

# Management Services: A Magazine of Planning, Systems, and Controls

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Volume 1 | Number 5

Article 1

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11-1964

## Letters

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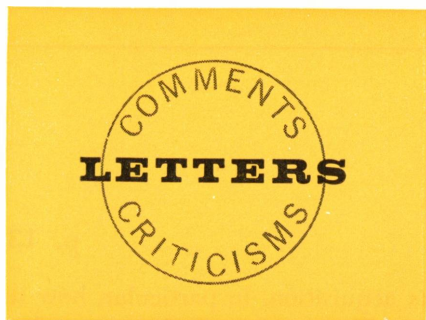
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### Recommended Citation

Foley, Eugene P. and Collier, James D. (1964) "Letters," *Management Services: A Magazine of Planning, Systems, and Controls*: Vol. 1: No. 5, Article 1.

Available at: <https://egrove.olemiss.edu/mgmtservices/vol1/iss5/1>

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### Help needed

Thank you for the . . . reports (see MS, September-October '64, p. 12) on the Service Corps of Retired Executives (SCORE) . . . which bring news of SCORE to professional advisers to small business.

SCORE needs the help of CPAs in several ways: first, as retired executives to be volunteer advisers to small businessmen with management problems. As advisers they would certainly draw on their professional backgrounds but would not install systems or procedures or function in a technical capacity. In SCORE, they will cultivate a businessman to businessman advisory relationship. They will concentrate on the man as a manager and not on the operating details of his business. It will be their objective to help the man achieve better balance in his management of finances, marketing, and production. When their "client" requires it, they will recommend he retain a full time professional.

Secondly, SCORE needs active professionals to function as advisers to the SBA field administrators of the program and to the volunteers. As advisers they will help steer local programs and occasionally meet in seminars with volunteers to help SBA evaluate the program and advise the volunteers on their counseling methods. Professionals who are

already participating are enthusiastic. Any . . . who are interested may either write to me or contact their local SBA office directly.

*Eugene P. Foley, Administrator  
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Washington, D. C.*

### Management revolution

The two-part article by Messrs. Sloat and Toan in the first and second issues of MANAGEMENT SERVICES well describes the present situation of the business world in that we are on the threshold of a revolution in the area of business management. It may be safe to say that we have passed the threshold and are well into the execution of this revolution. . . . The limitations [on the use of mathematical techniques in business decisions] . . . are not as serious as they appear on the surface. The limitations could well be summarized as consisting of the human and mechanical elements, the fault of our present data systems, and the impossibility of defining a value for intangibles. . . . The first business that is able to overcome or to alleviate these limitations will logically have a decided advantage. . . .

The inability of people and machines to distinguish cause data from effect data could be minimized by using personnel trained in economic theory and statistics. . . .

The absence of economic data about causes, effects, and actions in the past, either about our own operations, those of the competition, or of the business world in general (or for that matter, of all past economic events) injects an element of chance-error into the analysis that is impossible to define or value . . . . Our accounting and data systems in

the past have so obscured the facts that it is practically impossible to value causes, effects, or actions of our own or competitor's business. Proper classification and recording of data . . . will overcome this. . . .

Probably the most serious limitation lies in the impossible task of placing a value upon intangibles. . . . The need to develop additional mathematical techniques probably is not as serious as it appears . . . the techniques will be a natural evolution. . . .

The size and complexity of business problems probably will not outstrip the physical power and abilities of the computer, as we are rapidly approaching EDP storage capacities of infinite limits, and it seems that human limitations of designing the model are the basic problem.

Within our lifetime, or maybe within that of some of the younger members of our society, we shall witness the simulation of practically the entire economic process—not in the business laboratory but in the economic laboratory. The members of the management team and other related persons will work in harmony with the entrepreneur in carrying out a highly technical and efficient economic system. They will deal not only with decision processes in industry but with the entire economy as a whole and with the problem of maintaining a satisfactory position for our country in the international competition. Grants from several foundations and industries have recently been made to initiate these studies.

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