

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.

SHALL I MOVE?

"Let me know one way or the other just as soon as you can, Paul. I'll have to have an answer by Monday, anyway. Those chain grocery people will have their man down here then."

With this comment genial John Marks, leading real estate man of Centerton, left Paul Woodrow in the doorway of his drug store.

Here was a nice problem: To move or not to move. Eight months more and Mr. Woodrow's 10-year lease on his present building would be ended. Worst of all, Josiah Magruder, his thrifty landlord, had sent him a formal letter saying that for the next 10-year term (on which Mr. Woodrow had first option) the rent would be \$10 more a month. True, even \$60 a month was not unreasonable for a well-located and spacious store on the main street in Centerton.

But at this juncture, John Marks had appeared with blue prints and architects' drawings. "What do you think?" he said. "John Hemmerly has given in at last. They're going to tear down that old shack he's lived in all these years at Main and Elm Streets and put up some modern stores."

"I have picked out the corner store for you," went on the real estate man enthusiastically. "Just look at the windows and light you'll have—20 feet on Main Street and 30 more on Elm Street. A corner is always better than an inside store." (Mr. Woodrow's present store was three doors from the corner.)

"What's all this going to cost?"

"Only \$75, and your choice of a 10- or a 20-year lease. Think of it! Why, those chain grocery people up in Minneapolis have been bothering the life out of me to get them a location on Main Street; but, of course, there hasn't been a vacancy here for nearly two years.

"Wait until they hear of this. I have been trying my best to keep the news quiet until I could see you. I believe in giving our local merchants first choice in these matters. But you'll have to decide quickly."

That was the conversation one sunny Thursday morning which had put Paul Woodrow in such a thoughtful frame of mind. Here indeed was a momentous decision which must be made most carefully because its consequences would be effective far, far into the future. And what a lot of things there were to consider!

* Instructor of merchandising, Wharton School of Finance and Commerce, University of Pennsylvania, Lecturer on Business Administration, Philadelphia College of Pharmacy and Science.

The new location was a block nearer the new moving picture theatre but, unfortunately, on the opposite side of the street. Paul Woodrow now enjoyed the undoubted advantage of being on the same side of the street as the theatre, although he was a full two blocks from it. He had noticed that his evening business, particularly, had improved since the new theatre had opened.

A peculiarity of the whole business section of Centerton was caused by the lazy, tree-shaded Monticello River which flowed so close to the back door of Mr. Woodrow's drug store that he could almost fish from his back steps. Naturally Centerton had grown almost entirely to the North and West, because the wide river and swampy ground beyond impeded progress to the South and East.

The new corner location would seem to be an advantage, therefore, because people from town would not have to cross busy Main Street to reach the store. But wait a minute! If they came down Elm Street they would have to walk right by Harry Hawkins' drug store at the corner of Washington Street, a block away. And if they came in the other direction, following Madison Avenue as it turned into Main Street, they would have to pass Ezra Medulla's drug store. Truly, Paul Woodrow's pharmacy would have to have extraordinary drawing power to persuade people to pass by two successful stores in order to patronize it.

You may wonder that Mr. Woodrow could do any business at all, hemmed in as he was by these two good friends, but, nevertheless, keen competitors. In the West lay his salvation. There was a rich and closely settled farming section for which Centerton was the logical trading center. A trolley line tapped the heart of it and passed down Main Street and Madison Avenue on its way to Crystal Falls, 15 miles distant, the metropolis of the southern part of the state. Two bus lines reached westward to Newportville and Granite Landing and they, too, brought their passengers to Main Street a few steps from his door. Most important of all, the new state highway from Minneapolis southward had been routed through this country to the West and North of Centerton and the people who didn't travel by trolley or bus found the new highway a most convenient route by which to drive to town.

An examination of Paul Woodrow's list of charge customers, his prescription and his photographic development records, showed that the bulk of his business was coming from these outlying sections plus that part of Centerton which was west of his store.

How would a shift to the other side of the street affect this business? Mightily, decided Mr. Woodrow after some reflection. As he was situated now, the trolleys and the buses and the people in their own automobiles stopped on his side of the street when they came to town. And that was when they had their money; his windows and his name had a chance to attract them while they were first in a buying mood.

Naturally, a location on the other side of the street had the same advantages with respect to people coming into town from the other direction. But Centerton merchants knew to their sorrow that very, very few people came from that direction. Why should they? Crystal Falls, with all the attractions of a city of 100,000 was only 10 or 12 miles at the most for them in the opposite direction.

Two other thoughts struck Paul Woodrow as the warm sun beat down upon Main Street this October day.

"I may get a little sun in my windows in the early morning here, but in the late morning and all afternoon when people are shopping those fellows on the other side of the street have that sun beating down, ruining their window displays and driving people over to this shady side. You can't have a cool store with the sun streaming in the windows and doors all through the hottest part of the day.

"And I don't think a corner location would be worth the extra money to me. About all it would give me would be some extra window display space. Most of my people are shoppers. What little side street transient traffic I might get would be from people who already had passed one or two good drug stores on their way down town.

"I think I'll tell old Josiah Magruder that I'll be his tenant for another 10 years."

FUNDAMENTAL FACTORS IN THE APPLICATION OF PHARMACY LAWS.*

BY ROBERT L. SWAIN.

As Deputy Food and Drug Commissioner for Maryland and charged among other things with directing the enforcement of the pharmacy and other drug laws of the state, I have come into intimate contact with all phases of pharmaceutical practice, and have had unusual opportunities to study the practical results following the application of law. This activity has been extended over a period of six years, and has enabled me to come to some rather definite conclusions as to the most potent factors underlying and controlling a satisfactory status. In this work, as in all others, certain fundamental considerations present themselves and must be thoroughly understood and properly evaluated as constituting the starting point in all enforcement activities.

Briefly, it may be stated that in so far as the enforcement of the pharmacy laws is concerned, the most effective work is dependent upon four fundamental factors. *First*, the law must be enforceable and must be applicable to the purposes which it is designed to serve; *second*, the attitude of the profession toward law enforcement must be sound; *third*, the attitude of the public must be favorable; *fourth*, the enforcing agency must be well suited to the work and in full sympathy with the purposes of the law. At first glance none of these factors which I have designated as fundamental appear as controversial. Nevertheless, each of them admits of extensive elaboration, and a brief examination of their true significance will constitute the observations and suggestions comprising this paper.

In discussing the law we shall devote ourselves to a consideration of pharmacy laws in particular and shall make no excursions into the great body of the law except in so far as this may be essential to an understanding of the subject. Pharmacy laws, and this applies with equal force to the laws governing all of the professions, vocations and trades regulated by the state, spring from the police power of the state, a power which is a residual, inherent and irrevocable attribute of the state. Now the police power is a tangible and yet an intangible thing; it is a definite and yet a most indefinite thing; it is that very elastic power which the

* Section on Education and Legislation, A. PH. A., Portland meeting, 1928.