

**BOOKKEEPING AND
COST-FINDING
FOR THE PLUMBER**

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Bookkeeping and Cost-Finding for the Plumber by Wesley A. Fink

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WESLEY A. FINK

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FOR THE PLUMBER**

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and **COST-FINDING**

for the

PLUMBER

By **WESLEY A. FINK**

Second Edition

DOMESTIC ENGINEERING
407 SOUTH DEARBORN STREET, CHICAGO

D. J. W.

T***H******E*** Author acknowledges his Debt to his former Employer, Mr. Wm. M. Sample, of Boon & Sample, successful Master Plumbers in Philadelphia, from whom he learned his first Lessons in the Value and Principles of System, Scientific Management and Modern Accounting in the Plumbing and Heating Business.

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Chapter I.

Introduction.

FEW plumbers have the advantage of growing up in business under the guidance of some successful master plumber, who is willing to impart his business knowledge to those under him. This is the case with sons, who are educated to perpetuate an established business, and who come naturally by the training passed on to them by an experienced parent, but the rank and file of plumbers have to pick up their business training by dear experience. There is no school of instruction in managing the business end of a plumbing shop. It is often a matter of complaint in the trade that so little chance is given apprentices to learn the trade properly, but the opportunities for learning how to manage the business office and to reap a profit from plumbing are even less common than those of the apprentice, who strives to master the mechanical details of the trade.

The plumber, who opens up a shop of his own and embarks in business, is supposed to have learned his trade thoroughly, and, as a rule, he is a superior workman, who by industry and economy has been able to save enough to become an employer. He is seldom a business man, because his training has been in an entirely different direction. The young plumber, who thinks that he can run a plumbing shop of his own successfully because he knows the mechanical end thoroughly and knows how to do good

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work, has a great deal to learn, and quite as much to forget.

When a plumber becomes a proprietor he must forget in a measure that he is a plumber, and he must always have uppermost in his mind the idea that he is a business man, whose duty it is to sell plumbing at a profitable figure. There is no fount of general information to which he can go and gather the knowledge of how to make money out of a plumbing shop. The master plumbers who have learned it do not go about advising young competitors how to succeed, and if such do occasionally drop a word of good seasonable advice to a beginner it is ten to one that the young man in business suspects that it is a pointer given to mislead him, and he goes contrary to the advice. This is usually the case when an established plumber remonstrates with a newcomer in the field as to cutting prices. The newcomer is sure to think that the established plumber is simply worked up, because he is losing trade to him, and so the youngster in business laughs in his sleeve, and goes on cutting prices, to his own ruin and to the damage of the trade in his vicinity. It is natural that a beginner in business should think that the way to get work is to lower the prices, but the men who have been there know that the way to get customers worth having is to keep up both the quality and the price.

A false notion as to the prices and profits usually rests in the mind of the plumber who is thinking of starting in business. He has time and again seen the prices given on work that he has done, and noted that the proprietor charged, say \$8 or \$10 per day for work that he, the workman, performed for \$4 or \$5 per day, and he has assumed that almost all the difference went into the proprietor's

Introduction

pocket. Consequently, he took it for granted that if he started a plumbing shop of his own he could take such work at a dollar or two less a day and yet earn over one-half more than as an employe. With plumbing enough to keep four or five men busy he calculates that he can pocket the wages of two men or more. This would-be proprietor seldom figures on dull times, errors in estimating, overhead or running expenses of a business, but always sees the rosy side, and thinks his shop will never be idle, or his customers fail to pay their bills.

If beginners in business had any proper conception of their ignorance of business methods the danger would not be so great, for they would pitch in and learn the conditions before they embarked in business.

It is not the case that plumbers are uneducated or un-informed generally, or that they are deficient in the mechanical part of plumbing, but they are unfamiliar with modern business methods. The first thing that a plumber, contemplating going into business, should study is the successful methods of successful concerns. If he does not know them he is sure to lose money; if he appreciates his lack of knowledge he will find a way to acquire it, and it is cheaper to learn before an investment is made in stock and fixtures, tools, etc., than it is to learn afterwards by sad experience.

The haberdasher, the hatter, the grocer, the dry goods man, etc., all sell articles that they do not produce or manufacture, and they charge the public from 30 to 50 per cent advance upon the goods they handle and more often 50 or more than 30. That percentage, whatever it is, must pay all expenses, losses, salary and profit. They have no difficulty in knowing the cost price of their goods, and

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little in calculating the percentage they must add. But as some customers do not pay, and as some goods have to be sold close to catch custom, some goods become shop worn or become dead stock, on account of change of styles, and other stock is perishable, they are obliged to sell most of their goods at just double the cost price. It is a general axiom, found true in practice, that in many lines of business the selling price must be double the manufacturing cost to yield an adequate return to the merchant.

To learn how to be a good business man the plumber must first learn exactly what it costs him to run a shop. He must then see to it that he secures interest on his capital, a salary, a margin for contingencies and failure of customers to pay, and a final profit above all. He must learn that his principal business is no longer to wipe a good joint or do a fine piece of work and admire it, but to buy close, manage without waste of time or material, and to sell for all that he can get. He must not forget that the true object in business is not to see how cheaply he can do work, but how much he can get for the work he does. He must also learn all the nice methods of meeting men and getting them to pay a fair price, as well as how to buy his own goods at bottom figures. The way to charge is to make the price as high as a customer will pay, without being driven away and not to make it as low as can be afforded. That is business. That is what we are all in business for—to make money—to gather in a profit from the labor of others greater than we can earn by our own labor.

The best business man is the one who gets all that he honestly can, and the poor business man is the one who always works too cheaply. The plumber who is a good