Scope of this Report

The procedures outlined herein apply to seventeen women's ready-to-wear departments, four women's accessories departments and one men's clothing department, all for four Los Angeles stores, and to six ready-to-wear and three accessory departments in the basement section of the Downtown store, a total of thirty-one departments.

The unit control work for these thirty-one departments is all performed on a centralized basis in two Downtown offices, one covering the work for the seventeen four-store ready-to-wear departments, the other covering the work for the remaining fourteen accessory and basement departments.

The procedures commence with the preparation and attachment of price tickets to the merchandise as it is received, and conclude with the preparation of the various daily, monthly and seasonal records and reports furnished by the unit control offices.

Receiving and Ticketing the Merchandise

Some ready-to-wear and accessory merchandise is received direct at each of the four stores, but a great deal of it comes first into the Downtown store, followed by the transfer of appropriate quantities to the other three stores.

At whatever store the goods are originally received, the buyer or one of his assistants indicates the proper retail prices on the vendor's invoice, and price tickets are prepared accordingly.

Price tickets for ready-to-wear and accessory items are mainly of two styles:

1. Dial-set tickets, with strings attached, for use with the larger types of garments. These tickets are two-part, three-part or four-part, with perforations. The two- and three-part tickets are used on single-piece garments; the four-part used when an extra portion of the ticket is to be attached to a separate skirt.

2. Pin tickets, for use with the smaller items of merchandise. These tickets are always two-part, with a single perforation down the center.

The dial-set string tickets are imprinted for the most part in a centralized ticket-making section of the Receiving Department, then accompany the invoice to the marking section where the garments are hanging on rods awaiting the tickets.

The pin tickets are imprinted from set type as they are attached to the merchandise by a standard pin-ticket machine.
Information imprinted on each part of either type of price ticket generally includes the following:

1. Dept. No. (2-3 characters)
2. Season (2-3"
3. Classification (1-3"
4. Mfr. No. (3"
5. Style No. (1-6"
6. Color (1-2"
7. Size (1-3"
8. Price (2-5"

28 Maximum

Every piece of merchandise must have a fully imprinted price ticket attached to it before it leaves the Receiving Department.

Transfer Between Stores

When stocks are transferred between stores, the original price tickets remain attached. Store designation on tickets is not important.

Changes in Retail Prices

The Receiving Departments effect all price changes, small lots right on the selling floor, larger lots in the Marking Room.

For all changes upward, new tickets are substituted for the former tickets.

For changes downward, the former price is either clipped off or crossed off, depending upon the circumstances, and the new, lower price inserted on the ticket. Most such price changes are accomplished by means of portable, hand-marking equipment, though the re-markers are authorized to effect such changes in green ink whenever the use of hand equipment is not feasible.

Second, third and fourth price changes are made on some price tickets, those having the required space available.

Merchandise Returned from Customers

If an item of returned merchandise still has attached to it a price ticket of at least two parts, the former ticket is left attached. If the item has attached to it a price ticket of but one part, a new two- or three-part ticket, either machine- or hand-made, is substituted, bearing all the same data as before.

If the item has no ticket attached, the buyer or one of his assistants fills out a "Request for Re-Ticketing", noting as much of the original ticket data as can be readily ascertained. The Marking Room accepts such a Request as an authorization to prepare and attach a new ticket. Data indicated on Requests for Re-Ticketing is often incomplete as to Mfr. No. and Style No.
Procedure at Time of Sale

In order that there will be one portion of the price ticket from each item sold available for the Unit Control Office, one portion of the ticket (called a stub) is detached at the perforation at the time of sale. In some cases, the stubs are detached by the salesperson, in others by the wrapping desk.

At some central point in each selling department or at the wrapping desk there is a small, slotted box into which the detached stubs are dropped.

In the Downtown store, a clerical from the Unit Control office goes around to each department at or near store-closing time, or next morning before the store re-opens, and collects the various groups of stubs. They are inserted in small envelopes bearing Dept. No. and date of sale.

In the outlying stores, the Selling Department Managers remove the stubs from the boxes at the close of each day and mail them (store's own mail system) to the Downtown Unit Control Office in special envelopes which indicate Dept. No. and date. These mailed stubs reach the Unit Control Office by about 9:30 the following morning.

Unit Control Responsibility

The Unit Control Office is responsible for preparing and issuing Daily Selling Reports, showing separately for each selling department at each store a complete listing of what was sold the previous day.

It is responsible for maintaining Price Line Sales Records for each department, showing the number of pieces sold in each price line for each classification.

It is responsible for preparing and issuing twice yearly a set of Six-Month Price Line Selling Reports, showing for each department the number of pieces sold in each of the six months in each price line for each classification.

And, finally, it is responsible for posting, in number of units, each day's receipts, sales and returns and inter-store transfers, to detail style record books, usually called "Black Books".

Each of these procedures is explained briefly below.

Daily Selling Reports

Each morning clericals in the Unit Control office sort each department's stubs and list them in pencil on Selling Reports. A separate report is made for each department and for each store.

Stubs are sorted and quantities sold are listed according to the following arrangement:
Classification
Price
Mfr. No.
Style No.
Color (applies to many but not to all departments)
Size (applies only to a few departments)

Sub-totals of quantities are inserted at each change in price and at each change in classification.

Reports for upstairs departments are prepared in quintuplicate. The Unit Control office retains the original for its further uses. One copy is dispatched to the Downtown buyer. Copies are also sent to the various outlying store selling department managers. Since a separate report is prepared for each store, the buyer and each of the outlying store selling department managers receive daily copies of four separate reports of the previous day's selling, one for each store.

Reports for Basement departments are prepared generally in triplicate, one for the Unit Control office, one for the buyer, and one for the Basement Merchandise Office.

Price Line Sales Records - (Separate Record for Each Month)

From the Daily Selling Reports, the Unit Control office posts to a set of Price Line Sales Records for each department the quantities of items sold at each price in each classification. There is a separate sheet for each classification. Prices are inserted in order from low to high in the left-hand column. The remaining columns are headed with the days of the month, except for the extreme right-hand column which is reserved for monthly totals.

Each horizontal price section of the form used for this record is divided into four lines, providing separate spaces for posting each store's sales.

This record is at all times available to the buyer for reference, though its main purpose is as a basis from which to prepare a Six-Month Price Line Sales Record, as explained below.

Six-Month Price Line Sales Report

As a guide for buyers in planning their purchases the following year, a Six-Month Price Line Sales Report is prepared for each department and issued two to three months following the close of each half year.

This report, whose form is quite similar to that of the Price Line Sales Record, lists for each classification for each store the quantities sold during each of the six months, six monthly columns on this report replacing the 31 daily columns on the Price Line Sales Record.

Only one copy of this report is prepared, but translucent paper is used, permitting its reproduction in an Ozalid machine. Two Ozalid copies are made, one for the buyer and one for the Merchandise Manager. The Unit Control
Office retains the original for use in accumulating comparative sales data for other reports not covered in this study.

Black Books

The Unit Control office maintains for each upstairs department a loose-leaf binder in which there is a separate record sheet for each style handled.

The form now in general use provides space at the top for name of resource, description of item, classification, Mfr. No. and Style No. The form is divided into nine horizontal sections, one for each month during which the average style may be handled. Each horizontal section is divided, in turn, into four lines, one for each of the four stores.

Across the top are headings providing for the recording of dates and quantities received or transferred, and 1 to 31 for daily postings of quantities sold.

The Unit Control posts sales to these records daily, using as media the daily selling reports. As goods are received or transferred, the selling departments clear copies of the various documents through the Unit Control office for black-book posting.

The reverse side of the Black Book form provides spaces for recording receipts and sales by color and/or size, according to the particular requirements of each selling department.

Black-books are generally kept in the buyer's office except during such period each day as they are needed for posting in the Unit Control Office.

Approximate Volume of Stubs Handled

Sales in the thirty-one departments for which centralized unit control records are maintained account for a daily average of about twenty thousand stubs.

Unit Control Personnel

To process this volume of stubs and to prepare and maintain the various records and reports mentioned above requires approximately 25 people, including 2 supervisors. The weekly payroll of this particular group runs around $890.00; annually this amounts to $46,280.

Samples of Price Tickets and Forms

Appended hereto are exhibits including samples of the price tickets now in use, and samples of the Unit Control forms which are described above.

Objectives

The Company is keenly interested in the development and progress of mechanical (or electrical or electronic) procedures which would satisfactorily and economically replace some or all of the clerical work now performed.

Chief advantages of a mechanical system might be listed as follows:
1. A combined four-store daily selling report, showing by some columnar arrangement the number of units sold at each store for each different style. At present, in order to obtain a picture of the previous day's sales at the four stores, the buyer must spread out the four separate-by-store reports and attempt to correlate the mass of figures provided.

2. Selling reports issued and in buyer's offices earlier the following day. Earlier receipt of the daily selling reports would permit transfers between stores that same day to provide a continuance of the stock of those items then in demand. Earlier receipt of reports would also permit the saving of a few hours in re-ordering best sellers, with the result that replenishments might reach the selling floors sooner.

3. Greater accuracy in unit control records. Almost the entire present operation is dependent upon the human element. That portion which might be accomplished mechanically would be free from the high percentage of error attributable to the particular type of individuals necessarily assigned to this work to keep it within certain cost limitations.

4. The probability that the Price Line Sales Record and Six-Month Price Line Sales Report might be produced as a by-product of the Daily Selling Report. This would eliminate the clerical cost of preparing these Price Line records.

5. If a mechanical system were to be extended to include the maintenance of the black-books, still further reductions in clerical help could be effected and greater accuracy would be reflected in such records. At present, the black-book shows receipts and sales, but does not show stock on hand, due to the clerical cost of entering this figure. Under an electronic system, stock on hand could be shown, at perhaps small additional cost.

This store's prime aim is to substitute for part or all of the present manual operation some mechanical, electrical or electronic system which, in a reasonable time, will pay for itself, with possibly some overall expense saving, and will at the same time show some or all of the other potential advantages mentioned.