

MANAGEMENT OF BUSINESS—Continued.

temper. An energetic and high spirited man will naturally develop irritability. But control of temper is always the wisest habit of business. Even when justly incensed, the head of a concern who keeps his temper is master of the situation. He will then not decide hastily, or perform some act which brings injurious consequences. Nearly half an individual's mistakes in business can be traced to decisions reached in agitation or ill-temper.

III. Then, there is the end in view. The manager who does not keep before him a fixed permanent object to be attained will not succeed. We are not in business for a week, but for a life's success, and every important matter should be decided with an eye to the consequences a year or two years hence. This is usually called building up a business. It is hardly worth a man's while to keep at work unless to make a permanency of it. This is where the personal qualities tell. No matter how large or how small the business is, the same rules apply: Civility, integrity, punctuality and so forth. Then, if at the end of a year you can only figure out your personal living expenses as the profit, you can still say that the volume of trade added, the number of new customers and the experience gained are all parts of capital. Special efforts may be necessary, often, to secure or hold a customer. These efforts pay. No system, however detailed, can provide beforehand for them. Each case must be dealt with, according to circumstances, as it arises. But this proves the value of the merchant's conduct and disposition. There is no reason why you should be on bad terms with anyone in your locality. Someone has tried to rob you, as you think? Be on your guard, but do not let him know what you think, and do not waste time saying disagreeable things to him.

IV. Without forestalling future articles in this series, a word or two must be said on the financial side of the business. The tendency in many quarters is toward the cash basis, and, allowing for special cases in particular localities, that is the best basis. Lack of capital is by far the most general cause of failures. If a merchant intending to embark in business, or to double his business, lacks capital he had better not start. There are always contingencies ahead which you cannot exactly foresee. It may be national depression, or a failure of local crops, or the heavy embarrassment of some large corporation, or a disastrous fire. To meet this condition some reserve financial strength is required. When debts are good, but cannot be collected peremptorily without loss of custom, how can a merchant meet his payments? The cash system, therefore, tides him over difficulties of this kind. Besides that, the discount is a large item, and, as the volume of trade increases, it becomes more important. The cash merchant is appreciated by the firms he buys from. He can, if necessary, quote closer prices and clear out lines at cost without loss. But there are exceptions to any general rule. A merchant may be so placed that he deems it too radical a departure to change from credit to cash. Then, every merchant should shape, slowly, if necessary, his policy toward a cash basis. That should be the goal. The opportunity will come, if one is on the watch for it.

Akin to the financial basis of the business is what may be termed the financial policy of it. I was in trade for some time before fully comprehending the value of conducting the office routine satisfactorily to others besides myself. To meet paper due not only builds up credit, it does the merchant himself good. But, if a little time is required, correspondence of a frank and friendly kind, beforehand, is wise. Do not over-promise in financial matters. Better to perform more than you promise, and do this systematically until your reputation is established as a man whose word, as the saying goes, is as good as his bond. As little talk as possible about

your financial moves, even when successful, is advisable. Let the other person to the deal want to talk, let him, but the merchant who keeps his own counsel is respected. The man who talks is dis-trusted. People do not believe boasters. By wearing a pleasant countenance to the world, neither revealing worries nor successes, the merchant shows himself a good business man. Assuming, then, that obligations are always met, or arrangements made respecting them beforehand, there is the question of insurance of stock against fire. Never neglect that. The precautions taken in one store do not provide for every accident. Many a successful business has been crippled or ruined by fire, which started, perhaps, a block away. The man whose stock is meagrely insured or not insured at all, is on the edge of a precipice. A fire may give him a ten years' setback. It is folly to be uninsured at any season of the year.

V. In handling the staff, so as to secure cooperation from every member of it, no pains should be spared. Their help is a factor, and their behavior has much to do with the success of a business. Many times, when the manager is not at hand to observe, they might offend a customer quite unconsciously, or omit some duty simply because its discharge had not been specially assigned to them. The system of management, therefore, should provide for each clerk knowing his or her duty and being told also the exact limits of his or her authority. Even in a small store, with a limited staff, provision should be made for the manager's absence. He cannot always be on hand. There should be no friction when he is not. A conflict of authority, in this case, ought to be avoided. Any clerk, down to the messenger boy, is entitled to polite treatment and consideration from the chief. If he does not deserve this much, then he should not be employed at all. I need not lay stress on the importance of harmony in any concern. Keeping one man who competes with another in energy and zeal—that is, playing off one employe against another—is a poor expedient. Better have two who work together. Never encourage tale bearing or suspicion by as much as a look of enquiry. In the case of partners, separation is better than a quarrel. To maintain friendly relations, the principle of give and take is the only practicable method. This should be applied to every difficulty that turns up, as it is the most convenient and sensible rule by which to abide. One of the partners, or a trusted bookkeeper, should make the writing of all the business letters of the firm his special care and study. Time is not wasted in having this branch of the business well looked after. People often do business with a man they never see. He is judged by his letters to a considerable extent. In no particular is promptness more necessary than in replies to letters. If the circumstances make replying awkward, a brief, noncommittal answer is better than none.

VI. Successful management involves keeping an eye on the future to a certain extent. A well-balanced mind will not regard future contingencies as possible calamities. In a courageous way he keeps looking forward to dealing with future possibilities which may not be all satisfactory or all unsatisfactory. But it is prudent to be prepared for whatever may happen, and the laying of plans which can be altered to suit the conditions as they actually arise is not time wasted. While awaiting future contingencies, the good business man will carefully regulate his domestic expenditure in accordance with the activity or dulness of trade. Frugality, if not carried to extremes, is a safe course. By knowing each month how business is going, the merchant can decide how far he is justified in maintaining the existing scale of expenditure. Especially where it is the habit to charge purchases for the household to personal account, should a careful watch be kept, in order that the limit is not overstepped. If curtailment in personal expenses appears inevitable, let it be done thoroughly and without hesitation.