

DEPARTMENT OF BUSINESS MANAGEMENT

Conducted by Paul C. Olsen.*

COMMENTS, QUESTIONS AND SUGGESTIONS ARE INVITED AND WELCOME.

Readers are invited to submit comments, criticisms and suggestions regarding the material which appears in this department. The Editor also will undertake to answer questions regarding general problems of business management. Letters of general interest will be published, but the writer's name will not be revealed without his permission.

THE HIGH COST OF CHANGING AND TRAINING ASSISTANTS.

When Jimmy Phillips takes the place of Arthur Brown at the soda fountain there is something more to the problem than telling the coat and apron supply man to leave size 38 coats instead of the 42 size that Arthur had worn.

The customers notice the change just as much as the proprietor. There is the immaculate Dr. Henderson who stops for his egg and milk precisely at 3 every afternoon. When Arthur was on the job, Arthur knew just what the doctor wanted and how he liked it served. Jimmy did the best he could, but even so the doctor was somewhat irritated to have to state his wants this day, when he had made the same purchase every afternoon for three years. Then, too, the doctor liked ice cream in his egg and milk. He forgot to tell Jimmy this, and Jimmy of course neglected this detail. Altogether, when the doctor left, he left with the impression that somehow things at the Johnson Pharmacy weren't what they used to be.

Then there was Mrs. Farley, a stout, pompous woman, who was very sure of herself and inclined to be overbearing. Jimmy hovered about anxiously while she ate the fancy sundae he made for her and wondered when she would open her purse to pay for it. Imagine Jimmy's surprise when, the sundae eaten, she turned quickly and hurried out of the door without as much as a glance in his direction. When Arthur Brown worked at the soda fountain such incidents were all in his day's work. He knew the charge customers by name and merely would have added Mrs. Farley's purchase to her account. Even if Jimmy had taken his courage in his hands and approached the haughty lady, she would have felt distinctly slighted that a person as important as she would be asked her name and by what right she bought things on credit. The possibilities of loss to Johnson's Pharmacy are obvious.

Miss Rambler always traded at Johnson's because the people in this store were so pleasant and agreeable. They all called her by name and knew her likes and dislikes. This night she said to her mother, "I don't think I'll like that new boy they have at Johnson's. He seems awfully stupid and slow." As a matter of fact Jimmy was neither stupid nor slow, but he seemed so to Miss Rambler

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because he couldn't call her by name, and she had to tell him not to put ice or lemon syrup in her lemonade.

When changes in the store personnel are made, the store suffers in more ways than the niceties of service, of which the examples just mentioned are typical.

A customer hurriedly asks for some unusual preparation. With 10,000 or 15,000 different items in the store a new employee can't possibly familiarize himself in his first few weeks in the store with what is and what is not stocked.

When a careless or indifferent new employee is asked such a question he often will say no, rather than embarrass himself by his ignorance. Thus customers are literally forced to deal with competitors. The conscientious new employee either must conduct a more or less prolonged and perhaps futile search, or he must interrupt someone else at his work to inquire of him. Either way, extra time is consumed, and, of course, such delays irritate the customer and decrease his confidence in the store.

In making deliveries, new employees often cause much embarrassment and loss of business to the store. Mrs. Perkins, at 3908 Wharton Street, insists that the boy always make deliveries at the back door. Mrs. Ordman, at 3910 Wharton Street, exclaims with some petulance that she doesn't want to be called way back to the kitchen for a package from the drug store; always ring the front door bell. Mrs. Augyle wants a gallon of spring water delivered every Monday, Wednesday and Friday morning, and the boy must remember to take away the empty bottles when he calls. She doesn't want them accumulating in the pantry; they take up too much room. If Johnson's boy can't take back the empty bottles promptly she'll just have to trade somewhere else.

Only an experienced boy can possibly know all the special instructions and preferences of customers. Many times customers are quite eccentric and even unreasonable in their demands, but remember that the store which consistently tries to serve its customers as they like to be served is the store which gets and holds the profitable business in these days of keen competition. Unnecessary changes in personnel handicap a store in giving this kind of service to its customers.

Aside from the service deficiencies just mentioned, and the direct and indirect losses of business which result from a lack of familiarity with the stock of merchandise on hand, there are numerous direct losses caused by inexperienced and strange employees.

Presumably, a college student has some knowledge of pharmacy, and, accordingly, he is entrusted in the store almost from the beginning of his college career with a considerable number of routine pharmaceutical tasks. In one store a tabulation was kept for a week of the known and preventable losses which occurred in the pharmaceutical work of the one student employed in this store.

He was given a gallon solution of hand lotion to agitate. He poured it into an unwashed bottle which previously had contained lime water.—Loss, \$4.00 for materials, plus the cost of the time of a registered pharmacist to make the solution, plus the loss through being temporarily out of hand lotion.

Through an error in calculation this student put twice the quantity specified of magnesia in a solution of magnesium citrate which he was preparing under the direction of the proprietor. Before telling the proprietor of his error, he threw out the entire quantity, not realizing that by preparing the same amount again

without the magnesia and mixing the two solutions he would have the correct formula.—Loss, \$1.20 plus the cost of the time spent in preparing the solution.

Next he placed a 16-ounce graduate too near the edge of the sink. Soon it went crashing to the floor.—Cost of a new graduate, \$2.25.

Time may disclose other losses of material and examples of wasted effort. On the other hand, no one may ever know of the defective preparations thrown out secretly in an effort to avoid criticism or rebuke.

Please understand that these specific instances are not set down here to find fault with the employment of college students in a retail drug store. I am only trying to emphasize here the direct and indirect losses of business and profits which are bound to occur with the employment of new and inexperienced employees. Similar losses occur in other retail businesses which do not employ college students. The losses are caused by a lack of familiarity with the business and its customers and have nothing to do with a person's college status.

This emphasis on the costs of training employees should not lead a proprietor to keep a person who is a positive detriment to his business. Every effort should be made to help the present employee succeed at his work, because it is easier and less expensive to do this than it is to discharge him and bring in a total stranger. If the employee does not succeed with every assistance which can be given him, however, it is the wiser course to replace him with a more able person, even though the change is bound to result in some loss. It is better to have a \$100.00 loss through changing employees than a steady loss of \$40.00 a week from a careless or incompetent employee. One druggist I know made a change at his soda fountain. With no alteration in the menu or in prices, the new man did more business than his predecessor, although he used only 80 per cent as much ice cream. Certainly the net result of this change was profitable.

WHAT IS SAL ÆRATUS?

"Half a pound of sal æratus," said the old gentleman pleasantly, as he stepped to the prescription counter of a beautifully appointed drug store on upper 22nd Street.

"I beg your pardon, what is it you want?" inquired the young man behind the counter.

"Sal æratus, half a pound," repeated the old gentleman, this time somewhat less pleasantly.

Frankly puzzled, the salesman said hurriedly, "Just a minute," and walked quickly to the prescription room.

"What's sal æratus?" he said in a puzzled way to the assistant manager who was busy compounding a prescription.

"Never heard of it. Anyway you're supposed to know those things. You just graduated from college. It's been 20 years since I attended school," said the assistant manager scarcely looking up from his work and anxious to conceal quickly his own lack of information.

Disappointed, but persistent, the young man turned for information to one after another of the people in the store. No one could tell him. Meanwhile the customer fidgeted at all this delay and uncertainty.

As a last resort the young man asked the proprietor of the store who had been standing near the door talking to the dean of the local college of pharmacy. The proprietor shook his head at his assistant's question and then quietly said to the dean, "Doctor, what is sal æratus?"

The dean smiled slowly and a merry twinkle lit his eyes. "Oh, that's just an old name for sodium bicarbonate. It used to be quite common, but you don't hear that name much now-a-days."

A druggist who observes such examples as this occurring in the daily conduct of his business has a serious problem on his hands.

Why should the typical salaries of sales-people and managers in drug stores range from \$35.00 to \$60.00 or \$70.00 a week, while people selling merchandise in other retail stores earn salaries of only \$15 to \$40 a week? The difference is represented by the professional training and ability which presumably the pharmacist must have in order to perform his duties satisfactorily. No other kind of retail store requires nearly as much professional knowledge of its sales-people.

The unfortunate thing is that many druggists are paying the extra price required for professional training and ability, and are not receiving anything extra for these higher salaries. If a pharmacy is worthy of the name its personnel should have at their finger tips the pharmaceutical knowledge necessary to serve intelligently both its lay and its professional patrons. Otherwise the druggist becomes merely a vendor of merchandise, a service which can be performed just as satisfactorily and at less expense by sales-people who do not need to be professionally trained to the extent that pharmacists are trained.

SEASONABLE DISPLAYS FOR NOVEMBER AND DECEMBER.

Hot water bottles	Fountain pens and mechanical pencils
Electric warming pads	Stationery
Chest and lung protectors	Crepe and tissue paper
Clinical thermometers	Perfumes and toilet water
Atomizers and douches	Perfume atomizers
Prescription department	Sets of toilet articles
	Brushes and combs

The address delivered at the fiftieth anniversary celebration of the Johns Hopkins University by Hon. Andrew Balfour on "Hygiene as a World Force," is printed in *Science* of November 12th.

Dr. William H. Welch now occupies a full-time chair in the History of Medicine in Johns Hopkins Medical School. The Chair has been endowed by a gift of \$200,000 from the General Education Board. The *New York Times* in commenting states that Dr. Welch's entrance upon this work is another milestone in the history of medicine in America; that Dr. Welch has already two major achievements to his credit—the organization of the faculty of

the Johns Hopkins Medical School and the Johns Hopkins School of Hygiene and Public Health.

The Headquarters of the American Association of Museums is now located on the third floor of the Smithsonian Institute, in the old National Museum Building. The work in Washington will go forward under the direction of Laurence Vale Coleman in the dual capacity of Executive Secretary and Acting Director.

The regular Fall meeting of the American Association for the Advancement of Science will be held in Philadelphia beginning December 27, 1926 and ending January 1, 1927.