

With the Men Who Purchase Supplies

A Splendidly Written Article, Showing Up the Methods Employed by, and the Characteristics of Various Types of Purchasing Agents. Reprint from the Saturday Evening Post, Copyright by The Carter Publishing Co., 1908.

By JAMES H. COLLINS

A large factory needed some new machinery of a type and quality built by only a single house in the United States. That restricted its purchasing agent, because he could not pit one house against another in buying. Moreover, the concern that built this sort of machinery was reputed to be unshakable in catalogue prices. A crusty old firm, grown opulent in the trade, it had a crusty old selling agent named Babcock in the city where this factory was located.

Old man Babcock was assumed to be just like Caesar's wife when it came to catalogue prices. Purchasers hesitated to ask him if that was the least he would take. For years he laid back on the mighty reputation of his house, and if anybody protested, "Yes, Mr. Babcock; but we have quotations twenty per cent. lower from other houses in your line," the veteran stiffened instantly:

"Sir, I have quoted you the catalogue price of Sterling & Leeds—there are no other houses in our line!"

The president of the factory corporation said, however, that it would do no harm to have a look inside the old chap before buying, just to see how solid he really was. So a little comedy was rehearsed by the purchasing agent and himself, and one afternoon when it was ready to be produced, Mr. Babcock got an invitation to come up to the works and give prices on some new equipment.

Arriving at the factory, the selling agent was asked to wait a moment in an anteroom. Old Man Babcock was hardly seated before two men came into the second room, talking in tones that were subdued but distinct. One was the president and the other the purchasing agent, and they appeared to have some mighty confidential business to discuss. The selling agent was an honest old chap. But in a moment he was intensely interested, and had heard enough to make it difficult to announce his presence and get away.

AN EIGHT-HUNDRED-DOLLAR COMEDY.

"Has Mr. Babcock given us prices yet?" asked the president. "Sterling & Leeds will probably want about fifty-eight hundred dollars for that machinery. We needn't put more than five thousand into this new equipment. If your other party will meet our specifications for forty-six hundred and fifty he's undoubtedly the man to have our order."

"But this other stuff isn't Sterling & Leeds, you know," warned the purchasing agent.

"I know that, Bert. But what of it? Isn't there a good deal of superstition about the Sterling & Leeds reputation? Look at their gears, for instance. Look at their bearings. In some respects they're twenty years behind current practice."

Then objection after objection was brought against the machinery really wanted. The purchasing agent held out for Sterling & Leeds, but was finally persuaded, and the two went out.

From another room the effect on Old Man Babcock had been carefully watched. Toward the end of the prearranged talk he had sat drinking in every word, as if petrified. When he entered the purchasing agent's office he wanted a little more time to look into those specifications. With an important order like this there *might* be ways in which he could save the factory money.

Would he have his prices ready this afternoon? asked the purchasing agent—the matter was pressing. Oh, yes! within two hours. As soon as he could get away the veteran hurried to a telephone, got his house on long distance, and held an extended conversation.

That factory got its Sterling & Leeds equipment for an even five thousand dollars!

The purchase of raw materials, equipment and supplies for a large mercantile house, a factory, a railroad system, is work of infinite variety. Sometimes a bit of neat fencing is needed, as in this case. Again, only the utmost openness will answer, and the purchasing agent buys of men who have long been his personal friends. The character of goods must be taken into account, and sometimes forecasts made of future conditions. One man will buy largely on his knowledge of the market, and another depends more upon his knowledge of men. Under some circumstances the buying end of a business may be conducted as a separate entity. Under others, it must be linked in with other departments to benefit the business as a whole.

In one of the minor technical industries there was a pert little company making supplies. It held its own, and perhaps a trifle more, against a combination of several larger houses that was known, of course, as the "Trust." This little concern had a few desirable patents, a great deal of good-will, and several very capable men. To get the latter the Trust bought it outright. One of the best men was a salesman whose personality, energy and acquaintance had made him conspicuous in competition. The Trust asked him if he would enter its service at a higher salary, and the salesman said he would think it over. He thought twice, and decided to get into a new line. Salary was tempting. But now there would be no more fighting in that industry, and he enjoyed competition, because he was the kind of man who usually won. Then, he had been on the road fifteen years, selling one thing and another, and saw his family hardly once a month. He concluded that he'd better have a change—a new occupation in a new field. So he got a position as purchasing agent for a large company, and out of his knowledge of selling goods built methods of buying them.

This factory made many different products, and spent several thousand dollars a week for materials and supplies. Some came through staple channels of trade, where little selling skill was needed. But, for the most part, purchases were made of houses that had the best salesmen obtainable. Each day he would have to see twenty to thirty expert salesmen. Within certain limits the latter might pick their own day and hour for calling on him, presenting their propositions when they were in good trim. He, on the other hand, must receive them as they came. Nine in every ten were men of the nicest judgment; thoroughly skilled in presenting a proposition their way; capable of making black look like white; wise as the serpent in their management of difficult people; in fact, men very much like himself.

Once, in his selling career, he had tamed a noted dyspeptic, the fussy old buying partner in a fussy old house, feared by salesmen, guarded like a Grand Llama