

THE OFFICE EDITION OF THE CANADIAN MANUFACTURER

Established in 1880.

Published on Fridays.

The Canadian Manufacturer Publishing Co., Limited

Office of Publication—408 McKinnon Building, Toronto

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London, Eng., Office: 16 Devonshire Square, E.C.

WM. TUCKER & CO., Representatives

SUBSCRIPTIONS:Canada \$1.00. United States \$1.50 per year. All other Countries
in Postal Union six shillings sterling, including postage.**ADVERTISING RATES:**

Made known on application to 408 McKinnon Bldg., Toronto

WHAT DOES YOUR PRODUCT COST YOU?

No progressive manufacturer in Canada to-day would deny the necessity of a good cost system, if the question were put straight to him. But the fact remains that many manufacturers, who would wish to be known as progressive, have not a good cost system.

Probably all have some sort of system for discovering the cost of their product; but with many it ends there. Their system shows the cost, but does not show how that cost is made up. It does not point out where the cost of a certain detail part runs above or below the cost of the corresponding part of the machine in another shop order. It may show that the complete cost of the machine runs too high; but there is no indication of which particular part was the cause. It does not point out a way of getting at the root of matters.

Such a cost system cannot be called a good one; and the manufacturer who is satisfied with such a system, cannot be called a progressive manufacturer.

Then there may be the other extreme. A firm may have a system that will tell everything about the cost that one could possibly wish; but it may be so cumbersome, and so much clerical work may be required, that the expense of upkeep may eat up all the profits of the business. There is always the danger of this when a system is being devised for a large manufacturing plant. Neither can a cost system of this kind be regarded as a good one.

To get a good system it must be devised specially for the work it is to do. From descriptions of successful systems in operation a manufacturer can get many suggestions which may help him to devise one for himself or improve the one he already has. Many such articles will be published in *THE CANADIAN MANUFACTURER*, particularly in the Office Edition. No manufacturer should miss them.

WHERE SUGGESTIONS WERE PAID FOR.

In a large establishment where the management cannot come into actual contact with all the little details of the business, a plan which has been adopted with good results by many large firms, is of offering prizes to employees for suggestions whereby the efficiency of the business may be increased. It is the close regard for detail efficiency that places lots of firms ahead of their competitors. The management cannot come into contact with all the little things. But if an incentive is given all the employees to watch out for means whereby money can be saved the firm, whereby the product manufactured could be improved to advantage, or whereby the business of the firm could be increased, and suggestions made to the management, it would prove a paying investment.

An incentive must be given however. Human nature demands it. It is right, too, that such should be given. The management must show the employees their efforts along this line are valuable, else the employees themselves will not think so.

Some years ago the Yale & Towne Mfg. Co. inaugurated a system of awarding prizes for suggestions from its employees. This gave excellent results. In the first half year 1,700 suggestions were received, 25 per cent. of which were accepted by the company. The financial returns from these 425 suggestions which were adopted, more than paid for the outlay required during the half year. Besides a good deal of interest and enthusiasm was aroused among the better class of employees, the value of which to the company could not be brought down to a dollar and cents basis with any degree of accuracy.

An account of this system will be found in another part of this issue.

A PAPER FOR THE PRACTICAL MAN.

It is the desire and intention of the publishers to make this issue fully as valuable to the managers and superintendents of manufacturing plants as to accountants, book-keepers and others intimately connected with office work.

We propose to deal in this edition with the intricate problems of manufacturing such as cost accounting, purchasing, sales management, book-keeping, collections, etc., such as relate to office and executive work.

We do not propose to refer in this issue to the problems associated with the generation or distribution of power; such questions will be fully discussed in *THE POWER EDITION*.

Nor in this number will we give attention to the work and needs of the machinery shop or foundry; these will be taken up in a broad, specialized way in *THE MACHINERY EDITION*.

Nor will this edition deal with questions relating to factory or mill construction nor to the equipment of various types of factories, shops, etc., such matters will be taken up in *THE CONSTRUCTION AND EQUIPMENT EDITION*.

This issue, as its name, *THE OFFICE EDITION*, implies, will be especially devoted to the problems of the office, the questions of organization, management and systematizing. It will, however, be our constant aim and purpose to deal with the larger problems of manufacturing in such a way that every owner, every manager and every superintendent of manufacturing plants throughout Canada, as well as every accountant, book-keeper, sales manager and purchasing agent will find it worth his attention because of the valuable suggestions it brings to them.