

per cent. of the buyer's patronage goes to other firms, thus keeping the competitive interest alive. The printer who gets ninety per cent. always bids with the chance of losing. Before this buyer took charge his firm had given all its trade during ten years to a single printer, without bids. That bred petty perquisites, such as an annual charge for storing type and engravings that another printer would gladly have stored free.

There is *big* buying and *little* buying.

The purchasing agent for a certain house bought in a truly big way. Where others haggled over price this man said, "All right, I'll pay what you ask—now what are you going to give me additional?" He made a contract for fifty thousand dollars' worth of street-car advertising space the price of which is fairly constant. Service began in a dull season. "Start it two weeks earlier," he suggested; "it costs you nothing." That was done. Two weeks were tacked on to the end of the contract. He found idle spaces in many cars and asked for those. In the end he got a month's free service on the whole contract, and had the use of several thousand card-spaces during the dull season free of cost.

This man always attended to the main points of a deal, and then turned the seller over to an assistant, who crowded him a bit on minor points—did the *little* buying. Then the deal came back to the big buyer for closing. Eventually, this buyer went to another house, and his assistant was promoted. To-day that former assistant gets all the minor concessions a little buyer can obtain, but none of the big ones. The house, like many another, is immensely impressed with these little concessions, and never looks into the wider aspects of a deal.

This is an era of trade associations, price agreements and trusts. The purchasing agent frequently finds all the houses in a given trade quoting the same price. In printing, for example, the bids of six large concerns in New York or Chicago will often be within a few cents of each other, because a bureau is maintained expressly to keep up prices in an industry that was hotly competitive a few years ago, and there is a wise official who does little else than adjust the prices.

An occasional and capricious buyer stands little chance of getting inside rates in the face of such an association. But the large buyer who has been liberal in his past dealing and made friends of the men from whom he buys, will seldom find such organizations altogether insurmountable.

TAKING CARE OF THEIR FRIENDS.

The purchasing agent of a large railroad system says, while prices of supplies have been raised by agreements the past few years, still he has never failed to get his own supplies at less than association schedules. Somebody always takes care of him. When he has bought supplies of the same manufacturer year after year, that manufacturer isn't going to throw him over for nothing. Perhaps he has no such friend in the trade. Well, then, doubtless some wavering member of the association considers this an excellent time to make friends with a big railroad. The strongest association cannot last forever. Some may not last till next week. Railroads, however, will always be running, and they will always need supplies.

The buyer who has no friend in such an organization may still find a weak brother if he goes at it diplomatically.

Two manufacturing houses in the same industry were getting supplies at association prices. In one the purchasing agent was an ambitious, prying youth, not very wise in the ways of this world. The other house had a purchasing agent who was born about 1850.

The youthful buyer thought the association weak somewhere. So he sent a letter to each firm in it, offering a tidy contract for a concession in price. The latter was masked by an exchange of merchandise. His offer was skillfully put together, and so tempting that each member went to the next association meeting prepared to sound others.

"Oh, yes—by the way," one would remark casually, "what do you hear about the Amalgamated Company?" Replies were guarded. After five or six had arrived, however, and curiosity was expressed as to what was being heard about the Amalgamated, the cat was out of the bag. When a late arrival came into that meeting and made a casual remark about the Amalgamated there would be a chorus of, "So you got one, too!" All knew that the others had been approached, and nothing came of the young purchasing agent's offer but a funny story.

The other purchasing agent, however, heard the funny story, saw the strength of the offer, and the weakness of the way it had been advanced. After a few weeks he called on two or three members of the association, made each the same offer on a part of his supplies, and said, "You look like a sensible man—take it or leave it."

"H'm! Has this proposition been made to any other house?"

"No; not a soul knows about it except you and myself."

"All right; we accept."

The association idea has lately been adapted in an ingenious way to buying supplies. About a year ago each branch of a telephone company abolished its local purchasing department. An allied corporation in Chicago, manufacturing all the apparatus for hundreds of separate companies scattered over the country, now buys supplies through a great department. Formerly, for example, each company bought its own pencils. Now, the purchasing department in Chicago investigates pencils, settles upon standard kinds for telephone work, and goes into the market, for, perhaps, a million. A very low price is naturally obtained on such a gigantic order, and the pencils are then forwarded to any company on requisition. This plan not only results in the saving on hundreds of supply departments, and gives supplies at lower prices, but has been a means of standardizing nearly everything used in the telephone industry.

THE PERSONAL EQUATION IN BUYING.

The forms of pressure brought to bear upon a seller by a skillful purchasing agent are almost as many as the forms of pressure the salesman can bring to bear on the buyer.

Some years ago a patent-medicine house sent a man over the country to purchase advertising space in second-rate newspapers. This buyer found that so long as he stuck to a discussion of rates per line the deal was more or less abstract. A publisher became so interested in maintaining his rate that he lost sight of the money he was going to get. So the buyer put that money in concrete form. Stepping into a bank, he would get five hundred dollars in one and two dollar bills. Little time was wasted in discussion.

"Here's a schedule of the space I want," he said, "and here's what I'm willing to pay—take it all; I haven't counted it." Then the money was strewn over the publisher's desk. Two hundred one-dollar bills will carpet a large flat-top desk three deep. The contract was seldom refused—and it called for about two thousand dollars' worth of advertising space!

When it comes to purchasing supplies for a railroad, however, there is less opportunity to gain advantage by sophistry. The merchandise dealt in is likely staple stuff, such as oil, waste, steel rails, spikes, castings, bar