Management audit for small manufacturers

John B. Kline

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MANAGEMENT AUDIT

for Small Manufacturers

by Philip M. Faucett

SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 1963
FOREWORD

Business strength or weakness, in terms of money, is traditionally measured by the financial audit with its resulting balance sheet and profit-and-loss statement. Because they deal in dollars and cents, these two reports tell only the firm’s financial position as of a given date—how much money was made or lost over the reporting period—and whether accounting procedures are in good order. A financial audit does not give an adequate picture of how well a company is managed. Moreover, it does not tell what, if any, corrections in management procedures are needed to produce maximum efficiency in the future. To some extent, this can only be done by an audit of management itself.

In building competitive strength in small concerns, the issue is often how to improve the management. Two difficulties are common: First, many small business owners and managers do not have an adequate scale which they can use in judging how good their management practices are. Second, these businessmen frequently do not want to reveal intimate facts about their firms to outsiders. What they need as a springboard for management improvement is specific guidance on where to look for trouble. And this guidance should be private.

This booklet, Management Audit for Small Manufacturers, is designed to meet that need. In the pages which follow, the same approach used in a financial audit is applied to the management functions in a do-it-yourself appraisal. A series of questions are asked. The answers to these questions will indicate whether the owner-manager of a small manufacturing plant is planning, organizing, directing, coordinating, and controlling the activities of his business adequately. Thus, the "management audit" goes beyond measuring monetary aspects. The "auditor" is the chief operating executive himself—not an outsider.

The questions in this management audit have been divided into 15 categories. They cover vital areas in the management of a business. If the owner-manager can supply the proper answers to the questions, he may be sure that he is running his business efficiently. In any event, objective replies to all the questions will point out the areas of management strength and weakness in a company. If the answers to some questions are negative, a subject-matter list of SBA’s management assistance publications is supplied in Appendix A. That material can serve as a starting point for correcting management deficiencies.

The author of Management Audit for Small Manufacturers is Philip M. Faucett, who is a senior consultant and economist for Wolf Management Services, Chicago, Ill. In framing the questions and comments in this

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EDITOR'S NOTE

In covering the important aspects of managing a business, the questions in this "Management Audit" are designed not as a test, but as a self-appraisal. They merely point to areas that should be investigated. Similarly, the comments do not supply definitive answers to the questions which they accompany. To do this, would take, in some instances, a textbook on the pertinent subject-matter.

Instead, the comments provide the reasons-why for the questions and supply direction for further study, when needed. (See subject-matter list of SBA management assistance publications in Appendix A.) Both the questions and comments can be used by the owner-manager of the small manufacturing plant to determine what are his strong points and weaknesses in the management area.
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Section 1

INTRODUCTION TO THE MANAGEMENT AUDIT

Good management practice has traditionally called for periodic audits of the financial activities of a company. These audits are usually made by public accountants to ascertain whether or not proper procedures are being used by management to record the company’s financial affairs. In essence, acting as independent evaluators, these financial auditors “listen to” the systems used by the firm to keep track of the funds it acquires and allocates during a particular period of time. The same techniques that are applied to the financial records of a company can be applied to its operational phases. The latter type of evaluation is a “management audit.”

Basic Philosophy of the Management Audit

The basis of “audit routine” used in connection with either a financial or an operational evaluation is a list of questions asked by the auditor explicitly or implicitly. The audit report, made possible by the answers given to these questions, has many uses both internally and externally. For example, financial audit reports are means of satisfying banks, creditors (suppliers), and stockholders that management is handling its affairs satisfactorily.

Nevertheless, data obtained from the historical balance sheets and income statements do not always give a complete picture of a company’s history or its ability to repay an obligation contracted currently. It is especially true that when the problem is to project financial statements into the future, lack of knowledge of a company’s managerial policies and the abilities of its personnel presents a real barrier to making accurate projections. For example, a business which, for a short time, has been profitable may experience financial difficulties because of inadequate policies concerning insurance coverage or high costs stemming from high labor turnover due to inadequate personnel policies. Similarly, inadequate policies connected with the purchasing function may result in difficulties which, at first, would not be apparent on the financial audit report. In brief, there is such a thing as “bad management,” nebulous though the term may be, and it is an important cause of business failures.

The use of information which can be expressed only in monetary terms, therefore, does not give an adequate picture of the ability of a company
to meet its future financial obligations or to achieve its growth goals. Additional information, most of which is not expressable directly in money terms, is useful in evaluating whether or not a company is well-managed.

Self-Appraisal

What follows in this booklet is a series of questions encompassing the operational phases of a small business, which will enable you to become your own "independent auditor." Accompanying each question is a comment which will afford you an opportunity to appraise the business activity covered by the question as it applies to your company. The questions and comments are broken down into 15 categories as follows:

1. Accounting
2. Budgeting
3. Cash Management
4. Credit Management
5. Information and Assistance From the Outside
6. Insurance
7. Inventory Control
8. Marketing
9. Office Management
11. Plant and Equipment
12. Production
13. Purchasing
14. Research and Development—Innovations
15. Taxes and Legal Obligations

The "Management Audit" is a self-appraisal and by no means a test. For this reason, the comments do not supply definitive answers to the questions. Instead, they provide a "reason why" for the questions and a direction for further study, when needed. More often than not, a full explanation of the question would require textbook treatment. At the beginning of each of the 15 categories, you will find references to Appendix A of this volume, which give the titles of Small Business Administration publications pertaining to the subject-matter of the questions.

The questions are framed in logical sequence so that you can ascertain as objectively as possible information concerning the extent and characteristics of your managerial policies and the degree to which they are being implemented. These policies and their implementation are important in determining how well equipped your firm is to meet the future demands upon it. In a sense, this "Management Audit" begins where the financial audit leaves off. It represents an audit of some of your firm's crucial management policies and practices which cannot be expressed directly in dollar-and-cent terms.
The questions in this "Management Audit" deal with the general principles of management since the particular characteristics of every business cannot be known in advance. In other words, they have been framed to apply to all business—including yours. Fortunately, there are broad policies and principles of good management which apply to practically all small businesses. Fortunately also, much of the content and effectiveness of company policy can be revealed by soundly framed questions even though general in nature.

Objectives of the Audit

The specific objectives of this "Management Audit" is to highlight strengths and weaknesses in a firm's management policies and their execution. It may be true that such strengths and weaknesses will show themselves eventually through a firm's financial statements. However, it is clearly useful to know about them in advance. The "Management Audit" is designed to help you to eliminate the weaknesses and capitalize on the strengths.

To a great extent, what are being tested in this audit are your imagination, your aggressiveness, and your ability to organize and to meet changing business situations. These are admittedly vague terms. However, indications of their presence or absence are to be found in your answers to the questions asked. On the other hand, this "Management Audit" is not:

1. A financial or market analysis of your firm.
2. A psychological, physical, cultural, or social study of those responsible for the operation and policy-making of your firm.
3. A general economic study of your firm.

From the positive point of view, this questionnaire is based on the following general assumptions:

1. There are broad, nonmonetary principles of good management.
2. When too many of these principles are not being followed, the financial picture of a firm is likely to suffer.
3. It is possible to identify areas in a firm which are not well managed and which, if unchanged, will impair the firm's financial structure.
4. It is frequently possible to identify these areas sufficiently in advance for such information to be useful to the owner-manager.
5. The present questionnaire can be of use in indicating these areas.

Interpretation of the Comments

In many respects, one of the crucial tests of the management capabilities of a company, especially of a small business, lies in the controls which the owner-manager exercises over its activities. The control function, of course, presupposes that the owner-manager has given proper attention to the equally important functions of planning, organizing, directing, and
coordinating. For those other aspects to be as effective as possible, the
owner-manager first must have carefully planned objectives, policies, and
standards for his business. It is only when he has these defined goals that
his business performance can be carefully measured.

The questions in all 15 categories of this "Management Audit" are
looking for evidence that the owner-manager is aware of the need to pay
strict attention to the control aspects of its operations. The extent and
kinds of controls indicate a great deal about the quality of management.

Although many firms are dominated by excellent production men or
salesmen, a significant number experience difficulty because the owner-
manager does not exercise adequate control. There are probably more
firms in which bad management shows up in this respect than in any other
single area. Such controls are especially important when the firm is
dominated by one who has an excellent background as a production man,
salesman, or lawyer and who feels that, if he produces and sells a product,
this is all that is required for his firm's success. To slight either financial
or operational controls is to court disaster.

Note carefully, however, that excellent management control is no
guarantee against financial or operational problems. All that is implied
here is that a company with such controls is likely to manage its produc-
tion, sales, financial and other functions adequately. Note also that there
is no crucial question in any one of the 15 categories in this "Management
Audit." Each single question (or questions, when grouped under one
comment) has no great significance outside of its own context. However,
each question plus its comment, when fitted into the whole picture, gives
an indication of the managerial quality of the firm being audited.

A few final comments are in order concerning the role the "Management
Audit" should play in your decision as to whether or not your firm is well
managed. First, even if the results of the audit seem to indicate that you
have a "clean bill of health," this should be construed to mean only that
there are no obvious weaknesses in your management structure, policies,
or actions.

Second, in the final analysis, the audit is only a tool which indicates to
you some things about your management which, without the questionnaire,
would probably take much more time and effort to obtain. It gives
a sample of your managerial practices in some crucial areas of your
company's activities.

Third, in some cases where weaknesses have been revealed, you may be
able to rectify the situation and thereby improve your management policy
and practice.

Finally, it cannot be overstressed that this "Management Audit" is not
a substitute for financial or other analyses of your firm. Rather, it should
be considered only as a useful supplement to the other kinds of analyses
of your operation; i.e., financial audits, market research, and so forth. In
most cases, it will tend to reinforce the judgments of those using financial
data as their primary source of information about your firm.
Section 2

ACCOUNTING

For SBA management assistance publications on this and related subjects, see Classifications 1, 9, and 19 in Appendix A of this volume.

1. Has a public accountant or other outside expert in the accounting field classified (including numbering) the accounts in your bookkeeping system?

COMMENT: Accounts for your assets, liabilities, expenses, and net worth should be titled in accordance with the customs of your business to describe the type of data they record. In addition, they are often numbered so that each group of accounts is given a controlling code number. This titling and arrangement is called a chart of accounts and is useful in eliminating a great deal of clerical work. It is almost indispensable to a firm if it is to know its costs, individual items of profitability, break-even points, and the like.

2. Has the classification of accounts in your recordkeeping system been reviewed by an independent, outside expert within the past 3 years, or is it planned that such periodic analyses be made?

COMMENT: Conditions facing all firms change frequently, and so do the requirements of a good chart of accounts. One which may have been excellent several years previous may now be inadequate for many reasons. It is preferable to have an outside expert look at this part of the firm’s record system to see if it is still the most useful one possible. Most well-managed small firms have their auditors or other accountants scrutinize their chart of accounts regularly.

3. Is your company’s accounting system adequate and accurate?

4. Does your company’s cost accounting system give an accurate measure of the cost of all products and services sold?

COMMENT: In answering these questions, you should pay special attention to the uses to which your accounting system is put. The system should be simple, economical, and flexible in addition to being consistent with accepted principles of accounting theory and practice.
5. Are the books of account balanced at least monthly?

COMMENT: Without such balancing, it is impossible to keep current records of costs, revenues, and profits. Furthermore, it is impossible to make the various analyses essential to the interpretation of financial data unless you have a regularly prepared balance sheet and profit-and-loss statement. Since the economy in which most firms operate is a rapidly changing one, it is vital that they keep up-to-date financial records, many of which are reflected in the balanced accounts. A firm which does not balance its books at least once a month is following lazy management habits and may not even be giving sufficient thought to the problems which arise from such sloppy accounting practices.

6. Are your company's books audited yearly by an independent public accountant?

COMMENT: Good management requires a company's books to be audited by an outside firm or individual public accountant rather than by someone within the organization. Along with its audit report, most competent accounting firms will make valuable suggestions as to how you can improve your accounting system. In evaluating your financial records periodically, an impartial observer, such as an accounting firm, may furnish information of which you were unaware.

7. Are journal vouchers or entries in journals adequately explained or supported by substantiating data?

COMMENT: A voucher or journal entry, in the context of this question, is an authorization to incur a liability involving a cash disbursement. An entry on a voucher form or in a book of original entry (i.e., a journal) should explain what was purchased, the account that is to be debited, and the name of the creditor. A voucher form usually has space for the signatures (or initials) of the persons authorizing the purchase and approving the payment; when the voucher form is not used, the invoice is usually initialled by a responsible person or persons. In either case, the signed or initialled documents justify the expenditure formally.
8. Are accounts receivable aged periodically for review?

COMMENT: To age accounts receivable, a schedule is prepared to show which accounts are current, which are 30 to 60 days old, which are 60 to 90 days old, and so on. Without the information obtained from this procedure, you may not be receiving money justly owed you for products sold or services rendered. At the same time, you obtain information which will indicate the sales trend of individual accounts.

9. Have you provided for a cost accounting system for your company?

10. Do you analyze and interpret your cost accounting data at regular intervals to determine whether your costs have changed?

11. Do you base the prices of your products on information obtained from your cost accounting system?

COMMENT: Current good management practice calls for at least a simple cost accounting system. There is general agreement that cost systems in most instances have been very useful in determining such things as the profitability of certain products, the best pricing policies to follow, break-even points, and the like. A profitable business depends on knowing the right cost so that it can set a price which meets competition and yet provides an optimum profit.

12. Is current and reliable information prepared concerning the cost of each product by customer, by locality or territory, and by salesman?

13. Do you know the profit and/or loss per year of each product, customer, territory, and salesman?

COMMENT: A large number of small firms fail every year because of inadequate cost controls. When a well run firm produces more than one product, costs should be collected for each. Without cost records for each product produced and sold, the owner-manager cannot ascertain what contribution each product makes to the firm’s profits or what products or lines should be dropped or pushed harder.
14. Have break-even points been determined for your company's operations? (See also Question #116.)

COMMENT: Although a small firm can certainly survive without knowing the point at which it neither makes a profit nor sustains a loss, the knowledge and insight that such information brings are managerial assets. The break-even point of a firm or an individual item may be calculated with a certain degree of accuracy by means of mathematical formulas; see "Guides For Profit Planning" by B. LaSalle Woefel (Small Business Management Series #25), available for 25 cents from the Superintendent of Documents, Washington 25, D.C. Not to have even an estimate of break-even points is to have little or no knowledge of the relationship between the firm's production volume and its profitability. Since, in most cases, there is a relationship between the two, it is important that the owner-manager should attempt to ascertain what it is. A knowledge of the break-even points in your operations indicates progressive management.

15. Do you know the effect of changes in selling price of your products on budgeted amounts of net profits?

COMMENT: This is approximately the same thing as asking if you have a clear understanding of the relationship between the price of the firm's products and the quantity which can be sold. It is an extension of break-even analysis (see Question #14) in which the relationship of costs, volume, and profit goals are examined to determine management proposals. An affirmative answer to this question implies that you can meet a competitive pricing situation; that you are able to improve your position in your industry, if an opportunity presents itself.
Section 3

BUDGETING

For SBA management assistance publications on this and related subjects, see Classification 6 in Appendix A of this volume.

16. Does your company operate under a system of budgetary control?

COMMENT: In a small firm, where the distribution of costs is relatively simple, a budgetary system may not involve a great deal of time or paperwork. Yet, without some kind of budgeting process, a small business cannot operate at peak effectiveness. The owner-manager should have some standards by which to judge performance. He must plan and think ahead. The budgetary process provides these standards and forces him to look to the future. Even then, he may still lose money. However, if he does not plan ahead carefully, he may not know how much he is losing until it is too late to do anything about it.

17. Does your company set up budgets for time periods of less than a year—i.e., monthly, quarterly, or by business seasons?

COMMENT: Even the most simple budgeting process requires some regularity. You should determine your choice of time period by the type of business and by the degree of control you wish to have. The budgets you set are the individual goals you desire. Monthly, quarterly, and seasonal budgets give you a clearer picture of what must be done if you are going to make your anticipated profit.

18. Do your top supervisory employees participate in the preparation of your budgets?

COMMENT: Budgeting applies to the whole field of management. Therefore, all your key employees must be made responsible for planning activities in their own jurisdictions. In this way, as they set the goals for their individual achievements, they must, necessarily, consider past performance together with realizable efficiency under future conditions. Once they have contributed their share of the budgetary thinking, it remains for the owner-manager to make the adjustments necessary for overall company achievement of goals that he has determined.
19. Are frequent comparisons made between budgeted performance and actual performance?

COMMENT: It is not very useful to set up budgets and not compare them with the actual figures at regular intervals. Although there are many reasons for failing to do this, most of them indicate lack of imagination, shortsightedness, or laxity on the part of the owner-manager. It has been found that one reason small firms do not make such comparisons is that the owner-manager is "afraid to face the facts."
Section 4

CASH MANAGEMENT

For SBA management assistance publications on this and related subjects, see Classification 9 in Appendix A of this volume.

20. Are all bank accounts in the name of your company recorded on its books?

Yes ☐  No ☐  Undecided ☐

COMMENT: Bank accounts record the cash position (except for undeposited receipts and petty cash) of your business. They give you a true picture of what is probably your most important asset and allow you the most effective means of controlling that asset.

21. Is the mail opened by someone other than cashier or accounts receivable bookkeeper?

Yes ☐  No ☐  Undecided ☐

22. Is a record of the money and checks received prepared by the person opening the mail and is this record given to someone other than the cashier for independent verification of the amount recorded and deposited?

Yes ☐  No ☐  Undecided ☐

COMMENT: For safety purposes, the policies of well managed firms for many years have provided that the mail—in which there may be checks, money orders, or other means of payments—should not be opened by the persons who are responsible for the handling of the firm’s money. It is felt that it is better to have those involved know that such items will pass through more than one pair of hands before being sent to the bank. Of course, in the very smallest firms with only two or three employees, it may be difficult for more than one person to do this. However, in these cases, the danger arising from this is minor because the owner probably will handle this phase of his operations.
23. Are each day's receipts deposited intact and without delay? □ □ □

24. Is the receipt of currency, as opposed to checks or drafts, relatively insignificant? □ □ □

COMMENT: An excellent indication of careless management is the failure of the firm to deposit as many of the day's receipts as possible, either during banking hours or, if necessary, in a night depository. In most well-managed firms, the owner-manager wants to avoid the responsibility of holding large amounts of checks and/or cash received from sales. To hold such funds involves expenses for safekeeping and indicates that the owner-manager is not as interested as he might be in keeping his bank service charges at a minimum—at least where such charges are geared to average balances.

25. Is the accounts payable ledger regularly reconciled with the general ledger control? □ □ □

26. Are statements from vendors regularly compared with recorded liabilities? □ □ □

27. Are properly receipted paid notes kept on file under adequate control? □ □ □

28. Are salary rolls and special payroll items (i.e., advances, etc.) subjected to the same critical routine as regular payments? □ □ □

COMMENT: Control of your liabilities is just as important as control of your assets. Efficient management calls for accurate and current records of your obligations not only to your suppliers and other creditors but also to your employees. You should know at all times how much you owe and when you will have to make payment on your obligations. Moreover, records of your indebtedness should agree with those of your creditors. Your source of supply, your credit standing, and your profit potential depend on affirmative answers to these questions.
29. Is the practice of drawing checks to "cash" prohibited?

30. Is the signing or countersigning of checks in advance prohibited?

COMMENT: Drawing checks to "cash" and pre-dating checks are, to say the least, loose management practices. Cash is your most vulnerable asset and should be rigidly controlled. Both these practices lessen your control of cash. It has been found to be much safer to obtain cash funds by drawing to the order of the firm or a responsible employee. A negative answer to either of these questions implies an oversight in management thinking.

31. Are petty cash funds restricted to:
   (a) Amounts not exceeding requirements for disbursements for a period of 2 weeks or less?
   (b) Expenditure of a petty nature not exceeding a certain fixed amount?

32. Is postage metered?

COMMENT: Lax treatment of petty cash and postage funds indicates lax treatment of other company property. Frequently, it is easier to put "surplus" funds into petty cash than to deposit them in the bank with other income. Consequently, petty cash builds up into a dangerously large amount to a great extent merely through carelessness, lack of attention, and lack of control. Control over postage expense may be obtained through the use of postage meter.

33. Are checks pre-numbered?

COMMENT: It is preferable that checks be pre-numbered. Such a procedure makes spoiled checks, for example, more easily accounted for and controlled and makes a more nearly complete financial record than otherwise.
34. Are voided checks kept and filed?  

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<th>Yes</th>
<th>No</th>
<th>Undecided</th>
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COMMENT: It is an indication that you are insisting on important details if voided checks are kept on file. It is important to have this record for possible future reference. In addition, such control is needed to prevent certain kinds of misuse of company funds.

35. Are employees in a position of trust bonded?  

<table>
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<tr>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
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</table>

36. Are company funds audited by frequent and surprise counts by an internal examiner or by an independent auditor?  

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<tr>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
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37. Are the following classes of sales cleared and recorded in the same manner as sales to customers:  
(a) sales to employees?  
(b) scrap and waste sales?  
(c) sales of equipment?  
(d) C.O.D. sales?  
(e) cash sales?  

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<th>Yes</th>
<th>No</th>
<th>Undecided</th>
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COMMENT: As a general rule, employees who handle more than a few hundred dollars should be bonded. Because the temptation may be great, it is not fair to an employee to place him where the only check is the trust you have in him. Not only should you have a system of internal checks but also you should bond employees in positions of trust. The costs for such coverage are relatively negligible, and the savings may be relatively high.

38. Are company securities kept under lock and key?  

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<tr>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
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39. Are they kept in a safe deposit vault?  

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<tr>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
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COMMENT: While the reasons for exercising care regarding securities are fairly apparent, many owner-managers are so occupied with other activities that they neglect what appears to be obvious. By keeping valuables under lock and key or in a safe deposit vault, you discourage dishonesty among your employees, prevent robbery from the outside, and provide protection against disasters. In addition, you minimize misplacement of valuable papers, which can be costly, not to mention inconvenient. Affirmative answers to these questions indicate the extent to which you attend to details.
Section 5

CREDIT MANAGEMENT

For SBA management assistance publications on this and related subjects, see Classification 6 in Appendix A of this volume.

40. Has your company put its credit policy in writing?  Yes  No  Undecided

COMMENT: The advantage of a written credit policy is that it establishes stability and continuity in your credit operations. Thus, your employees, customers, suppliers, bank, and others all know what the owner-manager has in mind concerning the granting and taking of credit. Moreover, a written credit policy lessens gradual unnoticed change. When your credit policy is written, several employees can handle credit operations with the assurance that customers, suppliers and the like will be accorded similar treatment. On the other hand, when credit policy is unwritten, unusual situations cannot be taken care of without explanation to the people involved.

41. Are monthly statements sent to all customers?  Yes  No  Undecided

42. Are customer accounts regularly balanced with control (i.e., accounts receivable ledger, shipping records, etc.)?  Yes  No  Undecided

43. Are delinquent accounts periodically reviewed by you?  Yes  No  Undecided

COMMENT: All things being equal, prompt payment for your products and services enables you to continue operations without seeking costly outside sources of cash. By billing your customers monthly (or more frequently, according to the customs of your industry), you maintain control of the flow of cash necessary to efficient operation. Failure to send statements to your customers regularly indicates poor management in this and other areas. Furthermore, when monthly statements are sent to customers before the monthly balance has been made, individual customer accounts should be verified.
44. Are invoices checked for accuracy of: (a) quantities billed? (b) prices used? (c) extensions? (d) terms?

45. Are they compared with your customers’ orders?

COMMENT: The invoice is a mid-way point in a business transaction. In well-managed companies, the proper handling of invoices serves two overall purposes: by making certain that you are giving the customer what he is paying for, you maintain good customer relations; by effectively controlling your invoicing, you insure proper and prompt payments for your goods and services.

46. Are write-offs of bad debts and adjustment credits approved by you?

COMMENT: In general, no outstanding account, short- or long-term, should be written off without your scrutiny and authorization. The volume of writeoffs has a significant and direct effect on profits over which you should have the authority to decide.

47. Are allowances for discounts in violation of regular terms of sale specifically authorized by you or a responsible employee?

COMMENT: Well-managed firms usually control special discounts very carefully. Just as the taking of discounts provides a source of substantial saving, the giving of unauthorized discounts can amount to a considerable cost.

48. Are unsatisfactory remittances from customers (i.e., those drawn with excessive discount deductions, and the like) under adequate control?

COMMENT: It is important for a company to have established procedures to prevent the abuse of discount terms. Three alternatives are available: (1) the return of the remittance to the customer with a request for payment in full; (2) acceptance and deposit of the underpayment with a followup letter requesting payment in full; (3) holding of remittance with a letter requesting payment in full. In any event, by establishing a definite policy on the handling of discounts, you, in effect, tell your customers that they are all receiving the same treatment.
Section 6

INFORMATION AND ASSISTANCE FROM THE OUTSIDE

For SBA management assistance publication on these and related subjects, see Classification 10 in Appendix A of this volume.

49. Do you rely exclusively on your own ideas for innovations or do you seek outside information in keeping up with new developments that you can use in your business?

COMMENT: While your own imagination and resourcefulness may be the best source of new ideas for your business, successful owner-managers use outside assistance to solve problems and to keep their businesses up-to-date. By getting the advice of experts, they save time and effort.

50. Have you taken advantage of the educational facilities that are available to you?

COMMENT: Schools, colleges, and universities are sources of both technical and management assistance. Members of the faculty in many of these schools are well-qualified to provide you with management information. They are also conversant in many instances with new developments in specific trades and industries. In addition, schools of business administration are giving more and more attention to adult training for owners and managers of going concerns. Administrative management courses, co-sponsored by the Small Business Administration and such schools, are designed to broaden and strengthen small business management skills.

51. Do you subscribe to at least one general business periodical and to a trade paper of your industry?

COMMENT: The owner-manager who is too busy to acquaint himself with the latest management techniques is the man who most needs such acquaintance. In addition to supplying you with news of new developments in your industry and business generally, some publications have special service departments which are set up to answer specific questions that readers submit to them. Business publications make available a wide range of technical and management information which can be used directly or applied to your business.
52. Are you a member of the trade association or trade associations which serve your industry? □ □ □

53. Do you participate in trade association activities? □ □ □

54. Are you a member of your local chamber of commerce or other civic organizations? □ □ □

COMMENT: The value of membership in trade and civic associations depends upon what you ask of them. Large and many small trade associations have stepped up the variety and quality of their services to members in recent years. Some groups do a great deal of research and educational work which may have practical application in your business. Virtually all have membership bulletins and special reports, and furnish replies to individual questions. Possibly the greatest value of membership in a trade or civic association is that of becoming acquainted with other businessmen in your industry or community and exchanging ideas with them. Furthermore through these associations, you can cooperate with your fellow businessmen to secure necessary information and services without burdensome costs.

55. Are you aware of the many Government statistics and other data which are available to you and which may help in the managing of your business? □ □ □

56. Do you use such information and assistance? □ □ □

COMMENT: Your State and local governments as well as the Federal Government are sources of outside information and assistance. The Small Business Administration has a most comprehensive program of management assistance. Besides its various publications, staff specialists at its field and headquarters offices provide counseling help on individual problems.

57. Have you given any thought to using a management consultant to solve a problem which up to now you considered beyond solution? □ □ □

COMMENT: Among the many management problems, three types lend themselves especially to outside assistance from management consultants. They are: The "one-shot" situation, the business checkup, and the feasibility study. Management consultants bring to small manufacturers (1) a fresh viewpoint, (2) an objective analysis, (3) wide experience, (4) a scientific approach, and (5) an opportunity to devote the necessary time.
Section 7

INSURANCE

For SBA management assistance publications on this and related subjects, see Classification 12 in Appendix A of this volume.

58. Is the responsibility for all insurance matters centralized in the hands of an experienced individual either inside or outside your company? Yes No Undecided

COMMENT: Insurance is not only a complicated subject but it is also an important item of expense for all types of business. Changing situations in your business call for different types and amounts of coverage. Reducing business risk through insurance requires constant attention which can be best handled by one person with extensive insurance know-how.

59. Is insurance coverage reviewed periodically? Yes No Undecided

COMMENT: An expert on insurance—either inside or outside the firm—should review your insurance program regularly. If you do not see to it that this is done, you are taking risks which you do not need to take, and which could be very costly to you and your creditors. Unnecessary risk-taking is a sign of poor management.

60. Has a survey been made within the past 2 years of the hazards to which your firm is exposed in order to develop a well-rounded, comprehensive insurance program? Yes No Undecided

61. Are policies in effect which result in the periodic review of insurance risks in order to reveal whether your company is over- or under-insured due to changes in wage rates, material costs, prices, and so on? Yes No Undecided

COMMENT: It is imperative that you have adequate insurance coverage. What is adequate one day, month, or year may be totally inadequate the following day, month, or year. Changing inventories, machine replacement, new customers, just to name a few situations, may often require different types of insurance coverage. The important consideration in managing an insurance program is to make sure that you are not assuming a risk which could be borne better by those companies who specialize in doing this—insurance companies.
62. Is your company insured against loss of key personnel including yourself?  

COMMENT: Every business runs the risk of loss from premature death and/or disability of its key personnel. A good owner-manager provides for this contingency. Especially in a partnership type of business, insurance will provide for funds to continue the business through a "purchase and sale agreement." In corporations, very often previously agreed upon stock-purchase agreements and financing arrangements are needed to assure an orderly continuity in the life of the company.

63. Has insurance coverage been used as a "fringe benefit" in your employee relations program?  

COMMENT: The use of employee group life insurance and the various types of hospitalization and medical-insurance coverage is one way to attract and keep efficient employees. Well-organized insurance programs in most companies will provide for some insurance protection for their employees.
Section 8

INVENTORY CONTROL

For SBA management assistance publications on this and related subjects, see Classification 6 in Appendix A of this volume.

64. Are perpetual inventory records maintained with respect to the following classes of inventories: (a) raw materials and supplies? (b) work in process? (c) finished stock?

 Yes  No  Undecided

65. Are perpetual inventory records checked by physical inventories at least once each year?

 Yes  No  Undecided

66. Does a responsible employee approve adjustments made to perpetual records based upon physical inventories?

 Yes  No  Undecided

COMMENT: Even the smallest two or three-man operation will tend to find itself in difficulty without adequate, written, well-organized, readily available records of the various categories of its inventory. One outstanding characteristic of a well-managed firm appears to be the detail with which it keeps such inventory records and control. The accuracy of your buying decisions—quantity and timing—are dependent on inventory control.

67. Are all purchases made on purchase orders?

 Yes  No  Undecided

68. Are vouchers prepared for all purchase and expense items?

 Yes  No  Undecided

69. Are vouchers for purchases and expenses examined by you or a responsible employee to ascertain completeness of attachments and various required approvals?

 Yes  No  Undecided

COMMENT: The purchasing function in a well-managed company requires dollar as well as unit control. Such control prevents unbalanced inventory, overpayments, failure to take advantage of discounts, and unauthorized purchases.
70. Do you or a responsible employee receive periodic reports as to: (a) slow-moving items? (b) obsolete items? (c) overstocks?

COMMENT: Among other advantages, the control implied in this question enables you to tailor your inventories to sales, for example.

71. Is merchandise on hand, which is not your property (customer's merchandise, consignments, and the like), physically segregated and under accounting control?

COMMENT: The goodwill of your suppliers and customers, in addition to cash value, is involved when you are handling property which belongs to them. Therefore, control of such merchandise is doubly important. Perhaps you can afford to make adjustments for lack of control of your own merchandise, but it is extremely difficult to repair the tangible and intangible damage incurred in mishandling the property of others.
Section 9

MARKETING

For SBA management assistance publications on this and related subjects, see Classifications 3, 16, 27, 28 in Appendix A of this volume.

72. Does your company systematically review present markets and investigate and develop new domestic and foreign markets?

73. Does your company try to find out detailed market potentials for its products?

74. Does your company continually appraise markets and customers to ascertain their relative profitability?

75. Does your company know the degree of market coverage which it has attained for each product?

76. Does your company periodically study and review the buying habits, preferences, and needs of the various elements of its market?

COMMENT: A trend among well-run small firms is to carry on increasing amounts of what can be called—loosely—market research. While the smallest firms cannot be expected to carry on much formal market analysis with either its own or outside staff, they should carry on some activity of this kind.

77. Does your company make periodic sales forecasts quarterly or more often for up to 2 years in advance?

COMMENT: To an increasing extent, well-managed firms are making rather complete sales forecasts several times a year. The sales forecast is the cornerstone of all management planning. It forms the basis for production planning and control, for the extent of selling and advertising programs, and for the amount of allowable overhead.
78. Are the following activities carried on as a part of your company's marketing activities:

(a) Analyzing customer preferences? □  □  □
(b) Obtaining customer reactions to product specifications and prices? □  □  □
(c) Preparing and keeping accurate records of advertising budgets? □  □  □
(d) Testing the effectiveness of advertising? □  □  □
(e) Developing sales catalogs, display material, printed matter, dealer helps, and other promotional aids? □  □  □
(f) Determining products to be sold? □  □  □
(g) Formulating selling plans? □  □  □
(h) Setting sales quotas? □  □  □
(i) Preparing price lists? □  □  □
(j) Setting performance standards? □  □  □

79. Are advertising and sales promotion material and programs closely coordinated with direct selling effort? □  □  □

80. Are continual comparisons made between your company's advertising and sales promotional programs and those of its competitors? □  □  □

COMMENT: Marketing includes all the policies, plans, and operations which move products or services to the ultimate user. The activities mentioned in these questions are carried on by most well-managed companies—some formally, others informally.
Section 10
OFFICE MANAGEMENT

For SBA management assistance publications on this and related subjects, see Classification 19 in Appendix A of this volume.

81. Are your office facilities and procedures geared to the other functions of your business?

Yes □ No □ Undecided □

COMMENT: The type of business, production methods, marketing channels, and other factors determine the extent and size of office procedures needed by a small manufacturing firm. The office function of a small business should be planned so as to give the other functions the maximum support. For example, there should be enough clerical help and office machines to bill customers promptly according to the customs of the industry. Data on inventory, production, and so forth should be compiled and reported so that they can be used by responsible employees to promote efficient operations.

82. Have you set up your office so that the work is done in sequence?

Yes □ No □ Undecided □

83. Have you arranged your office so that your office workers have adequate space and will not be interrupted unnecessarily?

Yes □ No □ Undecided □

84. Have you given any thought to environmental factors, such as airconditioning, noise, lighting?

Yes □ No □ Undecided □

COMMENT: By proper planning and keeping in mind a few basic principles, your office can be arranged to get the work out faster and better. To do this, you should know the sequence of each major activity and the contribution of individual employees to each activity. By planning the work flow of your office, you reduce confusion and promote employee morale. Furthermore, you can increase efficiency by providing your employee with good working conditions.
85. Have you reviewed your office procedures lately?

COMMENT: Office work has a tendency to grow "like Topsy" in any business organization. A form or report is required for some special situation. Often, after the situation has been resolved, the report continues to be made even though it is not used by anyone. On the other hand, many recurring situations are handled individually when a form would serve the purpose. Many owner-managers hurt themselves competitively by retaining needlessly cumbersome, complicated, and costly paperwork.

86. Have you kept up with new developments in the office equipment field?

COMMENT: The necessity for better records and more up-to-date management reports have made the many "estimated" and "rule of thumb" answers to business problems obsolete. Improved models of your present office equipment may provide considerable savings in your recordkeeping and report operations. Moreover, mechanization of your recordkeeping system may offer great opportunities for improving the speed, completeness, and accuracy of your records.
Section 11
PERSONNEL MANAGEMENT AND COMPANY ORGANIZATION

For SBA management assistance publications on this and related subjects, see Classifications 8, 11, 20, 21 in Appendix A of this volume.

87. Does your company have a written organization chart?  

88. Are supervisory duties and functions logically grouped (under one or more individuals) for efficient administration?  

89. Are all important activities adequately supervised?  

COMMENT: With the exception of firms with only half a dozen or so employees, well-managed companies usually have some form of organization chart. Without rather specific lines of authority which are defined by such a chart, overlapping responsibility can cause inefficient use of personnel and other resources. In addition, where no chart has been made, some responsibilities may not be assumed by anyone.

90. Does each individual in your company know to whom he reports?  

91. Does each individual in your company know who, if anyone, reports to him?  

COMMENT: In general, it is dangerous for one individual to have a span of more than five or six people reporting directly to him. Once this number is exceeded, the problem of managing employees becomes too great for maximum group efficiency. When lines of authority and responsibility are clearly known to all employees, each can do his job most efficiently. In well-managed companies, guards against the waste of human effort are just as important as guards against the waste of material.
92. Have you delegated as much authority and responsibility as possible to key members of your staff?

COMMENT: When you delegate authority to key members of your staff, you free yourself for other important functions. The extent to which you do this, of course, depends on the competence of your supervisory employees. Delegation of authority serves a double purpose: (1) it takes you away from detail and allows you more time for activities connected with your company's management and growth; (2) it promotes employee morale by giving your subordinates a chance to exercise their ingenuity for the benefit of themselves and the company.

93. Is there a written job description for each employee of your company?

94. Are your job descriptions so clear that new-comers and those promoted can easily recognize the requirements of their jobs and know the line of promotion, if any?

95. Do job titles accurately describe the jobs being done by the individuals who hold them?

COMMENT: Job descriptions in any company are the means of setting responsibility for work performance. If the work of your company is properly laid out and assigned by a written job description, the work of each employee can be controlled for maximum efficiency. Moreover, in small growing companies, job descriptions can be effectually used to prevent misunderstandings concerning employee promotions.

96. Does each employee clearly understand his job?

COMMENT: It is very difficult to maintain efficient operations if each employee does not know rather precisely what he and his fellow employees are supposed to do. Only when they know their jobs can you have good employee relations. Knowing the job prevents work duplication. It prevents employees from neglecting work that should be done. It is helpful in promoting growth within the job and in directing the efforts of deserving employees toward advancement in your organization. All these objectives mean growth in a well-managed business.
97. Are wage and salary schedules based on job specifications, job descriptions, and job evaluations?

98. Are all necessary time records, pay records, other data, maintained in accordance with Federal and State regulations?

COMMENT: The primary purpose of the schedules described in this question is to fit payments made to employees with the kind of work and its performance. A negative answer implies that you are not keeping careful control over salary and wage costs and, probably, costs in general.

99. Has your company, by written notice, established for each employee: (a) the workweek? (b) the paid holidays? (c) the vacation policy?

100. Is overtime work subject to specific authorization by you or a responsible employee prior to performance?

101. Are time records made on time-clocks?

COMMENT. Good management and good employee relations go hand-in-hand. One of the ways to avoid labor misunderstanding is to make it clear to your employees, usually in writing, what your workweek, overtime, holiday, and vacation policies are. Much time and expense which would otherwise be required to settle disputes arising from uncertainty concerning these matters can be saved. The expense of installing a time clock is often justified; hourly workers especially will accept the impartiality of time clock when a dispute over the amount of overtime arises.

102. Does your company have an employee suggestion system?

COMMENT: An employee suggestion system is a means by which you can draw upon the ingenuity of your workers. A properly run suggestion system can pay you big dividends—not only in valuable ideas and operational savings but also in improved worker morale and increased worker cooperation.
103. Are you giving thought to the problem of what the organization of your company will be 5 years from now?

COMMENT: In most progressive companies, growth is uppermost in the minds of their owner-managers. Growth implies increasing need for organization. Lack of thought relative to this problem indicates either a bad assumption about your company’s future growth, or failure to consider this factor. The growth-minded owner-manager must think of the direction that his company will take. Will he expand his present operations or diversify? What type of new jobs will he need as a result of his planned growth? He must think of executive development. Who of his present employees are potential executives and what type of training will they need to assume future responsibilities? And finally, the owner-manager must think of top management succession. Who has the talent and ability to take over when he decides to relinquish active direction of the company?

104. Do all your employees meet the standards that you currently use in hiring workers?

COMMENT: A “no” answer to this question can imply either of two things: (1) Your employment policy may need review; with changing technologies, new skills are often needed and new demands are made on workers. (2) You should give more thought to personnel training. The well-run company provides its employees with opportunities to keep up with changing technologies and to improve their skills and knowledge through training programs. When your employees are “growing,” they are helping your business to grow.
Section 12

PLANT AND EQUIPMENT

For SBA management assistance publications on this and related subjects, see Classifications 7, 13, 14, and 15 of Appendix A of this volume.

105. Was the location of your plant determined by careful studies of material and labor supply and market location?

COMMENT: The importance of plant location varies with the nature of a business. It depends on whether the essential ingredient in the profit-and-loss picture is the raw materials that go into the product, the skilled workmen who make it, or the need to be close to customers. The ideal situation, of course, will be if your plant location satisfies the requirements of all three of these essentials.

106. Does your company have a formal plan for periodic and systematic inspection of facilities and equipment?

107. Do you analyze at frequent intervals your records of machine downtime to determine whether idleness has been due to avoidable or nonavoidable causes?

108. Are raw materials inspected in a systematic way before being put into production?

COMMENT: It has been observed that most well-run firms have more or less formal plans to inspect all their facilities, machinery, and material. Control and proper care of your plant and tools can bring substantial reductions in production costs. Many owner-managers prepare calendars to show the dates on which various physical assets are to be inspected. Preventive maintenance—the discovery and repair of impending defects—will save you money.
109. Do you regularly analyze the relative advantages of owning (plant, equipment, machinery) rather than renting?  

Yes  No  Undecided

COMMENT: An owner-manager who is not constantly on the lookout for cheaper ways of doing things is overlooking profit opportunities. Different situations may suddenly arise which may make leasing less expensive than owning. An owner-manager who does not realize this possibility is probably not as interested as he should be in keeping costs down.
Section 13

PRODUCTION

For SBA management assistance publications on this and related subjects, see Classifications 6, 17, 23, and 26 in Appendix A of this volume.

110. Do you regularly establish clear-cut output goals and production schedules?  
Yes  No  Undecided

111. Are regular and complete production reports made?  
Yes  No  Undecided

COMMENT: Without clearly establishing output goals and production schedules, it is impossible to keep costs as low as they might otherwise be. Most well-run firms appear to recognize this fact and make provision for such planning.

112. Are specifications for your products worked out and agreed upon before you begin production?  
Yes  No  Undecided

COMMENT: A positive answer to this question indicates a desirable and necessary effort on your part to know what customers want before starting to produce the product. Such information is needed to avoid delays, spoiled work, and general customer dissatisfaction. Planned product development from the production standpoint is a means of assuring smooth operations in your plant.

113. Does someone have the final responsibility for the quality of your products?  
Yes  No  Undecided

COMMENT: A tendency to "pass the buck" and not to center responsibility for certain things clearly in one person or group is a sign of weak management. Unless the obvious bad effects of widespread responsibility are to occur, someone should have ultimate responsibility over the quality of your products.

114. Are delivery dates regularly met?  
Yes  No  Undecided

COMMENT: Meeting delivery dates indicates, among other things, the eagerness of the owner-manager to satisfy his customers as well as his ability to do so.
115. Are your sales records regularly analyzed in order to obtain information which will help to simplify production controls?

COMMENT: Such analysis is a refinement which is frequently found in well-run firms, although a firm may be very successful without carrying on such analysis formally.

116. Have break-even points been estimated for your company's operations? (See also Question #14.)

COMMENT: Sound planning is particularly important in well-managed companies. To develop realistic, successful planning, you must understand clearly what influence any increases or decreases in certain operating factors—volume, selling prices, various operating expenses, and plant and equipment facilities—will have on your profit. Some important effects of these several factors can be demonstrated by establishing break-even points for varying situations. Increasingly, well-managed small firms are making real efforts to ascertain at least rough break-even points.

117. Is your company continuously doing something to educate individual employees on how to reduce waste?

COMMENT: Practically all manufacturing operations have some waste in materials, machines, and men. Optimum use of all three is the goal of a well-managed plant. Manufacturing costs can be lowered and profits can be increased (1) if you know what materials, machines, and men are being wasted; (2) if you set controls to reduce such waste; (3) if you inaugurate training programs to implement such controls.

118. Are you using considerably different manufacturing processes than you did 5 years ago?

COMMENT: Well-managed firms, regardless of their size, should have an established program for reviewing their production processes and comparing them with the acknowledged leaders in their respective industries. Technological change can outdate a machine and make its use unprofitable from a competitive standpoint even though its mechanical operation appears to be efficient. Such reviews are also helpful (1) in determining whether your machinery has depreciated to the point of no return taxwise and (2) in developing new products.
Section 14

PURCHASING

For SBA management assistance publications on this and related subjects, see Classifications 17 and 25 in Appendix A of this volume.

119. Have you standardized, where possible, the specifications of items you purchase to obtain the advantages and economy of volume buying?

COMMENT: The advantages of buying in as large volume as possible are clear. Also, materials and parts that meet generally adopted standards are usually less expensive. If you can standardize within your plant without jeopardizing established quality, you may be able to make quantity purchases at substantial savings. Sometimes, such standardization can be achieved by simple changes in specifications. In addition to reducing costs in many instances, it facilitates inventory control.

120. Do you have approved vendor lists which you follow in purchasing?

121. Do you maintain alternative sources of supply for critical items as a safeguard in emergency situations?

122. Do you constantly try to develop new and better sources of supply?

COMMENT: Regardless of your volume of purchases, you should develop vendor lists which will assure you of adequate sources of supply. Alternative sources of supply are frequently needed, and frequently it is not a good idea to tie your company to one particular supplier. Your selection of vendors should be based on price, quality, and service considerations necessary for your operations. All three of these considerations are important to your control of costs. In addition, review of your supply sources is useful in keeping costs at a minimum.

123. Do you or one individual in your company have final responsibility for your purchases?

COMMENT: Well-managed companies insist that one individual handle their purchases. Concentration of this activity in one, who may do other things as well, tends to bring with it the advantages of specialization.
124. Does your purchasing system operate so that each purchase above a specified amount must be justified and kept within budget estimates?

125. Are complete files of purchase agreements with vendors kept?

126. Do you keep appropriate supplier catalogs on file?

127. Do you keep a complete file of supplier quotations and records?

COMMENT: While a small business does not require highly complicated and departmentalized purchasing procedures, modern procurement methods call for orderly and systematic recordkeeping. To maintain purchasing efficiency, you should keep records that will provide you with control over the buying functions of your business. The extent of such recordkeeping in your business will depend on the unit value of your purchases and their importance to the smooth performance of your operations.

128. Are purchases scheduled so that you do not have to depend upon emergency deliveries?

COMMENT: An alert manager realizes the costs of emergency deliveries. A poor purchasing procedure indicates lax management, at least in this area of responsibility.
Section 15

RESEARCH AND DEVELOPMENT—INNOVATIONS

For SBA management assistance publications on this and related subjects, see Classifications 17, 23, and 26 in Appendix A of this volume.

129. Does your management planning provide for research and development? □ □ □

130. Have you provided sufficient funds so that your R&D program is adequate for your present needs and your future growth? □ □ □

COMMENT: Scientific research and development in small plants can be a stepping stone or a stumbling block. Because many owner-managers are not familiar with the more technical areas of science, they often leave the technical direction of the R&D function to a qualified employee and direct their efforts only toward controlling that function. One of the main problems in the management of small plant R&D is the determination of the R&D budget. A study of your products and facilities and a comparison of what others are doing should help you to make your R&D decisions.

131. Has there been any change over the years in the materials used in making your company's product(s)? □ □ □

132. Has there been any change in the design of your product(s) or packaging? □ □ □

133. Has there been any change in the manufacturing equipment? □ □ □

134. Have any new uses for your by-products, if any, been developed? □ □ □

135. Have any new products resulted from your R&D? □ □ □

COMMENT: The questions in this group call attention to some of the directions to which R&D in your plant should be pointed. The owner-manager of a small manufacturing firm should be aware of the importance of R&D and exercise control over it. He should coordinate R&D to meet the needs of all the other functions of his business.
136. Does someone have the responsibility for keeping abreast of new ways of producing your firm's products?

137. Are you on the alert for new machinery which can be used to advantage by your firm?

COMMENT: In many industries, production techniques are changing at an accelerating pace. This trend will probably continue. It has been found that most well-run firms are very careful to keep abreast of changes in technology. In some cases, one individual is given the responsibility for this activity; in small companies, that individual may assume this responsibility along with his other duties.

138. Do you know the various sources of R&D assistance outside your firm?

139. Have you ever given any thought to forming a "Small Business Research and Development Pool"?

COMMENT: For small firms with limited funds or with a problem beyond the capability of their R&D personnel, there are a number of sources where additional professional guidance may be obtained. Among them are the following: educational institutions, some of which provide a regular research and engineering service for business; nonprofit research institutes that specialize in helping small businesses unable to afford a sizeable technical staff; independent laboratories; technical consultants; the Small Business Administration whose staff specialists counsel small business on various R&D problems as well as provide help in getting Government R&D contracts. The Small Business Administration also assists in the formation of R&D pools in which small businesses may participate. The Agency encourages the results of R&D by publishing the monthly Products List Circular; this publication presents information on machines, devices, and processes patented by the Government or by private companies, and which are available for use by small companies through purchase, licensing, or other arrangements.
Section 16

TAXES AND LEGAL OBLIGATIONS

For SBA management assistance publications on this and related subjects, see Classifications 4 and 10 in Appendix A of this volume.

140. Do you keep informed, or get outside assistance, on new legal and legislative developments which might be relevant to your company's activities?

141. Is someone charged with the responsibility of meeting your company's tax obligations and for keeping the company alert taxwise?

COMMENT: Although legislative developments are more relevant to large firms than to small ones, periodic analysis is made in most well-run organizations to see whether changes in the law (local, State, and Federal) have implications for the firm and for its policies. This is especially true in the case of changes in tax laws.

142. Has your company a tax calendar showing what various returns are required and when they are to be filed?

143. Do you provide for continuous study relating to specific items in tax returns such as: Method of inventory to be used? Treatment of capital items in the returns? Basis and rates of depreciation? Tax carryback and carryover factors?

COMMENT: A negative answer to these questions indicates that you may not be alert concerning the task of preparing for and paying various tax liabilities which your company may incur. The number of taxes paid may be rather small, in some instances; however, slowness in meeting taxes and not knowing exactly when they are due are indications of loose control. Moreover, taxes and their payment have considerable impact on an owner-manager's decisions. The determination of a new business location, the timing of new financing, the drawing of (profits) funds from the business, inventory valuation, depreciation, and many other business decisions affect and are affected by the timing of tax payments.
144. Do you have a lawyer who is readily available to give advice on the legal aspects of day-to-day decisions, when it is required?

COMMENT: Practically every activity in your business has its legal aspect. In marketing, just to take one example, pricing, advertising, trademarks, guarantees, contracts, all have some law or regulation which will require legal interpretation at one time or another. A firm that is well-managed has a lawyer, who is familiar with the operations of the firm as well as its industry and who will give sound advice on short notice concerning technicalities which require legal interpretation.
APPENDIX A

Classification of SBA Management Publications

The Small Business Administration publishes nine series of management assistance publications dealing with subjects that are included in the Management Audit for Small Manufacturers. The following classification of these publications by subject-matter is presented in this volume to aid readers who wish to obtain further information about the subject posed by individual questions. At the beginning of each section of questions, reference is made to one or more of the 28 pertinent classifications. The number before each title in the various series designates the serial number of the respective title.

This classification was current at the time that this publication was being prepared. (Forms 115-A and 115-B, which are published three times a year on a continuing basis, list newly published releases and may be obtained without charge from SBA field and Washington, D.C., offices.) The nine series are as follows:

**FREE PUBLICATIONS**

* Management Aids for Small Manufacturers  
* Small Marketers Aids  
* Technical Aids for Small Manufacturers  
  Small Business Bulletins  
  Management Research Summaries

**FOR-SALE PUBLICATIONS**

  Aids Annual Series  
  Small Business Management Series  
  Small Business Research Series  
  Starting and Managing Series

* When no longer available, in single-copy form, these publications are compiled into their respective Annual (for-sale) series

In this listing by subject-matter, the for-sale booklets may be ordered from the Superintendent of Documents, Washington 25, D.C. at the prices designated after each title. When one of the Aids series has been put into an Annual, the letter following the title keys it to its respective annual; the costs of the Annuals are as follows:

(a) In Management Aids for Small Business: Annual No. 1. 65 cents.  
(b) In Management Aids for Small Business: Annual No. 2. 55 cents.
1. Accounting (Recordkeeping)

Management Aids
34—Depreciation, Deterioration, and Obsolescence (b)
61—How Good Records Aid Income Tax Reporting (c)
112—Responsibility Accounting Can Pay Dividends (m)

Small Marketers Aids
1—Records Management in Smaller Stores (h)
19—Fundamental Records for Small Marketers (j)
25—Are You Kidding Yourself About Your Profits? (l)
29—Basic Accounting for Small Partnerships (l)
68—Depreciation Costs—Don't Overlook Them
84—Electronic Recordkeeping for Small Marketers

Small Business Bulletins
15—Recordkeeping Systems—Small Store and Service Trade

Small Business Management Series
9—Cost Accounting for Small Manufacturers. 35 cents

Management Research Summaries
66—Accounting in Small Business Decisions
76—Accounting Practices in Small Firms

2. Administrative Practices

Management Aids
19—Two Dozen Ideas for Effective Administration (a)
46—How to Analyze Your Own Business (b)
76—Surveying and Controlling Executive Time (g)
Executive Incentives in Small Business (g)
Traps to Avoid in Small Business Management (i)
Protecting Your Business Against Dishonesty (i)
How Directors Strengthen Small Firms (i)
Hiring a Key Executive for Your Small Plant (k)
Organizing The Owner-Manager’s Job (k)
Management Planning for Sound Growth
Building Growth-Mindedness Into Your Business
Measuring Your Growth Pattern
Sound Objectives Build Profits

Small Marketers Aids
Why Small Business Owners Need Sound Wills (h)
Public Relations for Small Business Owners (l)
Balanced Skills: Measure of Effective Managers (n)
Business Ethics and Small Marketers (n)
Are You Really Service Minded?
Building the Right Reputation

Small Business Management Series
Better Communications in Small Business. 25 cents
Management Audit for Small Manufacturers. 25 cents

Management Research Summaries
Business Methods in Small Personal Service Firms
Management Problems in the Electronics Industry
Operation Analysis in Small Manufacturing Firms
Management Planning in Small Firms

Advertising

Small Marketers Aids
Effective Advertising for Small Retailers (h)
Individuality in Retail Advertising (j)
Advertising for Profit and Prestige
Direct Mail Advertising for Small Retailers

Small Business Bulletins
Advertising—Volume and Expenditures
Advertising—Retail Store

Small Business Management Series
Profitable Advertising for Small Industrial Goods Producers. 35 cents

Management Research Summaries
Advertising in Small Retail Stores
4. Business-Government Relations

**Management Aids**

1—How Small Plants Can Sell to the Federal Government (a)
14—Subcontracting for Small Plants (a)
17—The Walsh-Healey Public Contracts Act (a)
29—Analyzing Your Government Contract (a)
31—Packaging Pointers for Government Contractors (a)
36—Sound Pricing on Government Contracts (b)
42—Getting Products on Qualified Products List (b)
49—Know Your Patenting Procedures (b)
52—Loan Sources in the Federal Government (b)
64—Appeal Procedure for Income Tax Cases (e)
65—The Securities Act of 1933(e)
94—Research and Development Opportunities (i)
101—How the ICA Helps Small Business (k)
110—Copyrights and Copyright Office Services (m)
147—New Depreciation Guidelines—Realistic and Flexible
148—Tax Dates for Small Plants

**Small Marketers Aids**

17—How the Department of Justice Helps Small Business (j)
24—Small Business and the FTC (j)
42—FTC and Guides Against Deceptive Pricing (n)
58—Are Your Textile Labels Legal?
67—Trade Regulations and Small Business
87—Tax Dates for Small Marketers
88—The Wage Hour Law in Small Firms

**Management Research Summaries**

93—Regulation of Retail Competition in Washington State

5. Competitive Strategy

**Management Aids**

43—Appraise Your Competitive Positions to Improve Company Planning (b)
72—Broadening Your Manufacturing Operations (e)
121—Exporting for Profit
134—Pointers on Meeting Competition
143—Renovation—Expansion Checklist
146—Buying and Selling a Patent

**Small Marketers Aids**

3—Attracting Customers to Your Small Store (h)
9—Competitive Tactics for Small Wholesalers (h)
10—Diversification for Small Marketers (h)
41—Is Your Store a Sales Builder or Barrier? (n)
54—Store Modernization Checklist
63—Making the Most of Your Show Windows
66—Meeting the Risks of Change
73—Understanding Why They Buy
78—Are You Selling Today’s Customers?
81—Are You Selling Enough Service?
83—Customers: A Neglected Sales Force?
85—Color Can Stimulate Sales
86—Growth: Implications for Small Marketers

**Small Business Bulletins**
28—Retail Store Hours

**Small Business Research Series**
2—The First Two Years: Problems of Small Firm Growth and Survival. $1.00

**Management Research Summaries**
8—Problems and Practices of Tennessee Nurserymen
11—Hours of Operation in Retail Stores
25—Vertical Integration in the Broiler Industry
39—Construction Industries in Southern Florida
42—Problems of Small Business
45—Case Studies of Small Retail Stores
51—Building Success in Small Manufacturing Industries
58—Small Business Success and Failure Cases
63—Small Business Problem Studies
75—Small Business Patterns in Arizona
92—Unusual Small Businesses in Louisiana
103—Mail-Order Purchasing and the Small Retailer
104—Wholesaler’s Services to Food Retailers
107—Factors in the Growth of Manufacturing Firms
109—Ten Small Retailers and Their Problems

6. Controlling

**Management Aids**
2—Adequate Production Control (a)
23—Budgeting in the Small Plant (a)
35—Materials Control for Small Plants (b)
37—Figuring and Using Break-even Points (b)
51—How to Reduce Your Operating Costs (b)
79—Effective Control for Better Management (g)
96—Controlling Inspection Costs in Small Plants (k)
118—Keeping Overhead Costs in Line
128—Getting Results from Your Budget
139—Reducing Transportation Costs

**Small Marketers Aids**
5—Basic Stock Control for Small Stores (h)
26—Stock Management in Small Stores (l)
30—Are Merchandise Lines Paying Their Rent? (l)
33—Credit and Collection Controls (l)
34—Cost Control Pointers for Small Marketers (n)
40—Reducing Stock Shrinkage in Small Firms (n)
48—Controlling Your Business Future
50—Break—even Point Studies for Small Marketers
57—Boost Profits by Cutting Markdowns
82—Bid the Job—Not the Market

**Technical Aids**

45—Cash Values in Industrial Scrap
49—Control of Expendable Tools—I
50—Reduce Waste—Increase Profit
51—Control of Expendable Tools—II
78—Controlling Quality in Defense Production
82—Inspection on Defense Contracts in Small Firms

**Management Research Summaries**

2—Profit Control in Automobile Retailing
3—Cost Control Problems of Small Manufacturers
9—Problems of Small Retailers
20—Control Methods for Home Builders
21—Control Methods for Oil Jobbers
27—Control Methods for Men’s Clothing Stores
29—Control Methods for Hardware Dealers
40—Control Methods for Household Appliance Dealers
83—Revenue Quality Control for Small Motor Carriers
100—Inventory Control for Small Wholesalers

7. **Equipment**

**Technical Aids**

17—Taps and Dies (d)
26—How to Select the Right Grinding Wheel (d)
40—Reducing Costs with Jigs, Fixtures, Gages (f)
53—Increased Profits from Air Conditioning
57—Should You Lease Production Equipment?
59—Fire Fighting Equipment for Small Plants
63—Cut Corners with Conveyors
69—Color-Coding in Small Plants
73—Pointers on In-Plant Trucking
79—Rented Tools Can Improve Efficiency

8. **Executive Development**

**Management Aids**

22—Developing Foremen in Smaller Plants (a)
Small Marketers Aids
8—Providing Management Replacements in Small Business (h)
46—Essential Personal Qualities for Small Store Managers

Small Business Management Series
12—Executive Development in Small Business. 25 cents
14—The Foreman in Small Industry. 20 cents

Management Research Summaries
36—Education for Leadership in Small Business
46—Management Staffing Needs in Arkansas Sawmills
47—Providing Management Talent for the Small Business


Management Aids
33—Borrowing Money From Your Bank (b)
39—How to Choose Your Banker Wisely (b)
68—Using Your Banker’s Advisory Services (e)
74—Planning Your Working Capital Requirements (e)
105—Watch Your Cash (m)
115—Providing Capital for Your Firm (m)
116—Helping the Banker Help You (m)
124—Cash Management in Small Plants
138—Getting Money for Long-Term Growth
149—Financing Export Sales

Small Marketers Aids
6—Building Sound Credit Policies for Small Stores (h)
22—Term Loans in Small Business Financing (j)
49—Improving Collections from Credit Sales
76—Can You Afford Installment Selling?

Small Business Bulletins
8—Operating Costs and Ratios—Retail
11—Operating Costs and Ratios—Wholesale
31—Retail Credit and Collections
59—Consumer Credit

Small Business Management Series
15—A Handbook of Small Business Finance. 35 cents
20—Ratio Analysis for Small Business. 25 cents
24—Equity Capital and Small Business. 35 cents
25—Guides for Profit Planning. 25 cents

Small Business Research Series
1—Cash Planning in Small Manufacturing Companies. $1.25
3—Interbusiness Financing: Economic Implications for Small Business. 65 cents
Management Research Summaries

4—Small Plant Turnover and Failure
10—Facts About Small Business Financing
28—Financing Small Business in South Dakota
31—Local Investment in Puerto Rican Manufacturing
33—Financial Analysis and Small Business
54—Investment Decision Making in Small Business
57—A Study of SBA Financial Assistance in Utah
61—A Study of Industry Financial and Operating Ratios
67—Equity Financing of Small Manufacturing Firms
68—Sources of Equity and Long-Term Financing for Small Manufacturing Firms
79—Financing Small Manufacturing Firms in Maine
91—Sources of Funds for Small Firms in Washington State
94—Attitudes of Bankers Toward Small Business Financing
96—Small Business Experiences in Seeking Credit
102—A Study of Business Terminations
105—Small Business Instability and Failure
106—Small Manufacturers and the Financial Gap
111—Measurement of the Risk Attitudes of Banks

10. Help From Outside

Management Aids

26—How Management Consultants Help Small Manufacturers (a)
32—How Trade Associations Help Small Manufacturers (b)
38—How Advertising Agencies Serve Small Business (b)
41—How the Public Employment Service Helps Small Businesses (b)
47—How the Federal Mediation and Conciliation Service Helps Small Business (b)
50—How Manufacturers’ Agents Help Small Business (b)
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59—How Marketing Research Helps Small Manufacturers (c)
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31—How Big Companies Help Small Marketers (l)
36—Picking an Auditor for Your Firm (n)
38—Under-Used Sources of Employees (n)
43—How Better Business Bureaus Help Small Business (n)
51—Innovations—New Ideas as a Source of Profit
61—Using Weather Services in Your Business
70—New Census Information for Your Business
74—Specialized Help for Small Business

Small Business Bulletins
18—Basic Library Reference Sources for Business Use
29—National Mailing List Houses

Small Business Management Series
5—Public Accounting Services for Small Business. 15 cents
23—Research Relations Between Engineering Educational Institutions and Industrial Organizations. 25 cents

Management Research Summaries
18—Problems and Needs of Small Manufacturers
30—Use of External Assistance by Small Manufacturers
56—Use of Outside Information in Small Firms
80—Small Business Use of Trade Association Programs
95—Outside Management Counsel for Small Business

11. Human Relations

Management Aids
88—Improving Foreman Relations in Small Plants (i)
145—Why Not Use Everyone's Good Ideas?

Small Marketers Aids
12—Turning Customer Complaints into Profit (h)
18—Front Office Courtesy Pays (j)
37—Managing for Better Morale (n)

Small Business Management Series
3—Human Relations in Small Industry. 30 cents
27—Profitable Community Relations for Small Business. 25 cents

12. Insurance

Management Aids
4—Business Insurance—I (a)
15—Business Insurance—II (a)
21—Business Insurance—III (a)
28—Business Insurance—IV (a)
130—Business Life Insurance
131—Sole Proprietorship Life Insurance
132—Corporation Life Insurance
133—Partnership Life Insurance

**Small Business Bulletins**
65—Real Estate and Insurance

**Management Research Summaries**
72—Insurance Management in Small Retail Firms
101—Risk Management in a Catastrophe

13. Layout

**Technical Aids**
37—Use of Templates and Scale Models in Plant Layout (f)
42—Principles of Plant Layout for Small Plants
77—Are You Using Your Space Effectively?

**Small Business Management Series**
21—Profitable Small Plant Layout. 25 cents

14. Location

**Management Aids**
99—Plant Location Factors for Small Industry (k)

**Small Marketers Aids**
13—Sizing Up Small Business Locations (h)

**Small Business Bulletins**
16—Store Location
27—Shopping Centers

**Management Research Summaries**
1—How Urban Renewal Projects Affect Small Business
6—Small Business and the Superhighway Era
17—Small Store Opportunities in Shopping Centers
43—Selecting a Site for Small Manufacturing Plant
50—Personal Factors in Choosing Site
78—Site Evaluation for Small Retailers
85—Small Business Opportunities in a Redevelopment Area
87—Highways and Small Manufacturing Plant Locations

15. Maintenance (Housekeeping)

**Management Aids**
25—Improving Maintenance Operations (a)

**Technical Aids**
1—Proper Alignment of Machine Tools (d)
2—Sharpening Drills, Lathe Tools, Milling Cutters (d)
3—Care of Belt, Chain and Gear Drives (d)
4—Sharpening Certain Metal Cutting Tools (d)
14—Corrosion in Machine Shops (d)
19—Care and Maintenance of Grinding Wheels (d)
20—Maintenance of Power Hand Tools (d)
25—Lengthening Cutting Tool Life (d)
28—Economies in Lubrication (f)
30—Fire Prevention in Small Business (f)
32—Essentials of Good Plant Lubrication (f)
34—Handling, Storing, Dispensing Lubricants (f)
35—Care of Hydraulic Systems (f)
38—Preventive Maintenance for the Small Plant (f)
41—Good Plant Housekeeping Practices
64—Industrial Floor Resurfacing Compounds
80—Electric Motor Maintenance for Small Plants

Small Business Bulletins
60—Painting and Decorating

16. Marketing Research

Management Aids
9—How To Analyze Old and New Markets (a)
48—Sales Forecasting for Small Business (b)
73—Making a Marketing Survey (c)
85—Analyzing Your Cost of Marketing (g)
120—Checking Your Marketing Channels
127—Key Marketing Words—What They Mean
144—A New Look at Export Markets

Small Marketers Aids
15—Appraising the Market for Your Services (j)

Small Business Bulletins
9—Marketing Research Procedures
12—Statistics and Maps for Market Analysis
13—National Directories for Use in Marketing
34—Distribution Cost Analysis

Small Business Management Series
8—Making Your Sales Figures Talk. 20 cents
17—New Product Introduction for Small Business Owners. 30 cents
22—Practical Use of Government Statistics. 20 cents

Management Research Summaries
5—Expanding Distribution and Warehousing in Alaska
19—Market Research and Planning for Small Manufacturers
23—Forecasting in Small Business Planning
24—Economic Opportunities for the State of Maine
53—Business Enterprises of Negroes in Tennessee
71—Export Trade and the Small Manufacturer
73—Problems of Tennessee’s Small Meatpackers
17. Materials

Technical Aids

6—Selecting the Right Tool Steel (d)
23—Titanium (d)
39—Reinforced Plastics (f)
43—Plastics—Opportunities for Small Business
47—Metal Powder Uses in the Small Plant
48—Plastics for Tools, Dies, Jigs, Fixtures
54—Surface Hardening Practices
58—Rust Preventive Coatings—Petroleum-Base
60—Uses of Precast Concrete
66—Cutting Costs with Industrial Adhesives
68—Protective Coating for Steel Construction
76—Tubular Riveting Uses in Small Plants
81—In-Plant Storage and Handling of Hazardous Materials

Management Research Summaries

32—New Hampshire Mineral Potential
37—Forestry and Forest Products in New Hampshire
59—The Pine Lumber Industry in Mississippi
62—Maine’s Potential for Wood Particle Board Manufacture
65—Mississippi’s Forest Resources
77—Small Zinc-Lead Mining in Montana
88—Developing Mississippi’s Hardwood Resources

18. Materials Handling and Shipping

Management Aids

24—Improving Shipping Room Operations in Small Plants (a)

Technical Aids

62—Protective Packaging Problems

Small Business Bulletins

5—Containers and Packaging

Small Business Management Series

4—Improving Materials Handling in Small Plants. 20 cents

Management Research Summaries

16—The Transportation Function in Small Business
41—Air Transportation in New Hampshire
82—Motor Freight Movements in Oklahoma

19. Office Management

Management Aids

56—Streamlining Office Systems in Small Business (c)
70—Records Retention in Small Business (c)
71—Office Mechanization for Small Industry (c)
75—Protecting Your Records Against Disaster (g)
104—Cutting Paperwork Through Work Simplification (k)

Small Marketers Aids
64—Cost Cutting Through Work Measurement

Small Business Bulletins
58—Small Office Automation

Small Business Management Series
6—Cutting Office Costs in Small Plants. 25 cents

20. Organization

Management Aids
18—Changes in Organization Responsibilities as a Plant Grows (a)
80—Choosing the Legal Structure for Your Firm (g)
93—Rating Your Firm’s Organization (i)
111—Steps in Incorporating a Business (m)
113—“Tailor-Make” Your Executive Staff (m)
136—Reducing Management Waste

Small Business Bulletins
30—Voluntary and Cooperative Chains

Small Business Management Series
13—Small Manufacturer and Specialized Staff. 20 cents

Management Research Summaries
7—The Squeeze-Out in Small Business Ownership
12—Organization Patterns in Small Business
49—The Structure of Small Business in Alabama
98—Choosing a Form of Business Organization

21. Personnel Management

Management Aids
3—Reducing Accident Costs in Small Plants (a)
5—Reducing Accident Costs Through Safe Working Conditions (a)
6—Is Your Labor Turnover Cost Too High? (a)
7—Reducing Accident Costs by Use of Safety Committees (a)
8—Incentive Techniques for Small Businesses (a)
10—Saving Manpower in Industry (a)
11—Minimizing the Cost of Breaking in New Personnel (a)
12—Reducing Accident Costs Through Reports and Records (a)
13—Small Plant Health and Medical Programs (a)
20—Reducing Accident Costs Through Safe Work Methods (a)
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30—Employee Selection and Placement Methods (a)
54—Psychological Testing for Small Business (c)
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107—Using Deferred Compensation in Small Business (m)
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129—Payroll Savings Helps Small Business
135—Retirement Plans for Small Business

Small Marketers Aids
4—Employee Relations for Small Retailers (h)
11—Sales Training for Small Wholesalers (h)
35—Personnel Control for Small Marketers (n)
47—Sales Contests for Wholesalers
53—Is Your Staff Service Minded?
55—How Good Are Your Servicemen?
75—Managing Women Employees in Small Business
77—Handling the Problem Employee

Small Business Bulletins
23—Training Retail Sales People
56—Training Commercial Salesmen

Small Business Management Series
1—Employee Suggestion System for Small Plants. 15 cents
11—Sales Training for the Smaller Manufacturer. 20 cents
16—Health Maintenance for Greater Efficiency. 25 cents
26—Personnel Management Guide for Small Business. 25 cents

Management Research Summaries
38—Small Business and Pattern Bargaining
60—Small Business and Unionwide Bargaining
74—Employee Training Needs of Small Montana Firms
112—Deferred Compensation for Key Employees

22. Pricing

Management Aids
62—How To Price a New Product (c)
100—Pricing Arithmetic for Small Business Managers (k)

Small Marketers Aids
21—Pricing and Profits in Small Stores (j)

Management Research Summaries
44—Pricing Decisions in Small Business
23. Production (Processing)

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16—Methods Engineering for the Small Plant (a)
40—Pitfalls in Estimating Your Manufacturing Costs (b)
67—Developing Sound Production Standards (e)

Technical Aids
5—Precision Measurement of Workpieces (d)
7—Machining Aluminum—I (d)
8—Metallizing (d)
9—Machining Plastics—I (d)
10—Machining Aluminum—II (d)
11—Machining Plastics—II (d)
12—Machining, Repairing and Heat Treating Cast Iron Workpieces (d)
13—Cutting Oils and Coolants (d)
15—Machining Brass and Bronze Workpieces (d)
16—Machining Magnesium Alloy Workpieces (d)
18—Surface Cleaning Techniques (d)
21—Surface Finishing Techniques—I (d)
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24—Surface Finishing Techniques—III (Titanium) (d)
27—Gaging Tolerances in Machine Shops (d)
33—Gas Welding of Cast Iron (f)
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46—Modern Welding Practices
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36—Jewelry Retailing
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45—Men's and Boys' Clothing
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48—Furniture Retailing
50—Apparel and Accessories for Women, Misses, and Children
51—Trucking and Cartage
53—Hobby Shop
54—Interior Decorating
57—Selling and Servicing Appliances and Radio-TV
61—Catering
62—Sporting Goods
63—Footwear
64—Photographic Dealers and Studios
66—Motels
67—Manufacturers' Agent
68—Discount Retailing

Small Business Management Series
2—One Hundred and Fifty Questions for a Prospective Manufacturer.
20 cents

Management Research Summaries
13—Vacation Business in Maine
22—Small Business in Eastern Oklahoma
34—Small Manufacturing Firms in New Hampshire
35—The Pleasure Boating Industry in Tennessee
55—Small Business Development in New Hampshire
64—Problems and Prospects of South Carolina Food Processors
84—Vacation-Travel Businesses in New Hampshire
89—Assessing the Prospects for New Retail Businesses
90—Farm Equipment Retailing in Louisiana
99—North Dakota’s Vacation and Recreation Industry
110—Alaska’s Tourist Business

Starting and Managing Series
1—Starting and Managing A Small Business of Your Own. 25 cents
2—Starting and Managing a Small Credit Bureau and Collection Service. 60 cents
3—Starting and Managing a Service Station. 35 cents
4—Starting and Managing a Small Bookkeeping Service. 30 cents
5—Starting and Managing a Small Building Business. 35 cents
6—Starting and Managing an Aviation Fixed Base Operation. 25 cents

25. Purchasing

Management Aids
45—Judging Your Purchasing Efficiency (b)
123—Getting the Most From Your Purchasing Dollar

Small Marketers Aids
28—Profitable Buying for Small Retailers (l)

Small Business Bulletins
37—Buying for Retail Stores

Management Research Summaries
14—Purchasing in the Small Manufacturing Plant

26. Research, Development, and Design

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53—Small Business Profits from Unpatentable Ideas (c)
69—Redesigning Products for Better Marketability (c)
82—Reducing the Risks in Product Development (g)
92—Wishing Won’t Get You Profitable New Products (i)
119—The Management Side of Small-Plant R & D
140—Improving Your Product’s Value

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29—Inventions: Government-Owned; Registered for License or Sale; Dedicated (f)
31—Radioisotopes and Small Business (f)
56—Uses of Ceramic-Coated Metals in Small Plants
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15—Overlapping Sales Taxes and Small Business
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### SMALL BUSINESS ADMINISTRATION

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<td>Hartford, Conn.</td>
<td>Salt Lake City, Utah</td>
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<td>Helena, Mont.</td>
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<td>Houston, Tex.</td>
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<td>Indianapolis, Ind.</td>
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<td>Jackson, Miss.</td>
<td>Sioux Falls, S. Dak.</td>
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<td>Jacksonville, Fla.</td>
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<td>Kansas City, Mo.</td>
<td>Tulsa, Okla.</td>
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<td>Knoxville, Tenn.</td>
<td>Washington, D.C.</td>
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<td>Little Rock, Ark.</td>
<td>Wichita, Kans.</td>
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For addresses and telephone numbers of the field offices listed above consult the appropriate telephone directory.
USEFUL MANAGEMENT INFORMATION
AVAILABLE FREE...

For Owners—Managers of Small Plants

1. **Management Aids for Small Manufacturers** - Practical applications of various facets of sound administrative practices in small plants: business-government relations; internal general management; and external sources of help, advice, and guidance.

2. **Technical Aids for Small Manufacturers** - Useable information regarding care and maintenance, equipment, production and operations, layout, materials, and research and development for the technical manager.

3. **Management Research Summary** - Individual digests of research reports prepared under the Small Business Management Research Grant Program of SBA and covering the entire range of small business interest.