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“HERE’S TO IMPROVEMENTS!”

“HERE’S TO IMPROVEMENTS!”

by
HERBERT N. CASSON



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Years ago, I was the guest at a Dinner given by a large industrial company. There was a toast to "IMPROVEMENTS". I was asked to propose it. I did. I have now developed my speech into this book.

PREFACE

THIS book is a follow-up book to my last book *What Makes A Man Go?* It tells how to keep on going. It is not at all a book on mere perseverance, as perseverance may be one of a man's worst qualities, as well as one of his best. We have all heard of the hen that sat for three weeks on a dozen china eggs. There is perseverance in futility and stupidity, as well as in creative work.

When we use the phrase: "Keeping on," in the language of efficiency, we mean persistence in creative effort—in the making of improvements. Most men and most firms do go a certain distance and then stop. They arrive at what they think is a "good enough" point. So, it is not only necessary to Go. It is equally necessary to KEEP ON.

This book offers business men a new habit. This habit has been used by inventors and Business-Builders. It has been one of the main causes of their success. But as it has been used only by the few, and as it has not been completely described in any other book, it may properly be called a NEW habit.

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To define it in the fewest possible words, I would say that this habit is **THE DOING OR SAYING OF SOMETHING EXTRA IN ORDER TO ATTRACT FAVOURABLE ATTENTION, AND THE MAKING OF CONSTANT IMPROVEMENTS IN PRODUCTS, METHODS AND ROUTINE WORK.**

There are two classes of men in the business world. They are as wide apart as the poles. The one is the **ROBOT**. The other is the **IMPROVER**.

The man who does only what he has been taught—who does routine work only—who does the usual thing and nothing else, he is a Robot. Most Robots are rank and file people, but some executives, too, are Robots. So are a few Chairmen and Managing Directors.

The man who does not take things or ideas as final—who thinks of a better way or an extra service—who looks even at routine work with a creative mind, he is an Improver. There are very few Improvers in the rank and file. They soon rise to higher positions. But every inventor, scientist or Business-Builder may be classified as an Improver.

The constant making of improvements—that may be taken as the simplest definition of Efficiency. This is the one habit which has none of the dangers of most other habits. It is the habit of keeping out of a rut. It means that

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the Thinkers at the top of a business never stop thinking. They accept nothing as final and perfect. They observe even the common "obvious" things. They have a flair for improvements.

There is only one thing in business life that is certain, and that is—CHANGE. Ever since this earth was flung off by the sun, one change has followed another. To-day, in order to keep up-to-date, we must ask ourselves every Monday: "What changes must I make in my business this week?" Leave a business alone and it becomes mildewed and mouldy. In almost every shopping street you can see a mouldy business. There are not so many business men to-day who say: "What was good enough for my father is good enough for me," but there are still a few.

In every business there are always some machines or fixtures or goods or methods that will become obsolete this year. The time to get rid of anything is when it ceases to be profitable. This is a wise rule of management—continue with whatever is profitable and change or scrap whatever is losing money. A business as well as a human body needs a system of elimination. There must be constant change. Why? Because there is constant deterioration and because there are always new and better things and methods.

The ancient conception of this world was

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that it was created, finished and started on its way. The modern idea is that the work of creation is still going on. In every generation there are creators and destroyers. The struggle will never end between those who build up and those who pull down. History is the story of this struggle. The welfare of the human race depends upon the strength and stamina of the men who keep on making improvements.

HERBERT N. CASSON



**UNFINISHED
BUSINESSES**

CHAPTER ONE

UNFINISHED BUSINESSES

UNFINISHED businesses—there are literally tens of thousands of them. From the point of view of perfection, of course no business is ever finished. But there are tens of thousands of businesses that lack the elementary equipment of an organization. They flap along after a fashion, like a bird with a broken wing. They may, for instance, have no stores system or costs system, or no control of stock or of production, or no real Sales Department.

Many a big company lacks several necessary organs. It is not completely organized. And that may be the main reason why its Balance Sheet is so unsatisfactory to its shareholders. It may, for instance, have no costing system, nor staff training, nor research, nor Welfare Department, nor laboratory. It is like a human body that has defective or missing organs. It is continually in a state of bad health.

Suppose it were left to a man to buy the necessary organs for his own body, no doubt many penny-minded men would buy only one

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lung and five feet of bowels and no kidneys. These men would be no more foolish than the Managing Director who does not install the necessary organs in his company. Every large company needs certain equipment and certain skills. It needs machines and specialists. And it is not a complete organization until it has them.

A piano—a shop—a factory—a farm! All four of these are alike. What they produce depends, not on them, but on the skill and specialized knowledge of the man who operates them. A piano can make a hideous noise when a small boy hammers on its keys. But when the fingers of a Master Pianist operate the keys, it can make angels’ music.

There may be two small shops in the same street, side by side. Each may carry the same amount of stock. Yet one is making a net profit of £400 a year, while the other is making no net at all. There may be two factories, each with £10,000 worth of equipment. The one is making £2000 a year and the other is sliding deeper and deeper into debt. There may be two farms, side by side, each with a hundred acres. The one farm is making an income of £500 a year and the other is only two jumps ahead of the Receiver.

We have all noticed such contrasts. What

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makes the difference? It is skill and specialized knowledge. A man cannot make music on a piano until he learns how to play it. And neither can a man make profits from a shop or factory or farm until he learns how to operate it. Ignorance never pays dividends.

We have some comparatively new businesses that need many improvements. They have not yet developed a technique. To run a garage efficiently, for instance—that is at present almost an unknown art. In the near future, men will spring up who will create chains of efficient garages. There will be fewer garages and better ones. Few that are in operation to-day will survive.

A Hastings business man dealt with this subject in an article that he wrote for a business magazine. "I drive about the country a good deal," he said, "and I find that the service of garage proprietors and employees is really very poor. Almost always, when one drives up, the assistant will say nothing or merely ask: 'How many?' I took notes on ten garages. At seven of these the assistant waited until I got out of the car and let me open the bonnet myself. Only at two of the garages was I asked if I needed oil. No other suggestion was made at any of these ten garages. In every case I asked for only

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one gallon of petrol and would have taken more if I had been asked to do so.

“If I were a garage-man, I think I would proceed as follows:

“(1) Look at indicator and state amount of petrol needed.

“(2) Feel radiator and ask if water is needed.

“(3) Look at tyres and, if necessary, make suggestions.

“(4) Take my duster and quickly wipe the windscreen.

“By doing this, I am sure I would double my sales of petrol and oil in less than six months.”

A small employer, with not more than a dozen workers, should not be as much concerned with making improvements in his business as with making improvements in HIMSELF. He has a one-man business. And the growth of the business depends on the growth of the man.

It is true, too, that a small business man must acquire a great deal of specialized knowledge because he cannot afford to employ specialists. The small trader’s greatest mistake is that he does not try to acquire an ALL-ROUND knowledge of business. My attention was called to

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this subject by an editorial article in the clever magazine *The Tailor and Cutter*. The editor quotes a big clothier as saying:

“One of the greatest advantages which the larger tailoring firm has over the smaller is that it doesn't need its employees to know anything more than the particular little job allotted to them. The small private tailor on the other hand needs to be his own cutter, fitter, salesman, window-dresser, buyer, accountant and lawyer. Unfortunately, only too often one finds that he is nothing more than a tailor, and in competition with an army of highly paid specialists, each a master of his subject, he has but little chance of success.”

In a word, a big company can afford to have many specialists, while a small trader cannot afford to have even one. And the point is—the average small trader does not try to get the specialized knowledge that he needs.

A small trader must be a buyer. Does he, then, buy a book on buying? No, he does not. He must be a window-dresser. Does he, then, study the art of window display? No, he does not. He must know the art of salesmanship. Does he, then, learn this art from books, magazines and Courses of Study? No, he does not. The average small business man knows

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about a third of what he ought to know. No other mistake is as costly as this.

In ninety per cent of business firms, in Britain and elsewhere, there is an urgent need for improvements in the methods of Staff Training. Very few firms tackle Staff Training seriously. Many neglect it altogether. To teach employees what they need to know—that is no small matter. The most complete Staff Training book that I have seen in England is the *Procedure Book* of Lawleys, Ltd. It has more than a hundred pages.

One of the hardest jobs of any Managing Director is the improvement of his PEOPLE—his executives and employees. He must be a Man-trainer. He must create an educational movement in his organization that reaches down to the office boy. He must set hard jobs for his executives and not try to do the thinking for them. He has so many hundreds or thousands of brains in his organization, and he must try to keep these brains active.

Another hard job of the Managing Director of a big firm is this—preventing his Heads of Departments from becoming departmental—keeping them loyal to the firm as a whole. All Heads of Departments are likely to become departmental. Naturally they are. Everybody puts his own job first. Often, they look with

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jealous eyes at the other Departments. There is often a great deal of harmful friction between the Heads of Departments in the same firm. This is, of course, inexcusable.

A Departmental Head is not on his own. He is an organization man. He must be co-operative. There must be team play. Many Heads give all their attention to the routine work of their Departments. They act as workers rather than as executives. They are kept on the run by detail work. They do not really manage.

In a word, most Departmental Heads do not think of their company as a whole. They think only of their own little corner. They should always keep in mind that their two main duties are to give good service to customers and to make profits for shareholders.

SERVICE and PROFITS! The value of every Departmental Head to his company is measured by these two tests. He may seldom come in contact with either customers or shareholders. But he must always keep them in mind. On them depends the future of his company.

Here are a few simple instances of what I mean.

A certain large store in London sells reliable goods and has skilled, courteous sales people. But the clerks in its office are careless and

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snappy. They often spell customers’ names incorrectly. They give curt answers to inquiries. They are annoyed when a customer calls in the office or telephones. No doubt they drive off many customers and make the shareholders lose money.

The Head of a Department in a chocolate factory busied himself with the actual work of production. He neglected observation and supervision. One of the tables was splintery. He did not notice it. A dozen splinters went into the chocolates and a dozen families stopped buying from that firm.

The Foreman of a Department in an engine factory concentrated all his attention on speed and output. He never gave a thought to waste. An outside expert who was brought in found that the preventable waste in that Department amounted to more than £700 a year. That foreman was depriving the shareholders of £700 a year net profits.

An incredible number of changes are now being made in products and methods because of the greater influence of WOMEN in the business world. Most of these changes are improvements. Some, perhaps, are not. The wants and opinions of women are being studied to-day as they never were in Victorian days. Women are now the political equals of men.

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They are in almost every trade and profession. Consequently, we must consider their point of view all along the line.

It must be said that since the war the women have been more progressive than the men. At any rate, they have made more changes in their clothes and their habits and their outlook on life. The spirit of youth has come upon women. This is a good thing. I wish it would come on the men. To-day, when you walk down the street behind a woman, you cannot tell whether she is sixteen or sixty.

There can be no doubt that the women to-day are more ambitious than the men. They are keener for the good things of life. In tens of thousands of homes you will find a quick woman pushing a slow man. In most cases, when you see a man climbing up in the world, it is because he is being prodded in the back by his wife.

Women want more things and better things than men do. They have most of the buying-power. Please women and they will make you rich. Women are no longer the slow sex. They are now setting the pace. They are stimulating their men. Any retailer and at least half of the manufacturers would do well to ask every now and then: "What new thing can I do to attract the favourable attention of women?"

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There are some trades and industries in which the main thing is SPEED. They should use stop-watches and learn to save minutes and perhaps seconds. In the fruit and flower trade, for instance, the vital fact is that the goods are perishable. The chief point to concentrate on is quickness of handling and delivery. If there are any slow people in the fruit and flower trades, they should move into the brick or timber or coal trades. The wholesaler who gives the quickest service in the fruit and flower trades is the one who is most likely to make his business grow.

To-day, when a motor car has travelled five miles a minute, when an aeroplane has travelled seven miles a minute, people are demanding quicker service in the business world. Any company that can acquire a reputation for quickness will do much to increase its sales. A wholesaler, for instance, who sells practically the same goods as his competitors, can get a larger share of the trade by making quicker deliveries. It is certain that the time taken on most repair jobs, in all lines, is far too long. The people of this generation demand speed.

One improvement that is needed in nearly every large company is the use of fewer and better forms. Every big firm, unless it is very efficient, drifts into bureacratic methods. It

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uses more and more forms. It runs itself as though it were a Government Department.

One railway, several years ago, made a special study of its 3679 forms. It found that 370 were wholly useless. Then there were 750 that could be consolidated with others. And most of the other forms were shortened and improved. As a result, the next year it saved £11,000.

In every large firm, clerical work grows like mushrooms unless it is watched and kept down by someone who thinks of net profits. The daily procedure becomes more and more complex. One clerk leads to another. The routine work piles up, higher and higher. And the executives get caught fast in it.

That is one reason why the percentage of net profits is usually small in big companies. And why initiative and quick action are so rare. In all efficient companies we are now trying to simplify the clerical work. Harvey Firestone said: "It takes a brave man to suggest a new form in my offices."

Almost every firm needs to make improvements in its use of the telephone. A vast number of losses are made because of incomplete and indifferent replies to telephone calls. All employees who answer telephone calls should be taught that a telephone call is the same as an

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interview. Possible customers should not be let slip. Names should be taken and enquiries should be followed up.

In a word, the telephone may be a means of either getting business or losing it. And as no firm knows how much it is losing by careless telephoning, the whole matter is likely to be neglected.

There can be an improvement in practically every firm in the matter of getting people’s names right. This is no small matter. The most personal possession of any man is his own name. He is touchy about it. He likes it typed correctly and spoken correctly.

Mr. Maxwell Droke had an article about this in the American magazine *Sales Management*. He has an uncommon name. He says he receives letters addressed to Doke, Drole, Drove, Doak, Dove, Drone, Broke, etc. He told this good story. A Protestant once asked Cardinal Gibbons: “Do you really believe that the Pope is infallible?” “Well,” replied the Cardinal with a smile, “the last time I was in Rome he called me ‘Jibbon’.”

Office workers and shop assistants should be instructed to be sure to write names correctly. Also, every signature to a letter should be typed out, unless the writer’s name is printed on the

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letterhead. Many a man's signature is hopelessly illegible.

Delivery costs have become much higher than they should be. They reduce the net profit tragically for bakers, newsdealers and dairy firms. One large firm found more than a hundred leaks, wastes and losses in its delivery system. Another firm, by a careful study of its delivery methods, reduced its delivery costs by thirty per cent. Every delivery staff requires skilled and firm supervision.

There is the matter of temperature. The right temperature for an office is from 65 to 68 degrees. If an office is too hot, it increases sleepiness and fatigue. If it is either too hot or too cold, the output of the clerks falls off from ten to twenty per cent. The wrong temperature is very costly.

As to fresh air, the people in the office must agree on that. Some may be "fresh air fiends" and some may be frightened of fresh air. Certainly, the air should be fresh, but no clerk should work in a draught. There should be a right system of ventilation. It is especially necessary for office-workers to have fresh air, as they sit and bend over while at work. They are likely to have lung troubles unless they make a habit of taking deep breaths of fresh air.

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“It is surprising in how many offices over ten per cent of the pay-roll hours are spent in walking instead of working,” says Mr. Norman C. Firth, who is an authority on office work. It is not possible to abolish walking but it is possible to reduce the walking time to five per cent, he says. This is a saving worth thinking about. In an office with three hundred workers it would amount to about £1600 a year.

How can office-walking be prevented? The first thing to do is to study why the workers walk. Get the facts. That always comes first. Perhaps many desks are misplaced. Workers who co-operate should be side by side. If Miss Smith jumps up ten times a day and goes to the far end of the room to talk to Miss Brown, it is plain that their desks should be close together. Once, in an office with about a hundred workers, I had a study made with regard to the proper placing of desks. We were surprised to find how many there were in the wrong place.

In a large office there can be pneumatic tubes, belt conveyors, lifts for papers, etc. And there can be an internal telephone system for executives. Employees should be taught that walking is waste. The less there is of it the better. There is no doubt that a great deal of walking is sheer slacking. Every Works Mana-

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ger knows this. A workman who is paid a fixed weekly wage will pick up a tool and have a quarter-hour walk.

In most Government departments there is three or four times too much walking. You can discover this by noticing the large number of people in the corridors. In many a factory a workman will leave a £2000 machine idle and walk fifty yards to get a tool or materials. It is obvious that walking is waste, but it is one of the many obvious things that many Managers do not notice.

On one occasion I met a Managing Director who was proud of his walkers. He actually pointed out walking as a sign of useful activity. That was in Akron, an American city. A big tyre company there had its offices in two separate buildings, about a hundred feet apart and connected by a closed-in corridor.

When we stepped in the corridor there were more than twenty people walking through it. "You can see that this is a busy place," said the Managing Director, proudly. "Has the idea not occurred to you", I asked him, "that all the workers in this corridor are idle, not busy? Don't you think you ought to look into the causes of all this wasteful walking?"

So, as money is lost by unnecessary walking, everyone in authority over employees should

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give this matter a little attention. Just one half-hour’s keen observation will prove that much of the walking, probably one half of it, can be prevented.

This medley of suggestions calls attention to a few of the many unfinished parts of most firms. As you can see, every one of these deficiencies OUGHT to be noticed. Every one is obvious. Every one is important, as it concerns the profits or goodwill of a firm. Every one is like a broken window or a door off its hinges. It calls for attention. A business firm is like a house—it must be well built and it must be kept in repair.



A FORMULA
FOR
IMPROVEMENTS

CHAPTER TWO

A FORMULA FOR IMPROVEMENTS

THERE is an art in making improvements. We might say there is a Formula. Every skilled Efficiency Expert knows it, but it is not generally known. To improve any process, the right method is as follows:

- (1) Study carefully what is now being done.
- (2) Question every item and operation.
- (3) Make experiments.
- (4) Adopt whatever shows a higher percentage of result.

It is generally known that the cause of a permanent success is the **THOUGHT** spent on improvements. Why, then, do the most of us spend so little time in thinking? The answer is—because thinking is hard work.

The easiest thing is to drift along in a life of habit, as most people do. Their to-days are like their yesterdays and their to-morrows will be like their to-days. The second easiest thing is to obey orders—to do what others tell us to do. This sometimes compels a man to do a little

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thinking of his own. But the hardest job is to observe, gather data and then think what ought to be done. To be a creative thinker—there is no other job as hard as that.

In an article in the American magazine *Sales Management*, Mr. Saunders Norvell said: “The last time I was in Paris I went to see Rodin’s statue ‘The Thinker’. This is probably one of the most celebrated works of art in the world. The short, dark green bronze figure is that of prehistoric man. He is sitting on a rock all doubled up. His face is buried in his hands. His forehead is wrinkled. His toes are twisted holding on to the rock on which he sits. I looked a long time at this statue and then I got the big idea. It is the statue of a man IN PAIN—early man trying to think, a painful process.”

Quite a few of us, no doubt, have seen this famous statue, but perhaps we did not perceive the idea of Rodin as clearly as Mr. Norvell did. I saw it many years ago and this thought did not occur to me.

The fact is that a thought must usually be hammered out just as a statue is hammered out. Brain-work requires persistent effort and concentration. Thoughts do not fly into our minds. Silly thoughts may, but useful ones seldom do.

When a man must make an important decision, or solve a hard business problem, he

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must first collect the facts that he needs to know. Then, in some quiet place, where he will be free from interruptions, he must sort out his facts, give every fact its fair value and make up his mind what to do.

Surely, if it takes a bit of concentration to solve a jig-saw puzzle, it will take at least as much concentration to solve a business problem. The art of thinking can be learned. Many a man of moderate abilities has made himself a thinker, but not without study and effort. As soon as a man stops living by memory alone and begins to put his brain to work, he begins to carry out his plans and purposes.

Any purposeful man, if he sits down for a quiet two hours of creative thinking, can make a list of twenty improvements if he will concentrate his mind upon that vital subject—
REPLACEMENT.

This is a word that we can use in thinking about buildings, machinery, merchandise, capital, soil, health, youth, knowledge and happiness. Yes, and perhaps character as well. Here are a few suggestions on these ten subjects.

(1) BUILDINGS. We know that every building must be kept up. Every year there must be repairs. Paint will make wood almost as durable as brick. I have seen wooden houses three hundred years old. "Save the surface and you

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save all,” say the paint men. We do not use half enough paint.

(2) MACHINERY. We use most machines too long. Obsolete machinery is unprofitable. To allow three per cent for depreciation is not enough. Some progressive firms allow thirty per cent. In our office we use a typewriter three years. Then we replace it with a new one. A machine can do so much work. The sooner it does it the better. Then get rid of it.

(3) MERCHANDISE. The matter of net profit comes in here. A retailer must get enough net on his present stock to make a living and to buy a new stock. If his mark-up is too low, or if his sales are too small, he cannot replace his stock.

(4) CAPITAL. Capital does not wear out. It might yield interest forever, if it were safely invested. But bad investments and bad management cause a loss of capital. The only way to replace it is by making more net profit.

(5) SOIL. Crops take necessary ingredients out of the soil. These ingredients must be put back. The soil must be kept fertile. The farmers who know this, make money. The others make little or nothing.

(6) HEALTH. The secret of health is to take in as much energy as we give out. First comes work, then comes recuperation. Only three per cent of us die of old age. The rest of us die by

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neglecting the replacement of energy. The body needs rest, nourishment and repairs.

(7) YOUTH. Youth can last as long as we live, if we do not begin to petrify at forty. A man can be bald and boy-hearted. In 1936 an old lady of eighty-one arrived at the Croydon Air Station after a trip of 18,000 miles. She got out of the aeroplane smoking a cigarette like a flapper. She said that she is going to sell her motor car and buy a plane. "I might even learn to fly it," she said.

(8) KNOWLEDGE. Almost all knowledge grows stale. What we learned thirty years ago may do us more harm than good to-day. Every man must keep his knowledge up-to-date. He must replace his useless ideas and opinions with new ones. All his life he must keep on learning. Only one man out of a dozen does.

(9) HAPPINESS. Not many men over forty are happy. Most of them belong to the "I-Wish-I-Had-Club". They have lost ambition and enthusiasm. Their eyes are dull. They have lost the joy of life and they are doing nothing to replace it. They need to be "born again". Most of them might be.

(10) CHARACTER. There can be replacement of character, after a moral lapse. A man who has done wrong can study the art of self-mastery. He can regain his self-respect. A

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single slip need not ruin any man’s life. He took the wrong road for a time, that is all. He can get back to the right road.

A judge and jury are required to decide a case according to the evidence, not according to any opinions they may have. A scientist spends his whole time gathering evidence. He would not give sixpence a thousand for opinions. A great engineer, who has been called on to build a bridge or a factory or an ocean liner, begins by gathering evidence. He turns a deaf ear to opinions.

But when we come to the business world, we find a striking difference. Almost everywhere we find opinions overvalued. The ablest business men—the Efficient Few—do not depend on opinions. They gather evidence before they make decisions. But the great mass of men are still being influenced by opinions and traditions.

Almost every one of us makes too many statements and asks too few questions. Asking questions is the most useful habit of any newspaper man. As we know, Northcliffe asked questions incessantly and made use of most of the answers. One of the best methods of Staff Training is to ask questions. A question is a little prod to the brain. It leads, very often, to an improvement.

There is what is called the “Socratic method”

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of teaching—teaching by asking questions. Any Improver will find this method very helpful. One of the best ways to stir up any inert firm or department, is to come into it with a flood of questions, as an Efficiency Expert does.

Socrates lived in ancient Greece about twenty-three centuries ago. He was called a philosopher. Also, he was called “the gadfly of Athens”. He was not at all a dried-up old pedant. Anyway, when he was middle-aged and bald-headed, he married a girl of nineteen. He was a keen thinker, a teacher of right behaviour and of logical thinking. No doubt, he was a bit of a humorist as well.

His aim was to show people the difference between truth and popular opinions. He made the Athenians use their brains. He never professed to be a teacher. Neither did he profess to be wise. He represented himself always as a student. He talked with his fellow-citizens in the market place, asking them questions. He made no speeches. Any Mr. Know-it-all who met Socrates had an unpleasant half-hour.

There was no such thing as free speech in those days. The ancient tyrants did not like criticism any more than the modern tyrants do. Independent thinkers were put to death. But Socrates, by means of his clever question system, escaped being put to death until he

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was seventy-one. Then he was made to drink the fatal hemlock.

The fools and bigots who put him to death did not know that by that time he had become immortal. He was the first man who taught by asking questions. After twenty-three centuries, his name is still to be found in every encyclopædia in any language. As you can see, the “Socratic method” is worth studying.

A Managing Director should use the “Socratic method” on his executives. A Works Manager should use it on his foremen. A retailer can use it on his shop assistants. He might ask several of them, now and then, to mention the quality-points of their goods. A salesman can use it on a difficult customer. When his statements fall flat, he should ask questions. In a word, any man who is in a managerial position, or who is trying to influence others, should ask many questions, as Socrates did.

In a business firm and in a nation, people must be encouraged to think. If thinking is repressed, then progress comes to an end. Any nation that submits to a Dictatorship pays a staggering price for its cowardice. It produces no creative thinkers. It sags down into standardized mediocrity. The people are not allowed to think—only to believe and obey.

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And we have all seen the same thing in harshly managed business firms.

It is a great help to any firm, with fifty or more employees, to teach its rank and file people to think of improvements. This can be done by offering rewards for suggestions. A Suggestion System needs to be well started. To put up a slotted box is not enough.

Going through a factory I noticed a small black box, tucked away around a corner. It was a Suggestion Box. "Do you get many suggestions?" I asked. "Very few," was the reply. "Not more than three or four a week." There would have been better results if the box had been painted a bright red and put in a conspicuous place, near the entrance. Also, there should have been a notice on it: "A reward of 5s. is paid for every useful idea."

The most helpful word in the vocabulary of improvement is "Suppose". In thinking about how to solve a business problem, a man can have a string of "Suppose's". And whenever he starts a sentence with the word "Suppose", he is obliged to do more or less creative thinking. Inventors and scientists often use this word. So do the skilled organizers of the business world.

Mr. Ray Giles, author of that useful book *Turn Your Imagination into Money*, says that

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children can be taught to be inventive. One of his inventor friends said to Mr. Giles: “I will never forget how my father used to stress what he called the miracles of little plusses. He encouraged me to look at things with the question—what simple addition will make this still better?”

This wise father made one of his sons a successful inventor by teaching him to look at things with an improvement-making brain. There is literally no end to the little improvements that can be made in ordinary things. Many of these “little plusses” have made fortunes for those who thought of them first:

The hairpin plus the crinkle.

The hook and eye plus the hump.

The fountain pen plus the clip.

The soft collar plus the tabs.

The main message of this book is that the “little plusses” or extras make all the difference between success and failure. They make an article or a business more attractive and distinctive. They compel favourable attention. Look at any great, prosperous business and you will see that it has been built up by “little plusses”, just as a building is built of bricks.

Suppose, for instance, that a woman goes into a grocery shop and asks for three tins of

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tomato soup. The sales girl says nothing, wraps up the three tins, takes the money, gives the change and turns away. No "plusses" in that!

But suppose the sales girl has been trained. Suppose she says: "Perhaps a packet of biscuits to go with the soup?" Suppose she says: "I see you have three parcels, Madam. Shall I give you a carrier?" Suppose she goes to the door and opens it for the customer and smiles her on her way. There would be three "little plusses".

Such are the "little plusses" that bring a customer back. They are noticed and appreciated. They are the important trifles of good service. It is by means of such little extra services as these that a great business is created.

If a man can succeed in putting the "plus spirit" into his business, it will grow more rapidly. Every executive should din this little word into the ears of his people: "plus". The "plus spirit" is magically different from the "business as usual" spirit. It will prevent any firm from slipping into a rut. Every day a little new touch of efficiency will be added here and there. There will be no Robotism.

Sometimes, when we make a change, we are sure it will be an improvement. But at other times we are not quite sure. We must then regard the change as an experiment. We can give

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it a month’s trial. Every new idea is not necessarily a useful idea. But the only way to find out if it is useful or not is to give it a tryout.

A great deal of the work that any business man has to do is not interesting. No use saying it is. It is no more interesting to him than a Latin text-book is to a schoolboy. But he has to do as the schoolboy must. He has to swot. It is not interesting to write your name, over and over again, on a big bunch of cheques. It is not pleasant to think that every time you write your name, you lose money. It is not pleasant to listen to the tale of mistakes, illnesses, resignations, complaints and all that. There is always more or less bad news. All routine work becomes dull and all bad news is unpleasant. And sometimes all the worry and the swotting gets a man down, and knocks all the pleasure out of his job. A man is not like a woman. A woman seems to like work for work’s sake, but very few men do. When a woman has nothing to do, she invents work. For instance, she knits. No man ever knits. Almost every man has remained more or less a boy. He would sooner play than work. Consequently, he must make a study of his work and see if he cannot do something to make it more interesting.

In general, a man is not interested in purely routine work, but he is always interested in

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creative work. Therefore, no matter what his job is, he must look and see if he can find a better way to do it. The making of improvements is always interesting as well as profitable. When a man begins to really observe, then he does not any longer work like a Robot. I have noticed that a Managing Director always shows the most alertness and pleasure when he is having a conference with his architect, and looking over the plans for a new building. He is then like a ten-year-old boy with his first bicycle or a new set of Meccano. Why? Because there is no routine work at all in the planning of a new building. It is ALL creative work.

All planning, changing, improving—it is interesting because it sets the thinking part of the brain to work. It compels a man to get out of the rut, to notice facts, to pick and choose, to make decisions and so on. A job is always more interesting to a man if he can change it into a game or a contest. Quite often it is possible to do this. So, the secret of making work interesting is this—add a bit of creative work to it, no matter how mechanical it is. There is always technique, and technique can almost always be improved.

Every man in charge of a business, whether the business is small or large, must be constantly studying methods and results. Whenever he

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makes any move, he must know the results of it. Then, if it is profitable, he keeps on with it. But if it is unprofitable, he puts an end to it.

Merely to slog on, hit or miss, doing to-day what was done yesterday—that is a sign of bad management. A man must try and learn. All his life he should be trying and learning. The quickest and cheapest way to learn is to read the experiments of others. But we should try out many experiments ourselves.

A small grocer can say: “I’ll put a hundred different things in my window next week. Then, the week after, I’ll fill my window with tinned peas. And I’ll notice the sales of each week.”

The Works Manager of a large factory can say: “I’ll offer a prize of £5 to the foreman who makes the best showing next month. Then, if the foremen take a lively interest in competing for this prize, I’ll make it a regular thing.”

This habit of trying out new methods and watching results keeps a business alive—keeps it out of a rut. Also, it makes management vastly more interesting. Complaints should receive much more attention from executives, even from Managing Directors. A complaint may show the necessity of an improvement. When a complaint comes in to a firm, it usually offers two opportunities:

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- (1) To improve the firm's service.
- (2) To bring back a customer who is slipping away.

In many firms complaint letters or telephoned complaints are regarded with dislike. And this is a mistake. Surely, if something has gone wrong, the people in the firm should be pleased that they were told of it. No man is too high up in any firm to take a keen interest in the complaints that come in.

An American writer, Paul Findlay, wrote an article for a Californian paper in which he told of an interesting interview he had with Mr. Selfridge.

“We chatted lightly”, he said, “on former Chicago days when Selfridge managed Marshall Field's store. Then somehow we touched on customers, and he picked off his desk, from a small pile of letters, one written longhand on a pink bit of notepaper, which he waved toward me.

“He told me that it was from a woman customer who complained about something, and such matters came to him always. Other work—‘big things’ enough—the handling of money in thousand-pound lots or over, might be delegated; but a customer's comment or

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complaint was strictly reserved for the personal attention of the Man at the Top.”

One of the suggestions of the *Efficiency Magazine* that has been adopted by quite a few firms in Britain and overseas, is that of an “APRIL OVERHAUL”. This is to a place of business what a spring-cleaning is to a home. No competent housewife lets her home go on for year after year without an overhaul, but the idea of a yearly overhaul has not yet been generally adopted by business men. In the corners of some factories you will see ten years’ dust.

Either April or some other month should be marked out as the overhaul month. Unless this is done, the overhauling is almost sure to be indefinitely postponed. The inspection should not be left to a junior executive. It should be carried out by a man who has power to scrap whatever is obsolete.

The effect of an overhaul—of a campaign of improvement, is often magical. A life insurance company found its net profits decreasing. It found that it must grapple with expenses. “We must put our house in order,” said the Managing Director. “Perhaps we are too close to our business to see clearly what to do. Let us call in an outsider.”

They did. Every one of their seventeen de-

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partments was put under the microscope. The flow of work was shortened. New equipment was put in. Delays were cut out. The whole business was brought under control. Result—in the first year the money saved amounted to £55,000.

The value of a complete overhaul was strikingly shown by the sudden success of a manufacturer of furniture in the United States. The furniture business in America has been noted for high prices, high mark-up, slow turnover, long credit and old-fashioned methods of production. But this furniture manufacturer decided in 1933 to bring his business up-to-date. He decided that he must re-learn his business and overhaul all his methods of production and selling. He started to study the methods of efficiency.

He began with Market Research. He sent out women canvassers to find out what furniture was most needed, and what prices people could afford to pay. He found out that what people wanted most were three-piece bedroom suites at £14, and ten-piece dining-room suites at £64.

So, he decided to make these and nothing else. He adopted mass-production methods, so as to bring the cost of production down and give people the best value for their money. Then

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he decided to sell only to reliable retailers who would hold the prices down to £14 and £64. He made this plan and stuck to it. As a result, his company is now busy and prosperous. All its records for output have been broken and its net profits have reached their highest mark.

To any business man who thinks that his experience is a Bible of information—who thinks that he has a complete knowledge of his business, I would say: “Make an experiment and find out how much your delusion of omniscience is costing you. Go into that department of your business which you think you know best. Really look at that department. Study what is being done from the point of view of efficiency. Question everything. Take nothing for granted. Become a learner. Do this for one afternoon and you will probably find it to be the most profitable afternoon of the year.”

One of the main duties of a Board of Directors is to suggest and encourage improvements. But this duty is generally neglected. Most Directors still have a very vague idea as to their duties. There is no such thing, as yet, as a standardized procedure for Board Meetings. Having seen many Board Meetings, I would say that not half of them are of any value to the company, as a means of increasing its net profits.

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The average Board Meeting is little more than an INQUEST. The Chairman acts as Coroner and the Directors are the jurymen. They offer opinions upon the dead Past. The Monthly Statement does duty as the corpse.

Do they deal with the coming month as well? Not often. They merely act as a body of critics who deal with what has been done. If there were a Suggestion Box in the Board Room, as perhaps there ought to be, it would usually be found empty.

In a company, the supreme power in the matter of ownership is possessed by the shareholders. But the supreme power in the matter of policy and management is possessed by the Board of Directors. Consequently, the main duty of Directors is that of THINKING, not AUDITING. That is the vital fact to bear in mind.

There is many a Board of Directors that will not think. Neither will it let its Managing Director think. If he pushes in with a bright, helpful idea, the Board soon puts a stop to it. Always, much depends upon the Chairman. He strikes the keynote. He can make a Board Meeting either helpful or obstructive.

As far as I have seen, most Directors go to a Board Meeting without the slightest preparation. They bring no notes, questions or sug-

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gestions. When one of our shipping companies was being investigated, a witness testified that not once during a whole year did any Director ask: “Is this company making any net profits?”

Surely, the right way ought to be to send all Directors the reports, facts, suggestions, etc., that are to be discussed, a week before the Board Meeting. Then no time will be wasted by reading reports. And every Director will have a chance to form his own opinions and prepare suggestions for improvements. The main subject of discussion should be: “In view of these facts and figures, what should be DONE?”

The Directors should not be the least skilled men in a company. They should have a technique of their own. They should have the highest of all skills in business life—the skill of efficient management, stimulation and control. Directors are very poorly supervised by shareholders. That is the main reason why so many of them neglect their duties. But an able and conscientious Director does not take advantage of this lack of supervision. He tries sincerely to do what he can to make his company prosper.

Some Directors of large companies are deaf and blind to new inventions and processes. Every great inventor has found this to be true. In 1896, a large factory in the United States was manufacturing wooden carriages for rail-

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ways. A quiet-mannered young man, carrying a portfolio, visited the head offices of this company. He showed the Managing Director his patents for making STEEL carriages.

The Managing Director and several of his executives glanced carelessly at the young man's patents. Then the Managing Director tossed the patents back to the young man. He lit a cigar and said casually: "Not interested." What was the result? Two years later that great factory was closed. It was a disastrous bankruptcy. The young man's patents had been taken over by a competing factory. Steel carriages came in and wooden carriages went out. It is a dangerous thing to say "Not interested" to anyone who offers a new idea or new method.

The history of invention shows that basic improvements come from outside a trade or industry, and the small improvements come from within. Very few men can free themselves from their experience, and create something that makes their experience less valuable. The OUTSIDER has always been the main Improver. That is a hard fact for any of us to accept, but there it is. It will do us no good to deny it.

There are still quite a few business men with ingrowing minds who say: "No outsider can teach me anything about my business." In most

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cases they are probably right as they are unteachable. But if they were teachable, they could learn a great deal from outsiders.

Most railway executives, as far as I have seen them, have this delusion. They do not think that anyone who is not a railwayman can teach them. They seldom buy business books. They are not interested in the efficiency of manufacturers and retailers.

Here is a fact that all such railway executives either do not know or have forgotten—nine of the inventions that have done most to help railways were invented by outsiders. These nine inventions are: telegraph, telephone, sleeping-car, automatic block signal system, air brake, vestibule buffer, refrigerator-car, electric engine and automatic car-coupler.

If it were not for the inventions of outsiders, our railways simply could not operate at all. These inventions are indispensable. The truth is that in all trades and industries the most important improvements are usually suggested by outsiders.



IMPROVEMENTS
IN
MANUFACTURING

CHAPTER THREE

IMPROVEMENTS IN MANUFACTURING

ONCE, when Judge Gary, the head of the big American Steel Combine for many years, was visiting one of the steel towns, a reporter dashed up to him and asked: "Please, Judge Gary, will you in a few words tell me the policy of your great company?" Judge Gary replied: "Yes. I'll tell you in two words—constant improvement."

The policy of Henry Ford, too, is one of constant improvement. In his third book *Moving Forward*, he gives a Formula for prosperity. He believes that if every manufacturer would do as the Ford Company does, there would be no depression and few unemployed. To condense his FORMULA, it is something like this:

(1) Make larger quantities of goods of good quality—make them in the most efficient way and force them on the market.

(2) Raise quality and lower costs and prices.

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(3) Raise wages continuously and never cut them.

(4) Lower the cost of distribution.

The only reason why any business exists, he says, is to serve the public. Consequently, a firm must constantly reduce its costs by the study of efficiency and the use of machinery, in order to give better value to the public. If wages are low, then the mass of the people have a small buying-power. And manufacturers must think of that.

If all manufacturers paid as high wages as Ford does, the sale of Ford cars would go up by leaps and bounds. That is why he is in favour of high wages. And the only way to keep labour costs down, he says, is to keep wages up. The product must be constantly improved. Why? “Because”, says Ford, “no product ever remains standard. It has to be kept standard.”

The product cannot be improved by low-paid workers. “It is simply a waste of time and money to erect an elaborate manufacturing equipment and then expect it can be run by low-paid men,” says Ford. The wages in the Ford factories are four times as high as they were twenty years ago. Yet the labour costs have been reduced.

The right method of manufacturing, says

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Ford, is "flexible mass production". No system must be cast iron. Nothing is final. When the right work process and the right machines have been secured, the work of improvement must not come to a standstill. There is no end to improvement.

Henry Ford spends practically his whole time on improvements. He has cut himself wholly clear from the routine work of his huge business. Every month he and his creative thinkers attack new problems. He regards no machine and no method as final. He allows nothing to be done by a workman that can be done by a machine. In a word, he gives his whole time to his problems. How few of us do that!

Andrew Carnegie's fixed policy as a manufacturer was: "Make improvements and buy out competitors in bad years, and go ahead at full speed in good years." Some of our iron and steel manufacturers did follow this policy in the years of the depression. They had foresight. They knew that the iron and steel trade continually rises and falls. No depression has ever been permanent.

This policy can be adopted by other manufacturers, as well as by the iron and steel men. They should enlarge their factories and instal new machinery during depressions, when prices

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are lower and when they have most time to plan improvements. Then when good years come—when they have a queue of buyers—they should give practically all their time to sales and production. They should go when the going is good. In a good year they should give more time to sales and production than to extensions.

This policy gave Carnegie a quick fortune of £60,000,000. It has given some British manufacturers big fortunes, too. Once, in a bad year, Carnegie bought a steel mill for £200,000 from a weak-hearted competitor, and when good times came he made a net profit of £200,000 in one year from that mill. In bad years, PREPARE. In good years, PRODUCE and SELL. That is the one best policy for all manufacturers. It brings the highest percentage of net profit.

Mr. Addison Perry-Keene, the Cost Comptroller of the Austin Motor Co., Ltd. has shown by his achievements in that company that there can be complete control of the process of manufacturing. “Management”, he has said, “can pass from haphazard rule-of-thumb methods to an organized, progressive science.”

The Austin week is measured in MINUTES. The year is divided into 13 periods of 28 days each, or 139,170 working minutes. All opera-

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tions are laid out in terms of minutes. And all operators are paid on a "time-saved" basis. All output performances are averaged on Powers-Samas tabulating machines. This continuous control detects losses which in the ordinary way, would not be noticed.

A vast improvement can be made in the service rendered by most manufacturers in the one matter of PUNCTUALITY. They can learn punctuality from the railways, the daily papers and the wholesale newsagents. These three, because of the nature of their service, are compelled to be punctual. They are compelled to work to minutes.

We seldom appreciate the wonders of a Railway Time Table. It is a book of Punctuality. In London, we pick up our ABC, a big book of 592 pages. We look up the time of a train and toss the book down without giving a thought to the wonder of the book. There are Railway Time Tables in other countries, too, but they are not as reliable as ours. In most countries one has to ask the stationmaster what time the 4 p.m. train goes. In Russia there are no Railway Time Tables at all. In another European country it is said that the only train that is ever on time is one that is 24 hours late.

But in Great Britain we have the most perfect and complete railway service that has ever been

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developed in any country. If I want to go from London to Glasgow, I have 32 trains a day offered to me. If I want to go to Birmingham there are 38 trains. And if I want to go to Manchester, there are 51 trains. If I have an appointment in Manchester at 4 p.m., I take a train that is marked to land me in Manchester at 3.40 p.m. What a miracle it is to do this!

The big firm of W. H. Smith & Son, Ltd., gives us an object-lesson in punctuality. Smith’s sends out 1,000,000 newspapers a day and 1,000,000 periodicals as well—12,000,000 a week. Its immense distributing house is busy 24 hours a day. The rush period is from midnight to 5 a.m. Every man has his post and his definite task. Papers and magazines must be delivered on time. Smith’s uses 600 tons of wrapping paper a year for its parcels. It uses half a ton of string a day. It delivers 12,000,000 things a week as regularly as clockwork.

If we business men were as skilled as the men on our ships, we would have a glorious lot of Balance Sheets. A ship is run by scientific management. Did you ever think of that? There was scientific management on ships years before it was thought of on land.

Every ship has at least a score of scientific instruments. It is not run by guesswork and “experience”. The sea has become safer than

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the land. There is less risk in going from Southampton to New York in a big liner than there is in going across Elephant and Castle.

What would a sea captain say if he saw how the average factory keeps its stores? What would he say about the mess on the floor as he walked through the factory? What would he say if he saw one of our "Where-is-it" offices, where there is no up-to-date system of filing?

A captain believes in using the latest scientific ideas and machines. He has been thoroughly trained. He keeps everything shipshape. No muddle. No confusion. No mess. We can learn a great deal from sea captains.

Labour-saving equipment should not be regarded as an expense, but as an investment. It does not usually mean spending more money. It means spending less. If a new machine is NOT bought, much more money may be spent in wages. That is the point to consider.

Frederick Taylor's habit was to capitalize a workman at £600. He felt that he was justified in spending £600 for a machine if it saved one man's work. As everyone knows, labour is vastly more costly than machinery. If it were cheaper, there would never have been any machinery at all. The two cheapest things in the business world are money and machinery.

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In many an industry, we have seen a marvellous improvement, then a stoppage for two generations or longer, then a second improvement. The boot and shoe industry is one of the best instances of this. About fifty years ago the first big shoe factories sprang up. They were equipped with many ingenious machines. They wiped out, almost altogether, the hand-work craftsmen who made shoes. Then, for years, the making of shoes in factories remained a practically standardized process. The opinion prevailed that the day of basic improvements was over. Every shoe manufacturer believed that he knew how to make shoes.

Suddenly, an unknown man, Thomas Bata, sprang up in a remote village in Czechoslovakia. He revolutionized the making of shoes from start to finish. He reduced costs to the lowest points ever known. He quickened the process to an amazing extent. He made a pair of shoes in two days instead of two weeks. His business grew until he became the most successful shoe manufacturer in the world.

In a word, when all the other shoe manufacturers in the world slowed down in the making of improvements, Bata KEPT ON. He challenged the standardized methods of making shoes and found it to be slow, costly and defective. He introduced the most sweeping changes.

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From what I have seen with my own eyes, in Czechoslovakia and England, I would say that our present method of making shoes needs to be completely overhauled. Our shoe manufacturers cannot afford to ignore what has been done by the Bata Company. There is a new, better, quicker, cheaper way of making shoes and we must learn it.

Here, for instance, are a few facts that I have noticed myself in visiting half a dozen of our British factories:

(1) Too many "Specials" are put through—as many as two thousand pairs a year in one factory. "Specials" slow down the manufacturing process and cause much irritation to foremen and workers. If they must be made, they should be made in a small separate building.

(2) The girls on the lasting machines do not give their full time to the machines. They use small hand-tools. The shoe is not made ready for the machine as it ought to be.

(3) The percentage of waste in the Clicking Room is not even known in some factories. It seems to be at least forty per cent. There may be some way to reduce this. It was reduced to two per cent in the making of corsets, by the re-designing of patterns.

(4) The waste in re-cutting soles seems to be

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from fourteen to twenty per cent. The usual method of re-cutting soles was originated in America before the war, and can be improved.

(5) In some of our shoe factories there is no proper stores system. In one factory I found eight different stores departments, controlled by eight different people. Stores, of course, should be kept like money.

(6) Some factories have no planning system, to keep the work moving evenly and smoothly through all the departments. Often, one department has more than it can do, while another department is half idle.

(7) Many shoe factories suffer from congestion. This is because of lack of planning. It takes four weeks to make a pair of shoes in some of our factories. What is needed is a system of flow-work.

(8) A better system of transportation is needed, to speed up the work process and prevent congestion and disorder. Bata has got rid of racks and uses mechanical conveyors. Is this not an inevitable improvement?

There has been the same stoppage of improvement in the cotton industry, in coal mining, and to a lesser degree in the iron and steel industry. It is certain that sooner or later a Bata will spring up in each one of these in-

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dustries. He will break away from tradition. He will overhaul the method of production and lift the industry to a higher level of efficiency. After the others have stopped, he will keep on.

It will profit almost any manufacturer to make an analysis of his sales, in order to see the causes of his profits and the causes of his losses. One manufacturer, whose factory produced 79 things, found that he was losing money on 43 of them. He found that he had 29 classes of customers and was losing money on 16 of these classes. He concentrated on his profitable lines and profitable customers and greatly increased his profits.

Another manufacturer found that two-thirds of his sales were being made in three of his fourteen sales territories. So he took most of the salesmen out of the bad territories, put them in the three good territories and got a far greater number of orders.

Many a manufacturer, who thinks he knows his business from A to Z, has only a vague idea as to the causes of his profits and the causes of his losses. He can learn much by the study of his customers, his territories and the saleability of his products.

Betting on a Sales Plan is not as risky as betting on a horse. But there is always a bit of risk in it. We have all seen brilliant Sales Plans—

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Plans that looked perfect on paper—fail when they were tried out. It seems clear that two steps should be taken first, before any costly Sales Plan is launched. These two steps are:

- (1) MARKET RESEARCH.
- (2) A TRY-OUT.

Surely at least a few possible customers should be interviewed first. It is better to know what they think BEFORE the Plan is launched than to know it afterwards. Suppose five men draw up a Plan to sell silk stockings or corsets! Should they not ask a few WOMEN before they spend good money on the Plan? I think so.

Most men know much less about women’s opinions and wishes than they think they do. And women buy at least eighty per cent of the goods. Also, there should be a Try-out in one town or one county, before a national campaign is started. Most Advertising Agents do not like Try-outs, but the firm that is going to spend the money should take steps to decrease the risks.

Many Sales Managers are now, for the first time, discovering the shareholders of their companies. And they are asking the shareholders for help in increasing sales. One American company, General Foods, launched a new breakfast food. Before the salesmen set

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out to sell it, the Sales Manager wrote to the 55,000 shareholders of the company, asking them to recommend dealers who should have the new product. Thousands of the shareholders sent the names of dealers. These names were given to the salesmen, who then told the dealers they had been recommended by people of standing in their towns.

A number of manufacturing companies, in Great Britain and America, have found it a great advantage to have branch depots for the delivery of goods. Cadbury's, which has such a system, summed up the advantages of depot service as follows:

(a) Provides a sense of personal contact with customers in areas far away from the main factory.

(b) Gives a delivery service to the customer's own door equal to that of a local manufacturer.

(c) Movement of stocks in unbroken bulk is possible, with all advantages this entails.

(d) Congestion at the factory is relieved and stocks are decentralized for availability in times of emergency.

(e) A "local headquarters" is established with mutually beneficial results for the customers and the manufacturer.

(f) An elastic organization meets the special

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requirements of the locality or individual customers.

The management of a warehouse may seem to be a simple job, but the fact is that many warehouses are badly managed. Some warehouses are neat and orderly and some are in chronic disorder. Some are constantly making errors and causing delays and losses. As an indication of the kind of improvements that can be made in warehouse management, here are eight suggestions:

(1) Keep track of the goods as carefully as though they were money. Have a card list, kept up-to-date. Depend on written records, not on memory.

(2) Have one right place for every line of goods. Have suitable bins, shelves, platforms, etc. In a warehouse nothing must be misplaced.

(3) Keep the goods most in demand nearest to the door. This saves time and work. Any huge quantity of goods, not wanted for some time, should be stored at the back and piled high.

(4) As far as possible, handle goods in large units. Some goods can be stacked on platforms, moved by motor trucks. Smaller goods can be moved in suitable containers.

(5) Protect goods from dust. Broken packages should be re-wrapped. A sweeping powder

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can be used in cleaning the floor. The ideal warehouse would be dustless.

(6) Have careful checking and inspection of goods on arrival. For his own sake, a warehouse manager must pay especial attention to this.

(7) Have careful checking when sending out. Few boys are competent to supervise the reception or sending out of goods.

(8) Whenever possible, prepare van loads in advance. A warehouse manager should do all he can to shorten the waiting time of vans.

Many improvements can be made in the methods of INSPECTION. Having seen scores of Inspection Departments in Great Britain and several other countries, I find I have formed a general opinion that the work of inspection is not being well done. In many cases it is being done under bad conditions. Inspection calls for good SEEING, and many Inspection Departments have only half as much light as they ought to have.

Also, very few Inspection Departments seem to know anything about the law of Visibility. This means that we can only see things clearly against a contrasting background. To inspect dark articles on a dark table or work bench—that means bad visibility. It is a strain on the eyes of the inspecting staff, and the inspection is sure to be faulty.

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To inspect black articles against a black background is nearly impossible, yet many Inspectors have never given this matter a thought. Good seeing requires that the background should contrast strongly with the things that are being looked at. This seems self-evident, but it is a fact that is wholly ignored in most factories.

The best method of inspection of small parts is to have the work done on plate glass, with a contrasting colour underneath. Black paper is put underneath for the inspection of light-coloured small parts, and white paper for the inspection of dark-coloured parts. I originated this method of inspection about twenty years ago, and I have introduced it into quite a few factories.

In case good HEARING is required, then the inspecting work should be done in a special sound-proof room. Certainly it should not be done in the midst of noises.

Another important fact about inspection work is that it should aim above all at the PREVENTION of bad work. Some Inspectors actually pride themselves on the number of people who work under them. They should rather pride themselves when this number steadily diminishes.

They should study the CAUSES of bad work

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and make these known to the foremen. This, too, seems self-evident, but it is very seldom done. The work of the Inspection Staff is not linked on to the work of the Production people. Any efficient Inspector, by knowing the technique of his work and by looking at it from the right point of view, can do much to reduce the costs of production.

There is now a new profession called Industrial Designing. An Industrial Designer is a professional Improver. He re-designs articles. He is a sort of artist-inventor. He knows how to attract more favourable attention to a thing. He improves cartons and all manner of other containers. To quite an extent, he can make a product self-selling. He thinks mainly of appearance.

Practically all boxes of good chocolates are alike. The boxes are very beautiful. Some chocolates are wrapped in tinsel. Some are in crinkled cups of chocolate-coloured paper. And there is a sheet of chocolate-coloured paper on top. All very good. These boxes of chocolates have been standardized. Every customer knows exactly what he will receive. But, here is the point, there is no surprise. There is nothing exceptional. Why always use chocolate-coloured paper? It gives low visibility. It prevents the chocolates from being seen vividly. Why not

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use small sheets of artificial silk instead of a sheet of chocolate-coloured paper, on top of the box? Why not have something better and different?

Why not tell the names of the centres? Some people like hard centres and some soft centres, but there is no way of telling which is which, in most assortments. A box of chocolates is not like a box of soap. It is an entertainment. Why should an entertainment be standardized? Why not have novelties—surprises? This is, in my opinion, the one best way to maintain the prices of the best chocolates.

One improvement that costs nothing and adds to the output and to the contentment of the workers, is the adoption of a rest-period in the middle of the morning and another in the middle of the afternoon. I have known the output to be increased by eleven per cent by this one thing. Many British firms have now adopted this habit. One firm in Newcastle-on-Tyne has gone a step further—Reed, Millican & Co., Ltd. Mr. H. C. Millican told me that “for many years now in our Works Department we have had a five minutes’ stop each hour. The men are allowed to rest and smoke. The machinery is stopped and they sit around for five minutes. I have found it a very good plan. I have worked it ever since the end of the war

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and the output has not suffered in any way.”

It is a surprising fact that very few manufacturing firms ever have any system for the improvement of their FOREMEN. Almost always it is taken for granted that foremen are “finished products”—unimprovable. Very few foremen were really trained for their jobs. Most of them have had to pick up what they know, and some of them have not picked up much. The fact is that they are the Key Men of production. They can do more than any other class of people to lower costs, increase output and prevent labour troubles. Certainly, they ought to be trained and improved.

In the designing of buildings, and in the choice of materials, there have been many revolutionary changes since the Great War. No one can say that architects and builders have fallen into a rut. Never before were buildings erected so quickly. Never before has so much thought been given to appearance. As to durability, that is a matter that will be discovered by the people of the next generation.

The most revolutionary novelty in building is, in my opinion, the elimination of windows. There are now several windowless buildings in the United States. The largest is the New Hershey factory, in which more than three thousand people make chocolates. In this build-

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ng there are no windows except over the en-
rances. Not a ray of daylight can enter any of
he offices or other departments of the com-
pany. All the light is artificial. Under every
clock there are three small lights—red, white
and green. Red means that it is raining outside.
White means fine weather and green means
snow.

A windowless building costs less to build, to
clean and to keep in repair. No window-cleaners
are needed. It is kept free from dust. There is
less noise from the streets. And employees are
not tempted to look out when there is a street
excitement. Artificial light, too, is more even
and dependable than daylight. Too often, in
buildings with windows, the lights are not used
as much as they should be. As to the effect of
windowless buildings on the people who work
in them, we have no data.

One new and revolutionary method is now
being tried out by a few manufacturers—shorter
hours for workers and longer hours for machin-
ery. As to whether this is an improvement or
not, we do not know as yet. We have not found
out what the result is, on people and profits, in
the long run.

The originator of this method was Mr. W.
C. Kellogg, a manufacturer of food products
in Battle Creek, U.S.A. He has a four-shift

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factory. His factory works night and day, with four groups of workers. Every worker works six hours without a break and has eighteen hours a day for sleep and recreation.

Mr. Kellogg told me that his new plan has proved very successful. His workers are pleased with it. They are doing more in six hours than they did in eight hours. And more than four hundred new workers have been employed. The output of the factory has been increased and production costs are down.

The big canteen of 39,000 square feet is now being used as a warehouse. It has saved the erection of a new building. So, instead of the 12-hour day, which was formerly universal in manufacturing, this daring firm has adopted a 6-hour day. In my opinion, only a very well managed firm with high-class employees, can make the 6-hour day a success. But it is certainly the one best way to get the most work out of machines.



IMPROVEMENTS
IN RETAILING

CHAPTER FOUR

IMPROVEMENTS IN RETAILING

IN retailing, we must think of the element of surprise. Most people's lives are very monotonous. This fact is as true of the rich as of the poor. Many of the rich are much more bored with life than are the poor. All classes of people are pleased with little novelties—little surprises. There is an almost universal desire for "something different".

Any retail place of business, small or large, may be said to be partly visible and partly invisible. Whatever is new and better is visible. Whatever is different is visible. Whatever a customer did not expect to see is visible, or whatever a customer came in to buy is visible. But as for the mass of ordinary things, they are practically invisible. The customer simply does not notice them at all.

One English department store that has gone further in the introduction of special features, extra attractions and services, than any other store of its size in any country, is Bental's, of Kingston-on-Thames.

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This store has more than 2500 employees. It has a selling area of 250,000 square feet. It has 150 departments. Its Tudor Restaurant seats 750 people. Also, there is a Dutch Café and a Staff dining-room. All told, it serves about 50,000 meals a week.

The Store is beautified by works of art. There are eight friezes in the restaurant, showing the history of Kingston. There is a large Mural painting in the Escalator Hall, “Progress”, by Reginald Eves, A.R.A. There is a Bernini statue of “David”, and a statue of “Aspiration” and half a dozen fine oil paintings.

Here are a few of its special features:

A Pram Park, with two attendants. The doors are magically opened by an electric ray.

System of vacuum tubes—twenty-five miles of tubing.

Non-reflecting windows and a revolving window display between mirrors.

Eight Escalators.

An independent electric light and power plant.

Aquatic spectacle on lower ground floor, with cascade and fountains.

A “Bargain Island”.

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Signal lights—240 of them—to call chief executives.

Broadcasting Room, linked to thirty-four loud-speakers.

Large Depository, built of fireproof materials.

Mothercraft Training Centre.

Car Park, covered in, for five hundred cars.

Bentall's deserves special mention in this book, as it is one of the best object-lessons of the truth I am teaching in these pages. It is not in a large town. It is on the far outer edge of London, twelve miles from Waterloo Station. There are not 50,000 people in Kingston. The huge department stores of London are nearby competitors. Yet Bentall's holds the trade of Kingston and the area beyond. It draws thousands of customers from Greater London. It does this because it is a store of improvements—of extra novelties, attractions and services.

Here is a wise policy for both manufacturers and retailers—push specialties and the staples will take care of themselves. The reason for this is that a firm should advertise and display the goods that are timely and most interesting. It should put its best foot foremost, as we say. And its "best foot" is a specialty.

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This is a right policy, too, for wholesalers. At any rate, you may have noticed that the most successful wholesalers are those who handle specialties. A specialty is a door-opener for salesmen. Why? Because it attracts favourable attention. Displayed in a shop window, it is most likely to bring passers-by inside. It is different. It is eye-catching. In these days a business must keep itself interesting. There is no doubt about that.

A large store in America was selling five makes of refrigerators, but its sales were not satisfactory. It decided to try an experiment. It concentrated on one make of refrigerator and it put on outside salesmen, paying them a ten per cent commission.

As a result, in the first six months it sold £10,000 worth of refrigerators. This was nine times as much as its sales had been in the six months of the previous year. When enough customers did not come, it sent salesmen out to find them.

Almost any retailer, large or small, would do well to study a Woolworth store, to see if he can adopt any of the methods that have made the Woolworth company unique as a profit-maker. Woolworth’s have no counters. All the goods are in trays. Everything is in sight. A Woolworth shop is an Exhibition. The customers

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like the self-serve idea. They like to wander about, without any interference, and to pick up whatever pleases them. A Woolworth shop literally sells to everybody. Every article is worth more than the price, and yet nothing is sold at a loss. Quite a few Woolworth methods might be adopted by any retailer.

Every retail shop, large or small, should have eye-catching inside displays of its goods. These displays may be in showcases, or on platforms, tables, counters or special stands. A Montreal retailer said: "Three-fourths of all the people who buy in a shop make IMPULSE PURCHASES."

The Managers of the big department stores know the value of inside displays. Every department is a series of stands, as though the store were Olympia. No doubt there are over a thousand inside displays in Selfridge's. Practically everything in the store is in sight. As yet, most small shopkeepers have not even much thought to "impulse purchases". They are neglecting this matter of inside displays.

About half of the people in Great Britain are between fifteen and forty-five years of age. That is the reason why we must cater to young people. Young people have the most wants. They are the best spenders. Never before, in any generation, did young people want so many things.

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Every twenty years there is a new generation of spenders. That is a fact that men over fifty should not forget. The older man who does not keep in touch with young people and respect their opinions and wishes, will do badly in selling his goods.

A “Sale” is often made more successful by a trifling novelty. One department store, for instance, advertised: “Look for the 20 tables with red legs. Every table is heaped with bargains.” The “red legs” did it. The store was packed with eager bargain-hunters. Now that “Sales” have become so common, there must be some little novelty to attract the attention of possible customers. And the simpler this novelty is, the more customers it attracts.

In the matter of display, it must be said that Exhibitions are now leading the way in the creation of novelties and improvements. As much as £1000 is spent on a single British Industries Fair stand, used only for ten days. There are now a few men, men who possess artistic ability, who have become specialists in the designing of Exhibition Stands. They are educators—pioneers. Their work should be studied by makers of shop-fronts and by window display men.

After visiting three London department stores during the Christmas Season, the one

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fact that was most impressed on my mind was this—big stores have become Exhibitions—Showplaces. Most of the people in these shops during December were, as far as I could see, sightseers rather than customers.

Exhibitions charge an admission fee. So do theatres. But big stores are free—as free as the pavement. A big store has become a woman's theatre. It has all manner of displays and entertainments. She goes to it mainly for pleasure and possibly to buy. Some day a daring merchant will build a huge department store and he will not call it a store. He will call it an Exhibition. And he will charge an admission fee.

I noticed, too, while in these three big stores, that the sales people were too passive. They stood with indifference while a throng of people passed their counters. When a store becomes an Exhibition, should there not be more activity on the part of the sales people? I think so. Sightseers should not be pestered to buy, but neither should they be ignored until they ask a question.

How to quicken the turnover without lowering the percentage of net profit—there is an improvement that would gladden the heart of any retailer. It can only be accomplished by the most skilful buying and the most efficient sell-

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ing and display. One large drapery store in London, with an exceptionally clever body of buyers, turns its stock over twelve times a year; and nothing in the shop is over eight months old. Another similar store in London, with four times as much stock, makes about £10,000 a year less net profit.

A department store in America, not one of the large ones, has quickened its turnover and increased its net profits by a sharp control of merchandise over six months old. Every month the buyers are notified of all goods in their departments that are over six months old. Goods over six months and less than twelve months old are classed as “B” goods. And goods over twelve months old are classed as “C” goods.

The Managing Director himself goes to every department at least once a week to see what is being done to get rid of the “B” and “C” goods. In three years this method quickened the turnover two-and-half to five times a year. Also, it has decreased the number of markdowns and “Sales”. There has been much less profitless selling.

Even the best managed shop has its “stickers”—its goods that will not sell at regular prices. A multiple shop can send its “stickers” back to headquarters. If they will not sell in one shop,

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perhaps they will in another. But the independent retailer cannot do this. What should he do?

First, he must find out if it is the fault of his sales people that the goods are stuck. Perhaps the goods are of a high quality and his sales people do not know how to sell on quality. Perhaps the goods CAN be sold at regular prices.

Second, he should show the "stickers" on a table inside the shop. There should be a large showcard calling attention to the reduction in prices. He should not put his "stickers" in his windows. The purpose of the windows is to attract passers-by and induce them to come inside. He may, perhaps, sell his "stickers" by showing them in the window, but he will do his shop more harm than good. Better sell them on tables inside.

The Sales of any large store could be improved by doing something to attract customers to the MIDDLE floors. The ground floor is usually crowded. So is the restaurant, which is almost always on the top floor. But the floors in between are usually visited by only a small percentage of the customers. The problem is—how to have a better distribution of customers.

We have found that escalators help to solve this problem. It is helpful, too, to have cards in the windows and here and there on the

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ground floor, announcing special exhibits, mannequin parades, fashion shows, etc., on the middle floors. Always, an effort should be made to send customers to any floor where there are more shop assistants than customers.

Department stores in Japan have a good idea—they make the top floor a special showplace, to attract customers to the top of the building. On every top floor there is a playroom for children, a restaurant, an exhibition of new goods and all the bargain tables. They try to fill the whole building, not merely the ground floor, with customers.

Every business man and professional man, too, should do what he can to extend his territory—to have more customers or clients from a distance. A small shopkeeper should not be content to sell only to the people who live near his shop. He should reach out for customers who live farther away. Also, a manufacturer should not be content to sell to the home market only. He should reach out for customers overseas.

Business can come toward us or retire from us. It goes where it is attracted. It flows past the door of one shop and into the door of another shop. Sometimes the reason is not the shopkeeper himself. Sometimes the trading centre of a town moves and leaves a shop in the

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wrong street. When the new chemists' shops sprang up, business began to flow past the old-fashioned apothecaries' shops. When motor vehicles came in, it began to flow past the saddlers' shops. When the ironmongers neglected their golden opportunity to push the sale of vacuum cleaners and refrigerators and washing-machines, a flood of trade went past the ironmongers' shops. The same thing happened to the jewellers, when they did not foresee the tremendous demand for electric clocks.

Business goes where it is invited. How to attract the favourable attention of people who have money to spend—that is what a business man must think of every day of his life. Every now and then he must ask himself: "Is business coming towards me or going past me? Am I attracting more and more business? If not, then what can I do?" The three usual ways whereby business can be drawn towards us are:

CREATIVE SALESMANSHIP

EFFECTIVE ADVERTISING

ATTRACTIVE WINDOW DISPLAYS

Creative Salesmanship means selling more to present customers, finding new uses for our products, sending out Sales Letters, studying what possible customers want and so on. Effective Advertising means finding a way to

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make advertisements so interesting that people will read them. This may seem easy, but it is not. Attractive Window Displays are those that stop at least half of the passers-by and make them interested in the goods.

There are all manner of variations of these three methods of making business move towards you. Unless courteous service is given to customers, then the movement of business towards you will be only temporary. The problem we have to solve is—how to get more new customers and keep them. A firm that gives exceptionally good service can safely afford to spend less on advertising and sales promotion.

Here is a new idea that is now in its dawn in the business world—as far as possible, no contact with a customer should be merely formal and automatic, purely a matter of routine. As to how far we can carry this idea, we do not know as yet. All along the line, business is too mechanical. Most of us are too much like machines. There will be a vast improvement when we can, here and there, introduce the human touch.

Almost any business man will have a clearer idea of his job, and will at once be able to think of a number of improvements, if he looks upon himself as a manufacturer of customers. That

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is what every business man is, whether he is a manufacturer, wholesaler or retailer. If he is a doctor or architect or estate agent or insurance man or banker, that is what his job is—the manufacturing of customers. We have to find the raw material by publicity, window displays, making ourselves known in every legitimate way. And then we have to turn this raw material into PERMANENT PATRONS.

Finding more and more people whom we can continue to serve, giving satisfaction to them and profits to ourselves—that may be taken as a definition of business. This idea should be impressed upon executives and employees. In the making of regular customers there should be no spoiled work, no breakages.

One of the best tests of management is to notice whether the number of regular customers is increasing or decreasing. Transients do not count. They go to good and bad firms alike. What does count is the number of customers who have been created and fastened to the firm by good goods and good service.

There is no more important fact for retailers to know than this, a customer speaks well of his shop when she goes home, only if she has received some special personal attention or if she has noticed something new—extra—unexpected. The ordinary routine of retailing makes

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no impression on her mind. She remembers only the improvements in the service given to her or in the quality or display of the goods.

Writing for bakers, Mr. Charles M. C. Symes asked this probing question: “How often do you ever hear a housewife rave over the high-quality goods sold by her baker?” The answer, of course, is—“Not often.” If the average baker could only listen in to the meal-table conversation of his customers, he would find out why he lost so many customers last year.

Every baker who sells low-grade bread and cakes is found out. His foods are tasted and talked about. Perhaps someone at the meal-table says: “I wish you’d change your baker, mother.” So, there is a customer lost.

This applies to all other retailers as well as to bakers. What the family says about the meat at the dinner-table helps or hurts the trade of a butcher. A woman buys a new dress. What she and her husband and her children say about it when she goes home, helps or hurts a retailer.

Almost every purchase is followed by a HOME CONVERSATION. That is a fact that every retailer must bear in mind. If shop assistants only knew how much they are talked about in family circles, they would be—most of them—

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much more attentive to customers than they are.

When a woman goes home from a shopping expedition, she generally gives a full hour to telling the story of what she did and what happened to her. She talks about goods and prices and service. She expresses opinions. And these opinions are of the highest importance to retailers.

If we could only gather all the opinions of all the women in England, about the retail shops of England, we would have enough matter to fill thousands of big books. These books would tell us plainly what shops are likely to succeed and what shops are likely to fail.

All retailers stand or fall by what their customers think and say about them. This home conversation is, in fact, the main thing for every retailer to think about. When a woman is speaking of a shop, she is likely to say either: "I like that shop" or "I don't like it."

Always, she judges a shop by her own experiences in dealing in it. She always has a personal reason for her opinion. Here we have the main reason why it does not pay to sell goods that will not give satisfaction, and why it is so necessary to treat every customer as a

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welcome guest and to send her home well pleased with courteous service.

In one of the most successful big stores in London, all the shop assistants are taught: “Unless you do something EXTRA for a customer—something outside of the routine—something that she will mention favourably when she goes home, you have not reached the level of efficiency required by this store.”

When a new customer enters the dress department of a big store in Los Angeles—the Broadway—the shop assistant introduces her, if possible, to the buyer. She says to the customer: “Our buyer would like to know what you prefer.” Nearly always the customer is much pleased with this little extra attention.

One large drapery store in New York—Bonwit Teller’s—adopted an improvement in management that had a magical effect. It decided to bring the store into closer touch with its customers. It organized a “Customers’ Advisory Committee”. Every month four customers were chosen to serve on this committee. They were invited to an informal lunch with the head of the firm and were asked many questions. The “woman’s touch” was soon felt all over the big store. By means of this improvement and others, this store doubled its sales in two years.

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Any salesman can put his sales up if he puts his whole heart into every interview, and seeks for every possible improvement in his display of his goods. There is a certain vacuum-cleaner salesman who is the pride of his Sales Manager. Perhaps the secret of his success is this—whenever he gives a demonstration in a home, he does the job thoroughly. He gives that home such a cleaning as it had never had before. Nothing is too much trouble for him. He thinks of cleaning rather than of selling. As a result, he averages one sale to every two demonstrations. And he makes four demonstrations a day.

A retail coal company—the Household Fuel Company, Newark, U.S.A.—has a Service Man. He follows up all new customers. He calls on a new customer as quickly as possible after the delivery of the coal. He checks up on deliveries and thanks the customer. Then he studies the furnace and in nine cases out of ten he finds some adjustment to make. He has his Service Kit of Tools with him.

He tacks up an Instruction Card. He asks if a Thermostat is needed. He sizes up the coal-bin to find out its capacity. He jots down the type of furnace. The information he gets is copied in the office on a card. Also, the day after the Service Man has called, a "Thank You" letter is sent to the new customer. As

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you can see, this company has the right method in dealing with new customers. It is not likely to lose them.

A grocer who has built up a very profitable business has a policy of “full line selling”. This means that he tries to sell all his customers all that they need in his line and can afford to buy. The average woman buys from four or five grocery shops. The problem of a grocer is how to get a larger share of each customer’s trade.

This grocer says that he would sooner have ten customers, near by, who spend 20s. a week each, than have twenty scattered customers who spend 10s. a week each. He uses the method known as “Addition” selling, suggesting to each customer something else that goes with what she has already bought.

A department store in a Western American city has started thousands of conversations about itself by the following habit:

Every year it offers fifty souvenir spoons to the first fifty babies born in the city in the New Year. One of the parents calls at the store, shows the birth certificate and receives the gift. This offer is well advertised and photographs of the babies are shown in one of the store windows.

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This offer might be made at any time of the year. A retailer in a small town might offer a gift to every baby born in that town in May, for instance, or any other month. An offer such as this costs very little and attracts a remarkable amount of favourable attention to a store.

The common habit of offering gifts to customers—this may or may not be an improvement. It is not an improvement unless it increases the net profit as well as the volume of sales. It is certainly true that the habit of offering gifts to customers is now being carried too far in America. Also, there is a bit too much of it in Great Britain. There is no good reason why retailers should give presents to customers. Customers never give presents to retailers.

It is a wise policy to give away samples and advertising novelties. These do increase sales. But gift-giving is a form of price-cutting. The cost of the gifts comes out of the net profits. And it is never wise to give away legitimate profits. The right way to increase sales is by better salesmanship, not by giving something for nothing.

A few of the most progressive retailers are improving the selling talk of their shop assistants. They are inventing what we call "selling sentences". These have been found to increase the sales. If, for instance, a sales girl is showing

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men’s shirts to women, she can say: “The buttons won’t come off.” The point is to take the most effective quality-point of the goods and make it into a slogan. It has been found that a slogan is just as effective in retail salesmanship as it is in advertising.

Suppose a retailer were to call his salespeople together at nine o’clock one morning and say to them:

“Suppose we make to-day’s work interesting by trying an experiment. Suppose we try to have a PERFECT DAY! We all know how to sell, but we do not always use all our knowledge. Suppose we try to-day to make every sale a PERFECT SALE! Suppose we try to-day to send out every customer happy and satisfied! Suppose we go all out to give a PERFECT SERVICE!” I have never known this to be done, but I think it would be well worth trying.

As to what small independent retailers can do, to make their businesses more secure and profitable, Mr. Ronald Small has made a suggestion that is well worth thinking about. Enterprising private traders, he says, could form groups of “SELF-HELP CHAINS”, through which they would be enabled to buy on the same terms as multiple shop companies, and to advertise jointly, while retaining their independent ownership and control.

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There is no theoretical reason why this cannot be done. But there are quite a few practical difficulties that stand in the way, and which might be overcome. Ten grocery shops on different streets in the same town might form a "SELF-HELP CHAIN". They might agree to paint their shops the same colour and to adopt one name for their shops, such as, for instance, "Home Service".

They might engage one Advertising Agency and one window-dresser and one staff trainer. What they would save by co-operative buying they could spend on advertising and window display and the training of their sales people. Their extra net profit would come from the greater volume of business they would get. This plan is now being carried out successfully in several towns in the United States.



IMPROVEMENTS
IN
ADVERTISING

CHAPTER FIVE

IMPROVEMENTS IN ADVERTISING

MOST of our business literature is far too heavy, dull and formal. It seems to be written to gratify complacent Directors rather than to attract the favourable attention of the public. We should learn from cinemas and from the daily Press. Film-makers and journalists know that the human brain is mostly feeling. A successful journalist once said: "Most people will buy any paper that expresses their feelings in addition to printing the facts."

People are not statisticians or fact-creatures. They are influenced more by their feelings than by anything else. Why should we constantly appeal to the less influential part of the brain? People want excitement. They are more interested in other people than in goods. They want to be moved by human interest, facts and pictures, not by dull essays.

To all copy-writers and salesmen and public speakers and leader-writers and authors, I would say: "Your First Commandment is this

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—Thou shalt not be dull.” Nobody likes to be bored. In these days of ten thousand entertainments and spectacles and excitements, nobody will listen to you nor read what you write if you are DULL.

It is not enough to have something to say. You must know how to say it. Fancy paying £200 for space in a daily paper and filling it with uninteresting self-praise or stale bombast about a product! Fancy standing in front of three hundred people and boring them stiff with dull platitudes! Fancy publishing a book in which there is not a single page that brings brightness to the eye or a movement of thought in the brain!

Is it not our continual purpose in business life to attract favourable attention? This does not mean that we are to become comedians, although most of us would be more successful if we were. But it means that what we say and write to the public must be interesting. It must be well expressed. Certainly, it must not be DULL.

One improvement in the writing of advertisements would be the use of simple, conversational language. When an advertisement is placed in a daily paper, the simplest words should be used. In a single copy of a London

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daily paper, I found the following words and phrases in the advertisements:

“Astringent Action”

“Poisonous Toxins”

“Uratic Deposits”

“Organic Phosphorus”

“Restorative Nourishment”

“Most Potent Reducer ever Elaborated”

Most of our big advertisers continue to spend vast amounts on space and very small amounts on the copy. Actually, men write the copy who are not professional writers at all—who could not get a penny a word if they tried to write for magazines.

Dr. Frank Crane once received £200 from the National Cash Register Company for writing a small booklet. Frequently he received as much as 4s. a word. So did Elbert Hubbard. Now that the cost of space has gone so high, the next problem of big advertisers is to get copy that is worth spending the money on. On dull, commonplace copy, the money is likely to be wasted.

There has been a marked improvement during this generation in business letters. There are now not nearly so many letters written in the formal, semi-legal jargon that

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was at one time in general use. We have been paying attention to letters partly because we have learned what they cost, and partly because we have learned what a well-written letter can do.

We have found that the average cost of letters written by a Managing Director is 2s. per letter, counting dictator’s time, typist’s time, filing, stationery, postage, etc. The cost of dictating twenty-five letters a day is £750 a year. That is the interest at five per cent on £15,000. There is the reason why letters must be dictated by people who have learned how to write them. Letters should not, and need not, be an expense. They should be profit-making.

Many a career has been started by a good letter. If you look back over your experience, you will find that you owe much to letters. Every letter represents the man or the firm that sends it out. It either holds them up or lets them down. If a book were written on what letters have accomplished, it would be as big as an Encyclopædia. An ordinary, routine letter may be written well enough by a routine person, but when a letter is expected to produce a result, it must be written by someone who knows the technique of letter-writing.

Letter-writing is one of the few subjects that everyone should study. An unemployed person

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may secure a job by writing an effective letter; and a financier may succeed in carrying out a big scheme by writing the right letter to someone who is standing in the way.

There can be a vast improvement in form letters, in at least nine out of ten of them. It must be said that most form letters are of no value except to the Post Office. Some are duplicated so badly that many words and figures are unreadable. It has become a habit with most of us to treat form letters with complete indifference. In order to be effective, a form letter should contain an announcement or a special offer or be very cleverly written.

Almost any advertising booklet can be made more than twice as effective by a very simple improvement—writing in the name of the recipient on the front cover. The average man will not throw into the waste-paper basket a booklet that has his name on. Putting a man's name on makes the booklet personal, not formal. It almost compels his attention.

When a manufacturer wants to improve his advertising, he would do well to ask his retailers for suggestions. An American motor car company once invited about two hundred of its dealers, from various parts of America, to visit its home office in Detroit. It paid all expenses and did not ask for itemized accounts. Then it

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showed these dealers its advertising for the coming year. It asked their advice. It let the dealers do most of the talking. The dealers suggested a number of improvements in the advertising. And these suggestions were accepted.

The International Harvester Company, of America, uses thousands of photographs to advertise its farm machinery. It teaches its salesmen how to take good photographs. Here are a few of its rules:

(1) Never have more people in a picture of a machine than are absolutely necessary for its operation.

(2) Do not let the operators look at the camera, but have them all tending strictly to their own business.

(3) Do not take pictures with unsightly backgrounds.

(4) Take pictures of machines in the field from an elevation if possible.

The Corona Typewriter Company, in America, made a test of two kinds of advertisements. The result is instructive. One advertisement showed the photograph of a famous author, using a Corona. The author told how he had used his Corona in China and

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the South Seas. And there was a sketch of a Chinese sailboat in the advertisement.

The second advertisement showed a Corona in a neat travelling bag. It offered this bag free. It offered to give anyone a free trial of a Corona for a week and it said that a buyer could pay in instalments, if he wished.

The same amount of money, £2000, was spent on each advertisement. Both were given large space in national magazines. The result was that the second advertisement pulled 106 per cent more replies than the first. The second was TWICE as effective as the first. People were influenced more by the triple offer than by the story of the author in China and the South Seas.

A London daily paper had a dozen advertisements on one page. Eleven of the advertisements were as much alike as peas in a pod. But one was different. One used only about one-third of the space it paid for. It had a couple of inches of white space at the top and at the bottom of its advertisement. The result was that everyone who even glanced at that page was compelled to look at this one advertisement. White space is a very effective eye-catcher. It is almost as effective as colour.

This white space advertisement certainly

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secured more readers than did any one of the other eleven. It had the effectiveness of a full-page advertisement, although the advertiser paid only for one-twelfth of a page. Any advertiser, when he is using less than a half-page, can secure many more readers if he has a bit of white space at the head of his advertisement. This applies to small classified advertisements, too. To pay for a little extra white space is an economy, not a waste. It compels the attention of glancing readers. And it should not be forgotten that most of the readers of the daily Press are glancing readers.

A large firm can reduce its printing costs if it will adopt the following policy—give small orders to small printers and large orders to big printers who specialize. Small printers will give quicker service on small orders, and big printers will quote a lower price on large orders.

Practically every big printing firm accepts all manner of printing, but it is usually able to give better service and lower prices on certain kinds of work. If you will follow this policy, you will be surprised to find to what extent you can reduce your printing costs.

Most business firms might improve their letter-heads. It is remarkable how many firms there are that never give a thought to this matter. They forget that every letter sent out

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is like a travelling salesman. It represents the firm that sent it. They would not send out shabby salesmen, with soiled samples; but they keep on sending out slovenly, ill-designed letterheads. A letterhead can be so well-designed and well-printed that it at once attracts favourable attention to the contents of the letter. This is, surely, a point worth thinking about.

There is many a letterhead that is not good enough for the firm that is using it. Notice your incoming letters any morning and you will see that this is true. A letterhead is like a sign. It is of no value unless it attracts favourable attention. Many of the large, soundly established firms in Britain are using letterheads that are obsolete. Some of these letterheads were adopted in Victorian days.

We will all agree that any Victorian sign is obsolete. A lettered board is not good enough to-day. Some manufacturers still have wash drawings of their factories on their letterheads. They should, of course, have photographs. Nobody believes a wash drawing. A few progressive firms in Britain are now leading the way by having superb letterheads in colours. This is an improvement that is well worth what it costs.

Most business men have only one letterhead

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for every purpose. Is this not a mistake? When a Sales Manager writes to his salesmen, should he not have a letterhead of his own, with a stimulating message on it. When sales letters are sent out to a certain class of prospects, should not a special letterhead be used?

Should not collection letters be sent out with special letterheads, perhaps mentioning the credit terms of the firm? This is a question for Managing Directors to think of—why not have **SUITABLE** letterheads. Certainly they would add a bit to the letter-power of any company. They would help to make letters more effective.

The making of a catalogue has now become a standardized job. This means that a few improvements will greatly increase the results obtained from a catalogue. There can be photographs, for instance, instead of wash drawings. There can be at least a few photographs with people in the pictures. There can be a friendly, not formal, page by the Managing Director. If we will take a tip from the catalogues of the largest Mail Order houses, there can be a more complete description, in very small type, of every article mentioned. And there can be at least a page of selling talk at the end of the book.

In the advertising field, the work that needs most to be improved is, in my opinion, the

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handling of inquiries. Some firms spend money freely for advertising. They ask for inquiries. Then, when the inquiries come in, there is no system that handles them efficiently. All of us have answered advertisements and had very poor attention paid to our letters. The inquiries, you see, go to the firm that is advertising. They do not go to the Advertising Agency.

If the firm is being badly managed, the inquiries are likely to be neglected. And this means a waste of advertising money. It seems as though an Advertising Agency should make sure that inquiries are handled quickly and efficiently, as the Agency is likely to be blamed if the advertising is ineffective.

My attention has been called to this subject by an article in the Toronto magazine *Marketing*. An Advertising Manager has told exactly what happened when he answered ten advertisements. The results were as follows:

(1) No reply for eleven days. Then a form letter arrived, with his name mis-spelled, referring him to a wholesaler 600 miles away.

(2) Received a reply five days later, referring him to a dealer.

(3) Received no reply.

(4) Received reply and a booklet in two days. He was given name of a local dealer.

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(5) He sent sixpence for a sample and received nothing.

(6) Received no reply for three weeks.

(7) He sent for the catalogue of a Mail Order House, and received it by return of post, together with a well-written personal letter.

(8) Received a reply in eight days—a form letter, poorly typed—and a very fine booklet. Was asked to see his local dealer, but name of dealer was not given.

(9) He sent to a food advertiser for a free Recipe Book and did not receive it.

(10) He wrote for a free sample of a new dog food. He received a booklet and a good sales letter promptly, but the sample arrived three weeks later. By that time he had lost the booklet.

So, by this interesting experiment, this Advertising Manager found out that only one inquiry out of ten was efficiently dealt with. In no case did he receive a second letter. As far as he was concerned, nine of the advertisers had wasted their money. He wrote to American and Canadian advertisers. Let us hope that he would have had better service if he had written to British advertisers.



THE MAN WHO
KEEPS ON

CHAPTER SIX

THE MAN WHO KEEPS ON

MAN is the only animal that KEPT ON. When that thought first occurred to me, it kept my mind busy for a whole day. It showed me the human race from a new point of view. Any lower animal has reached a certain level and does not rise above this level. All lions are alike. All beavers build in exactly the same way. The lower animals do not make improvements, but some men in some nations do.

The bees acquired a marvellous technique as builders and organizers. Then, when they reached a certain point they stopped. This is true, too, of ants. Bees and ants are superior creatures. They should not be despised because they are small. They are huge as compared with atoms. But, apparently, they reached a limit. They did not keep on.

When human beings arrived on the scene, they had no advantage over monkeys, as far as bodies were concerned. But there was a new power in their brains. They could MAKE things.

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They could invent and improve. They sharpened stones into knives and sticks into spears. They built shelters. They made sounds that became words. They used the skins of animals for bedding. And so on.

When they learned how to make fire and smelt iron and use wheels, they began to move forward rapidly. They became dominant when they learned how to make tools. Then came civilization in short waves. Here and there a nation would rise to a higher level for a time. Usually it reached a limit and was then overthrown by lower nations. The history of the human race is the story of rise and fall. Always, the highest nation was pulled down by lower nations. But in the long run there was a gain. There has always been some nation that kept on. And every wave of progress has risen higher than the one before.

Many years ago I met a Professor who had spent years in the African jungle, studying the habits of monkeys. His name was Garner. He told me that monkeys had a language of from forty to fifty words. Also, he told me this interesting fact—monkeys will gather around a fire in the jungle, warm their hands at it, but never will any monkey put another stick on the fire.

This fact shows us, as by a flash of light, why the mass of monkeys have remained monkeys.

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They accept what they find, but they NEVER IMPROVE. They might use a sharp stone, but they would not make it sharper. They might eat grain, but they would never plant any. They have brains of a sort, but not CREATIVE brains.

The trained animals in a circus have never been known to make improvements in their tricks. They do what they have been taught to do, not a whit more. This is true, too, of most of the people who are rank and file workers. They do what they have been taught to do, usually a bit less. Whatever improvements are made in their work must be originated by the people who are in authority over them.

Almost all of us are, to a far greater extent than we know, the dummies of tradition. We do many things for no other reason than that we have always done them. Most of us still regard an opinion as being of equal importance with a fact. Most of us go through the day's work automatically, without using the thinking part of the brain at all. We do the usual thing for no better reason than because it is the easiest. We do business only with our memories.

Here is the supreme defect of our system of education—a child's brain is treated as though it were only a memory. The creative part of the brain—the part that makes us human, is neglected. No one would say that teachers, as

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a class, are numbered among our creative thinkers. They are rather the custodians of what has been regarded in the past as worth while knowledge. Some of it is useful and some is not. But the teachers pass it all on into the memories of the coming generation.

It is worth noting that many boys who became creative thinkers were regarded as stupid boys at school. A dolt of a teacher sent Edison home from school, with the message that he was “impossible to teach”. Henry Ford was regarded by his teacher as a dunce. Darwin was called a dull boy and Clive was the “bad boy” of his school. And so on.

In most schools in all countries, boys are still regarded as receptacles into which the standardized knowledge is to be poured. Little or no effort is made to develop their creative powers. They are taught to believe the standardized knowledge, not to doubt it and improve it and add to it.

In one of her novels, Edith Wharton uses this striking phrase: “Most of her opinions were heirlooms.” There are plenty of heirloom opinions, especially about Efficiency. These opinions were first created long ago, when business was looked down upon.

A man holds fast to the opinion of his father

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and grandfather, just as he preserves an old gold watch that has been in his family for three generations. The watch does not go, and the opinion is absurd, but no matter. They are heirlooms. If a man must keep his "heirloom opinions", he should keep them apart from the useful opinions of his working brain.

There is a big difference between a fresh fact and a stale fact. What was a fact thirty years ago may be a delusion to-day. Many an older man prides himself on having a head full of facts. But they are all old, stale facts.

The facts of fashion, as we know, change every year. A five-year-old fashion-fact is of no value at all. One of the most difficult tasks of all of us who have had many years of experience is to throw out of our minds the facts that have become stale, and to learn the new facts of to-day.

There are some old-established companies that need to be reminded of this fact—prestige is not enough. The good name that they acquired long ago is, of course, a great asset. But they stand or fall by what they can accomplish to-day. The results of the 1936 football season were very instructive in this matter of prestige. Actually, Aston Villa and Blackburn Rovers—two of the most famous teams in the world—were relegated to the Second Division. They

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had prestige, but prestige was not enough. That is a terrible word to football teams—RELEGATION. It is a terrible word to business companies too.

Some of the oldest companies in England are in the Third Division to-day and in great danger of slipping out of the game of business altogether. The only way whereby they can be saved is by quick action—by new, up-to-date ideas and methods—by a campaign of efficiency.

We have all seen some firms that have slowed down—that ought to be classified under the head of “creeping things”. They are only “inching along”. This is the fate of any firm that has ceased to make improvements. It always deteriorates as it slows down. As soon as it does nothing but routine work, it begins to do even this work carelessly.

In many Annual Meetings, and other business meetings, there are speakers who say: “We are waiting for the turn of the tide.” This word “tide,” gives the impression that a business is drifting—that it is floating onward or backward—whichever way the tide goes. It expresses a sort of fatalism—a sort of “what is to be, will be”, idea. And it gives a totally wrong conception of the causes of failure or success.

We should give a thought to this word

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“tide”. Often, it is no more than an alibi to excuse the Directors for having made a mess of their firm’s affairs. The correct meaning of the word “tide” is the influence of outside conditions. Sometimes outside conditions are favourable to a firm, sometimes not. But no firm should be wholly dependent for success on outside conditions. It is possible for a firm to go AGAINST the “tide” and make good progress. Quite a few British firms steadily increased their net profits during the bad years of the depression that followed the 1929 crash.

There is a delusion in America and in the British Dominions that new countries are progressive and old countries are non-progressive. It is often said that “Europe and Asia are effete—worn out”. The fact is that the age of a country has little to do with its progressiveness. The two countries that led the way back to prosperity, after the crash of 1929, were Great Britain and Sweden. These two countries proved that they had the virility of youth, while the new countries showed signs of old age and decrepitude.

There are more decayed towns in Canada than there are in England. There is no County in England that is as stagnant and unchangeable as the Province of Quebec. There are Canadian towns that have not added a hundred

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to their population in the last forty years. There is not one town in Canada that has such a record for consistent, tireless progressiveness as that of Coventry or Birmingham.

It is quite possible that the spirit of efficiency may suddenly spread like wildfire throughout the vast host of people in China. That one country, China, holds one-fourth of the human race. At present, the four hundred millions of Chinese have little more influence over the affairs of the world than have the rabbits of Australia. But the day may come when China will wake up.

What is it that petrifies a man or a business firm or a nation? No doubt, there are many different causes. It may be success, followed by complacency; or it may be failure, followed by despair. It may be the fatalism that comes from superstition. It may be a wild passion for pleasure. It may be the effect of climate, as in tropical countries. It may be fear, created by a ruthless Dictator. It may be the feeling of helplessness that is created by a paternal, predatory Government. Or it may be sheer inexcusable laziness. There are many causes that bring people to a standstill and shunt them off on the road that leads to decay.

The word that started modern civilization was not “Believe”. It was “DOUBT”. Descartes

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said it three hundred years ago. He was a French thinker who lived in Holland. He struck a fatal blow at the standardized "knowledge" of his day. If we want certainty, he said, we must doubt everything until it is verified. We must begin with the one thing that is sure: "*Cogito, ergo sum*"—"I think, therefore I am."

In a Dark Age when men were ruled by memories, Descartes stood up and said: "I think." He was the spokesman of the dawn of Science and Invention. He was not himself an Improver, but he was the first one who dared to make improvement possible. He gave Europe its first ray of light, after a thousand years of darkness. We should never forget Descartes.

In the Dark Ages, an independent thinker was called a heretic, an unbeliever, a traitor. He was called all manner of brutal names. He was ostracized always and sometimes thrown into prison or put to death. To-day we have escaped from such savagery and superstition, in a few countries, at least. And we should make the most of our freedom. The hope of the world is the coming of more and more independent thinkers.

After all, there are only two things in the world—Growth and Decay—Life and Death. Every nation and every business firm is either growing or decaying. Sometimes a growing

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nation is struck down by a mass movement of reaction. We who are now alive have seen this happen in the case of Russia, Germany, Italy, Spain and the United States. And sometimes a decayed nation springs to life.

No Managing Director should accept small results with complacency. If he has had a bad year, he should call his Staff together and say: “We have had a bad year. We have done badly. We made only five per cent. If we sold the business and bought securities, we could make as much as that, doing nothing. We are only making interest. We are not making PROFITS at all.”

Then he should start a campaign of improvements. He should create a thought-movement in his firm. He might start a Sales Contest to liven up his sales people, and offer prizes for the best suggestions on how to eliminate waste. Always, it is disastrous to accept a bad year lying down. There must be quick action.

Every business that put up its net profits last year is in danger of slowing down and become complacent. When a man thinks: “Now I’m at the top,” there is great danger that he may begin to slip downwards. The fact is that there is no end to improvements. Every improvement that you made last year can suggest another improvement this year.

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Beyond every hill there is always a higher hill. Not many men keep on climbing. Most of them scramble up on a little hillock and remain there for the rest of their lives. Complacency is the first step in the process of decay. It leads to apathy, which ends in dry-rot. There must be a steady push forward in every business.

If you could look forward and see your trade or industry as it will be in fifty years, you would be amazed at the number of improvements. If we could resurrect an old apothecary who died fifty years ago, what would he think if he saw the Boots chemist shop in Regent Street? He would not believe his eyes. It is certain that our sons will do many things that we think are impossible. And our grandsons will do still more.

No human organization is perfect. Always, a Managing Director must have this thought in the back of his mind. We can never come to the place where we can stop using the word "better". That is why creative work is so interesting, and so profitable as well.

Carrying on a campaign of improvements will make any man teachable. He will be keen to learn from books or from other men, because some of his jobs will require more knowledge than he possesses. It is only the inert or conceited or lazy man who thinks that he knows

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enough. As soon as a man becomes an Improver, he goes on a quest for more specialized knowledge.

As soon as any man, old or young, is given a job, either a big or little job, the first thing he must do is to make an improvement in the doing of that job. A man must start from where he is. He must do his present job well. A newspaper reporter said to a big building contractor: “I have heard, Sir, that you started as a poor bricklayer. What was your first step forward?” The building contractor replied: “My first step forward was to become a GOOD bricklayer.”

Every new invention is always crude at first. I have never known an inventor to really complete and perfect an invention. Invariably, improvements are added by others. Often, the perfected invention is the work of a dozen brains. Nearly all the patents taken out are not what we call “basic”. They are for the improvement of other inventions.

The most active of all inventors—Edison,—spent nearly all his time in completing what others had begun. He took out 1100 patents and nearly all were for improvements. He used a definite method in his work. He called it the “Plus and Minus” method. He added to a thing or took away or made a change. Some-

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times he made thousands of experiments before he got what he wanted.

Now and then we meet a brilliant man who has never achieved any success worthy of his brains. He has uncommon abilities, but he lacks the common abilities that enable a man to co-operate with others and to build up a permanent success. A brilliant man usually neglects improvements, both in himself and in his business. He has so much and he needs so little. But he neglects the little that would make him successful.

There are millions of gardeners in the world. Most of them accept the seeds and the soil. But now and then there comes a CREATIVE gardener, such as Luther Burbank, of California, who accepts nothing, challenges everything. Burbank changed his flowers and fruits, grew roses without thorns. He created new varieties and larger sizes. He was an Improver. At the time of his death, he had the most unique garden in the world.

No matter what trade or industry you may select, you will find somewhere in the world one unit of this trade or industry that has developed itself to the highest point ever reached. There is always one "high spot" of efficiency. Sometimes a Master Improver starts in a village and he makes his village famous. And always the

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secret of his success is that he kept on improving when his competitors slowed down.

One of the most shambling and inefficient States in America is Arkansas. I made a trip through it once. It is very much like Bulgaria. But in the middle of it is a unique town called Crossett. This town is very prosperous. It is wholly supported by a saw-mill company that owns or leases 800,000 acres of forest.

This company started to cut logs forty years ago, yet there is as much wood in its forest to-day as there was when it began. It limits its cutting to the growth of the trees. Never before have I heard of any saw-mill company that had the sense to make its forest perpetual. This company weeds out its trees—gives the trees that are left a better chance to grow. A tree with enough root-room will grow as large in twelve years as a tree in a crowded forest will grow in forty years.

Quite often a man makes the mistake of thinking that he has reached the end of the knowledge in his line. The answer is—there seems to be no end to any kind of knowledge and invention. There is always something new. The number of possible variations in products is amazing. And there is a flood of new variations every year.

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In the old spinning-wheel days there were only a few kinds of home-woven cloth. But how many kinds of cloth are there to-day? Hundreds of thousands. How many new designs of wall paper have been originated in the last ten years? How many new models of women's hats? How many new games and toys? And so on.

There are 4,000,000 books in the British Museum, no two alike. The human race has 1,800,000,000 pairs of thumbs, no two pairs of thumb-prints alike. As you can see, there is no end to the number of possible variations in either people or products. Consequently, no man should make the mistake of thinking that he has come to the end of knowledge or invention.

Ask a research chemist: "When will you come to the end of chemistry?" Ask an astronomer: "When will you come to the end of astronomy?" This question would be looked upon as too foolish to be answered. There is no end to chemistry or astronomy or any of the other great Sciences. At any time there may be a new discovery, like the discovery of radium by the Curies, that will compel the wisest scientist to alter many of his conclusions. Science moves on and on.

There is a magazine in America, the *National*

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Geographic, which was started in 1870. It has a wide circulation. Many copies come to Great Britain. It is noted for its interesting articles and photographs. Every month there are a hundred or more photographs of people and places in natural colours. Every month since 1870, this big magazine has been published. It was never more interesting and instructive than it is to-day. This proves, as you can see, that there is no end to geography.

The same is true of efficiency. There is no end to it. Always there are new ideas and methods. The more we explore the vast field of efficiency, the more we find it opening up in new directions. There are now thousands of Efficiency Explorers in the world, finding out better ways of getting work done.

To-day we have to put on running shoes to keep up with the procession. Improvements are coming so fast that we can hardly keep track of them. As Nelson Jackson says: “You cannot do to-day’s job with yesterday’s methods and be in business to-morrow.” There is much truth in that.

A writer for the *Saturday Evening Post* once asked Henry Ford: “What about bringing stability to the motor industry?” “Stability!” exclaimed Ford. “Stability is a dead fish floating downstream. The only stability we know in

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this country is CHANGE." That was a fine answer. It was a complete answer to the Bolshevistic theorists who say that industry must be stabilized by nationalization.

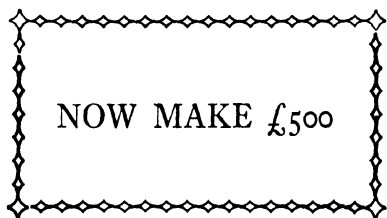
You can measure the efficiency of any business man by his list of improvements. If he has no such list, on paper or in his mind, then he is not efficient. There are thousands of stabilized mouldy businesses, still using the obsolete methods of thirty years ago. Most of them pass out, but others barely keep alive, and make shillings when they might be making pounds. A judge asked a woman: "Is your husband steady?" "Steady, is it?" she replied. "If he were any steadier, he'd be dead."

The purpose of every man should be to keep out of the graveyard until he dies. While he is alive, he must act and change and do to-day something better than he did yesterday. There are now so many thinkers and inventors and scientists in the world that the whole of us must keep moving. At least once a year a man should look at his whole business suspiciously and ask himself: "Am I still using anything that is obsolete—anything that is holding me back?"

At least once a month he should ask: "What improvement can I make in my methods or my equipment, to increase the net profits of my

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business?” Most of us want security, and too many of us think that change means risk. The fact is that nothing but constant improvement can make any business safe.

A decorative rectangular border composed of a series of small, interconnected diamond shapes, forming a frame around the central text.

NOW MAKE £500

NOW MAKE £500

THIS book was finished with the sixth chapter. But when I went over it to prepare it for the printers, it seemed to me that I should add a few pages, to point out what this book can do for any business man who has bought it.

You paid 5s. for this book. I venture to say that it has shown you how to make at least £500.

The bigger you are as a business man, the more quickly you can make the £500. The Managing Director of a large firm can make it in ONE DAY. This is not an over-statement. Many a time I have in one day discovered improvements in a big firm and added £500 to the net profits.

Every other qualified Efficiency Expert has done this; and in this book I have told how it is done. It is done by concentrating one's whole attention upon possible improvements.

A smaller business man will take longer to make £500. But it is safe to say that even a small shopkeeper can add £500 to his net profits in

“HERE’S TO IMPROVEMENTS!”

two years, if he adopts a policy of constant improvement such as I have described in this book. I knew one small shopkeeper who adopted this policy and made an extra £900 in two years.

Now that you have finished this book, you owe it to yourself and to me to make an effort to carry out a policy of constant improvement.

This is not an academic book. It is not a book of reflection or theory. It is really more than a book, if I may say so. It is a Tool of Management Technique. And tools are to be used, not looked at.

The practical way to begin is to set aside at least half an hour a day for this one matter of improvements. To do anything less than this is fiddling.

Keep an IMPROVEMENT BOOK. Once, when I started a policy of improvement in a Lancashire firm, the Managing Director began to keep such a book, and the foremen started it off with forty-seven suggestions.

The first improvements to carry out are those that do not call for expenditure. There are always many of these. It is usually wiser to tackle the smaller matters first. This will give

NOW MAKE £500

you the needed experience to tackle the larger ones.

As soon as an improvement is carried out, cross it out of the book, and write opposite to it the estimated amount of money saved.

The total amount of these savings or extra earnings will be larger than you had expected it to be. It will encourage you to carry out the improvements that call for expenditure.

You can make this effort a sort of contest, if you wish. See how long it will take you to make your £500 of extra profit.

So, I have now done my part, not at all perfectly, but as well as I am able to do it. You must now do your part and I sincerely hope that you will find the doing of it very profitable.

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