger-nails is shown, not a box of files, pastes, or whatever she demanded, but a tray containing all manicuring implements and supplies. Experience has shown that this nearly always sells something not originally sought. A men's outfitter in the North of England uses a similar plan when small articles like studs or cuff-links are wanted. The tray contains tie-clips, sock-suspenders, even pencil-cases, button-hooks, cigar-lighters, and small articles of male jewelry. It is reported that a customer who came for a cheap bone or mother-of-pearl stud is often thus led to make himself a present of a gold one.

CHAPTER IV

APPOINTING A SALES-MANAGER

IN preparing to choose his sales-manager, the head of a house should be under no illusions as to the gravity of the decision which he is about to make. The chief of a modern sales-staff is not a glorified clerk : he is not even an office-manager adding a new department to his work ; but an independent executive official, who must be capable of forming his own plans and impressing them upon his superiors as well as upon those subordinate to himself, and of influencing radically the policies of the firm. He must have imagination, vigour, and initiative capacity ; it is desirable that he shall also have a sufficiently independent spirit to carry on only so long as his policy is acceptable to the house, though he should not be the victim of the opinionated and ill-balanced temperament which cannot waive good-humouredly the inessential. Sales-managers are zealous and hardworking members of the commercial fraternity. They have an Incorporated Society which admits new members and associates by examination, and does not lightly admit a candidate to its ranks.

THE PAY OF A SALES-MANAGER

Evidently an official of this calibre and importance will earn a good salary. Sales-managers in progressive businesses are, in fact, highly paid. They require to have had much experience; the very nature of their functions demands that they shall have the kind of personality which knows how to protect its own interests; and even if it were possible to obtain their services at a low price, it would not be economical to do so. A sales-manager will be of little use unless he can exercise authority; and everyone of commercial experience knows that authority is the monopoly of the well-paid. It is, indeed, usually but poor economy to be parsimonious with any portion of the selling staff. Salesmen's time is valuable, and it is expensive; but not so expensive as the time of the man who supervises and directs them. It is still less expensive than lost business. And they face their task alone. Their employment is not one of those in which two or more second-grade men can do the work of one first-grade man. They must do their duty independently; the better the salesman, the less time he requires, and thus the less he costs the firm per sale. The work of a well-paid sales-staff earns dividends overriding completely the small difference in wages required to give them self-confidence arising out of the knowledge that they are appreciated

by the house. The only tangible evidence of this confidence is money. A sales-person should be required to show merit, and this merit should be promptly and cheerfully remunerated, the sales-manager being given power in this, as regards his own staff. He will be influenced, and rightly influenced, by the fact that an efficient traveller or salesman consumes far less of the sales-manager's time than one only moderately competent. Every responsible man has the duty of economizing his own time; for it costs his employer much money. On the other hand, a sales-manager must sometimes back his own judgment of a subordinate's capacity to make good. A man whose returns are very small at first sometimes develops into a brilliant salesman.

THE SALES-MANAGER'S EXPERIENCE

One reason why sales-managers command high pay is that they have necessarily had experience. In choosing them, the nature of the experience desirable must be perpended. It may, of course, be experience in the same capacity; the house may be engaging a sales-manager who has already served in the same capacity. It is more important at the moment to discuss the beginnings of sales-managership; and the question invariably arises, Should the new sales-manager be sought among the existing sales-staff or from outside—on the road or in the office?

The functions of management are not those of selling. A good sales-person may have poor qualities as a manager ; sales-managers of the first order have sometimes been entirely unfitted for the road, but they have been exceptions to the general rule that, as Dr. Johnson derisively said, "who leads fat oxen must himself be fat." One great advantage of promoting to sales-manager one who is himself a salesman of the house, is that if any of his men fall down in their work, and declare that a given customer's orders cannot be obtained, such a sales-manager has the best possible answer for them : "If you cannot sell him the goods, I will !" No more effective stimulus can be applied to a flagging sales-staff ; and it is a stimulant of drastic character, not to be used except in severe cases.

But the gift of practical salesmanship is in no sense whatever a substitute for the vision and the organizing ability which characterize a really great sales-manager, though it would probably connote the leadership which is one element of successful management. A salesman or traveller who has, before or during his work in that capacity, worked through a course in the science of salesmanship, should have therein received instruction for the precise purpose of enabling him to rise to managing rank. In the School of Salesmanship conducted by the present writer this feature is very fully developed.

FINDING CUSTOMERS OR MAKING THEM

A sales-manager must be two things—a good organizer of demand, and a good leader of his staff. The term organization of demand implies something more than ability to fight competition and take business away from rival sales-managers. It includes the creation of new demand, and sales-management which does not include this is imperfect.

The merely competitive element, though it may be highly important, calls for less imagination than the element which is creative. Whether all the business obtainable has to be carved out of the flanks of the opposition, or merely prevented from getting away, the problem is tactical in its nature. The sales-manager of vision and originality is more than a tactician; he is a strategist. Sometimes entirely new markets have been created by discovering uses, previously unknown, for products like india-rubber, industrial casein, aluminium, three-ply wood, or the new alloys of steel which responded to the demand for combined strength and lightness in aeroplane building. Such discoveries are sales-management of a high order, commanding remuneration on a corresponding scale.

CHAPTER V

THE SALES-MANAGER AS LEADER

THE sales-manager's functions have, in the previous chapter, been bisected into leadership and organization. The latter is a complex business. It includes office-work, records, the use of printed matter, and sometimes advertising. Leadership is a simpler matter, depending more on personality than on experience, though there is an art of management in which proficiency does develop with time.

A staff can be handled in two ways ; by authority and by persuasiveness : men can be led, or they can be driven. Persuasion must not be expected to take the place of deficient control. A man who cannot impose his will upon his subordinates is not fit for any kind of management, and least of all for the work of a sales-manager. The velvet glove is a most useful and decorative garment ; but it is no substitute for the iron hand underneath. The best results of all in sales-management are obtained through the cordial relations and mutual loyalty of manager and men, and the affection which a good leader can inspire. Many a hard piece of selling has been accomplished when no

amount of commission at stake would have compensated the traveller for the discouragements, the weariness, and perhaps the humiliations to which he submitted because he could not bear that his chief should be let down. An outdoor salesman, known to, and serving under, the writer, worked for some weeks while suffering acutely from a physical malady of which his manager had no inkling—good-tempered, persevering, surmounting difficulties with a fortitude which, in his condition, was heroic—to accomplish certain work for his leader before going to bed for an operation. Loyalty of this kind (and the example cited is not unique) cannot be earned by mere driving-force. A manager who does not drive merely because he lacks the strength to drive will not be well served by his staff. Salesmen being human, as they are, a strong sales-manager is always more popular than a weak one.

THE HEART OF THE SALES-STAFF

Salesmen must be spared discouragement. Their hearts must be kept up. This applies with great force to travellers working at a distance from their base, and is the key to traveller-correspondence. Unless there is reason to suspect wilful misconduct or slacking, reproof, and even criticism, should be absent from the sales-manager's letters to his men on the road. Where there is

suspicion, some sales-managers make a personal visit, or send a trusted and authoritative representative, to the traveller, rather than write a letter which may take the heart cut of him. Travellers—particularly young and new travellers—work in circumstances of great discouragement and some temptation. A man's first failure in duty is not necessarily fatal; good travellers have owed their success to the tolerant firmness of a manager who has earned their loyalty by knowing how to forgive. One sales-manager resisted obstinately the wishes of his directors in the matter of a traveller who, after a year's good work on a distant route, had fallen off severely in the amount of business done and in the thoroughness of his reports. Instead of orders, his letters contained excuses, which were unconvincing, and not even carefully presented. The sales-manager had faith in his own estimate of the man, and presently receiving peremptory orders to discharge him, spent his week-end in visiting the ground.

He discovered the traveller almost broken with anxiety, through the illness of his child, from whom the remoteness of his work had long separated him.

Saying nothing about the order of dismissal, the sales-manager gave the man a cheque for a week's salary and his fare home. On resuming work after this interval the traveller became the most successful member of the sales-force, and

was later employed as an emergency-man, to be sent wherever conditions were most difficult. Devotion to the chief who had earned his loyalty made this man a most valuable asset to the house by which he was employed; and a sales-manager must never forget that such loyalty, unpurchasable with money, is one of the things which he is employed to obtain for the house.

LETTERS TO TRAVELLERS

Keeping travellers up to the mark by means of letters from headquarters is an important element in leadership. Travellers as a class are a little vain. If they were not, the difficulties of their work would discourage them and put them out of action. But they can also stand criticism, when it is tactfully administered. The nature of their work, however, has a natural tendency to make them bear it a great deal better face-to-face than in a letter. A snub from headquarters may cost many sales, by diminishing travellers' confidence. Their self-esteem, even when it is socially rather excessive, is of value to the house.

The subject of letters to travellers is further treated in Chapter X.

FIRST AID FOR SALESMEN

Every possible device for reducing friction and smoothing the path of the goods from producer

to consumer must be used. When a new invention is to be introduced, the travellers' work can be made less laborious by well-designed printed-matter sent a little in advance of them—not so early as to be forgotten by the time they arrive. Mechanical inventions which can be described by pictures and diagrams, telling enough of the story to make the reader pursue the subject into the text, can be sold much more readily when the prospective customer has received this preliminary canvass. A mistake often made is that of supposing that only travellers for businesses newly established require help from the office. It is always easier to sell when the buyer's mind has been prepared. The most powerful assistance of all attainable by postal preparation is a circular so convincingly framed that the recipient fills up a postcard, either enclosed with it or perforated to tear off, making an appointment for a representative to call. The traveller who cannot sell goods which he has been invited to exhibit must be a poor worker indeed!

HELPING INDOOR SALESMEN

The showroom staff can receive more direct aid from the personal influence of the sales-manager than travellers on the road. They also need more. Their enthusiasm is not stimulated by the obligation to warm up reluctant buyers. They

are apt to leave customers who call to supply their own purchasing impulse. A sales-manager who thoroughly believes in the goods or the house, and who feels with conviction that anyone who does not buy them is sacrificing a valuable opportunity, can impart this belief to his helpers. Warmth and enterprise in selling then take the place of mere courteous willingness to let the customer buy. Where the business is that of a general jobbing wholesaler, this enthusiasm must attach itself to the service which the house renders its customers; it is part of a sales-manager's task to see that the enthusiasm shall be deserved by the character of the service given.

AN OBSTACLE TO SURMOUNT

A sales-manager with the quality of leadership must inspire his men with confidence in the methods of the house, as well as in his own personality.

Salesmen, and especially those on the road, tend to undervalue the effect of what is done by anyone but themselves. They admit but grudgingly the influence of circulars and printed-matter, sent as suggested above, to assist their own labours; they undervalue the effect of advertising, agreeing that this may perhaps have some small influence on the public, but claiming for their own abilities the real selling, which (they say) is selling the goods

to the retailer. Ludicrous though this appears in print, every experienced sales-manager must often have met with such contentions in the course of his work.

For this reason, any complete course in the teaching of salesmanship must include at least a text-book on advertising. A sales-manager without practical knowledge of advertising should by no means neglect to study the subject in books by English writers of experience. Even if the house by which he is employed does not advertise in the ordinary sense of the word, it will almost inevitably call advertising of one kind or another to its aid in dealing with its customers; and as the immediate beneficiary is the sales-department, the head of this has a direct interest in improving the advertising if possible. A knowledge of advertising will assist him herein; and he may well discover, and be able to persuade the house, that public advertising would reduce the cost of selling its goods.

He must, in any event, set himself the task of convincing his men that whatever advertising is done lightens their labours; and, by increasing their returns, adds to their pay. The task will not be easy. But his success in accomplishing it will be the measure of his leadership.

CHAPTER VI

THE MAN ON THE ROAD

THE salesman who goes out unafraid and pursues business to its lair is, in this country, always spoken of as a "Traveller." If the ground allotted to him does not require him to use the railway he is called a "Town Traveller."

The term is, in either case, unfortunate, because it obscures the true function of the outdoor salesman, and words have an influence, often not less powerful because unsuspected, upon action. Travellers, and particularly Town Travellers, may become mere order-takers, because they have not been trained to think of themselves as salesmen. Business suffers in consequence.

The present work is not concerned with travellers who drop in to say, "Any orders for Smith & Co. to-day?" Such inquiries require no training and the men who utter them are not salesmen.

The writer was once standing in the reception office of a large firm, when a traveller entered and said, "Nothing for me to-day, I suppose?"

"No," replied the commissionaire at the desk, and the visitor departed with a cheery "Good-morning."

“ What firm does that chap represent ? ”

“ I’m hanged if I know, sir,” replied the commissionaire. “ He comes in every morning at this time and says that ! ”

Modern commercial travellers must face the difficult task of seeking out new business and finding customers who have never purchased from the house at all. A distinct and a developed type of personality is required for this work, and the only school of salesmanship which has any real value is one which aims at developing as well as instructing the pupil. Without proper training, a traveller, half the time, would never be permitted to see the buyer at all. It is a sales-manager’s duty to see that his men are properly trained, and several large firms have permitted their sales-managers to provide their entire selling-staff with a course on salesmanship.

OBTAINING THE INTERVIEW

When a traveller has once made himself known to his prospective customer, it is his own fault if he is not welcomed on succeeding visits. *Ce n’est que le premier pas qui coûte* : and this first step of making acquaintance with a customer costs the traveller’s employer a good deal if the traveller meets with many failures. The bigger the concern visited—and therefore, presumably, the better worth seeing—the more likely is an unskilful

traveller to be turned away. Buying in large retail firms is generally specialized. In departmental shops, each manager buys for his own department. Manufacturing firms, as a class, do not systematize their buying so completely as shop-keeping concerns. A traveller not personally acquainted with the man who can give him an order will be received by a clerk or subordinate, powerless to do any business, and charged with the duty of not allowing his superiors to be worried. Getting past these obstructions seems, to the beginner or the untrained man, impossible. Yet it is wonderful to see how an experienced salesman will climb the bars, and, by a combination of tact and firmness, force his way to the real seat of buying-power. He does not allow himself to be stopped by the information that the house is stocked-up for the next six months with goods of the class offered, or by being told that the buyer is too busy to be seen. He must use his salesmanship on those whom he *can* see, though they have no power to give him the order, that he may reach the man who has. The traveller must not waste too much time upon intermediaries; to them he must (as Americans say) sell himself rather than his goods. Usually it is inadvisable to be too explicit about what is being offered.

THE TRAVELLER'S PERSONALITY

To overcome the reluctance of a reception clerk to submit the traveller's name to the buyer, the traveller must make his personality as impressive as possible. He should be unmistakably well dressed. His manners and speech must command respect. Paradoxical as the statement may seem, I am convinced that physical courage has much to do with success in obtaining an interview; perhaps it would be more accurate to say that being a coward connotes other negative qualities which make a poor salesman. It is easy to snub a man whom you feel that it would be safe to knock down. Commercial travellers will meet with many persons who try to snub them; but a good traveller should be unsnubbable. This does not mean that he should have so tough a skin as to be insensitive to insult, or so aggressive that he intimidates those with whom he comes into contact. It means that he should have a sufficient innate and developed dignity to prevent insult being offered to him. His natural manhood can be so trained that a man who attempts to snub him will be covered with confusion—not because of resentment exhibited in the form of recrimination, but through the quiet self-possession of a superior personality.

The best way to penetrate the retreat of some buyers who deny themselves to callers on the

ground of preoccupation is either to press for an interview with a promise not to stay more than a definite time—three or at the most five minutes—or to ask for an appointment when the traveller can be received. Advice-cards, which notify to the buyer the coming of the traveller, are of little use in obtaining a first interview, but the sales-manager can help a traveller by preparatory letters. Nothing, indeed, supplements a traveller's efficiency so much as skilled postal preparation.

THE CUMULATIVE CANVASS

No traveller will go far in salesmanship without great perseverance. Even to find an entry often requires persistent calling; and circumstances may combine to demand repeated visits before the first order is captured. Therefore, the territory of a traveller must not be too large. An insurance man, who complained that his ground did not contain streets enough to earn him a living, was compelled by his sales-manager to spend an entire week in a single thoroughfare. This canvass doubled his results; his efforts had not been sufficiently concentrated. Often a traveller who cannot "make good" on a large territory will do excellent work when his ground is reduced.

SALES BY RECOMMENDATION

Travellers should not be allowed to neglect the assistance which their worth can receive through

the use of recommendation and example. One customer would often, if asked, allow his name to be used, or even write a few words of introduction to a business acquaintance in the same trade, and such recommendations have great value.

No less important, though, as dangers accompany it, requiring more discretion in use, is the emulation of one firm's methods by another. In selling to shopkeepers, a traveller should be trained to observe watchfully the attitude of one retailer to others, before using as an argument the fact that competitors carry the goods. (It is an argument to be used only in the last resort, in any event.)

Where a firm or its manager has a reputation for efficiency, a technical product can often be sold to others on the strength of this, and to use efforts of great strenuousness, in order to become possessed of this aid to selling, may be well worth while.

In a small manufacturing town with which the writer is well acquainted, there is a firm whose methods, and the results obtained through them, are regarded with respectful emulation by all the business community. They are rightly attributed to the commercial genius of the manager, who tells the following story.

A traveller representing a well-known and rather expensive office-appliance called upon him many times in vain. Ultimately he came with a

most advantageous offer : let us hope that his representations in connexion with it were truthful. He said that he had recently made a sale in a town a couple of hours distant by railway, and that owing to the death of the purchaser, or some other circumstance, the machine had never been used, and was being taken back at a discount. He would deliver this machine, if permitted, with this reduction in price, though it was completely new.

“ Why,” he was asked, “ do you offer me this advantage? Why not sell the machine to someone else for the full price? ”

Then the inducement was revealed. “ I have never been able to make a single sale in this confounded place,” said the traveller. “ As soon as I offer the appliance to a man he always asks if you use my machine, and when I am obliged to admit that you do not, it’s ‘ good-night ! ’ ”

The traveller who calls upon established customers of his house, whether retailers or manufacturers, may require to be chiefly an order-taker. He should, however, be a salesman as well; and then some of his time will be used in breaking new ground. There are times when it is right to accept the offered order and not press for more business, and other times when it is the duty of the salesman to refuse an order, even though he knows that the account is perfectly safe. It is an impertinence to push upon a technical buyer larger

supplies than he needs, or upon a retailer more goods than he can sell, and it is poor commercial judgment too. If the traveller holds records of his past business, or is kept properly informed by the sales-manager, he will know what the order should be, and if it is reduced will seek the reason. This may either be that a competitor has invaded the ground or that the business of the customer is falling off. In either event much tact will be required.

FIGHTING THE COMPETITOR

The last thing that a good salesman would like to do is to attack the wares of a competing house. Only with a weak buyer will this promote business. The technical training of the salesman will stand him in better stead. If properly taught, he will know, not only his own goods, but his rival's. He will be but a poor salesman if he has not the superior selling points of his goods at his tongue-tip; and the Socratic method will often force the customer to admit the defects of the competing wares. A tactful salesman who finds the ground occupied by the enemy at once puts himself wholly in the buyer's place, enters into his problems and ambitions, and seeks by every means to help him. He drops all question of an order, all complaint of the order being reduced, applying technical knowledge to suggesting ways in which the customer can subserve his own interest and

profit. Where an unskilful traveller would provoke resentment by himself resenting competition, the trained salesman will raise himself in the eyes of the customer by his unselfishness. By astute questioning he will elicit the faults discovered by the customer in the competing goods, and far from exulting in the mistake will suggest ways to make the best of the position. Tall salesmanship will be required on the part of the rival concern to prevent the next order going to the customer's old friend.

All this, of course, is on the assumption that the competing goods are really inferior. If the salesman's house has been beaten by its competitor his lot is indeed hard, and, at the moment, a cut in price may be the only remedy for the trouble. The permanent cure must be sought at headquarters. If the goods are sold for the buyer to use they must be so improved as to excel the competitor's standard. If they are sold to sell again, improved modes of promoting sale to the consumer may be the remedy.

SELLING TO MANUFACTURERS

The salesman who can obtain orders from shops where the goods will be sold again is of a totally different type from the salesman whose business is to approach manufacturers with technical products. The latter has a task in some respects

the easier, in others the more difficult. He will deal, almost always, with buyers much better informed on the subject of his goods, much more able to appreciate their merits or detect their shortcomings. These buyers offer less scope to what may be called the personal side of salesmanship than the others. Unless they are flagrantly unfit for their work nothing can be done with them through social amenities or personal prepossession. It is often a considerable asset to the traveller who calls on retail tradesmen, or even buyers in large shops, to know that Smith plays golf and Jones is fond of music. Some travellers keep a note-book and record in it everything that they can find out about the hobbies of their customers and "prospects." Often they amplify this information by making a note of things, outside business, which a customer may have said; and when they next call ask after a sick child, or after a dog of whose sagacity they listened to an anecdote. Many pounds' worth of goods are sold through friendly feeling thus created, but the best travellers need no note-book. No man ever goes very far, as salesman or otherwise, who is so wrapped up in himself that other people's joys and sorrows are to him indifferent; and it is characteristic of a good traveller that he almost always has a sympathetic personality. Nearly all commercial travellers are fond of children. At a railway station or on a steamer you will constantly

see unmistakable " commercials " doing little acts of kindness to children and old people.

But in selling to the technical buyers the goods, and again the goods, are the salesman's sole implement. His technical knowledge is what brings him into touch with the buyer's mind, and his tact is exercised in a different way. Often by skilful management of the interview he gets the conversation, if the indications show this to be safe, into the buyer's hand, and the latter then proceeds to sell the goods to himself !

CHAPTER VII

SELLING TO THE RETAILER

A DISTINCTION has been drawn between travellers who sell to shops and travellers who sell to technical users of the goods offered. With the latter, practical demonstration that the goods are of the quality required, and quotations which show that the price is right, can alone produce business.

But a traveller who fails to make a retail buyer take a favourable view of his goods has another arrow left in his quiver. He can show the retailer how to sell them again. If the retailer believes in the selling plan suggested to him, he will place an order. Travellers will not, unless they have had a course of academic, as distinguished from merely avocational and guess-and-trial training, invent schemes for themselves. The sales-manager must do their thinking for them.

This form of salesmanship may seem, at first sight, applicable only to specialties or new inventions. If a traveller were selling, for example, a new kind of spade, he might offer an ironmonger illustrated circulars, with the address of the shop printed upon them, to be sent to allotment-

holders or people with gardens. He might go farther. He might arrange to fill a large box with mould, put it on the pavement just outside the shop, and pay a man to demonstrate the new spade, hanging a small poster on the door-post to explain this apparent futility. Alternatively, he might obtain permission to dig up a piece of vacant ground somewhere in the vicinity, and there erect a notice board advertising the spade and directing the public to the shop where it could be obtained. The spade would no doubt have been given a fancy name, so that there might be no mistaking what people were asking for; it is not well merely to call a spade a spade in such circumstances. But whatever plan was adopted would be essentially a plan to sell the goods to the shop by selling the goods *for* the shop. An undertaking to advertise a specialty of any description in the local papers, or in newspapers of nation-wide circulation, is now frequently used as a means of getting goods into shops.

HELPING THE SHOPKEEPER

But this plan can be applied by a broad-minded salesman to other goods besides specialties. One traveller in the wholesale grocery business had a large purchase of rice to sell. He went to the two principal grocers in a large town and persuaded each of them to give an important

order for rice on condition that he sold for them a definite part of the purchase within a week. Then he sought out the local school of cookery and engaged a couple of advanced students to help him. He hired two gas stoves and utensils, which he set up in each shop, purchased milk and other ingredients from his two customers, and had puddings, soups, curries, and new rice foods cooked in public, giving away small platefuls to shoppers. Not only did he more than fulfil his pledge to sell the rice for the grocers who bought it, but secured for his house a repeat order for rice within a short time; and he also obtained orders from the smaller grocers in the place, every one, for the time being, having "rice on the brain," by reason of the demonstration.

Such operations require breadth of mind. The repeat orders mentioned above might have gone to a competitor. But it is the broad-minded trader who does the business everywhere. A Scottish manufacturer of knitted underwear publishes every month, at considerable expense, a magazine containing practical suggestions on hosiery and drapery shopkeeping in general. These suggestions are not confined to underwear; the great majority are devoted to shop-improvement. The avowed idea behind the magazine is that a shop whose general business improves will sell more underwear in consequence, and as it sells more underwear of all kinds will naturally

sell more of this manufacturer's particular product, much of which bears no name but the retailer's.

The salesmanship which obtains orders from shopkeepers by helping shopkeepers to sell the goods has been very thoroughly developed in the United States. It is there not uncommon for a traveller who finds a shop on market day short of staff, to take off his coat and lend a hand to the harassed tradesman. The opportunity to "push" the specialties of the traveller's own house is obvious; but a clever man does not abuse it. Some wholesalers train their travellers to devote Saturdays to working for retailers in various ways—dressing their windows, standing behind the counter, and lending a hand with their advertising for local papers. This work pays dividends in good will. It sells goods both directly and indirectly. A traveller can make more fruitful friendships by such work than by playing billiards or telling fish-stories or fishy ones.

Relations with the trade are not to the same extent cultivated in this country. Neither do retailers lend the same amount of assistance to proprietary and advertised goods as in the United States. This is, in part, because the selling and the advertising departments in specialty houses on this side of the Atlantic co-operate less intelligently. The sales-manager either does not exist or is not of sufficient calibre to link salesmanship

properly with advertising. The advertising is expected to carry too much of the selling burden, and a highly paid sales-manager is thought unnecessary. Proprietary goods would receive better treatment from retailers if the same sales organization were put behind them as behind unbranded merchandise, for which salesmanship is an unavoidable necessity.

CHAPTER VIII

WHAT TRAVELLERS MUST DO

ALTHOUGH this chapter is mainly devoted to a consideration of travellers' duties, it could not be properly omitted from a manual for the use of those whose business is to see these duties performed.

The time taken to get over the ground is important. By tactful but firm management, travellers can be made to work quickly, without neglecting any part of their work. A traveller of experience will get through a town much more quickly than a new hand at the game. It is easier for a man to work a town that he knows than a place entirely strange to him. Pace is important. Every hour that a traveller spends costs the house money for salary and travelling expenses, and a thoroughly modern sales-department keeps a species of costing system at work, so that the sales-manager may compare the expense of selling goods through different travellers. The really active salesmen are by this means distinguished from the men who loaf on their jobs.

WORKING A TOWN

An old and experienced traveller said that an hour spent in studying the map of a strange town and the local directory, ought to save half a day every time the place was visited, and no small amount of sole-leather into the bargain. A straight line is the shortest distance between two shops, as well as between any other two points; but it is not always possible to follow it. The first shopkeeper visited may be away until after luncheon, or he may be engaged with some other traveller. The next shop on the route may be small, and it is an old maxim to work the best ground first. If a call-back is unavoidable, the traveller should try to make an appointment, but avoid making it too definite. By undertaking to be at a given place at a certain time he may compel himself to cut short an important interview elsewhere, and perhaps be forced to walk over the same ground twice instead of once. Much time-saving work is done at the hotel overnight by an experienced traveller. He sorts the memoranda sent from the office, looks up his notebook and refreshes his memory on details concerning the personal peculiarities of customers, notices that Brown is always busy behind the counter after ten in the morning and that Robinson will never see anyone until after five. Then he works out the shortest route which seems likely

to inflict upon his tired feet the lightest task next day, and after putting on his slippers, repairs to the smoking-room with the local papers to pick up useful information which an untrained or lazy traveller would miss.

SAMPLES AND STOCK ROOMS

Some sales-managers have difficulty in making travellers carry a sufficient line of samples. Paved streets are hard, and resolution is needed to lug a heavy case of samples from door to door. The critical point is, of course, the sample-case that is just not heavy enough to justify hiring a porter or a cab, and too heavy for comfort. A conscientious traveller may become so wearied by the afternoon that his selling-talk suffers; but sales might be lost for want of a certain sample at the proper moment. Much may be done by dividing samples of different grades or character between two cases, and contriving to deposit one case at a convenient centre while the other is being carried round. It is impossible to formulate any general rule, except that the traveller's energy is an asset of the house, and a few shillings for portage are ill-saved at the expense of diminished vigour in the later hours. A salesman is very liable to be affected by conditions which appear little relevant to his work. One of the most accomplished salesmen I know, now engaged in

work far too important to allow of his making many calls, maintains that he can never sell if he journeys to the prospective buyer in an omnibus. He must use his car or a taxi: "If I go in an omnibus, I feel a poor man, and my inferiority makes my sales-talk weak."

USING THE STOCK ROOM

Often, large and varied lines of goods can only be satisfactorily exhibited by engaging a stock room at the commercial hotel. If the customer can be persuaded to visit the samples, instead of these being brought to him, the traveller has him at an advantage. He will not be interrupted by callers or his staff. The stage can be set, and the goods displayed in the best manner. A traveller should carry something to serve as a background. Bright goods on black cloth look (for instance) twice as well as when merely placed on a table. One traveller for a manufacturer of cut-glass avers that a marked increase in business was traced to substituting a coloured velvet background for the black calico supplied to him by the house. Anything for which the customer is known to have a predilection can be made prominent, and a skilled traveller will ostensibly draw his attention to something else, selling a selection of goods through the subtle influence of attraction.

CHAPTER IX

THE CONTROL OF TRAVELLERS

THE direction of travellers' work by the sales-manager raises problems beyond those of discipline and working methods. The attitude of the men towards the customers of the house and towards its products is involved.

A traveller has in his keeping the reputation of the firm which he represents. He is its point of contact with retail distributors of its wares (or with the consumers of them, where the product sold is of a technical nature), and not a mere pedlar seeking orders. He should, if rightly directed, represent the spirit of service inherent in present-day merchandising—the spirit which regards business as selling something more than merely so many tons of merchandise; to wit, the integrity, trustworthiness, and character of the house. A progressive sales-manager no more allows his men to use their influence to magnify orders to a customer's detriment, than he would tolerate their misrepresenting the goods or promising deliveries which they know to be impossible. It need hardly be said that strict veracity in these respects is indispensable.

TRAVELLERS' EXPENSES

Passing now to the consideration of less integral matters, capable of detailed exposition, the control of expense must not be overlooked. The cost of selling goods is made up of several elements, one of which is the money advanced for travelling and other out-of-pocket disbursements.

A traveller's expense-accounts may be treated in one of two ways. He may have a fixed allowance—so much a day—or may be given discretion to spend what the interest of the business requires, subject to the criticism of the sales-manager. The second plan is usually the more expensive. There is some doubt whether the first is the more economical. A man on a fixed allowance is tempted to make a profit for himself by small savings. He may use cheap hotels, in which it is not creditable to the house for him to be seen. He may shirk a return trip to a town where a customer has been absent or could not be seen. Where a discretionary account is used, however, it should be watched with judgment. It does not pay to discourage a traveller by permitting some small-minded cashier to disallow a shilling here and sixpence there at the expense of reduced enthusiasm and a sense of injustice. Improper expenditure must be put down with a firm hand, and at the outset a clear understanding should be arrived at enabling the traveller to know

what he may spend on the firm's account, and what he must pay for, if he wants it, himself; but criticism should come tactfully from the sales-manager, who will explain that the policy of the house is to allow certain charges and disallow others; that exact regulations are difficult to formulate, but a little longer acquaintance will enable the traveller to grasp the situation—and so forth.

At the same time, expense-accounts must be checked without carelessness. A few shillings, here and there, may seem negligible; but to say this is to make the spendthrift's plea. The accumulated effect of small wastes is appreciable; and the principle can be applied to other things, besides travellers' accounts. A young man, who happened to be an assistant sales-manager, said: "After I had occupied my present house a couple of years, I noticed that the contractor who wired it for electric light had used bulbs that lighted landings and small rooms actually better than the dining- and drawing-rooms, because the same candle-power was used for both, and the former were more powerful than there was any need for them to be. We had carelessly renewed them, when they burned out, with lamps of the same wattages. My wife said 'What does it matter? There is only a little difference in current.' But I changed the bulbs and watched the electric light company's bills. In a year, the saving in current bought her a new frock!"

Some travellers will debit an employer with expenses which ought to be borne by themselves, and will practise small dishonesty to conceal the fact. There is a well-known, and evidently apocryphal, story of a sales-manager who found the house charged for a pair of india-rubber overshoes. He disallowed the charge, as an obvious "try-on," and meeting the traveller a week later, bantered him upon it. "I see no charge for rubbers this week," he remarked. "No," replied the traveller; "but it's there, all the same."

Critical observation of travellers' expense-accounts will often pay handsomely for the time consumed by it, not only in actual disallowances, but through the light which it throws on the man's character and his attitude towards the house. The unpurchasable qualities of zeal and integrity are not so common that any sales-manager can afford to neglect them. It is not suggested that they are to be pleaded as an excuse for poor sales, on the analogy of the mythical young gentleman who advertised to find a pious family where a Christian example would be accepted as remuneration for his board and lodging; but in an emergency it is something to have a man on the staff who can be trusted without stint. A wise sales-manager will not forget this.

HOW TRAVELLERS ARE PAID

Somewhat similar problems to those involved in the choice of an expense-system arise when the mode of remuneration is considered. Travellers can, of course, be paid by salary, by commission, or by a combination of the two. A further problem concerns the treatment of orders received by post, when a commission basis is used. Should the traveller to whom a given territory is allotted receive commissions on orders received by post (*a*) from customers whom he has seen, (*b*) from new customers? The decision of this latter problem is not so easy as it possibly seems.

SALARY OR COMMISSION

The earlier and more fundamental question must be decided according to the employer's estimate of the balance between two sets of considerations. A traveller paid by salary alone is more definitely associated with the house. He is part of its organization, not a mere appendage. Its interests are his own. He is not tempted to let a customer buy more than is good for him. He can devote time to service of various kinds which would be given but grudgingly by a man who thereby subtracted something from his own earning hours. He is unlikely to be tempted away from his house by a competitor.

On the other hand, a man on commission has more pecuniary reasons for being industrious. He cannot earn shillings for himself without earning pounds for his employer. He is sure to make good use of his time, and thus the percentage of expense-money to sales will tend to be low.

These considerations are accentuated if remuneration is by commissions alone. When territory is allotted to each traveller by binding agreement, extending over a term of years, business is sometimes more satisfactorily done on a pure commission basis than through a mixed arrangement. One very large manufacturing firm, selling to agents and having a force of ten travellers, pays neither salary nor expenses; but the commissions earned are so important that its men seldom use the railway. Each travels in his own motor-car, with a driver whom he pays out of his own pocket. The travellers of this concern are so highly esteemed that no new policy is adopted by the house without calling them into council.

COMMISSION ON POST-ORDERS

The question of paying commission on orders received by post raises difficult problems of territory and contract. Some houses pay a traveller commission not only on orders received from his customers, but on orders from others on his ground, with whom he has not even opened an

account. To strike a balance between the two evils, of sometimes paying money where it is not earned and of sometimes creating a sense of injustice, is not easy.

The arguments on one side and on the other may be summarized thus :—Some sales-managers hold that a traveller is paid for selling ; he is not the proprietor of a field whose whole harvest belongs to him whether he has cultivated all the ground or not. Therefore he is not entitled to be paid commission on any orders except those which he actually takes. Advocates of the opposite view argue that if a traveller has worked his ground properly he will have created a certain amount of business which does not immediately mature. Is he (they ask) to be deprived of his legitimate remuneration because he has done this work so well that the order knows its way home alone ?

THE PRO AND THE "COM"

On a basis of strict justice, it may reasonably be said that the decision must be influenced by the general policy of the house. If the goods are being advertised to the consumer or the trade, orders which the traveller does not collect must be attributed to the sale-promoting exertions of the house itself, and therefore the traveller deserves no credit for them. This argument can hardly be gainsaid when goods are advertised to the

public. But even otherwise, under efficient and vigorous sales-management, the trade is certain to have been at least circularized, and this greatly assists the travellers in obtaining orders. They are already being paid commission on orders which the firm, at its own expense, helped them to obtain. They cannot expect to be paid on orders which the firm obtains directly, from its efficient circularizing methods, without their assistance.

TEMPERING JUSTICE WITH DISCRETION

The basis of strict justice is, however, not the only one on which wise commercial engagements are founded. They should always be framed in such a way as to make a man's interest coincide with that of his employer, and avoid leaving open to him inducements to profit at the expense of the house. Now the denial of commission on orders which come by post is found, in practice, to create, at times, precisely such inducements. Particularly where the territory is small and the travellers' visits to each customer frequent (which promotes intimacy between them) the traveller who only draws commission on his actual orders will often ask the customers to hold back any business which he may be ready to place for the next visit: "It will save you postage and letter-writing, and it helps me." While the order waits there is always a possibility that sales may be lost through stock

running out; or that a competing traveller may arrive first.

Probably the best way to approach the difficulty is on the line of compromise. Some firms credit a traveller with commission, provided he has reported a call on the buyer during his last visit to the town, and deny it to him if he has not done so. This has the double advantage of limiting payment to commissions genuinely earned, and of making travellers render a fuller account of their time.

TRAVELLERS' REPORTS

If it be objected that there is nothing to prevent a traveller systematically claiming calls on every shop in the local directory of the towns covered, whether he has been there or not, the reply is this—that a traveller who cannot be trusted should not be employed at all; and that in any event false reports would be soon detected. When one or two circulars, addressed to shops where calls were reported, had come back with “Gone away” on the envelopes, the sales-manager would know what to think: evidently the reports were untruthful. There is but one way of dealing with a traveller in that event. He must be discharged. The likelihood of deception will be minimized by requiring, not merely a list of names, but some particulars of the interview, such as reason for not ordering, details

of any showcards or printed matter desired, some report on the appearance of the shop (for the information of the credit department), and the like. More hardihood is required to describe in detail a conversation which never took place, than merely to write down the name of a shop which the traveller would have visited if he had had time. Of course, no traveller proved to have done either could be retained on the staff.

CONFLICTING CLAIMS

Travellers must be taught to consider the interest of the house and the promotion of its business more important than their own immediate gains; and that they may do so, their employment must be made attractive. Mutual goodwill and helpfulness among travellers must be cultivated. The custom, imported from Amercia, of bringing the whole of a selling-staff periodically to headquarters for what is called a Sales Convention, valuably assists this aim. They there exchange ideas, and jealousy is checked. One traveller ought not to envy another, except for his success in promoting the welfare of the house, and then the sentiment should be devoid of bitterness. Every observant reader will agree that it is easier on the average for men to like each other when they meet often, than when they are always separated.

Where a staff of travellers is kept, certain jealousies, and the inefficiency resulting from them,

can only be prevented by a sharp demarcation between the work of different men. Even if they are paid by pure salary, this is still necessary. In a mixed business, covering only one town or a small territory, the division is often made by assigning one class of goods to one man, another class to the next. In selling newspaper space, for example, one canvasser will call upon drapers and another upon grocers for their respective advertisements. Where the ground is too extensive for this arrangement, or the business is not of a nature to permit it, territorial division must be substituted, no traveller being allowed to invade another man's ground. The sales-manager must make his authority felt in the distribution of territory, and the maxim *à bon chat, bon rat* will be his guide. If a man does not produce results from all his ground he must give some of it up to another. He will complain vociferously of this: but sometimes the result is an increase in his volume of sales, instead of a diminution.

PERSONAL INFLUENCE OF THE SALES-MANAGER

A successful sales-manager is one with a personality by which he can impose his ideas on those subordinate to him. He is presumably more competent than they, and it is to the advantage of the house that they shall acquire his ideas and put them into practice.

This sometimes has the effect of making it difficult for a competitor or other employer to obtain any benefit by tempting men away from the house. In a thoughtful article contributed to *Printers' Ink* (New York) by Mr. A. H. Deute, the accomplished general sales-manager of perhaps the largest vendor of condensed milk in the United States, the Borden Sales Company, an example of this is given. Mr. Deute writes :

“ Every now and then one runs across a group of men who have wonderful records with a particular house or a particular line, but when put into another house or another line, they fall down miserably.

“ A few years ago, a certain sales-manager had to develop volume quickly and he learned of three men working for a competitor in a nearby territory. He planned on getting these men and putting them on his line, but in territories where they would not have to talk the new line to former customers. He obtained these men by paying unusually large salaries. After he had them on his force a few months he was obliged to admit that they were not getting the business. They were failures and although they did their apparent best, their cost to sell was entirely out of proportion. The sales-manager hesitated to drop them because he knew their past records and he felt, too, a certain moral responsibility toward them.

“ Finally, though, he found out what was

AN INTRODUCTION TO

wrong and had to realize that so far as his house and he were concerned, these three men were absolute failures. They had come as youngsters into their former house, were employed by a certain sales-manager and taught to sell a particular line a particular way. They came to believe implicitly in that sales-manager. They felt he was the greatest manager in the world and his line the greatest line in the world. They were steeped in the traditions and the policies of his house and his line and they sold viciously and aggressively because they were thoroughly a part of him and his organization. When they left him, they were expected to produce for a line with which they were more or less unacquainted and they had to work for a sales-manager in whom they had no real faith as they had for their former employer."

A better instance of created loyalty will not easily be discovered. Mr. Deute also illustrates in the same article the importance, in leadership, of tactful manners :

BETTER LEAD THAN DRIVE

"Cold-blooded technical training of salesmen," he writes, "is one thing vitally necessary and important in itself, but the part which is still more important is that of bringing together a group of men who feel that they belong.

"This is why, too, a man who is himself a splendid sales-manager is often not necessarily a

good salesman. Many sales-managers have many men in their forces who are far better actual salesmen than their chiefs. It also follows that many a good salesman fails to prove a successful sales-manager.

“A really splendid salesman, with a wonderful record as a business getter, was not long ago placed in charge of sales. The men he found making up the force were as a whole greatly inferior to their new chief. The latter knew how to sell the line and how to develop the volume of business. He immediately developed a feeling of impatience with his men. He failed to realize that as a group they were slower and less able quickly to grasp the situation than he could. They were a good average group who could, with proper training and patience, have been made a loyal, fighting sales force.

“Instead of building them into such an organization, he went out with one man at a time, worked at high pressure and made phenomenal sales. He would turn to the man with whom he was working and say, ‘Now there you are. You see the business is here. If I can get it, you can get it. If you can’t it’s because you are loafing when I am not around. Now, you either get it or resign.’

“As a consequence, he had his men scared before they had a chance really to get on their feet. Desperately, a man would try for a few days to do as well as he had seen his chief do. Not being able to reach the mark set, he became discouraged and confused and either quit or was dropped.”

CHAPTER X

THE SALES-MANAGER'S OFFICE-WORK

THE office-work of a sales-manager is not confined to keeping up correspondence with travellers or (as the latter sometimes imagine) to finding things for which he can censure them. If he knows his business as a sale-maker, nothing annoys him more than having to find fault, because he knows that good spirits are a large element of salesmanship on the road. A traveller, who is happy, satisfied with himself, and on good terms with the house, can always sell more than one who is low-spirited and sulky.

Besides administrative correspondence, the sales-manager's office staff will have some other postal work on its hands. Advice-cards, to let customers know that the traveller will be with them on a certain date, are merely clerical work. But circularizing "prospects"—that is, people who ought to be customers but are not—is selling-work of importance. The effect to be sought—the sales-manager's ideal result—is a request to see the traveller. Printed matter which brings a response like this is almost complete salesmanship, the characteristic note of which is that it does

not merely supply an existing demand, but creates a new demand. Evidently this calls for something more than a mere statement that goods are for sale.

PRINTED-MATTER

There must be almost as many ways to frame a postal "shot" for helping travellers as there are types of commodities to sell. The printed-matter sent out in the interest of a technical product, intended to be used by the manufacturer in his workshops, would be quite different from what would promote the sale to retailers of a specialty advertised to the public, and again from what would bring business from retailers in an unbranded article. It would be impossible, within the confines of this work, to suggest in detail how every kind of merchandise should be treated postally. Standard works on advertising should be consulted; but an important rule may be stated briefly. This is that the argument should be based not principally on the merit of the goods, about which the vendor can, after all, only give his opinion (and this with bias), but upon the profit which the buyer can gain by purchasing them. A technical product like a tool or a raw material will do certain work or produce certain results; a representative of the house would gladly call to prove it. An article for resale is known to fulfil a public need; there is profit in

having it in stock. Nobody will buy coal or metal ingots because the maker thinks highly of them, nor packeted oatmeal and other cereals because the producers have a high opinion of their flavour. The former type of commodity will sell because it is shown by technical tests to be better value than the average. The other will sell because it has been advertised and has caught the public taste, so that, if one shop is without it, customers will try elsewhere. It is hardly possible, however, to discuss here the large question of the way in which advertising to consumers of retailed wares affects the pure selling problems of a producer.

LESSONS IN LETTERS

One subject, however, deserves attention, and this is the duty of a sales-manager to use every means within reach to inform himself on the attitude of consumers towards his goods. Whether these consumers are housewives, buying for family use goods which bear the producer's address, or are purchasers of technical supplies, their letters ought not to be left entirely to the correspondence-department.

In some businesses the volume of correspondence is so great that a sales-manager has no time to deal with letters himself. They should not, however, be kept from the sales-department : those relating to any sales-problem should be answered by some-

one in touch with the selling organization—and sales-problems include every question of giving satisfaction to consumers as well as direct customers.

The sales-manager of one business much too large to permit of his reading all the letters makes a habit of devoting an entire day once a month to what he terms an "inquest." He reads as many letters as he can, with copies of the replies sent. Afterwards the correspondence-department meets him collectively and there is a round-table discussion of points raised in letters. The different ways in which the same question has been handled by different writers are compared, and also the ultimate results, when these can be traced. Thus a standard reply is found, known to produce the best effect.

FEELING THE PULSE OF THE BUSINESS

Another sales-manager calls these valuable investigations "feeling the pulse of the business." He has said that since the first trial of this plan he has never allowed a season to pass—for the goods have a seasonal demand—without spending a week in letter-reading.

He described his method thus: "I find that the post for the first week after orders really begin to come in shows me the business through the eyes of our customers instead of my own. I learn

how the product of the house is serving customers : how various departments are gauging the needs and tastes of our customers : whether our catalogued descriptions are accurate and adequate. That is very important indeed. Too much description wastes space, but too little description loses sales. I have seen instances where the demand for an article has dropped off fully one-half when part of the description was omitted. On the other hand, I have seen whole pages of more or less staple merchandise perk up and show a big increase in sales, after the copy had been rewritten by a different writer."

Such "letter-inquests" not only improve the handling of inquiries and complaints, but assist the sales-manager to dictate the right selling-policy to travellers. What a consumer writes guides a salesman in talking to retailers. Selling-points for shop-assistants are brought out in such correspondence, and so are the selling-points which the traveller can use with the shopkeeper himself.

HELPING SHOPKEEPERS TO SELL

As the ultimate salesman is the shopkeeper or one of his assistants, who alone makes direct contact with consumers, vendors of a retailed article can promote sales by improving salesmanship in the shop—thus far do the beneficent activities of a sales-manager extend ! This, however, is difficult, demanding both tact and per-

suasiveness, especially in relation to branded goods. To improve the salesmanship of a shop even while selling the proprietor bulk- or piece-wares, for which he can go at will to another source of supply, may be remunerative, as an example in an earlier chapter showed. But at best, as always happens when the consumer cannot identify the manufacturer, the latter is at the mercy of the retailer. Goodwill created by the merit of a branded product is a species of monopoly. For that very reason, however, retailers have a rather foolish prejudice against branded goods. It is a prejudice founded on vanity alone, and has no commercial reason. More than 90 per cent. of branded and advertised products carry what is known as a "protected" profit. The retailer of them cannot be undersold by competitors, as he can in the case of bulk-goods. The morality of artificial price-raising need not be discussed here: but the protection does exist and is a reason why retailers should favour branded wares and try to sell them.

POSTAL ADVERTISING TO RETAILERS

Travellers can better overcome the objection of shopkeepers to assist the sale of branded goods, if some educative work is done by the sales-manager. Printed-matter, well written and illustrated, pointing out to retailers that customers are sent to them by advertisements, and that the

same advertisements have half sold the goods to others who will bring the shop a profit if their orders are asked for, has often had good results.

HARNESSING THE SHOP-ASSISTANT

Along with the help to retailers that has just been suggested, often go suggestions for window-dressing and offers of material for this purpose. Sometimes an allowance is made for window-shows—preferably in goods which the shop must sell in order to obtain the benefit of the concession. A plan of offering prizes for well-dressed windows is at the present time a little overworked. It has advantages, because means are found to reward members of the shop staff—the actual “dressers” of windows. This makes the goods popular with assistants.

To obtain such an effect, always a delicate business, has advantages. One manufacturer persuaded a number of retailers to give him the names of assistants in the department handling his goods. He then supplied to them a regular correspondence-course in salesmanship. Having the tact and breadth of mind to do this with a certain reserve, so that his instructions helped them to raise their general takings as well as the sale of his own product, this manufacturer ingratiated himself with his “pupils” by pointing out that a shop-assistant’s wages progressed with the figures on his sales-book.

Great skill is required to make a plan like this effective; but the rewards are also great. There must be a combination of intensive postal work and personal salesmanship; and here is illustrated the fundamental fact that salesmanship is, after all, only the art of persuading someone else to act as you wish him to act. The traveller who induces a shopkeeper to make an adequate display of the traveller's merchandise and showcards is "selling" him, not merely goods, but the desire to favour these goods.

TRADE-AIDS

Not only window-displays, but other modes of promoting a retailer's business in particular wares, come under the head of sales-management in the office. Much money is wasted by some wholesale firms which dump masses of expensive pamphlets, circulars, and showcards into shops, without taking steps to have these used. An importer of sewing-machines spent some thousands of pounds in well-printed booklets, quite judiciously planned to make his machines give better service, and thus procure recommendations; or, by showing what a sewing-machine really can do, make sales. He complained that business did not grow. Being asked what he did with his books, he replied that he put a quantity into every packing-case. Investigations showed that the pamphlets remained there, being thrown away when the case was used for something else!

Unless the shopkeeper will undertake to use printed matter in a definite way, it should not be given to him ; and assuredly it should not be sent unprovoked. One excellent plan is to induce the retailer to post or deliver to his customers a pamphlet or sample, with a letter in his own name, supplied to him, ready-printed, by the advertiser. Shopkeepers, who are habitually suspicious, will rarely lend a list of customers to be circularized ; but they will often circulate matter sent to them for the purpose. What are called shop-demonstrations, where an emissary of the manufacturer shows goods, gives samples or does a little service to callers, have produced large sales.

CHAPTER XI

CATALOGUES AND PRICE-LISTS

BESIDES pamphlets and circulars for retailers to distribute to the public, wholesale traders usually require trade price-lists and catalogues from which shopkeepers can order. Both classes of printed matter call for skill in their preparation, and wording suitable for the one class is inappropriate to the other. Catalogues and descriptive pamphlets are also an element in the sale of technical products.

Printed-matter, if intended to induce actual consumers of goods to buy them in shops, can be circulated either through individual retailers (when the address of the shop will be printed upon it), or be sent directly by post to addresses obtained from directories or other lists. In the latter case, effects are sought exactly in the same way as they would be sought through newspaper advertising, and, in proportion to the number of persons addressed, at a very much higher expense. The advantage of this direct postal advertising, of course, is that more elaborate printing and illustration are possible. Goods can be represented in colour. If the circular or book receives attention

at all, it receives a less divided attention than one newspaper advertisement among many; but it costs more.

“CONSUMER LITERATURE”

Printed matter will sell the goods if it contains information about them, but not if it only tells the reader the manufacturer's opinion of the goods. This “consumer literature,” as it is called, should be full of facts. The more nouns it contains and the fewer adjectives, one may say, the better it will be. And, what is very important, it must dwell intensively upon the way in which the goods are to be used. Experience shows beyond doubt that nothing sells goods so fast as telling the public how to use them: the “cookery book” of many food-product manufacturers is an example. In four different businesses it occurred that after spending money for several years on one kind of advertising or another, sales took a sudden and unexpected move upwards. This gratifying result would normally be attributed to the cumulative effect of continued advertising, and without persevering expenditure it would not have occurred. But to the particular businesses mentioned one factor was common. In all of them a flood of new orders and a crowd of new customers had been obtained through a campaign of publicity on the *uses* of the four very different commodities marketed. One of these was a mechanical implement, used in manufactories; the

other three were household commodities, retailed through shops to the public.

TECHNICAL CIRCULARS

Direct postal advertising has been used with great success as an aid to the selling of manufacturing and engineering supplies; and here, again, printed matter describing the use, rather than lauding the quality of the product, does the best work. The maker of a special varnish used in engineering had long marketed this article with some success by sending out travellers. The orders booked by the latter quickly doubled, and were then multiplied many times, when a practical exposition of the mode in which the preparation should be used, and the scientific reasons why it was certain to effect its purpose, were circulated in the form of a pamphlet.

CATALOGUES AND PRICE-LISTS

The effects produced by a catalogue or price-list can be improved by good arrangement, and particularly by skilful illustration. The miscellaneous catalogues issued by wholesale middlemen, illustrated with blocks borrowed from manufacturers, are often deplorable. The incongruity of style and the disproportionate sizes of the line blocks, half-tones, and even woodcuts in such red burials blent produce a frightful effect. For the sake of economy it may be necessary to put up

with this disadvantage in trade catalogues; and perhaps the æsthetic sensibilities of the trader are sufficiently blunt to spare him any very acute suffering. But in addressing the general public the cost of making special blocks for purposes of illustration has been found by experience to be well spent.

ART-WORK AND PICTURES

Largely, the difficulty is expense. Before a printing block can be made an original must be obtained. Some commercial "studios" do good work, and the workshops of the commercial photographer are springing up everywhere. Pictures undoubtedly sell goods; but they must be the right pictures. The suggestive value of tasteful art-work is so great that the services of a commercial studio are worth their price. A draper or costumier whose catalogues and circulars have real artistry soon impresses upon prospective customers the suggestion of good taste. For this reason it sometimes pays better to use a few pictures that have real beauty than a large number which only convey facts. On the other hand, actual information of a kind which pictures alone can give is sometimes so necessary that if the money is not available for good pictures a photograph or a poor picture must be used. Otherwise, there is usually no excuse for poor pictures: it cannot be necessary for a grocer to print an ugly and ill-drawn presentment of a packet of tea.

CHAPTER XII

SALES-MANAGEMENT FOR EXPORT TRADE

THE problems of export business naturally differ greatly from those of home trading, and as the subject is important, and has been little treated by previous writers, it requires attention here. Naturally, it can only be discussed in general terms. The conditions of various businesses differ so greatly in their details, that a whole volume might with advantage be devoted to the subject, trade by trade.

Much valuable current information is contained in every issue of *The Times* Trade and Engineering Supplement, which has become the most important and useful publication on the subject, and can be consulted with great benefit for information on trade-conditions abroad.

Many reasons make the cultivation of export business desirable. Neglect of the advantages to be derived from this is often due to timidity and mere supineness. The fact that purchasers must be sought at a great distance, possibly speaking an alien tongue, and having business habits little understood at the home office, inhibits enterprise and tempts manufacturers to let well alone. The methods of selling and collection are wrapped in

mystery. Besides the credit problem, the ancient legend, that the knack of selling goods in distant markets is monopolized by foreigners, intimidates people who might add gratifyingly to their turnover. Once it was the German who was the repository of this occult secret. Now it is the American. The facts are that many British manufacturers have overcome the obstacles, and that those of other nations who neglect this opportunity for extension say precisely the same things about ourselves. There is nothing insuperable about the undoubted difficulties of selling abroad, and had our forefathers been thus easily frightened Britain would not stand where she does to-day.

FIRST AID TO HOME TRADE

There is plenty of money in a great many remote countries, and the inhabitants are quite ready to spend it on British manufactures if given the opportunity. When business is slow in the home markets and competition keen, extra sales abroad offer valuable assistance in the reduction of overhead costs. Dumping, first so much deplored in this country a generation ago, is suspected of having this precise motive behind it. Astute manufacturers in certain countries, using a perfected costing system whereby the load of overhead expenses was properly assigned to every product turned out, are believed to have contented

themselves with the higher profit obtainable at home in this way, and to have sold goods at or below cost in this market. That British manufacturers should complain loudly is not surprising. But if the dumper had preferred to give his own countrymen the benefit of the savings, and managed to make the British consumer provide him with his profit, there is not much difficulty in imagining that there might have been complaints on this score too. Whatever may be thought hereon, the inference from the facts should be laid to heart. A proper costing system is indispensable to the realization of profitable export business, and where it is used, the argument in favour of cultivating trade abroad is much strengthened.

EXPORTING TO HELP HOME SALES

In an established business, the creation of an exporting department should always be projected with benefit to home conditions in mind. One manufacturer, hampered in the domestic market by severe competition in price, saw in the load of establishment-expenses, rightly divided by his costing system among the units of output, the cause of his difficulties. An increased volume of business was his only hope. But his product was seasonal—that is to say, it was saleable during only one part of the year; and on this period the activities of all his competitors were concentrated, as were his own. During the rest of every year

his factory was running at low pressure and high overhead cost. These conditions militated against the conservation of a good working-staff.

REVERSED SEASONS

In some trades this state of affairs might have been corrected by reducing the plant, letting off part of the buildings, and spreading manufacture evenly over the year. But this was not possible here, for, as well as being seasonal, his product varied. Until changes in public taste could be foreseen, it was impossible to accumulate stocks. The situation was saved by creating an export market. Yet this would not have helped matters had it not been for the astute forethought of the manufacturer in choosing the scene of his oversea selling. He reflected upon his problem, and saw that his salvation must be sought at the Antipodes, where our seasons are reversed and midsummer falls at Christmas. By cultivating a demand in Australia and New Zealand, and quoting an attractive price, he was able to keep his machinery running all the year round, using the same workers, and meeting competition, thanks to the gratifying reduction in the percentage of overhead costs to output.

PRICES AND TRANSPORTATION

The public in importing countries, which depend for most of their luxury-supplies on lands earlier

civilized, are fortunately accustomed to pay for the cost of freightage. Thus transportation is not so formidable a problem as those contemplating an export business for the first time are apt to imagine. Neither are tariffs so alarming an obstacle as, magnified by distance, they appear to be. The object of duties may be either revenue or the protection of an infant manufacture. In either case, the consumer will have to pay the duty, and if local competition creates any difficulty, which it seldom does, the manufacturer in this country can usually fall back on his overhead savings to enable him to meet local quotations. He sacrifices some gross profit, and to this extent the importing country can really boast that its tariff "makes the foreigner pay." Yet he will not have to sacrifice the entire profit, and even if he did the wider margin on home sales can rightly be taken into account.

REMEDY FOR TARIFFS

The true remedy for obstacles created by import duties is, like the remedy already prescribed for other difficulties, *thought*. It was said in a previous chapter that distinctiveness in a finished product could help the conquest of export markets. It is also the best weapon against tariffs. The undoubted prestige of British goods, and even of imports generally, in countries abroad, can lend much succour to an exporter who will take pains

AN INTRODUCTION TO

to give a proper individuality to his product. If the goods themselves do not admit of differentiation—and it is imprudent to decide this without careful reflection—the mode of presentation can be made to serve the same purpose, at least in part. How it can do so may be easily estimated by imagining the effect upon an English housewife of finding in grocers' shops attractive packages of loaf-sugar with a conspicuous brand. As this article is now generally sold loose, the novelty of finding it cleanly cartoned and protected from dust would interest her; and if the label indicated that it came from the British West Indies—from cane to consumers, as the wording used in this decoration may be conceived to put the case—she would probably be induced to give it a trial. Should the quality prove to be even a trifle above the average, the manufacturer would have landed a customer. Little imagination is needed to translate this supposititious case into terms of numerous products capable of exportation to distant markets.

PROBLEMS OF CREDIT

Dubiety concerning the collection of accounts, a frequent cause of infertility in the cultivation of trade oversea, may be allayed by the reflection that if those—and they certainly exist—who have lost money in this way had treated the credit

question at home no more seriously than they treated the same question in their money-transactions abroad, they are unlikely to have done much better here. Sources of information, in many cases actually more efficiently organized than those at the disposal of the home trader, are open to the exporter. It is beyond the scope of the present work to discuss them in detail. The Department of Overseas Trade of the Board of Trade, and the Consular Reports to which access can be obtained, with the export ratings of certain commercial information bureaux, may be mentioned as a sample; and the fact is that a reasonably careful exporter does not make a higher proportion of bad debts than would enter into his calculations if he kept his goods at home. It has been no very uncommon experience of late years to collect money for goods sold to customers within easy reach, both more slowly, and with less certainty, than was the experience in the piping times of pre-war peace; while drafts, attached to bills of lading and negotiated through banks, have an agreeable definiteness in the matter of time. Banking facilities are, in fact, rather more generously obtainable in export trading than in connexion with open accounts at home; and people who do not wish to pay bills at maturity have more to do than a debtor at home, who need only let his creditors' monthly statements slide to obtain at least a few weeks' longer credit.

NEGLECTED OPPORTUNITIES

The neglect described is attached more often to opportunities for business in relatively small items than in respect to big contracts. Engineering, machinery, constructional work, railway-building, and the like are well looked after, and the same remark applies to large textile orders and others, the cultivation of which is often well organized. But there are excellent openings for articles ready for immediate distribution to the consumer, and it is these that are constantly being overlooked. One manufacturer of toilet soaps and allied products sent, at a venture, a few boxes of samples to the addresses of retail advertisers in the newspapers of a distant city, and by this means alone started a demand which provided him with a steady outlet. Selling goods for export is not such a difficult job as it looks to the alarmed seeker for new business.

IMPORTANCE OF A BRAND

No man can expect to keep the secret of a new market to himself for very long. If he is making much of an impression, the news is bound to find its way round to his competitors. It is therefore much to be desired that goods of the character indicated shall carry a recognizable brand or trade-mark. For if any general characteristic of foreign markets can be predicated, it is that they

are on the whole conservative. Let them once learn to trust a product which they are able to recognize distinctively, and the task of competing with it becomes rather difficult.

In this connexion it is important to observe that the law protecting trade-marks is in many places highly unsatisfactory, and that the time to register a mark is before creating goodwill in it and not afterwards. Exporters will be well advised to consult a patent-agent specializing in trade-mark business and able to give unquestionable proof of experience in foreign registrations.

PROTECTION OF TRADE-MARKS

The doctrine of established common law right in brands which have been made familiar to the public rarely prevails in places outside the British Empire. Neither is the registration of a trade-mark invalidated, as it would be in this country, by the trifling circumstance that it is not the property of the person registering it. In a majority of countries, including some in Europe, it is a case of "first come, first served."

REGISTRATION SHOULD BE DONE FROM HOME

For this reason it is imprudent to entrust the registration of one's trade-mark to a stranger in a strange land. The agents of exporters have been

known to perform this function in the most obliging manner and on very economical terms, but without mentioning, until some change of agency or terms was proposed to them, that they had taken the precaution to make themselves, and not their principal, the owners of the equity in the mark registered. An example of this, having painful results, is described in the final chapter of this work.

There is but one safe way to secure the rights in a brand or trade-mark, and that is to register it through a properly qualified patent-agent in this country. As the cost of registering a mark in all countries likely to be of much importance to a British manufacturer does not ordinarily exceed something between three and four hundred pounds, complete security cannot be called expensive. Certain patent-agents specialize in trade-marks, and they alone should be entrusted with foreign work.

Furthermore, while he is about it, a manufacturer should register his mark in all countries where there is even a remote possibility of his ever doing business, for speculative persons keep a sharp eye on registrations, and occasionally back their own judgment concerning the likelihood of profit to be made by blackmailing the rightful owner of a mark.

The manufacturer of one commodity, well known throughout the world, is in the unhappy position

of being compelled to pay a royalty, on every package of it that he sells in Holland, to a Dutchman who had registered this manufacturer's brand as his own before the latter had entered the Dutch market.

CHAPTER XIII

PROBLEMS OF PERSONALITY, LANGUAGE, AND SEASON

ONE element favourable to the cultivation of export markets is the decided approval with which British goods as such are often regarded by consumers. The desire of consumers to conserve local industries is a factor which can seldom be regarded with much confidence as protective to a manufacturer, even at home. A superior or a distinctive article will usually make its way in spite of what, on the surface, looks like a very powerful and public-spirited motive. In remote countries, not always very small or unprovided with domestic manufactories, it is often an actual recommendation for an article to be described as "imported." A recent visitor to Los Angeles, having occasion, on an emergency, to provide himself with a pair of white flannel trousers, ready-made, was surprised at being asked for them a sum in the neighbourhood of three times their ordinary price at a tailor's in this country. "But," was the shopman's reply to his remonstrance, "these are imported"; and, on being asked whence, he answered, "From England." Even in the largest American cities the ticket

“Imported” can often be seen in the show windows of the more expensive shops, attached to articles offered at a high price.

VALUE OF DISTINCTIVENESS

Naturally a preference for British or other imported goods is most likely to be shown in countries whose industries are mainly agricultural, pastoral, or connected with mining, and where local manufactures are not highly developed. This preference is not, however, confined to them, as has already been indicated. But in any event some appreciable distinctiveness or individuality in the product offered does much to recommend it. This is not surprising, because exactly the same remark applies to new articles introduced into any country, including our own. The differentiation may even be accidental or irrelevant. A certain product, introduced into China several years ago, met with quite unusual and unforeseen success, which had continued to attend it for a long time before even the proprietors themselves learned the true explanation of it. This was, that the paper in which their packages were wrapped was of what is locally regarded as a “lucky” colour! An American soap whose distinctive characteristic is that of being lighter than water provides another example. It is said that the circumstance of this soap being used in

France by a soldier of the American Expeditionary Force led to the opening of that market, spectators of this warrior's somewhat public ablutions remarking that the soap "knew how to swim." The incident was widely used in the United States at the time as an advertisement.

ADVERTISING ABROAD

While, as has been said, the registration of brands and trade-marks is best performed from home, the reverse is usually true of advertising undertaken with the object of giving value to these brands. With exceptions, space can usually be better bought, and advertisements more tellingly drawn up, on the spot than elsewhere. Gross errors, from the local point of view, of taste and judgment are easily committed, even by those well versed in the language of a foreign country. Advertisements have actually been sent abroad for publication in the wrong language, or in a variant of it not spoken where they were destined to appear. While an English man of business, speaking French as fluently as the average of his fellows, can rub along comfortably enough all over the province of Quebec, the printed language differs from that of France, and a ludicrous example of the converse fact came under the author's notice many years ago. A medical prospectus, translated in Quebec, had been reprinted for use in France before he observed, and pointed

out to the advertiser, that the word "kidneys" had throughout been translated "rognons" instead of "reins," which would be equivalent to describing the human pancreas as "sweetbread." Advertisements for Brazil have before now been actually published in Spanish, which is not the language of that country.

STRANGE ALPHABETS

Vernacular languages with a foreign alphabet present great difficulties, and it is not always safe to rely upon native translators, who, especially in India, show an ill-timed sense of humour. They have been known to include in the announcements of those employing them cryptic phrases, readily understood locally, which destroyed their value or contradicted them. Fortunately, as regards Oriental and other difficult vernaculars, agencies exist in this country where the services of either returned traders or former missionaries thoroughly versed in the tongues of their old haunts, or of natives whose trustworthiness is assured by self-interest, can be obtained, and circulars or advertisements set up in type ready for casting in stereotype.

When the language-difficulty has been surmounted there still remains, in countries using a European alphabet, the question of local tastes in typography and illustrations. The best guide to these is any collection which can be secured of

the newspapers of the countries involved. Latin America has a marked taste for the female form divine, depicted in a manner which would arouse prejudice in other markets. Sometimes heavy designs and white-on-black type are necessitated by the bad habits of existing advertisers, while elsewhere these are less in evidence. In fact, well-informed local advice is usually almost indispensable.

One reason greatly deters manufacturers from seeking trade abroad. This is their lack of knowledge of the social habits of consumers in foreign climes. Occasional disastrous stupidities, like the traditional warming-pans for the South Sea Islands, have had a disproportionately inhibiting effect on the commercial mind.

SEASONAL CONSIDERATIONS

Climate and season must, of course, be taken into account when an export market is to be opened; and information must be sought concerning numerous accidents of prejudice, taste, and even religion. But the enterprise will hardly be promising unless it is backed by reflection and good judgment; indeed, it is safe to say that of all the factors necessary for success in export salesmanship none has, for the class of traders whose interests are here contemplated, anything like the same importance as forethought and

discrimination. These are no less indispensable, of course, where the merchandise to be sold has the nature of technical products on a large scale. But reflection and inquiry are, in the nature of things, forced upon the manufacturer of massive implements or the contractor for large periodical shipments, while it is easy for the dealer in small units ready for consumption either to miss an opportunity through neglect of enterprising forethought, or to lose money through bad judgment.

HOW TO ESTIMATE A MARKET

Books of travel, discoverable at no greater cost than a few hours of agreeable reading in the literary Press, have sometimes furnished hints which alert traders have turned to good account. A wholesale merchant—not even an actual manufacturer—did some profitable business without even reading the books himself. A young man of studious habits was employed in his office. This trader earned the warm gratitude of his clerk by presenting him with a book of this character from time to time. He was rewarded by occasional suggestions derived from incidents showing the poor quality of certain commodities in various places. If a real want can be discovered, there is seldom much difficulty in establishing contact with someone willing to make a profit by supplying it. It is said by those who have sought business in this way that collections

are noticeably easier where a new commodity, or one of conspicuous superiority to the existing supply, is introduced, than where an exporter merely enters into competition for some established demand. Doubtless this is explained by the profitable nature, on the spot, of trade in something thus novel and desirable. The local distributor does not want to lose touch with his source of supplies.

While much information can be obtained concerning export markets without crossing the street, and business has often been created by no effort more strenuous or costly than that required to obtain a few addresses and send out samples, time is usually saved in the long run if a competent emissary can be sent on his travels. It may be mentioned that, as a matter of etiquette, many foreign buyers think it a politeness if they are addressed in their own language when first approached; but if asked to reply in English or French "if convenient" they usually do so. One difference between ourselves and the people of other nations is that an Englishman will not, as a rule, speak or write any language but his own if he can possibly help it, whereas the intelligent foreigner is only too anxious to improve by practice his acquaintance with the dominant tongue of commerce—which of course is English—without being in the least concerned to avoid seeming ridiculous. A first letter should therefore

be translated, and well translated; but it is expedient to mention that it had to be sent out for the purpose. Then, if any mistake has been committed, it is excused beforehand, and a courteous reply in English, or at worst French, will nearly always be forthcoming.

MAJOR OPERATIONS

Export business on any considerable scale will be most successfully conducted only after the ground has been efficiently surveyed. The expense of having this done should not be regarded as an obstacle, if there is an intention to exploit the market thoroughly. It will be saved over and over again, by preventing losses and injuries to trade through ignorance of local requirements.

The concluding chapter, therefore, will treat of the field survey and the permanent arrangements for being locally represented that will arise from

CHAPTER XIV

SURVEYING THE FOREIGN FIELD

FOR market-surveys, as they are called, the family circumstances of manufacturers often make an almost ideal provision. Where a director, or the head of a private firm, has a son destined for high office in the business, few better openings can be imagined for him than to be charged with the duty of investigating potential markets beyond the wider seas. A young man thus situated will normally have had a public-school education and probably have been at Oxford or Cambridge. He will have the intelligence, self-confidence and personality which command respect, and the experience gained in the course of such work would be worth all the cost even if it produced nothing in actual sales.

As a practical hint, it is to be noted that he should, as a rule, have worked in the business for a year or two, to learn its conditions and something of the trade in general. He will also have acquired thus an indispensable knowledge of business habits and conventions.

THE MAN ON THE SPOT

Such a man can be trusted to have the interests of the house at heart, and he need not be held to

any too arbitrary schedule of time. Nevertheless, he should not be encouraged to linger unnecessarily over the work. Haste, in market-surveys, is fertile in misjudgments; but mischief can be done by hanging about too long. Such investigations should begin with observation of the habits and mentality of the consuming public, and the extent to which the market is already supplied with merchandise of the kind furnished by the house of which he is the emissary. The local attitude towards existing supplies should be ascertained, and contact should be established with retail and distributing traders. It is important to form a sound opinion on methods of consignment and distribution—whether jobbing firms should be used to break bulk, or retailers encouraged to import for themselves; whether stocks will have to be carried locally, an agent appointed, or a branch opened. In some countries there is little difficulty in obtaining numerous and careful replies to an intelligent *questionnaire*; in others information will be unobtainable thus or may even be wilfully deceptive. Sometimes advertising agencies, unexpectedly well equipped, will be found, accustomed to assist in, or to perform, surveys of the nature contemplated; but it is unsafe to rely upon this good fortune, and wise to make sure that any local informant speaks in the inquirer's interest and not for the purpose of protecting someone else.

In the course of a market-survey, or at the end of it, business can occasionally be opened immediately. The emissary should therefore be equipped with not only a complete line of samples, but full information concerning the policies of the house in the matter of prices, terms, and credits. He may, if fitted for this, be clothed with authority to decide such questions on the spot.

REWARDS OF THE MARKET-SURVEY

It was stated in the previous chapter that the expense of an efficient field-survey would be recovered, through the avoidance of mistakes and consequent losses. One kind of knowledge that will be acquired concerns the mechanical handling of merchandise, and the manner in which it is offered to buyers. This information cannot be obtained by hearsay alone. A firm may believe itself to have obtained complete information out of books, or by writing to British Consuls or to chance local customers, or through the excellent information bureau of the Board of Trade. It may have done an encouraging amount of small business. It may have a growing market. But some fact which cannot be otherwise ascertained may still prevent really adequate selling unless the ground has been surveyed in the specific interest of this one product or line of merchandise. Once an entire market for a certain class of goods was captured by the French and lost to both

Britain and the United States, through a simple device for overcoming a difficulty created through one peculiarity in the fitting of local shops. Even more mischievous than the ineptitude, often blamed, of catalogues and price-lists in currencies and measures which the market does not understand, are mistakes due to ignorance of physical peculiarities and racial habits which require to be known.

PERMANENT REPRESENTATION ABROAD

When the field-survey has been completed, arrangements must be made for supplying the market and not only creating, but protecting, the demand for the goods of the house. Merchandise shipped oversea must be handled in a very different fashion from those at home. The problem of foreign storage alone has three or four different solutions. The house may rent premises in important centres; it may employ a warehouseman to distribute its goods, breaking bulk and repacking, or dealing only with original packages, according to circumstances; it may do this and keep a representative constantly moving round one or more markets; or it may appoint an agent.

AGENCIES AND THE ALTERNATIVES

The last is a project not to be contemplated without trepidation. Fortunately, more than one alternative to the appointment of a foreign agent

exists. Many British houses ship goods directly to the principal buyers in foreign countries. Often the whole burden of sales-promotion is borne by the importers, who, for their own profit, send out travellers to sell goods not manufactured locally. Export houses in this country, again, send orders to manufacturers, and pay against documents. In a large number of instances nothing has been done at all to obtain this business. The goods sell on their merits, up to a certain point, but markets are not "worked." This is not salesmanship, but order-taking.

"WORKING" AN EXPORT MARKET

More often than might be expected, business is done abroad by either advertising in foreign markets or letting a traveller rush through them periodically, leaving the goods to find their way out as best they may, with no sales-management, worthy of the name, at all. The traveller may not even try to obtain direct orders : he sometimes refers the local merchants whom he has interested to their usual shipping houses. The same thing is seen here. One American toilet article, for which nothing whatever has been done in sales-promotion for over thirty years, and which neither has been nor could very conveniently be advertised to the public either here or in the United States, has a steady sale and is imported a

thousand cases at a time. The business done is not "big"; and, similarly, thousands of British firms do a haphazard export trade of very tangible value. The aggregate of money represented is considerable; the individual turnovers are small. But this kind of thing cannot be called "working" a market.

JOINT OPERATIONS

A few industries are so happily constituted that they can join hands in the exploitation of a foreign market. Two years ago a party of some twenty manufacturers, mutual competitors of each other, took ship to the United States, after having first jointly dispatched an able forerunner to survey the market. The common product of these manufacturers was a semi-manufactured article which, while it could only be utilised by the public after going through further processes, would be recognizable in the finished product. Although competing with goods manufactured in America, what this party offered was received with enthusiasm. In the largest centre of the business, the party itself was welcomed by the local manufacturers, not less broadmindedly capable of joint action, regaled with unlawful beverages, and sent away with orders of gratifying importance. Here was an example of a rich market that was had for the asking. Many another industry could do equally

well, if a little more attention were paid to the problem of selling abroad.

APPOINTING AN AGENT

An agent, who should not be appointed without careful inquiry (and even then there are pitfalls, as will be shown), may operate in any one of several different ways. He may, for instance, act as an exclusive buyer, warehousing stock at his own expense and paying for whatever he orders. Or he may receive goods on consignment, rendering monthly or other periodical account-sales. He may trade in his own name, or in that of the house.

A resident agent, if trustworthy and energetic, is a tremendous help to the sales-manager. But (as I have just said) he must be chosen with deliberation. His resources, standing, and local reputation are of great importance. One very large manufacturer received, at his office in London, a call from a gentleman of prepossessing manner and appearance, admirably well informed on the local conditions of this manufacturer's trade in one of the big oversea markets. He was able to give evidence of substantial wealth, and had been established in business for a long time. Everything that could be learned about his habits was creditable to him. He was therefore appointed as agent, and a varied consignment of goods went forward.

FAILURE AND SUCCESS

Account-sales, punctually rendered and accompanied by the money, proved disappointing. The agent had limited the quantities shipped to a point below what the manufacturer had wished, and the reason for this modesty was now apparent. The agent was able to open accounts only in a limited number of towns and with small buyers. Eventually a representative of the house investigated matters on the spot. The agent was everything that he had seemed to be—solvent, industrious, well thought of in the place. But he had earlier had the misfortune to represent in the same business a Continental manufacturer, of whose nationality the less said the better; and the tricks of this manufacturer and his general slipperiness, which the agent had vainly attempted both to cure and to disguise, had made the agent himself so unpopular with retailers of the goods that he was a liability instead of an asset.

PITFALLS OF THE AGENCY-PLAN

In this instance, the agent had been the victim of circumstances and in all likelihood quite honestly believed himself able to live down, in time, another's past. Very different was the experience of another manufacturing concern which appointed an agent in one of the Latin-Americas, not without taking the precaution to visit the market

beforehand. The goods were well known in their home country under a trade-mark, which it was also desirable to use abroad. The representative of the house proposed to use it there; and the agent kindly undertook to shoulder the whole work of registering the mark, not only in his own country, but in adjacent territories which he was not to control. The law's delays being thus avoided (and registering a trade-mark is not very quick anywhere) business was started and progressed very satisfactorily for some years. The goods, with their trade-mark, were extensively advertised. Other markets were opened with success. The relations of principal and agent seemed satisfactory to both.

VESTED TRADE-MARKS

Perhaps they would still have remained so if the manufacturer had not considered, in time, that as the advertising, entirely paid for by himself, was now practically selling goods single-handed, his agent's labours had been considerably reduced. When the agreement of agency was due for renewal, he therefore proposed fresh terms. These were not satisfactory to the agent, and some friction ensued, not unaccompanied by the energetic language of protest with which Southern races are well provided. The manufacturer then suggested to his agent that, as they could not agree, it would be well to part; when the latter

replied that this, of course, should be as his principal wished, but that as the trade-marks in that and several other countries were registered in his own name, he would have to ask the manufacturer to keep out of these markets.

As an earlier chapter explained, the law in a great number of foreign countries (including some in Europe) vests a trade-mark in anyone who first registers it. The moral of the anecdote just related is that registration of trade-marks should precede the opening of any market, and should be entrusted to a chartered patent-agent of reputation in this country, who specialises in trade-mark work.

ADVANTAGES AND DISADVANTAGES

A local agent is an asset, if he is well established and competent, and his name may be a help to sales. On the other hand, the contract of agency should be drawn with care, and settled by an independent lawyer of the country. Otherwise the agent may acquire power to pledge the credit or other responsibility of the principal in undesirable ways. Too little attention is often directed to this matter, and without any contract at all, it is possible to give an agent implied powers which may get his principal into trouble. This is especially the case if the agent trades in the name of the house.

OPENING A BRANCH HOUSE

If the resources of the house permit, and the prospects of business make it prudent, the safest and most satisfactory way to control a foreign market is by opening a branch house in what is found to be the most desirable mercantile centre—which will not always be the capital city.

This affords highly attractive prospects for a trained sales-manager of a suitable type. The plan usually adopted is to send out a man who has shown ability and initiative in the home office, and who can also learn the local languages. He is a man of decent social standing, preferably of the public-school type, a tried and trusted servant of the house, with ambitions and with confidence in his employers. He goes out for an agreed term of years, with the promise that if he "makes good" there will be a place for him at the end of his exile as foreign sales-manager or otherwise. The length of his sojourn will depend, to some extent, upon the climate. There are places in which a man can bring up his children, and where he will be willing to stay for a long time—perhaps until retirement. In others, a man with any degree of confidence in his "star" will not consent to wear out the best years of his life unless he sees an assured future in middle age. All over the world, one finds in travel men of our race, doing useful and happy commercial work, promoting successful

businesses, and leading a comfortable social life. They are the envy of commercial houses in other countries, who would like to be as well represented. A very competent American critic has written thus : " An unchanging Englishman lives in every foreign port and reports to his house, in precise words, the character of his surroundings and the needs of the market which he personally looks after. These reports are taken seriously at the home office, carefully studied, deeply weighed ; and appropriate action follows. An English company gets its foreign representatives by giving the assurance that it is seriously and for all time in the export business. The representative is given protection for the whole of his life. He is thoroughly trained, but he is not expected to produce results until he has had ample time to gain experience. Patience is an English attribute, which, if we are to succeed in the foreign business, we must emulate. They have what someone has called ' the patience to do well what clever people do poorly.' "

It is by such men that British trade and British traditions are upheld all over the world. In any climate that is at all tolerable, there is a sufficient British and American community to sustain social life. Home newspapers are received by every mail-steamer, and families send home for supplies or, by their demands, create a local market in domestic commodities of British origin. Repre-

sentatives of competing firms belong to the same clubs, they and their respective families are on good social terms and help each other in commercial as well as in other troubles. They are the British in exile. The Empire would be in a poor way without them. It is a matter of some pride to the author to have pupils of his own who serve British Commerce thus.

THE END

PART II

THE CONTROL OF SELLING

CHAPTER I

SALES-ACCOUNTING

By the term " Sales-accounting " is denoted the process of separating from other business outlays expenditures devoted solely to the selling of the goods or services in which a firm or company trades. Such outlays include numerous and very varied items, such as the salary of the sales-manager ; the salaries and wages of his clerical staff ; the wages, expenses and commissions paid or allowed to travellers ; that part of the office-expenses which are properly chargeable against selling ; certain items of printing and stationery ; and the like.

One of the most useful of the commercial innovations of the last few years is the habit of interrogating the statistics automatically produced in every business, so that they may be turned to practical uses.

Book-keeping is capable of being put to better purposes than merely taking care that money shall be accounted for. More things can be known about money than whence it comes and

whither it—all too readily—goes. Accountancy is nowadays expected to be productive as well as expository: there is no room, in modern business of the more advanced type, for book-keepers that are only a necessary evil. The statistical expertness demanded of them raises their own position by enabling them to give better and more profit-making service than under the old conditions, when their function was merely protective. Thus, so simple a matter as the analysis of an expense-account reveals unsuspected sources of profit as often as it reveals means of economy. By examining and correlating the elements of expenditure, constructive ideas of incalculable value may be suggested.

In no department of business are they so often suggested as in connexion with sales. A modern sales-manager makes statistics his best friend. Through skilful use of them he reduces waste, discovers new opportunities, and sometimes puts a new complexion upon the whole business of the house that he serves.

PRACTICAL VALUE OF COST-ANALYSIS

The true net profit yielded by the sale of any article of merchandise is not discovered by merely deducting from the gross profit a uniform *ad valorem* percentage of general expenses, unless the vendor's business is confined strictly to a single product. Such a method of treating the latter may

completely obscure serious losses. The expense of handling, packing, warehousing, and especially advertising and selling, one article, may be very much greater than the expense of doing the same work on behalf of another article. A company which manufactures a number of engineering products not long ago abandoned completely one that represented a considerable proportion of its output, and turned the plant to other uses. This article yielded as high a gross profit as any of the others: but investigation showed that, owing to certain circumstances connected with the marketing of it, the expense of selling the goods exceeded the margin upon them. The old system of book-keeping, whereby various items, like salaries, commissions, travellers' expenses, office work, postages and telegrams used to be treated as units only to be assembled at the time of stock-taking, would never have revealed the fact that trade in this article was being carried on at a loss. It is no uncommon thing for a business to be conducted on principles which entirely obscure facts such as the foregoing: and, indeed, without sales-accounting of one kind or another, it is difficult to imagine any way in which they would be discovered.

CONSTRUCTIVE VALUE OF SALES-ACCOUNTING

Sales-accounting is, nevertheless, much neglected in this country. In thousands of important businesses no attempt is made to distinguish

between general office expenses and those consumed by the sales-department individually. This has effects which may be serious. The cost of keeping books, controlling the works, collecting bills, and answering general correspondence has nothing to do with selling ; and by neglecting to distinguish them important facts may be hidden. Thus, a north country distributing house whose profits had been seriously reduced by bad conditions in 1922-23, had retrenched its expenses in order to keep the shutters down. A system of circularising midway between the calls of travellers the retailers served by the house was abandoned. The number of travellers employed was reduced, and those retained on the staff were called together and urged to cover more ground, the increased number of commissions open to them being offered as a reason. Advertisements in trade papers were likewise withdrawn and a gratifying reduction in overhead expenses was assured. Office staff and expenses remained untouched, as it was felt that high cost of living forbade a reduction of salaries, and the amount of work demanded was not expected to diminish.

The results, however, were disappointing. Instead of selling more goods in their enlarged territories, the travellers did less business and earned fewer commissions. The percentage of indoor expenses to sales rose as business fell off, and disaster seemed imminent ; for, as things were,

the business hardly seemed worth carrying on at all. At this juncture a young man in the counting-house showed unsuspected genius. By means of maps and charts, comparing the influx of orders prior to retrenchment with those in the recent period, he showed that, instead of cutting out the system of circularisation when travellers' calls were reduced in number, circulars ought to have been sent more frequently, and indeed that the number could have been increased with profit, even during the good years. An occupational map also showed him that while the whole kingdom had always been covered by travellers, much the greatest volume of business had been obtained from manufacturing districts of a certain type. Rural and mining regions had never really paid for working. When the mistakes thus revealed were corrected, business revived, even in the face of continued general depression. A very crude and partial piece of sales-accounting had saved the situation.

NEGLECT OF SALES-MANAGEMENT

Sometimes the defect in control of sales goes farther than simple neglect to keep account of its costs. The distinguishing note of modern sales-management is its insistence on productivity at every point. The number of respectable and flourishing concerns which have no systematic sales-management at all is surprising. This condition of affairs is most often found in old-estab-

lished business houses, whose methods have been slowly evolved during successive generations, and whose servants have long held offices to which they attained by promotion from humbler appointments. Such men, by their zeal and integrity, can do something to redress the evils of systemless management ; but they cannot prevent the onset of competition. They are not immortal ; and on retirement it is very difficult to replace them. System then becomes more than ever important.

CHAPTER II

SALES-ACCOUNTING AND SALES-COSTING

FROM what was said in the previous chapter, it is evident that sales-accounting, to have any value at all, must in effect be nothing less than a costing-system, such as is now a matter of course in any efficient factory, applied to a particular administrative department. Probably the sales-manager's is the only administrative department to which it could be applied at all, and certainly the only one to which it could be applied usefully.

Costing-systems are of quite recent origin. Well within living memory, numerous large and important factories were conducted without any definite and conscious effort to find out what their output cost. If any article had been sold at a certain price, the stimulus of a considerable rise in the outlay for materials or labour was required before the price-list would be revised and customers informed that they must pay more.

It would be going too far to say that costing-systems did not exist before the term "costing-system" was invented. The curious absence of self-consciousness that characterises English business in all its aspects led, here as elsewhere, to

methods of high efficiency being introduced, without their inventors being in the least aware that they had done anything remarkable. Thus it was with factory-costing. But the methods of a time not yet remote were so crude, that when a factory began to make something which it had not made before the price of sale was often determined either by what other people charged, or by rule of three. That is to say, that either competitors' price-lists were sedulously obtained and examined : or else the quantity of material and labour consumed in the new product was ascertained and compared with what was consumed in some other article. The result served as the basis for more or less efficient guesswork, with results easily imagined.

Even in a trade where the whole output of a factory was produced to order, as in the printing trade, costs were not always known. Much organised effort throughout the trade was needed before printers in general knew what any job really cost them. Selling is an element of commerce not less important than manufacture. But while, in the latter, costing-systems are now extensively used, the cost of selling is ascertained very much less frequently.

For the proper computation of what it costs to sell goods (a factor of great importance in the efficiency of a modern business) more is necessary than a mere assignment of expenses to the various departments into which the organisation is divided.

If the books have been kept according to traditional methods, some little research may be required before information which can be turned to constructive uses is unearthed. While economy and the cutting out of wastes are useful and to be desired, they are not the only, and are seldom the most important, advantages to be derived from sales-costing. Skilled investigation, even among the old records of any business, invariably yields suggestive facts, though the trained eye of a specialist may be required to observe them ; for nothing is easier than to overlook their significance through over-familiarity.

DETAILS OF SALES-ACCOUNTING

Sales-accounts are a costing-system applied in an over-neglected field. A proper method of accounting charges the sales-department with all expenditures incurred by it and on its behalf. The sales-manager then constructs his own records, wherein he is able to assign to every outlay the service which it is expected to render. He thus knows not merely what commission the salesmen and travellers on his staff receive in respect of every pound's worth of goods for which they take orders, but how much of their salaries and expenses is chargeable to each variety of goods. He also learns how a traveller's time can be most efficiently used, the most profitable number of calls to be made per day, and the best way to distribute his

efforts. Geographical and regional influences are observed. The relation of sales to general overhead expense is studied, and a sales-manager jealous of his own reputation and that of his department may demand that some of the savings effected in the proportion of overhead costs to sales, through increased volume of business, shall be credited to his department. The average size of individual sales may affect the designed selling-cost, and may dictate changes in the price-list or in general selling policy—to make the kind of sale which is most profitable to the house the most popular with the house's customers.

SALES-ACCOUNTING AND BUSINESS POLICY

A sales-manager who uses sales-accounting efficiency will not be content to let it dictate the conduct of his own department alone. The revelations of his costing-system may necessitate important changes in the whole policy of the house. Thus, in many businesses, though not in all, a manufacturer or distributor has a choice between selling his goods directly to retail traders in small parcels, or selling them indirectly to wholesale houses in large parcels. The latter course does not always preclude the possibility of increasing the volume of business by the employment of travellers who call on shopkeepers, but do not take orders. Some years ago a sales-manager was placed in charge of a business in Scotland which had been

operated through its own retail branches. Analysis of selling-cost convinced the newcomer that this plan was inefficient, and he took the bold course of shutting up the branches by which business had been confined to one area, and advertising directly to the public throughout the whole kingdom for business by mail-order. Early efforts in this direction proved the soundness of the plan, but the volume of business was insufficient to keep the plant busy. Consultation with the writer developed new plans, however, which accomplished this and more, through a method of advertising specially devised to meet the requirements of the business.

SELECTIVE SELLING

Some factories produce goods of varying grades, and if sales-accounting is not practised, too much money may be spent in pushing the sale in one direction, and not enough in another. One very large concern in the provinces had an excellent reputation for the quality of its best product, for which a high price was obtained. Cheaper lines were the Cinderella of the business. When bad times came after the first Armistice boom, trade fell off at the top. An investigation was ordered, and sales-costing instituted for the first time. Then it was discovered that the product of high quality had not for years been repaying the cost of selling it, and Cinderella was recognised at last as the fairy-princess that she had always really been.

CHAPTER III

THE ELEMENTS OF SELLING-COST

THE expense of selling any kind of merchandise is, for practical purposes, just as much a part of its cost as the expense of making it. As the whole must be recovered before profits can be made there is no logical reason for treating this outlay differently from the material costs of production. If (as in an instance on which the writer was consulted since these papers appeared in *The Times Trade Supplement*) a hair-brush can be more easily sold by supplying it in a fancy box, nobody would dream of charging the box-maker's bill to anything but merchandise account. It would be ludicrous to treat it as a counting-house expense, like stamps and book-keeping. Similarly, if the employment of travellers can expedite the sale of anything, their pay must be assigned to the quantities sold, and added to the factory-cost before profits can be justly computed. There are articles which cost more to sell than they cost to make, and immoral and uneconomic as this sounds, the articles themselves are of such productive importance that they cannot be condemned on that account. Office-appliances like adding-machines,

typewriters, dictating-machines, and the like, are reputedly among them ; so probably are shop appliances such as cash-registers, cash-railways or tube-systems, and the like ; even the domestic sewing-machine, the vacuum cleaner, and the gramophone come into the same category. If the book-keeping of these manufacturers did not take account of selling-cost the business of all of them would, for reasons to be presently exposed, be carried on in a hazardous obscurity.

All the expenses of a well-managed business are carefully analysed, but the fact that selling-expense is more nearly related to factory-cost or merchandise-account than to office expenses is not always realised. The salaries and outlay of the sales-manager and his staff, even including travellers, are often regarded as part of the general overhead expense and charged to the same account as those of warehousemen and clerks. Directors, preoccupied with other matters, and ill-disposed towards what they regard as abstractions and theories, do not ask to have these expenses distinguished. But the ascertainment of sales-cost is not a fanciful or unpractical exercise. It is, on the contrary, one of great constructive importance, for without it, a possibly critical element in determining the profitableness or otherwise of many articles handled cannot be known.

FIRST STEPS

The fact that sales-accounting has not been introduced into a business does not necessarily mean that there has been no sales-management, though (as is shown later in this chapter) many businesses still exist without it, on a foundation of unsuspected rottenness. But a sales-manager may do admirable and effectual constructive work without realising that the cost of it ought to be ascertained. The first step in ascertaining it is to make the sales-department aware that it is to be charged with certain outgoings, and that its efficiency will be judged by the proportion of these to results.

As a practical measure it will be worth while, if the business itself and its selling organisation are large enough, to institute a set of books, enabling selling-expenses to be analysed. The entire debit would then be carried in the general ledger as a single account, to which all payments would be debited, and the sales-department would keep its own journals and a subsidiary ledger, whose balance would always equal that of the account in the general ledger. Cheques for travellers' salaries, commissions, and expenses; the salaries of the sales-manager and his clerks; stationery, postages, telegrams, and petty cash on selling-account, and catalogues, price-lists, circulars, and other printed matter circulated to customers, would

all be drawn on the requisition of the sales-manager and charged to his department. He would make his own arrangements for relating these expenses to different elements of sale, and could be trusted to do so, since only by discovering leakages and excesses could he hope to reduce the debit to his department.

RELATION OF SALES-COST TO ADVERTISING

The vexed question of advertising-cost would naturally arise, and it would have to be answered according to the individual circumstances of the business. The whole cost ought not to be charged, year by year, to selling expense, for it is obvious that even the direct influence of advertising on sales is not exhausted at midnight on New Year's Eve, and that the goodwill of the business is increased by persistent advertising. But it is necessary to distinguish. Where advertising is addressed to the public, a larger part can be carried forward than where trade papers alone are used, and the extent and persistency of the advertising must in either case be taken into consideration. Thus in some cases it is wise to unify advertising and selling-expenses, and in others to treat advertising as a separate department. It will not be efficient if it does not materially reduce pure selling-expense. The subject is treated with some fullness in the author's book, "Commercial Advertising."

SELLING WITHOUT A SALES-MANAGER

A business without a sales-manager naturally has no sales-accounting. Travellers go about their work undirected by any mandate from headquarters, doing little constructive selling, and rather resenting any effort to assist them to get better results. A corresponding clerk answers their letters; no credit department is needed, because they hardly ever make a new customer; and all goes on merrily until the field is invaded by aggressive competition. The secession of an old traveller from such a house is a calamity to which it should not be exposed, and with a specious air of economy, obtained by saving the heavy salary commanded by any sales-manager worth his salt, the selling-expenses are still sometimes dangerously high. In fact, as a business maxim, it may be said that no outlay can be safely considered unimportant unless it has been definitely proved to be so, by being with equal definiteness reduced to figures.

Competition alone can, as a rule, awaken from its slumbers a house which wilfully or negligently denies itself the protection of efficient sales-management and sales-accounting. A severe shock is experienced. Sales fall. Drastic reorganisation is perceived to have become necessary; and indeed any change in the old routine that is otherwise than drastic is apt to have very

undesirable consequences. The old organisation is not strong enough to be tinkered with, and lacks the elasticity necessary to admit of introducing commercial machinery of a type for which it was never designed. Consequently it must be rebuilt from its foundations, and a good deal of faulty work will be uncovered in the course of reconstruction. Too often reform comes so late that the mischief is irreparable, and then what are deemed chimerical and new-fangled methods are more readily blamed for the disasters of the house than the effete management which made it a prey to competition.

CHAPTER IV

PRACTICAL EFFECTS OF SALES-CONTROL

THE constructive value of sales-accounting will be appreciated when the methodical arrangements which it introduces into a department otherwise seldom orderly are called to mind. The previous chapter closed with a reference to the disasters liable to fall upon a business lacking any sales-management at all. Sales-management without method is little better.

Selling is no longer to be regarded with safety, either as a semi-automatic process needing no particular supervision, or as a mystery incapable of penetration ; neither does any one pretend that its results can be mathematically precalculated. But it is not a game of blind-man's bluff ; and the device by which it is illuminated is a skilful use of averages, whereby the limits of uncertainty can be clearly defined. This way of regarding the subject imports a great increase of method into the work, and thus improves its results. When a sales-manager is required to render a detailed account of expenditure in his department, it is but a short step to bring outlays into relation with the results which they are meant to produce. Highly suggestive information is thus obtained.

TREATMENT OF TRAVELLER-EXPENSE

As an example of this may be mentioned the stimulus applied to the control of travellers as soon as the three elements in the cost of maintaining them—salary, expenses, and commissions—are properly calculated. The practice of taking account, when fixing prices, only of the commission paid on sales, while salaries and expenses are treated as a general overhead charge, may cause actual loss, and will certainly diminish the efficiency of the sales-department. A sales-manager who knows that everything he spends will be remorselessly debited to him, will be sure to reduce the whole of them to averages, with highly stimulating results. Thus, if it costs him £12 a week to keep a man on the road, plus 3 per cent. on sales, his attention will be concentrated on the fact that a traveller whose sales are only £100 a week is costing 15 per cent. on the business done, and that if he can be helped to produce £150 a week, the debit to the sales-department will be only 11 per cent. The sales-manager will then map out the routes more carefully, so that the number of calls per day may be increased and new ground broken. He will curb the well-known preference of travellers for calling on as many old customers as possible before trying to open new accounts, and possibly induce men to carry a greater variety of samples. Negligence in this regard is both common and

disastrous. Sometimes a perceptible increase in the efficiency of travellers has been obtained by the merely mechanical device of providing convenient hand bags and sample cases, and reducing the weight of the samples to be carried. One manufacturing perfumer accepted the suggestion that there is no advantage in requiring a traveller to carry in each box of toilet soap all the three tablets usually packed therein. One tablet of soap and two empty "dummies" do the same work equally well, and the traveller's muscles are saved. Physical fatigue has an appreciable influence on the efficiency of a man's salesmanship, and considerate forethought pays liberal dividends.

STIMULATING THE TRAVELLER

A just medium can be found, between pettifogging worry and small tyranny which saps the zeal of men on the road, and negligent control which makes them a prey to the natural tendency of all men to spare themselves trouble. One salesmanager, pained by the small number of new accounts opened by his travellers, paid a visit to the towns which several of them were respectively about to visit. With a list of the firm's local customers in his hand, he observed that these included, not only a fair proportion of the largest and best-kept shops, but a disproportionate number of second-raters. Having contracted the

salutary habit of requiring every call to be noted, whether productive or otherwise, he found that many big shops had been neglected altogether so that the travellers might be enabled to visit every old customer, however obscure, and get away to the next town. The men showed some reluctance to alter habits which had led to the earning of easy commissions, to the detriment of their employer's true interest; but, under pressure, they were induced to cover the ground more completely. A fair amount of additional business was done, even on the first occasion; and after a few visits these towns were made to show an increase of productivity as gratifying to the travellers themselves as to their chief. But for the stimulating effect of strictly analysed selling-outlays, what became a regular flow of orders from numerous sources would never have been obtained.

This incident is a fair sample of the way in which methods, having a superficial air of cold, inhuman "driving," have a reaction on the human aspects of salesmanship. If the attention of this sales-manager had been concentrated upon the mere volume of business which his travellers were bringing in, he would never have observed the amount of business which they were neglecting. The proportion of orders from new and old customers, respectively, was what provoked investigation with such profitable results.

A DANGER-SIGNAL

These results, however, were not obtained by statistics alone ; and certain dangers lurk in blind arithmetic. In one old-established business, travellers' reports were carefully analysed with the express purpose of avoiding losses from the cause just described, and the men were strictly called to account if the number of customers seen fell below a rather high figure. When a new sales-manager was appointed he was dissatisfied with the low average value of sales per call. Seeking an explanation, he found that, owing to the necessity for covering sufficient ground to satisfy the former management, travellers were neglecting to show the whole line of goods. Only those most easily sold were offered ; and if a shopkeeper was found to be engaged when visited, or did not readily give an order, he was abandoned in the interests of quick work. When volume of business, instead of calls per day, was made the test of efficiency, the cost of doing business fell rapidly, and travellers not only earned more, but cheerfully agreed to divide their territory with new men, an expedient seldom accepted without friction, in order to ensure full canvassing of all firms upon whom calls were made.

Neither criterion, however, must be regarded as applicable to every business, without regard to other considerations. These examples have been

cited merely to illustrate the productive character of statistics, when these are used in a practical spirit. They must not be allowed to obscure the importance of what may be termed the human relations between management and staff : for with these are bound up many requirements of creative salesmanship.

CHAPTER V

THE COMMERCIAL TRAVELLER—NEW STYLE

THE essential difference between commercial travellers of the old type and modern travelling salesmen is typical of the new era in business. The bagman of Dickens took orders ; the traveller of to-day creates them.

He does not depend for his results on acquaintanceship and so-called " connexion " ; he is a trained salesman, having very likely spent his own time and money on systematic study, the cost of which he regarded as an investment calculated to pay dividends in the shape of greater earnings and commissions. He addresses himself without fear to total strangers and obtains orders through his power of exposition, or of detecting a new market. Given a sound article, he studies its individualities and selling points, particularly those which are found to produce the best practical effects on buyers.

Such a man is, paradoxically, both less and more independent in spirit than the old-time " commercial." The influence of the latter on customers—his connexion—was so highly esteemed that his services were not lightly dispensed with. He was,

and where he still exists is, little amenable to control by a sales-manager. But his day is past. A progressive house regards with mistrust a candidate for employment who claims to be the owner of a personal connexion, and says nothing of his ability to open new accounts. The trained scientific salesman of to-day says very little about "connexion" and in this respect does not flaunt the same independence; but in virtue of his training he expects and deserves to be treated as a colleague, and not an underling, by his sales-manager. Tact, and the cultivation of good feeling, which cost nothing, will often do more to increase the efficiency of a travelling staff than the costly entertainments and other stimulative devices imported from across the Atlantic.

In order to obtain the best results from a trained salesman, it is not enough to command his confidence and pay him highly. Methodical sales-management takes care that the pecuniary interest of the traveller shall be one with that of the house. This is not so simple a matter as it appears; it normally cannot be done merely by paying him commission as well as salary. Where sales-accounting is a feature of the management, there will be less difficulty in devising plans to be desired end than otherwise; but every sales-manager of experience knows that a salesman worth his salt is influenced by other considerations than pure gain.

TEAM SPIRIT FOR TRAVELLERS.

Consequently, the tact of a sales-manager has a value hardly to be exaggerated ; it can multiply the productivity of travellers and transform a collection of disorganised and straggling units, each indifferent to anything but immediate trouble-saving, into a team all pulling one way. So long as a traveller is allowed to regard himself as one party to a bargain with the house, he will naturally, and according to some modern ideas justifiably, place his own interests first. But from the moment when he is taught to feel and act as one of a company banded together for a common purpose, he will strain every nerve to produce business at highest volume and at the lowest cost possible, with benefits as great to himself as to the house that he serves. This principle ought to be inculcated with all attainable emphasis during the training of salesmen, and every means by which this can be done should be actively embraced, for it will well repay its cost.

The point is pressed because unfortunate influences have long been at work, undermining the old spirit of loyalty to a man's salt. Exertion beyond the letter of the contract has been represented as labour extorted by an employer profiting at the cost of the employed. The happiness and satisfaction derived from work well done are ignored the sweetness of human relationships is poisoned.

The genius of a sales-manager is to stand between the two sides to the bargain, and see to it that his men shall not lose by zealous application to duty, while helping them to realise that good work pays wages of a kind richer than money.

This will not be done by "preaching" alone, and a class of hortatory letters, introduced from America and designed to stimulate the activity of travellers, has been found to produce resentment instead of business. Information, news, suggestions: details of the condition of accounts in the territory that he is working and of correspondence received from this ground: hints gleaned from trade papers that the traveller has neither time nor opportunity to read; and other matters of practical interest will do far more than any amount of theoretical exhortation in the morning budget of the man on the road. The spirit and tone of the correspondence have often done far more than its content to increase a salesman's activity. He can be led much farther than he can be driven. His daily work makes him of necessity a keen critic of human nature, and no traveller ever took the road who did not appreciate a leader who knew how "to make persuasion do the work of fear." For this same reason, it is indispensable that the letters of the sales-manager shall truly reflect his attitude to his men. It is useless to have encouraging and kindly but irrelevant letters, written by a correspondence clerk or copied out of a book, if the

recipients of them are hectored and scolded when they meet their chief face to face. Indeed, a sincerely generous disposition is no small factor in the efficiency of a sales-manager.

DIFFERENTIAL COMMISSIONS

As an example of the pecuniary inducements to further the interests of the house, to which allusion has been made, the system of differential commissions may be mentioned. One staff of travellers sold large parcels to old customers, but seldom opened new accounts. A bonus on first orders produced improvement when the men had become accustomed to tackling difficult work as readily as the easy. Another sales-manager was afflicted, like many of his kind, by the unproductiveness of Saturday mornings. There are real difficulties in doing business then, but travellers are over-apt to make them an excuse for an early start home-wards. Too wise to employ disciplinary methods unnecessarily, he paid extra commission on Saturday orders, and found them not unobtainable after all.

One obvious requirement of sales-control is that it shall produce results at a low cost. As was observed in a previous chapter, nothing is ever cheap if the cost of it is obscured. The next step, therefore, will be to consider how precision can be obtained without detriment to the good relations desiderated in the present chapter.

CHAPTER VI

TRAVELLERS' EXPENSE ACCOUNTS

SALES-ACCOUNTING will do little to increase the profits of a business if it stops at recording expenses after they have been incurred. Its practical use is to disclose ways in which the cost of obtaining each pound's worth of orders can be reduced. To be reduced, expenses must be foreseen; and the process of reduction must not disturb the amicable spirit of the selling staff.

A common mistake in sales-management is to lose control of the expense-item in a traveller's budget. This can be done in several ways. One manufacturing company sought to give precision to its selling-outlay by compounding the whole of its travellers' expenses for a flat salary, making it the interest of the men on the road to do their work as cheaply as they could. This necessitated a control of their movements and proceedings so strict that the men lost all initiative. They were, moreover, thereby forced into a position of antagonism towards the house, and the only way in which adequate industry could be obtained from them was by prescribing the number of calls to be made per day. A correspondence which sometimes became acrimonious was entailed by this

system, and the cost of orders, instead of being low, was high, and tended to increase. The fault, on an investigation being instituted, was found to be, not with the men but with the way in which they had to earn their money. To alter a system of payment is never easy and is almost always costly. The proper way to make the change is to let it increase the earnings of the salesman, but at the same time create such inducements to activity that he will return more business than before for every pound received. Unless the men receive more money, they are inevitably discontented.

Nevertheless, the task was undertaken. Careful investigations were made, to learn what a traveller in this particular trade should spend, in order to do his work properly. The former weekly payment was then divided into two parts—salary and expense-allowance. Of course the men grumbled. But the plan was sweetened in two ways. It was pointed out to the men that the new system made it lawful for them to pay income-tax on a lower amount than their own carelessness had previously allowed ; and a small commission was added to the salary. The ultimate effects were a considerable increase in the men's earnings, greater ingenuity in using their time, and improved relations with the house. The precision with which the cost of doing business could be foreseen was not diminished but the volume of orders relatively to outlay on wages and expenses rose.

The temptation to adopt any or every plan which will enable what is really spent by men on the road to be known with exactness is very alluring to the inexperienced, but money is seldom saved by giving way to it. Sometimes an employer will persuade himself that if the entire remuneration of travellers is by commission, he will be relieved of the whole risk entailed by having engaged a poor salesman. But it is the poor type of salesmen who alone will be attracted, in most instances, by the offer of such employment, and the right way to act is to avoid having inefficient men on the staff. The proper person to take risks is the master, not the servant, and when the servant is made to accept them, an attitude of such independence is apt to be created that the servant might just as well be the master, for all the attention that he will pay to his employer's behests.

FOR AND AGAINST THE ALLOWANCE SYSTEM

Paying a fixed sum to cover expenses may give precision without economy. This plan is usually adopted with the idea of limiting the outlay, but it does not completely fulfil this function. Methodical sales-management, introduced into a going concern, would ascertain the current cost of obtaining orders, and make this the basis of a definite expense-plan. The house should know what it can afford to spend for getting business, and then plan to economise on this figure. Salaries

and expenses are the dead-load on the selling machinery. Rarely can it be said that the amount of business done could not be increased to some extent without adding to them. Thus the sales-manager is provided with an objective. If he knows how to instil solidarity into the minds of his staff, he should be able to make the men see that the expense allowance ought not to be treated as a means of adding to what they earn. The depreciated value of money has necessitated a great increase in fixed allowances for travelling expense. Where no account of these is required, needless discontent is caused by every reduction imposed to meet the fall of prices. Consequently many firms are paying far too much. The sales-manager of one house in the Midlands overcame the objections of his travellers to a readjustment, by insisting that the allowance, although fixed, still represented expenditure on behalf of the firm. The men naturally objected that the allowance was an average: it was not fair to select any week and demand that it be regarded as typical.

Analysis of expense accounts justifies this view. The chief variable in them is railway-fare. The very act of analysis stimulates a manager to improve the routing of travellers. In the instance just described, the difficulty with the men was overcome in part by a careful rearrangement of routes and also by increasing the salaries paid, and treating the former allowance for expenses as a

limit. Men were required to deliver an account of their outlays, and a bonus was given at the end of the year for money saved. It is common experience that keeping account of money spent makes for economy. This travelling staff easily earned substantial bonuses, while the total cost of selling was much reduced. It was also rendered almost completely precalculable.

Travellers must understand that a salary is paid for work. A good order in the morning does not excuse an afternoon at a cricket match. Reasonable diligence must be insisted upon, or selling costs will not be kept down. An amusing instance is related of a sales-manager's failure to obtain this by a system of stimulating letters. He rightly made his men report the calls made daily, and continually pitted one traveller against another. As the staff was large, a mechanical system of form letters was put into use, based entirely on the number of calls. If a man made an unusually large number on a particular day, he was congratulated. If not, he received a reprimand. One traveller returned the final one, highly comminatory, and enclosed a simultaneous letter acknowledging that the average value of his sales was larger than that of any other salesman on the staff. The supposed labour-saving contrivances in the office had slipped a cog, and the device had by its own defects betrayed itself to the man whose efforts it was expected to stim

CHAPTER VII

INDOOR SELLING-COSTS

As the modern salesman differs greatly from his predecessor, the commercial traveller of old times, so does the internal organisation of the house which he represents, from what was in vogue when that remarkable functionary took the road. To prosper in the face of present competition, a business house must have sales-management of a definiteness unknown to the Victorian age.

As it is evident that volume of business is a means of economy, the amount of sales to be expected must be foreseen in order to predict costs. The indoor work of an efficient sales-department provides for this.

ESTIMATING THE MARKET

The new self-consciousness of business has given the name of business-research to the process of ascertaining the gross capacity of markets, working out the most economical modes of transport, the most effective channels of distribution, and, through analysis of the population by districts, the probable localisation of demand. Specialists collect varied statistics either for direct payment or as an element

in some form of service. A vast amount of unexpected information can sometimes be dug out of the figures which they produce. For each particular trade there would be erected upon such a general survey computations which the sales-manager would use in determining the modes of distribution to be employed. Selling to wholesale houses or to retailers exclusively, or to a combination of both, may, in the case of a product designed for public consumption, have their respective advantages, and the right plan must be found. Where a technical product, such as raw or semi-manufactured materials, tools, machinery, or the like, is involved, it is necessary to estimate the relative advantages of selling to manufacturers through travellers, by postal solicitation, or through middlemen like builders' merchants, mill-agents, and the like. Business research is indoor work to which travellers can contribute valuably. The mistake often made in trying to use them is that of not taking them into confidence of the sales department. They are then called upon to answer what seem to them meaningless or doubtfully useful questions, fill up forms and questionnaires, and lose time which might be devoted to earning commissions, on inquiries that they only half understand. The work thus causes dissatisfaction and is not well done. When efficiently performed, it cannot fail to increase the salesman's earnings, and if the object of the inquiry is confided to them

they invariably add to the helpfulness of the operation by inventing for themselves new lines of research, which suggest unexpected plans for the increase of trade.

One phenomenon observed is that of market-resistance. In selling technical products the demand for cheapness is constantly being encountered where quality should be the sole requirement if the buyer really knew where his own interest lay. Great ingenuity and perseverance are needed before a traveller can overcome this difficulty, even when the interest of the buyer is unquestionably with him. Indoor work comes to his rescue, by stating the case in a complete and impressive manner. The sales department may circularise buyers. It may even find it necessary to go over the head of the purchasing agent and bring the facts before the head of the manufacturing house—a hazardous proceeding, obviously, but one sometimes indispensable. In selling finished goods to retailers, market-resistance is particularly strong against a new article or a new brand calculated to replace something already in hand. A shopkeeper naturally dislikes anything that will reduce the rate of turnover in goods that he already holds, and he does not willingly add to his investments for stock. The general attitude of a trade towards products of a particular nature, being ascertained by research, suggests selling-policies which make for increased volume of business.

RESEARCH AS AN INVESTMENT

The varied subjects of sales-research can only be suggested by example ; a whole series of articles would be needed to exhaust them. The cost of collecting facts in aid of selling is money well invested, and if the work is even passably well done it is quickly recovered, forming one of the few investments that earn dividends without locking up money.

For purposes of sales-accounting it is inevitable that this expenditure shall be treated as a current expense. But while it loads the record of selling-expense in the first year, it will later be the cause of a substantial fall therein. In order that justice may be done to the sales department, this department should be charged for those salaries, and only those, which directly remunerate its own personnel. It has no concern with general book-keeping, warehouse charges, purchasing expenses, and the like ; nor can it in normal cases be properly debited with anything for overhead charges Travellers' salaries, expenses, and commissions must necessarily be borne by it ; but if the counting-house sees fit to offer special discounts and concessions to obtain early payment, or the warehouse to indulge in a clearance sale for the purpose of hurrying up the disposal of goods, the fact that these losses have been accepted for the general benefit of the business, and not for the succour of

a sales-manager in difficulties, entitles him to receive credit for full values when the annual cost of selling is averaged. This, at least, is the ideal plan ; but there are often practical difficulties in carrying it into effect, and disputes sometimes arise, when goods are cleared at a discount, to determine whether they have lingered in stock because the purchasing departments made a bad choice or because the sales-department lacked efficiency.

The total amount debited to the department, when brought into relation with gross sales, enables the general selling expense to be calculated as a percentage.

CHAPTER VIII

EMPIRICAL SALES-MANAGEMENT :

MAIL-ORDER SYSTEMS

ONLY one mode of sales-management admits of perfect statistical control, namely, selling by the method which is known—perhaps now without hope of change—as the “mail-order system.” Here, alone every step in the process of order-getting can be tested in little, before any great expense has been risked upon it. Selling in a retail shop cannot be made the subject of experiment : the shop must be opened, the stock bought, and the staff engaged beforehand in order to find out whether customers will come. For selling by travellers preparations not much less costly are required. But the mail-order business is easy and inexpensive to enter ; it can be carried on in almost any weatherproof premises, and the risks taken need be but small. This, no doubt, is why so many little mail-order businesses are started, only to fail through lack of experience in their running or of even the small capital required.

While mail-order businesses of a retail nature are numerous and well known to the public—some of them through their very evident and marked

success—mail-order wholesaling is done on a scale little suspected by outsiders. Many technical supplies are ordered through the post as a result of postal solicitation ; large businesses have been built up without travellers ; and even where travellers are employed, circularisation on a large scale is often practised as a means of supplementing their efforts.

A PRODUCER'S EXPERIENCE

Some years ago one producer of a material used in shipbuilding experienced great difficulty in extending his sales. Through excessive price-cutting, adulterated and inferior qualities were greatly in evidence, and the worse products were driving out the better. This small manufacturer took the bold course of improving his materials and processes and, abandoning the effort to sell his product in bulk through middlemen or otherwise, circularised consumers with a highly technical pamphlet on the scientific aspects of the shipbuilding operation which his product subserved. He gave it a registered brand and offered to demonstrate its superior qualities by liberal samples. Although the improved article could not be sold at competitive prices, orders were readily obtained by post, and the business had two noticeable features. Repeated circularisation showed cumulatively improving results ; and numerous inquiries for samples were received from

firms whose names the manufacturer had not obtained and had consequently not addressed.

Another interesting fact disclosed by this manufacturer's experience was that, after the series had made some progress, a circular or folder somewhat fancifully designed or written, would give better results than one entirely serious in tone. A pun on the name of the brand once sold more goods than a scientific vindication of its qualities!

POSTAL SOLICITATION AND THE TRAVELLER

These experiences, though typical, are not universal. A very large steel-making and engineering house, with branches and agencies all over the world and a highly accomplished travelling force was persuaded to try, not without trepidation, the effect of a periodical circular taking the form of a small technical magazine. The products of this company are so varied that its house-organ (as such a private magazine is termed) would, in its entirety, interest few readers: some parts of the contents were certain to be indifferent to some parts of the public which received it. But, on the other hand, some part or another had enormous interest for everyone engaged in each of many trades. Careful testing of results showed that the house-organ brought new enquiries at a very low cost.

Curiously enough, a house-organ for technical readers can be produced with less difficulty than

one for the general public, provided an editor is found who can restrain the tendency of his contributors to make their writings too abstruse. Practical experts are apt to suppose that what is obvious or trite to themselves must be common knowledge in the trade concerned, whereas the fact is that purchasing-departments often seem incapable of imagining that the products which they buy require any technical qualities, and have an uncritical leaning towards cheapness as the sole recommendation of any particular variety. Of course, this degree of incompetence is far from being universal, but exceptions do not destroy the general rule.

TESTING POSTAL SOLICITATION

At the outset of a system of postal solicitation for mail-order trade, risks can be minimised by printing only a small number of copies, and counting the results. While in some cases the nature of the business may be such that a new customer, even if his first order is obtained at a loss, may still be very well worth having, even this effect can be tested from old records. If the proportion of persons ordering only once to those who become regular buyers is ascertained, the value of an order is known. Then, when a circular posted to a few hundred names is found to give a profitable number of replies, all the names obtainable can be addressed with small risk of disappointment or with none.

The efficiency of circulars in different forms can be similarly tested ; and, by looking back at the results obtained over a period, such facts as the most profitable frequency of circularisation, the quantity of matter desirable to be sent, and the relative efficacy of circulars sent in sealed envelopes or by book-post can be learned. All these remarks apply in some measure to both technical and ordinary retail postal solicitation. Of course, postal advertising can be used for obtaining orders otherwise than through the post. The reader of a circular can be directed to seek supplies in retail shops, or wherever else the advertiser pleases to send him.

Postal solicitation is not the only method of promoting sales which admits of statistical tests, as will be shown in the next chapter.

CHAPTER IX

STATISTICS AND THE SALES-MANAGER.

WHILE anything is to be deprecated that tends to reduce the somewhat delicate operation of sales-management to a merely mechanical formula, the power behind the salesman cannot be too definite in its criticism of costs and results. Without complete knowledge of the relative efficiency shown in detail by different modes of sales-control, those in charge might easily perpetuate mistakes which would raise the cost of doing business.

This danger is too often ignored. So long as travellers' earnings and expenses do not rise too high, little attempt is made to bring them into relation with the volume of sales. One sales-manager, placed in charge of a business where the rough-and-ready method had long been practised, of taking care that the men did not get too much, and letting things go at that, made some remarkable discoveries when he worked out as percentages on the value of orders returned by travellers the separate items of fares, hotel bills, salaries, and commissions. Some men were found to spend a disproportionate amount on railway-tickets ; but one, whose expense-accounts had fallen under

criticism on the ground of excess, was found to be producing business at a lower ratio than any of his fellows. Investigation revealed his practice of using cabs in large towns to enable him to call back upon small customers whom other men would have neglected if they failed to see them at the first attempt. While selling no more large parcels than others, this traveller was a wonder at picking up the little orders. Men who had been esteemed for their low expense-accounts were obtaining orders at a higher cost than those censured for extravagance. It is not the amount which a man spends that matters, but the amount that his orders cost. If the losses entailed by failure to make this generalisation upon manufacturing and other houses which employ travellers could be computed, the figures would appal the hardest devotee of low expense-accounts.

RAISING THE TRAVELLER'S EARNINGS

Incredible recklessness is also shown in criticising the earnings of men on the road, simply through neglect of proper sales-accounting. The sales-manager of a manufacturing company was called before the board to explain the large sums paid to two of his travellers. "Two of your men actually earn more than you do! If they are worth all this money, why are they not promoted to sales-manager instead of yourself? No traveller is worth all that these men are getting."

This sales-manager was fortunate in having his statistics well kept and up to date. "The work of a sales-manager is entirely different from that of the actual salesman," he said. "Instead of complaining that my men earn more than I do, it would be more reasonable to raise my salary to balance theirs. The cost in salary and expenses per £100 worth of orders taken by these two men is much lower than the cost of orders taken by those of whom you do not complain. Their large earnings consist mainly of commission, and this, as you know, is fixed at a percentage that the goods can well afford. The more commission these men earn, the more profit the house will make."

This answer would not satisfy every employer of travellers, and there are circumstances which would make it inappropriate. If by new methods and expenditures the house makes it easier for travellers to obtain orders (as in the case of an established business when the product is for the first time lavishly advertised) some readjustment of the system by which travellers are paid is evidently needed. But in the absence of any such disturbing circumstances, it is shortsighted and illiberal to complain that a traveller receives too much when his earnings are raised by the success of his own service to the employer.

Human nature has characteristics which make it easy to understand the mental attitude of an employer, perhaps not over-prosperous himself,

who sees some of his men receiving from his cashier emoluments many times greater than the maximum anticipated at the time of their engagement. But these large earnings are only to be regretted if they represent an unreasonably large share of the profits ; and even then, the larger the traveller's earnings become, the smaller is this share or percentage, since the element of overhead expense will necessarily fall and the net profits increase. The only intelligent view that can be taken of large earnings by commission is to rejoice in their increase and wish they were greater still. When a traveller receives 5 per cent., the traveller's employer receives 95 per cent. The prosperity of his servants should not disturb his slumbers.

SALES-DIRECTION UNDER TEST

Money-matters are not the only elements of sales-management which can be subjected to statistical tests. At times it is necessary to control with some strictness the movements of travellers, demanding so many calls a day and a certain proportion of sales for each call, but such demands should not be made without experiments to show whether they are necessary. The plan is only justifiable where the men are of a somewhat inferior type, or where their loyalty is not great. It is a good plan to experiment from time to time, placing one or more men on their honour and withdrawing temporarily the requirements named. This has

been known to result in a marked increase of sales and an improvement in the *moral* of the staff. Another principle worth testing is the common one of urging men to increase the average value of orders taken. Instances are on record where this plan, instead of raising the volume of business, was found to be depressing it, as after it was dropped more sales were effected. Every change in sales-control can be tested by its effects: for changes would not be introduced if they were not expected either to increase the amount of goods sold or reduce the cost of selling them. In either case the effect sought is arithmetical and therefore it can be arithmetically computed. Some of the worst faults in sales-management are caused by taking the wrong things for granted. Even the way in which the tone of letters sent to men on the road affects the results of their work can be measured. In mail-order trading every letter sent to inquirers is tested with the greatest care. Travellers' letters are no whit less important and should be drafted with no more laxity.

The practice, introduced from the United States, of instituting sales-contests and pitting one traveller against another is to be regarded with caution. It can rarely be applied to experienced salesmen without regrettable consequences, and its rather childish accompaniments of medals, ribands, or similar trappings merely earn contempt from men who know their work.

CHAPTER X

SYSTEM IN SALESMANSHIP

JUST as the direction and control of travellers can be reduced to a system by proper vigilance at headquarters, so can their work be improved in detail by trained observation on the road. It is important to distinguish here between the work, sometimes necessary and productive, of collecting orders, and the more difficult tactics of salesmanship. Many firms doing business with retail shopkeepers, especially jobbing houses which distribute a large number of articles at a small profit, owe their success either to the adequacy of their stock, so that everything needed in a particular line can be had from them ; or to their power of granting credit, through which they often control the actions of their customers. Shopkeepers, except the very largest, can not only save a great deal of clerical work and postage by ordering their supplies through one or more sundriesmen, but very often buy to better advantage than if they dealt directly with manufacturers, as jobbing concerns frequently " cut " the trade quotations of those who supply them. As wholesale houses of the type indicated are usually of great financial strength, they can

give credit to an extent which would be unprofitable to a manufacturer, who has his plant and materials to finance. When times are bad, shopkeepers are glad to obtain extensions of credit, which presently mount up and place them at the mercy of the wholesaler. They then become almost "tied" to their chief creditors. Evidently the latter will not find them difficult buyers. In most of these cases the only salesmanship exercised may have been in first opening the account. Afterwards a notice that the traveller will call on a certain date suffices to set the shopkeeper to work counting his stock and preparing his order. Salesmanship must even be used with some degree of caution, and the traveller must keep in close touch with the credit department. A great increase in the value of an order would produce tactful inquisitiveness in an experienced traveller, anxious to assure himself that all was well.

CREATIVE SALESMANSHIP

It is not here that guidance in detail is required of the sales-manager. His road force probably knows its customers better than he himself does. But where a new product has to be sold and new accounts have to be opened, different problems arise. Market resistance has already been mentioned, with the reluctance of shopkeepers to add a fresh article to their stock as an example. Here a number of objections must be over-

come by the persuasiveness and reasoning of the salesman.

In the course of the work the same objections will be encountered again and again. They may be reasonable or merely obstructive, but nothing can be done until they are overcome. When the traveller has succeeded in overcoming them once he is prepared for them again. A methodical sales-manager will make it his business to learn what argument, or what form of persuasion, is most often successful. Then he will teach it to the whole staff, and thus in time every man will talk as well—or will at least use the same ideas—as the man who best meets the particular resistance involved. This does not, of course, mean that a form of sentences is taught parrotwise, but only that the general mental reactions of those whom the travellers have to meet are studied and turned to account.

An accomplished sales-manager will often be able to suggest to his men better sales-talk than they would devise for themselves, and he will almost certainly apply more studious thought than they, for salesmen are all too fond of relying upon the stimulus of the moment. But he will have the wisdom to refrain from imposing this method of salesmanship upon all his staff until it has been used experimentally by one or two of them, and thus it is seen that system is again at the root of successful sales-control.

TYPICAL RESISTANCES

The most frequent objection of retailers against a new product is that there is no demand for it, while against one already introduced the objection is that the shop is already overstocked with it. These objections may perhaps be examined, in order to suggest the treatments which would be subjected to experiment. An entirely new product is a potential source of profit to the retailer. The only sound reason for refusing to handle it is doubt of its saleableness. Every argument or form of demonstration which would be applicable to a consumer is in order here. If the case is well presented the shopkeeper must have a poor opinion of his own salesmanship if he refuses to buy. Where the new product competes with a brand already in stock, it is probable there will be the intention to introduce it to the consuming public by advertising. The liberality and compelling force of the advertising campaign will then be the selling argument.

Where the article to be sold is unbranded, or of a brand already carried, and resistance is based on the allegation that enough is in stock, experienced travellers know that the shopkeeper often exaggerates, or is mistaken about, his holdings. To suggest this would be tactless. A trained salesman may obtain better results by sympathising with the customer and suggesting ways of pushing the sale. A clever idea to this end has often been

known to arouse so much enthusiasm that the shopkeeper would order supplies to avoid the risk of running short when the plan was put into effect. Such methods as these, being suggested to salesmen, are easily tested on the road. Armed in advance with good retailing ideas—themselves known by test to be effectual in practice—the men will almost always overcome their difficulties.

The ascertainment and codification of successful sales-talk is a form of business-research which should not be despised as too humble for scientific consideration. Salesmen on the road should be taught to be systematic in noting forms of resistance and in reporting new objections to their chief. One effect of this is to range them more consciously on the side of the house. A traveller is but too greatly exposed to the psychological risk of taking sides with those whose favour is essential to his success. He will early discover that a sympathetic attitude is good for trade ; from this to siding with the customer against the house is a step perilously easy.

An experienced sales-manager will know how to steer his course between abandoning his men completely to the resources of their own ingenuity and cramping their style by forcing upon them alien modes of presentation. The important thing to do is to consolidate the best experience of the whole staff and then put it methodically to work. The task may sometimes become tedious, but it will result in more orders.

CHAPTER XI

TRAVELLERS' ROUTES

PROPER control of selling necessarily requires that travellers shall be amenable to the instructions of the sales-manager, going whither he directs them and conducting themselves in all respects according to the system on which he works. If travellers are allowed to make their own plans and regulate their own movements there may almost as well be no sales-manager at all. One vexed question of control is the assignment of routes to each man, and much heart-burning is caused by injudicious and untactful treatment of it.

ALLOTMENT OF TERRITORY

When a sales-force is first organised, it is usual to assign a particular geographical area to each traveller, and require him to visit every prospective customer in the order prescribed by the sales manager. Exceptions to this rule occur when, owing to the specialised and varied nature of the goods to be sold, a different technical training is needed to present a case to various trades. One large manufacturing company produces tool steels, castings, crushing-machinery, rail and tramway

trackwork, and alloy steels combining lightness with high tensile strength. Each of these products fulfils the technical requirements of a special industry, and although the demand occasionally overlaps, buyers of alloy steel for motor-car and aeroplane engineers being, for example, also customers for tool steels, specialist salesmen are assigned to each trade. Could such specialisation be dispensed with, it is obvious that the ground might be covered on the geographical plan, at lower expense for railway fares.

Difficulties in connexion with territory begin to arise when the volume of sale develops ; and they are accentuated by the plan of remuneration wherein commission bulks heavily in the traveller's earnings. Some fundamentals of this matter will be discussed in the next chapter. For the present it is enough to repeat that a sales-manager must manage. A traveller assigned to a given territory can be allowed to hold it only so long as it is advantageous for the house that he shall do so. If the business, and the number of actual and potential customers, outgrow the capacity of a single salesman, he must give up some of the ground to a colleague, even though this means that he will turn over to him customers whose accounts he was the first to open. The interest of the house is the only consideration.

Though every wise sales-manager will listen with respect and confidence to the opinions of the man

on the road, who is normally in closer touch with the actual conditions of selling than himself, the order in which various parts of the territory are visited is a question for himself, and his orders must, in the last resort, be supreme. He is responsible for obtaining from each part of the market the amount of business expected of it. He will have to bear the blame if the orders do not come. His authority must therefore be firmly upheld if there is a difference of opinion. But he will show poor qualities as a leader if he is often obliged to use the strong hand.

WHEN SALES COME TOO EASILY

A difficult position arises when a piece of territory is well developed and the functions of the traveller cease to include a high proportion of creative salesmanship. It will not arise at all, under proper sales-control, as long as any available buyers remain to be canvassed up to the point where they have either become customers or are evidently hopeless. But to keep a skilled salesman at work when there is nothing to do but collect orders, attend to complaints, and keep an eye on competition, may be wasteful and inefficient. A competent sales-manager will know whether it is better to avoid, even at the cost of paying him for work that a cheaper man could do, the undoubted risk of removing the original salesman; or to embrace the advantage of sending so able a man

where there are difficulties more worthy of his skill. The objections of the salesman in an easy piece of territory, with smooth going, against being removed to a land full of thorns and briars are easily foreseen ; but, in the first place, one who has had the genius to create a smooth path of business is worthy of an improved salary, which will assist in reconciling him to the change ; and, in the second, there is such a thing as professional or avocational pride, and the compliment of being placed where the fire is hottest has often been appreciated by regiments in harder battles than those of salesmanship.

CHANGING THE GROUND

The question of changing men's territory is a delicate one, and any attempt to lay down irrefragable laws would be misleading. Every business has its individual problems, and the heart of the sales-manager knoweth its own bitterness. One manufacturer, whose sales, though satisfactory in volume, seemed to have reached a sticking-point, was convinced that his market was not saturated. He therefore took counsel with an indignant sales-manager, and proposed a game of general post with the entire sales force of some sixteen travellers. The argument was twofold. The men (it was said) had grown a little stale in their work. Business was steady, but new accounts were not often opened, and the fresh customers

thus gained only balanced those lost to competitors, and by death, removal, or retirement from business. A traveller new to the ground would have less temptation to concentrate his attention upon old customers, since every prospective buyer would be equally a stranger to him. And, on the other hand, dwellers in every traveller's territory had heard his individual presentation of the selling argument until he was tired of it. A new man would interest him with a new story. Although resisted at first, this plan was put into operation, with gratifying results.

The sales-manager's Principal is not *always* wrong !

CHAPTER XII

FORESIGHT IN SALES-MANAGEMENT

THERE are, at a given time, always more established businesses of importance than new enterprises of like magnitude. Consequently, almost all the selling problems encountered in practice arise out of conditions already existing.

Sometimes it may be necessary to reorganise everything from its foundations ; and the procedure will then be the same as that required for the initiation of a new business. In one considerable firm, the condition of affairs on the death of the senior partner was so unsatisfactory that a specialist was consulted, whose advice was to dispense with the services of the entire outdoor staff, and appoint new men. Notwithstanding the fact that the men had been long in the service, and consequently had to be pensioned, and that they formed the sole link between the house and its customers, this bold step was taken, and indications are not wanting which justify it to the full.

In another instance the entire selling system of

a manufacturer whose product was being sold in packets bearing the names of various middlemen was reorganised, and the goods advertised to consumers under a registered brand. Here, again, a new sales-force was required, and considerable sacrifices had to be made. Yet the ultimate result will evidently be a great increase not only in profits, but in the stability of the demand, as the firm will no longer be at the mercy of its customers. More recently, the author was consulted by a firm manufacturing a line of brushes which had long been sold through chemists and better-class hairdressers, both obtaining their supplies through a small number of wholesale houses. Feeling that this plan left the manufacturing house too greatly at the mercy of the middlemen who distributed its goods, the bold plan was adopted of sending travellers to retail shopkeepers, at the same time registering a trade-mark and selling each hair-brush in a well-designed box, of sufficiently striking character to form its own show-card. In this way a broader distribution will be obtained, and if competent sales-management is employed, the business will be placed on a firmer foundation than before.

LAYING A FOUNDATION

In such cases the same groundwork has to be done as in beginning a new business, though with

smaller demands upon the imaginative foresight of the sales-manager.

One of the most important problems to be foreseen is that of co-ordinating the system of traveller's remuneration with the interest of the house. Especially in a new business, where ready money may not be over-plentiful, there is a temptation to minimise risks by making every man's remuneration dependent upon the orders that he brings in, and attractiveness is thereby lent to the argument that every man works hardest when his own profit depends on his success.

Every new traveller represents a certain hazard. However good his record, he would presumably not be disengaged if he had made himself indispensable to his last employer. Why make the risk greater than it need be? Yet a foreseeing and experienced sales-manager will know that the higher the proportion of commission to salary, the weaker his hold will be upon the action of his men. He will also look forward to the hour of success, and in assigning territory to travellers will not forget that as the business develops more intensive cultivation of some areas may be required; men will not be able to cover so much ground. He will decide, according to the circumstances of the special case, the exact conditions which will qualify every order for commission to the traveller. One example is that of orders received by post from a traveller's ground. According to circum-

stances, fairness may, or it may not, require that the traveller shall be paid commission upon them. In one very important industry, disputes frequently occur in consequence of loosely-worded agreements assigning to travellers an interest in repeated orders from accounts first opened by them.

It is expedient, if not indispensable, that any arrangement for the payment of commissions on orders not actually obtained by a traveller shall be reduced to writing. Any agreement thus created should be settled by a solicitor, and a common form is often adopted and used for all cases. Power must be reserved to change, reduce, or extend the ground to be covered by a traveller, and the fact that he is the servant of the house and amenable to its instructions must be made clear. The fact must also be set forth in unmistakable terms, that every covenant for remuneration on orders not actually obtained by the traveller is to come automatically to an end on the cessation of his engagement, for any cause or none, so that when the traveller parts company with the house there will be no further liability.

QUESTIONS OF MERCHANDISING

Even more difficult to vary than arrangements with travellers are the terms made with wholesale

and retail customers. In certain trades a large part of the business transacted is done through middlemen or wholesale distributors, in others directly with retailers. The relative advantages of the two plans must be weighed, and a final policy determined upon ; for any alteration is sure to produce ill-feeling and dislocation of business. Limiting the sale to wholesale houses relieves the counting-house of much detail and of almost all risk ; but it deprives the sales-department of many opportunities to promote business. The price obtainable from a retailer is higher than that which a wholesale house will pay, and the latter sometimes imposes harassing restrictions upon a manufacturer. A line of piece-goods, whose attractiveness and saleable qualities were admitted by wholesale dealers to whom the goods were shown, was actually kept out of the British market through the fact that none of them would consent to handle it unless the manufacturer's name and trade-mark were removed from the bands, and he was unwilling either to create the organisation necessary to approach shopkeepers or put himself at the mercy of the jobbing houses.

In the same way, it is very important that trade price lists shall be prepared with foresight, especially in the matter of determining the quantities required to be purchased before certain discounts will be allowed. The advantages must be balanced whether to fix the quantity high, and thus sell

larger units, or to fix them low, thus enabling small traders to handle the goods with profit—for there are more small traders than large in any business.

THE END

BY THE SAME AUTHOR.

“Commercial Advertising”

G. P. PUTNAM'S SONS.

First published (10/6), July 1919. Reprinted, January 1920.

Second edition, revised (9/-), June 1923.

OPINIONS OF THE PRESS.

The Times (Literary Supplement):—

“Others have written of the technique of advertising and have even ventured to formulate its psychology. It has been reserved for Mr. Russell to discuss the philosophy of it all. The six lectures that make up his book were delivered in the spring of this year [1919] at the London School of Economics, and they are not only worthy of their academic auspices but might well serve as models of modern academic exposition. They have the breadth and insight that is properly called philosophic, whatever the subject-matter may be, and the concreteness that makes a philosophic treatment glow with interest.

“The philosopher of advertising must, we suppose, be classified as a pragmatist. (Mr. Russell's lecture manner is curiously, almost comically, reminiscent of William James.) Certainly no other ‘science’ so whole-heartedly makes results its criterion of success. It is highly empirical. Some inquiry has been made into the psychology of advertisement, and certain canons have been formulated on the basis of a few of the simpler psychological laws. But although Mr. Russell often refers to the psychology of advertising it is curious to note how little light psychology throws on the subject. A successful advertisement may be almost (though not quite) as insusceptible of psychological explanation as an immortal lyric. The case of Pears' Soap is easily understood: it is the classic example—reiteration used to bind up the particular name of Pears indissolubly with the general idea of soap. But who can account for the success of the singular ethical homilies with which Mr. Eno forced his saline into favour? They obey no known canon of advertisement; they belong to no category. Mr. Russell admits that they beat him, and passes quickly to more tractable material. *Non ragioniam*

at all, it receives a less divided attention than one newspaper advertisement among many; but it costs more.

“CONSUMER LITERATURE”

Printed matter will sell the goods if it contains information about them, but not if it only tells the reader the manufacturer's opinion of the goods. This “consumer literature,” as it is called, should be full of facts. The more nouns it contains and the fewer adjectives, one may say, the better it will be. And, what is very important, it must dwell intensively upon the way in which the goods are to be used. Experience shows beyond doubt that nothing sells goods so fast as telling the public how to use them: the “cookery book” of many food-product manufacturers is an example. In four different businesses it occurred that after spending money for several years on one kind of advertising or another, sales took a sudden and unexpected move upwards. This gratifying result would normally be attributed to the cumulative effect of continued advertising, and without persevering expenditure it would not have occurred. But to the particular businesses mentioned one factor was common. In all of them a flood of new orders and a crowd of new customers had been obtained through a campaign of publicity on the *uses* of the four very different commodities marketed. One of these was a mechanical implement, used in manufactories; the

other three were household commodities, retailed through shops to the public.

TECHNICAL CIRCULARS

Direct postal advertising has been used with great success as an aid to the selling of manufacturing and engineering supplies; and here, again, printed matter describing the use, rather than lauding the quality of the product, does the best work. The maker of a special varnish used in engineering had long marketed this article with some success by sending out travellers. The orders booked by the latter quickly doubled, and were then multiplied many times, when a practical exposition of the mode in which the preparation should be used, and the scientific reasons why it was certain to effect its purpose, were circulated in the form of a pamphlet.

CATALOGUES AND PRICE-LISTS

The effects produced by a catalogue or price-list can be improved by good arrangement, and particularly by skilful illustration. The miscellaneous catalogues issued by wholesale middlemen, illustrated with blocks borrowed from manufacturers, are often deplorable. The incongruity of style and the disproportionate sizes of the line blocks, half-tones, and even woodcuts in such red burials blent produce a frightful effect. For the sake of economy it may be necessary to put up

are set forth with illustrations, example and concrete facts to help in a book which shopkeepers will read with profit."

Western Morning News:—

" . . . Mr. Russell is an admirable guide. He knows the whole business, and his book is full of good advice to the retail tradesman who wishes to extend his trade and prudently desires to lay out his money wisely on advertising. . . . There are few tradesmen to whom it will not be found helpful."

System:—

" . . . The book is a clear exposition of retail advertising from the time the shopkeeper decides to insert one advertisement in a newspaper to the time when he has a proprietary article of his own to advertise. All through the book . . . the principles laid down are illustrated by examples which have come under the author's notice. The result is a practical hand-book for every advertiser."

"Retail Salesmanship"

CASELL & COMPANY, LTD. 1921. 2/6.

Publicity:—

" Mr. Thomas Russell's new hand-book 'Retail Salesmanship' is an instructive piece of work, invaluable to every shopkeeper both for his own perusal and for the education of his assistants. Every retailer who reads this book and follows its advice will increase his turnover, and every shopkeeper with the acumen to buy it and place it in the hands of his assistants will not only be helping them to become better salesmen and women, but will be helping them to become happier mortals through the enthusiastic appreciation of their services to the public which the reading of the book will undoubtedly produce. The book . . . deals thoroughly with first principles for shop assistants, management, diplomacy at the counter, etc. The inevitable high literary quality of the matter (inevitable because Mr. Russell does not know how to write otherwise than in a most cogent and interesting way) is of course far above the average for such books.

