

# **HOW TO REDUCE SELLING COSTS**

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How to reduce selling costs by Paul E. Derrick

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**PAUL E. DERRICK**

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BY  
PAUL E. DERRICK

*A Warning and a Suggestion concerning a Matter  
of Vital Importance to every Manufacturer*

THIRD EDITION

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LONDON  
GEORGE NEWNES, LIMITED  
SOUTHAMPTON STREET, STRAND, W.C.

1920

***T**HIS is the time for a searching  
analysis of British trade policy.*

*Every manufacturer must put his last  
ounce of organized effort into more  
efficient plans for the future maintenance  
and development of his trade, and of  
British commerce.*

*National and individual interests both  
demand that selling methods be revised  
and brought up to date.*

## PREFACE TO THIRD EDITION

THE appearance of the Third Edition of "How to Reduce Selling Costs" coincides with the great period of commercial reconstruction that faces the world. The steady demand for this book for the past three years indicates an awakening to the importance of sale costs as a prime factor in the final selling price of a vast proportion of the products of capital and industry.

Not only has the demand for the book exceeded all anticipation in the United Kingdom, but in America also two editions have already been exhausted. Its sale has filtered into all of the British Dominions—into India, Japan, and China. Since the Armistice, copies have gone to Germany and most Continental centres.

I mention this fact merely to indicate the growing interests in the subject of selling costs, and the obvious corollary that it is certain to be more intelligently dealt with in the future than in the past. And not before it is time, for there is woeful ignorance on the subject, and a discouraging neglect of it in the flood of "reconstruction" discussion in the British Press.

Cost of Production discussion still remains in a water-tight compartment wherein raw material, labour, automatic tools, standardised production and factory efficiency are churned together. Little or nothing is being said of Cost of Selling, that prime factor, that ultimate means of reducing production costs to a minimum. It should be obvious that rapidity, continuity, and extent of turnover

in production is the deciding and final factor in reaching minimum production cost. It is equally obvious that maximum speed, regularity, and volume of turnover at a profit all depend upon efficient and economical selling.

It will thus be seen that how to reduce selling costs is quite as vital a problem as those others that every day are being discussed in the British Press by politicians, economists and amateur commercial writers. I am convinced that it is one of the most vital and pressing points for profitable discussion in connection with British commercial reconstruction, not only because of its direct bearing upon British commercial development, but because it is less well understood.

Modern factory equipment and management, together with labour efficiency, cannot put and keep British industries in the front rank, if obsolete selling methods are continued, and sales costs remain at a higher level than in other countries. Not only efficient standardised production, but *mass production* is also required. Mass production is possible at a profit only if a steady *mass consumption* is maintained. Mass consumption is only possible if sales-cost-reducing methods of distribution are applied.

The preface to the Third British Edition of "How to Reduce Selling Costs" is, therefore, a plea for intelligent and full public discussion of this vital factor of British industrial reconstruction.

P. E. D.

34, NORFOLK STREET,  
LONDON, W.C. 2.  
1st February, 1920.



## PREFACE TO SECOND EDITION

*Being a confirmation of the argument of this book, from men of wide experience in the application of the principles discussed, and extracts from an overwhelming Press endorsement.*

IN issuing this, the second edition of "How to Reduce Selling Costs," I am able to include a symposium of affirmative opinion from those who have already learned the lesson I seek to inculcate in others not so advanced in method.

My own experience had so fully demonstrated my conclusions upon this vital subject that I had no hesitancy in recording them for the benefit of those who do not yet see the necessity for selling efficiency, and who "muddle along" rather than diligently study that department of their business that most needs overhauling and putting upon a basis of greater efficiency. This confirmation of my individual views by other experienced opinion will, I believe, add much weight to my conclusions.

In addition to the corroborative evidence which is here published with full consent of the writers, I have received letters from many other large and progressive manufacturers, which I am not at liberty to publish. All express great interest in my book, and complete accord with me as to the urgency of the reforms indicated. Many of these letters are from men and concerns of national, and some of international, prominence, whose public testimony would have done much to challenge the attention and convince the minds of those who are still content with wasteful inefficiency.

As proof of the practical nature of my recommendations, some of the most important manufacturers in the kingdom have supplied "How to Reduce Selling Costs" to "all their salesmen"; others have ordered copies for "all their directors." One group of manufacturers, now forming all the producers of a certain line into a co-operative distribution and selling organization to push a particular industry after the war, has ordered two hundred copies of the book to send to each of the principal concerns involved in the enterprise.

Another "straw" indicating the novelty and force of my conclusions is the reception of the book on the "other side." As compared with America, we on this side have so far done little in the development of a commercial literature, and that little contains practically nothing upon the vital subject of selling. Therefore to have "How to Reduce Selling Costs" accepted in the States as a standard work on business economics, and immediate request for privilege of publication, is, to say the least, gratifying. An American edition has already been put on sale by the Associated Advertising Clubs of the World, Doubleday, Page & Co., New York, publishers.

As a pioneer in opening up a new point of view concerning a very old and immensely important subject, it is a great satisfaction to find my conclusions received with such complete unanimity by those best qualified to pass opinion. It is also worth noting that the important Press of the United Kingdom unanimously supports my conclusions, and concurs in my appeal for reform in selling methods. Viewing this general agreement upon a question which hitherto has occasioned such diversity of opinion, I feel much as did Columbus when he made the historical egg stand on end.

P. E. D.

34, NORFOLK STREET, STRAND,  
LONDON, W.C. 2,  
1st October, 1917.

## OPINIONS OF MANUFACTURERS

BEING QUOTATIONS FROM LETTERS REFERRING TO  
"HOW TO REDUCE SELLING COSTS," FOR WHICH  
PERMISSION TO PUBLISH HAS BEEN GRANTED.

J. & N. PHILIPS & Co., LTD., MANCHESTER.

I have read your book "How to Reduce Selling Costs," with much interest, and can unhesitatingly describe it as the most cleverly reasoned treatise I have come across on this engrossing subject.

It should be the *vade mecum* of the manufacturer and distributor who would realize and appreciate the value of advertising in business.

(Signed) E. M. PHILIPS.

ANGUS WATSON & Co., NEWCASTLE-UPON-TYNE.

I commend to the careful study of business men, Mr. Paul E. Derrick's book "How to Reduce Selling Costs." This question will be an acute "after the war" problem, for with dear labour, dear money, and high carriage charges, the old happy-go-lucky methods of selling must be drastically revised.

This book visualizes sound methods of organization for "after the war" adoption, and helps the manufacturer to realize how vital some questions are that he has been taught to regard as comparatively unimportant. If the author were able to make a stipulation that he should have a percentage on all costs saved as a result of studying his admirable handbook, he would be well in the way of becoming a millionaire.