

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.

WHAT STANDARDIZATION IN DRUGGISTS' GLASSWARE HAS DONE FOR THE GLASS MANUFACTURERS.

Not so many years ago the business with druggists of almost any manufacturer of glassware was as much of a special order business as that of a merchant tailor. Each druggist had his own peculiarities and prejudices about the kind of prescription bottles and other glassware that he wanted. The effort always was to give each one of these individual retail druggists the exact requirements that he specified. At the time this seemed to be only good business.

Unfortunately, the individual whims and caprices of the various druggists seemed to change from time to time and therefore the special designs and molds which had been developed for them had to be pushed aside and something new and different created.

For a glass manufacturer who had been in business for any great period, this meant that, as the years went by, the number of styles, shapes and sizes of bottles and other druggists' glassware, which were made, increased tremendously and constantly.

Varied as the line became through the years, it still was impossible to satisfy all the special requests which druggists made. The result was that a line of private mold bottles was developed also, in which the druggist's own name was blown in the glass.

A further handicap was the fact that the retail drug store is essentially a small scale enterprise. The individual drug store is very definitely limited in the size to which it can grow. That of course is why a druggist, who would develop his retail business beyond this point, must open additional stores. The development of chain drug stores, as everyone knows, has not been, however, as rapid as the growth of chains in other retail lines.

The effect upon the manufacturers of druggists' glassware had been to make the individual orders received for bottles and other glassware extremely small—small orders and practically everyone special in some particular—did ever a manufacturing industry labor under a greater handicap?

At that time, however, the manufacture of bottles and glassware was itself a hand operation. As far as manufacturing was concerned, it wasn't much more

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trouble to have ten blowers, each working on a special order, than it was to have all ten of them working on one order.

That was only the beginning of the troubles, however. Aside from the fact that this procedure meant that the manufacturer had an investment in ten molds instead of one, there was also this difficulty—because of the nature of the retail drug business, manufacturers frequently received orders for special varieties of bottles in quantities so small that even with hand operations it was impractical to make the small number required. Accordingly, to satisfy customers, the companies made the smallest practicable quantity, filled their orders and put the rest of the run in stock. Maybe, later, the manufacturer sold these druggists the remainder—in which, of course, the profits of the entire run were locked up, and maybe he did not. Demand for various styles and shapes seemed to change with the seasons. Then, too, the drug stores in the old days seemed to have just as high a rate of mortality as they do to-day, so some of these remainders from special orders gave every promise of remaining in manufacturers' warehouses until the end of time.

It is easy to see what an enormous, varied and slow-moving stock these warehouses and distributing depots were bound to accumulate. Unhappily, with all the sizes and variety of their stock, the chances were very much against their being able to fill, from stock, any of the special orders constantly being received.

The revolution in the manufacture and distribution of bottles and other glassware came with the development and perfection of machine methods of manufacturing. The economies in production by machine were apparent at once. That, however, was only a partial solution of the problem. The real difficulty to-day is not how to make things, but rather how to sell them. To gain the production economies of the machine method of manufacture, it was necessary to standardize production. Instead of short runs of a wide variety of styles, shapes and sizes, the manufacturer would have to produce steadily large quantities of only a few kinds, if he was to manufacture by machine.

The advantages to the manufacturer of machine production were apparent, but how about the retail drug trade which always had been accustomed to buying bottles and glassware according to decidedly individualistic ideas? It was as if a man who had patronized a merchant tailor all of his life were suddenly asked to buy ready-made clothes.

With a purpose to learn in advance what their patrons' reaction would be, one company checked over the orders it had received over a period of years. To their surprise, it found that the great bulk of its business was in a relatively few styles, shapes and sizes. That is to say, although orders had been filled for every conceivable variety of druggists' glassware, a very large proportion of the demands could be filled with a relatively few standard numbers. With these facts as a basis the company went to its customers. Some objected most violently and told its salesmen in no uncertain terms that if the company didn't care to fill their orders in the way that they wanted them filled it need expect no more business from them. Others were more reasonable. The company held its ground. It knew that its business in these lines couldn't be profitable unless it was on a machine basis. Moreover, it knew from the facts on its books that the new standard numbers would satisfactorily take care of practically all customers' needs.

It also knew that the machine methods meant lowered production costs. Lower

production costs made possible lower selling prices. The crux of the situation was in getting sufficient orders for the standard numbers to make this possible.

The customer was perfectly willing to have his vanity gratified in special designs and markings as long as manufacturers of glassware were willing to do it for him at little or no extra cost. But, when he learned that, under the new order of things, such little foibles would make his glassware cost two or three times as much as the standard numbers made to do the same service would cost, he quickly lost his enthusiasm for special designs. Remember that these standard numbers were no haphazard choice. They were the result of the scientific selection of the numbers which, from the experience of years past, had proved most in demand. In effect, the druggists themselves had selected the numbers that the manufacturers should make for them by machine methods.

Under the old hand methods, manufacturers had to produce in small quantities as the orders were received. The druggists themselves, of course, had to wait, because there could be no advance manufacturing of their requirements. This meant wide seasonal variations in production, a disorganized employment situation in manufacturers' plants, and high production costs resulting from this seasonal manufacturing. Slow deliveries meant slower turnover for the manufacturers and for the retail druggists as well. Now manufacturers are able, in most instances, to fill any order for standard machine glassware from warehouses and distributing depots on the day it is received. The advantages to all concerned are apparent.

Seasonal variations in demand still remain, but with a standardized production it is now possible to manufacture the year round in anticipation of these demands. This means inevitably a better product at a lower price, a fact that customers appreciated sooner than was expected.

After all, glass bottles are used chiefly as containers. The quality or attractiveness of what is contained in them is not enhanced or depreciated in the slightest by unimportant and capricious variations in the design of the container. It is not like asking a group of men to wear suits of the same fabric and cut. Standardization simply has eliminated the unnecessary variations in a useful article with profit to the manufacturer, the retail druggist and the ultimate consumer.

THREE UNUSUAL PRESCRIPTION FORMULAS.*

BY RALPH E. TERRY.

During the last few weeks the following formulas have been submitted for consideration. All are relatively simple in explanation, yet are rather unusual in their combination.

I.

Tincture of Guaiac	℥ ss
Solution of Potassium Hydroxide	℥ ss
Alcohol	℥ ss
Cinnamon Water, to make	f℥ ij
<i>Signa:</i> One-half teaspoonful in a half-glass of water for a gargle.	

* Section on Practical Pharmacy and Dispensing, A. Ph. A., 1928.