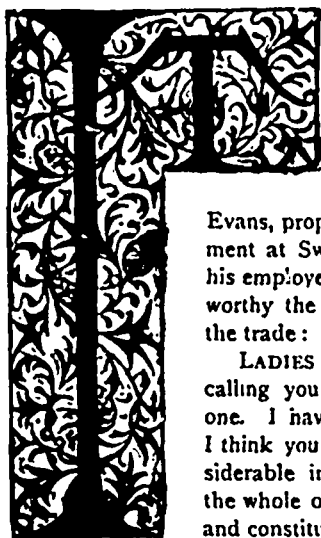


PROFIT SHARING.



WILL be remembered that in our May number we referred to the introduction of the profit-sharing system in this and other countries. The following admirable address, delivered on June 9th, by Mr. B. Evans, proprietor of a large drapery establishment at Swansea, England, in announcing to his employees his adoption of the system, is well worthy the perusal of every one interested in the trade:

LADIES AND GENTLEMEN,—My object in calling you together this evening is a special one. I have an announcement to make which I think you will agree with me is one of considerable importance, inasmuch as it affects the whole of you individually and collectively, and constitutes an entirely "new departure" in the conduct of the business with which we are all so intimately connected. In the fewest possible words I may say that, after long and careful consideration, I have decided to adopt in the carrying on of this business the new principle of profit sharing; that is to say, I have given to-day, and I propose to give annually to every member of our staff, in every department, a share of the profits in proportion to the salary of each employee. I have also arranged, in order to include the whole of the staff, that apprentices not in receipt of salaries will also benefit by the new arrangement. Your first feeling, on hearing such an announcement, is naturally one of approval. Your second thought will no doubt take the form of a question: Why does Mr. Evans propose to share the profits with us? Now, in order to answer this question properly, I must ask your attention for a few minutes to some general considerations on business life, and especially on modern business life. The tendency on every hand is for business to run more and more in large concerns. The small sailing ships that used to do the carrying trade of the world have given place almost entirely to large and swift steamers. The small workshops all over the land have merged into large manufactories and works. Exactly the same change has come, or is coming, over the retail trades. Large shops and combinations of shops are taking the place of older fashioned small shops. Whether these changes are good or bad I will not venture to say. It is sufficient for us to look at the facts; and facts, as we all know, are stubborn things. This is the age of large steamers, large works and large shops. Now large concerns demand large capital and large views of business; and they also entail large responsibilities upon the proprietors. Indeed, so heavy are these responsibilities sometimes—so much time and attention do they take, and so much worry do they entail—that many a man at the head of a large business is tempted, at times, to wish himself back again in his younger years and lesser position, drawing a small salary, but able to take his holiday lightheartedly, and to keep his mind free from anxieties and commercial cares. But in business, as in all other paths of life, to stand still is to fall back in the race. We must ourselves grow with our opportunities or else circumstances will get the better of us. In the retail drapery trade, as in all other ways of life, we must take courage to

Hate no jot of heart or hope,
But still bear up and steer right onward

Large ships, large works, and large shops have come into existence because on the whole they are better able to cope with the necessities of the time. One large undertaking, when well managed and properly worked, will produce better results than a lot of small ones. But, on the other hand, to every good there is some corresponding evil. Some of you may think it looks very easy and pleasant to be at the head of a large business like this. Well, the old proverb says, "Where ignorance is bliss 'tis folly to be wise." I can assure you, however, that the management of such a concern as ours is no light undertaking. If there are troubles and vexations behind the counter, in the workshops, and in the counting house, you may be sure of this, that there are not less troubles and vexations, but more, connected with the management of a large business, and not least among the worries are the waste and the loss which are occasioned in all departments by the thoughtlessness and the inattention of a large number of employees. I am not going to deliver you a sermon

—I do not mean to find fault with you. Believe me when I say there is no employer in Swansea prouder of the staff of young ladies and men than I am. I only want to show you how, though we have done well together in the past, we may yet do far better in the future—better for yourselves, better for me, and, at the same time, better for our customers at large. In order that the public or the proprietary may get the best out of any business, it must be managed well and well worked; and, in order that it may be well worked, every employee must give his or her best care and attention to the work. It is not in the big things, but in the little things that we are most of us likely to go wrong. What are the qualities that ought to be found in every assistant and in every workman in a large business in order to make it a real success? Let us see—1st, zeal; 2nd, vigilance; 3rd, punctuality; 4th, economy of time; 5th, economy of material; 6th, unity of interest; and 7th, kindness to and care in dealing with the wants of customers. Employees are sometimes spoken of as hands. It is said that in such and such a business so many hands are employed. But good assistants should be, and are, more than mere "hands." If they rise to the true height of their position, they are eyes and brains and hearts, as well as hands. If you will do so you will show—(1) Zeal for the welfare of the business. (2) You will be vigilant; that is to say, you will use your eyes to prevent anyone else doing anything but what is for the best interest of the concern. (3) You will be punctual in coming to business, and in carrying out all business orders and promises. (4) You will economise time, for "time is money." The time that is wasted can never be recalled. (5) You will exercise due care in measurements. When a certain quantity of material is asked for, you will be careful to give no less and no more than 36 inches to the yard. If by hasty or careless measurement you give 37 inches instead of 36 inches, you cause the business a loss of nearly 3 per cent. Just think what that amounts to in the year! Why, to some thousands of pounds. Neither will you waste, nor suffer to be wasted, anything. For instance, it does not look very serious at the time to pack an article in a larger sheet of paper, or to put more string round it than is really necessary. But remember that "many a mickle makes a muckle," and the waste in paper and twine represents a considerable sum in twelve months in such a large concern as ours. (6) Then, in order to make the best of the departments under your care, you will identify yourselves with the business as a whole, and will consider that your own interests and the interests of the concern are one and the same. (7) Lastly, you will be kind and courteous and helpful to the whole of the customers, great and small, rich and poor. Remember that the largest number of people in the world are poor. It is, therefore, of the highest importance, and it is my heartfelt desire as well, that working people and their wives and children should be treated by you with as much kindness and consideration as the rich or middle classes. Don't forget that if one customer is sent away dissatisfied, it does not only mean the loss of one, but probably of many customers. On the other hand, if one customer is well attended to, and sent away pleased, that one customer will probably be the means of recommending many other customers to come and buy. You see, therefore, how important it is that you should use your eyes, your brains, and, above all your hearts, as well as your hands for the advancement of the business. The new system of profit sharing, which I have now adopted as an experiment, is calculated, I think, to call forth the best that is in you all. Though it has been in operation already in some trades, notably in France, it has never yet, I believe been adopted anywhere in the retail drapery trade of this country so as to include the whole of the staff. It remains for you to show whether or not it will be a success. Whether I may be at home or abroad, whether absent for longer or shorter periods, I want to feel that you are all doing your very best for the convenience of our customers and for the good of the concern. Under our new system it is not too much to hope that waste will cease altogether, and that you will be more attentive than ever to your duties. If you be so, the result, which I shall always carefully watch, will show it; and you shall benefit each of you in proportion. I will be perfectly straightforward with you, as I hope you will be with me. No one who has been in the employ less than six months will participate in this scheme. I do not propose to tell you what the percentage for distribution shall be. That must be left entirely to my own discretion, but I promise that it shall be fairly, and perhaps generously, assessed upon the amount of your salaries, and that it shall be promptly paid over to you after the completion of stock-taking. As far as our legal position is concerned, the share of profits that I may divide is a voluntary gift on my part. It will not entitle you to claim anything more than your salaries. And now, in conclusion, I can only express the hope that what I have said to you has met with your approval—as I feel sure it has—and that you will all work heartily together for our mutual prosperity. Let us all try to remember the noble lines of Shakespeare—

To thine own self be true,
And it shall follow as the night the day,
Thou canst not then be false to any man.