## CONTENTS

Page
Summary ..... 5
Conclusions ..... 8
Retail Expenses ..... 10
Classifications of accounts ..... 10
Cost of Doing Business ..... 11
Means of Promoting Adoption of Cost Records ..... 35
Services and Conveniences ..... 35
General Considerations ..... 35
Deliveries ..... 36
Proprietary Plan ..... 38
Some Problems ..... 40
Relief of Congestion ..... 41
Some Organization Details ..... 41
Some Operating Details ..... 42
Returned Goods Privilege ..... 44
Lack of Sufficient Records ..... 45
Budgeting ..... 46
Intangibles ..... 50
Peaks and Valleys in Business ..... 51
Wholesale Expenses ..... 55
Proposals Relating to Wholesale Expenses of Distribution ..... 57
Wholesale Distributing Expense in Leading Industries ..... 59
Expense Ratios in Seventeen Principal Wholesale Trades ..... 60
Group Classification of Expense ..... 61
Comparisons of Group Classifications of Expense ..... 61
Analysis of Expense Items-High, Typical and Low ..... 64
Effect of the Annual Volume of Business on Expenses. ..... 66
Effect of Size of Home City on Expense Ratios. ..... 68
Effect of Geographical Location on Expense Ratios ..... 73
Effect of Stock Turnover on Expense Ratios ..... 73
Expense Ratios in Certain Industries Analyzed by Years ..... 73
Manufacturers' Distribution Costs ..... 76
Separation of Manufacturing and Distribution Costs. ..... 77
Neglected Expenses ..... 78
Cancellations and Returns ..... 78
Unreasonably Small Purchases by Customers. ..... 79
Territory Served Beyond the Economic Limit ..... 79
Excessive Discounts and Unusually Long Periods for Payments Granted to Customers ..... 80
Cost of Warehousing ..... 85
Credit and the Cost of Failures ..... 86
Credit and Collection Costs ..... 87
Cost of Failures. ..... 88
Instalment Credits ..... 90
Louisville National Bank Plan. ..... 95
Cash Discount ..... 96
Effect of Simplification and Turnover on the Cost of Distribution ..... 99
Simplification ..... 99
Turnover ..... 102
Turnover of Capital. ..... 108
Control Records ..... 108

