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**RICHARD T. ELY, PH.D., LL.D.**  
**PROFESSOR OF POLITICAL ECONOMY,**  
**UNIVERSITY OF WISCONSIN**

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**INTRODUCTION TO**  
**BUSINESS ORGANIZATION**

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INTRODUCTION TO

# Business Organization

BY

SAMUEL E. SPARLING, PH.D.

ASSISTANT PROFESSOR OF POLITICAL  
SCIENCE, UNIVERSITY OF WISCONSIN

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## PREFACE

This volume is an outgrowth of a course of lectures on Business Organization and Management delivered at the University of Wisconsin in connection with the courses in Commerce. There is no single volume covering modern business activity from the point of view of organization. It is, however, true that occasional articles in trade magazines and even treatises covering special phases of business have recently come from the press.

The growth of this literature indicates a larger interest in the systematic study of business institutions and operations. The business man is fast realizing the practical helpfulness of these studies. The best firms are establishing trade and technical libraries and schools of instruction, not only for the training of their employees, but also for constant consultation in connection with office and factory problems. Greater attention is given to-day to business efficiency, and several reasons have made this necessary, among the more important of which are business waste and misdirection.

Every business man, although he may deny that there is a science of business, will admit that there is a proper way of organizing *his* business.

## P R E F A C E

It is obvious that the best method of discovering this is to study business institutions and processes; but the difficulties of presenting adequately the essential facts of business organization are apparent to those who have given the subject any attention. The paucity of literature upon this phase of business is possibly the greatest difficulty to be encountered. At the same time, this lends a special interest to the subject. It is essentially an untrodden field. The material must be gathered from scattered and unrecorded sources, and the difficulties are therefore great and often almost insurmountable. In fact, the subject cannot be adequately treated before the various lines of business activity are covered monographically. This means a great expenditure of time and effort.

The aim of the present volume is to discuss in an elementary way the important phases of business organization. Its scope precludes any attempt to discuss business management, except in so far as it throws light upon the problems of organization. The details of management must be left for more pretentious efforts, but illustrative material has been freely incorporated so long as it did not involve too much detail. My purpose is to discuss in outline the more important phases of business organization in the hope that a useful service may be rendered. The needs of the student and clerk have been con-

## PREFACE

stantly in mind in the preparation of this volume. If I have succeeded in conveying the significance of business problems, and the value of a closer study of them by young men entering upon a business career, I have been fully repaid for the time and effort devoted to the collection and discussion of the widely scattered facts covered in these pages.

The plan of treatment has been somewhat arbitrary. Not having the advantage of any work covering the subject, I was compelled to pave the way. The material naturally suggested its grouping into two broad divisions. The first division is introductory, and is devoted to the classification of business activities, and especially to the legal aspects of business organization. The second division is devoted to a discussion of the principles of organization, the simplest forms of which are illustrated by a chapter on farming, followed by three chapters on the organization of manufacturing, and by several chapters on the organization of distribution. Among the subjects treated here are exchanges, direct selling, wholesaling and retailing, traveling salesmanship, the mail-order business, credits, collections, and advertising. The classification and division of chapters may be open to objection, but they seem to suit the limited scope of this volume.

I desire further to add that there has been a complete adherence to the point of view of the

## P R E F A C E

organizer and manager of business undertakings in the preparation of these pages. The purely social and economic phases have been passed over, except in so far as they threw light upon the problems of organization. At every step the social and economic effects of special forms of organization are apparent, and while these questions are intensely interesting, the lack of space alone would prevent their treatment in these pages, even if they were not excluded for other reasons.

I am indebted to many persons for aid, not only in the collection of material, but also in passing judgment upon the manner of its treatment. When it is understood that these facts have been gathered largely through correspondence and personal consultations with business men, it will doubtless be fully appreciated that any attempt to acknowledge by name the debt incurred would be impossible in a preface. Although personal acknowledgment will be omitted, I desire, however, especially to explain the method employed in the final preparation of each chapter. In order to have a sense of security and ease of mind in the final plan of treatment, I had each chapter critically read by two or three business men whose special knowledge and large experience render their opinions authoritative. This is not urged because the writer desires to escape responsibility for any errors that this book



## PREFACE

may contain, but because he believes that it attaches to its pages a value which would be wanting had the subject been treated solely from the academic point of view.

S. E. S.

MADISON, WISCONSIN,  
August 1, 1906.

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