

THE PUBLIC RELATIONS PROGRAM
AND PRACTICE OF
TWO HUNDRED FIFTY MICHIGAN
FARM EQUIPMENT RETAILERS

THESIS FOR THE DEGREE OF M. S.
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This is to certify that the
thesis entitled
"An Examination of the Public Relations Practices
and Policy of the Independent Farm Equipment Retailer"

presented by

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THE PUBLIC RELATIONS PROGRAM
AND PRACTICE OF TWO HUNDRED FIFTY
MICHIGAN FARM EQUIPMENT RETAILERS

by

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A THESIS

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ABSTRACT

The cultural concept of the producer of raw food and fibre is bound up in a frame of reference labeled "farmer." Developments of recent years have necessitated a reappraisal of the term. Agriculture in the last quarter century has felt the full impact of research, mass production and mechanization. These forces have radically altered conditions upon which plans, policies, and approaches are made. The size of the farm, soil usage and conservation, technical research, communication, methods of information dispersal, training of personnel at all levels of food production, distribution, and use, have undergone considerable adjustment.

In the course of this transition, certain areas of agricultural endeavor showed singular conservatism in meeting the challenge of these new conditions.

Not the least of these concerns is the lack of understanding of the place, function and service of the farm equipment retailer. The retailer of farm equipment continued to be called a "dealer." As shown in the data, management practices did not keep pace compared to like capitalized businesses on main street. Manufacturers of farm equipment continue to franchise retail outlets for their lines, without sufficient facts and figures as standards to defend such placement. There is no evidence to show that standard instruments of testing are used to evaluate basic aptitude for

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the business. The lush years following World War II had a tendency to shove aside any realistic appraisal of the loss of public status. The farmer purchased at the lowest possible cost by positioning one dealer against another. Nothing was done to structure in the producer's mind the true service of a sound retailer.

This study was directed toward the core problems of the industry, "What are the underlying reasons for the lack of respect for the farm equipment industry, and what possible remedial measures suggest themselves as a solution?"

It was the object of this study to examine the problem by interviewing two hundred and fifty retailers of farm equipment, picked at random. On the basis of the data obtained, the causes for prevailing conditions were to be determined. It was hoped that developing patterns might point to possible solutions. This anticipation was realized. The critical areas studied were three in number:

1. The physical equipment.
2. Policy operation.
3. The public relations findings:
 - a. in the field of employee practice and policy.
 - b. in the field of customer practice and policy.
 - c. in the field of community worker.
 - d. in the field of community group and agency relationship.

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A questionnaire was constructed. The items secured the statistical data necessary to get an analysis of each business operation.

It was necessary to obtain data on forces and factors relating to and having an influence on the main problem.

These areas were:

1. The strength or weakness of the area agricultural economy.
2. A sense of responsibility, or the lack of it, on the part of the retailer, the company "traveler," or the manufacturer towards its product and product service.
3. Company policy as related to realistic field conditions.
4. The influence of organization and associations related to the "dealer" and his activities.

During the course of the investigation, specific projects were undertaken to test assumptions.

Summary

Problems in the industry are traceable to the following conditions and facts as supported by the data:

1. There is a distinction between the "dealer" and his status as compared to that of the retailer who conducts his business and relationship to his customer as a purchasing agent for a businessman engaged in

the production and processing of raw food and fibre.

2. The farm equipment retailer stands high on the list of counselors of the farmer. As such, he (the retailer) stands near the bottom of the list on the basis of training to occupy that role. The retailer is a vital channel of communication, but that channel is not always clear and open because of insufficient training.
3. The impact of youth training for agriculture pursuits and the increased density of population of young farmers seems to have no recognition in thought or practice of a large majority of the businesses studied. The older retailers have grown older with their long time customers. There are isolated instances of measures being taken to construct channels of communications with these new farmers. The recent new retailers of farm equipment are so beset with business problems that they have little time for cultivating the young farmer.

Other problems relating to the main issues are discussed in the body of this thesis.

ACKNOWLEDGEMENTS

The author wishes to express his sincere thanks and appreciation to those who have been helpful in planning and encouraging this work. Indeed, it would not have been possible to secure adequate treatment of the elements of the problem if it had not been for their personal interest.

To Professor Howard McColly, the author wishes to express his deep appreciation for the guidance and council freely given in all stages of this investigation. His advise, backed by his experience in the commercial farm equipment field, was invaluable. As the study expanded and field problems became numerous, Professor McColly always found time to assist.

Particularly helpful were two members of the Guidance and Counseling Services of the College. Dr. Harry Scales took time on several occasions to review the writer's technique in securing information, coaching and counseling, that greater skill might be used in "drawing out" the information sought. Dr. William Mann took an interest in the problem and participated in the pilot, summer workshops. It was he who aided and guided the technical phase of the work in securing the data on the use of aptitude tests for employment.

Grateful acknowledgement is also made to S. E. Larsen, Secretary of the Michigan Farm Equipment Association. His encouragement and helpfulness in the conduct of the field investigation is greatly appreciated. The writer deeply appreciates the financial support given by the association during the conduct of this work.

Finally, it should be stated that this work had a significant beginning in the interest of Dr. A. W. Farrall, head of the department of Agricultural Engineering. His recognition of the problem and his insight into the possible uses of the work as a service to agriculture were stimulating.

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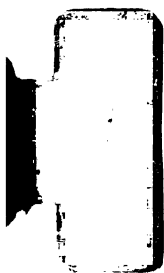
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INTRODUCTION

The work herein reported found its origin in questions raised concerning the widening gap of understanding between the farm equipment retailer and his producer customer. Additional stimulus to study the problem occurred at the point of discovering a singular lack of information, data, and viewpoints in the literature.

Should the recitation of facts, the supporting evidence of data and the discussion of indicated points of improvement add to or stimulate thinking on the problem, the work will have been justified.

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STATEMENT OF THE PROBLEM

There is current, in the many activities related to agriculture, the concept that the farm equipment business is unstable. Of immediate concern is the question, "Why should there be so little respect for the place and function of the retailer of farm equipment, when he fills so vital a link in the chain that has made American agriculture capable of feeding so many, so efficiently?" The problem then has three elements.

1. What are the forces, factors, circumstances leading up to the current situation?
2. What is the basic measure of a farm equipment retailer and his function?
3. What principles and programs are indicated which will help resolve the difficulties?

It is to these three concerns that this thesis addresses itself.

HISTORICAL BACKGROUND

Early recordings of man's history show the use of simple tools.¹ The bent back, forked stick, the beast of burden drawing a wood hook are symbolical of early man's struggle to provide food for himself and his family.

Population growth was retarded by the impact of conditions of survival. The mind of man, except for isolated instances, did not conjecture for the improvement of his lot.

Not until 1797 were there evidences of relating uniformity of steel products to food production.² With the introduction of the steel mold board, a new era of food production was introduced.

The development of the plow, cultivating tools, the advent of the reaper, later the use of the internal combustion engine as a source of power are too well known to be reviewed here.

There was not, however, an equal pace maintained by our sociological or cultural concepts of the food production process. This is evidenced by the gravitation to the farm of those who couldn't maintain the exacting requirements of the professions, business competition or particular individual

¹"Land of Plenty." Farm Equipment Institute, 1950. Chapter 1.

²Ibid.

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skills.³ The standard of living in the country was lower. As late as 1935 farming was referred to as an occupation one could fill if unfit for anything else.

Farsighted people, however, anticipated the future demands of population for food, recognizing that expanding demands for foods would necessitate greater skills in production. This foresight is evidenced by the following table.

- 1817--Massachusetts--Mervinal to Congress, asking for
a National Board of Agriculture.
- 1836--Patent Office--distribute seeds and plants.
- 1862--Agricultural Department United States.
- 1862--Morrell Act--Land Grant Colleges
- 1914--Hatch Act--Agricultural Extension and Experiment
Station.
- 1917--Smith-Hughes--Vocational Agriculture in High
Schools.
- 1929--George Reed Act--Expansion of Smith-Hughes.
- 1930--George Deen Act--Annual appropriation.
- 1946--George Barden Act--Permanent legislation--
vocational agriculture in high schools.

Light on the central problem of this study occurs at the point of reference to the purveyor of farm machinery as a "dealer." The cultural concept of the "dealer" finds

³Austin, David F. "The Lost Medium of Exchange."
United States Steel Company.

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its roots in "horse trading" as it is related to power and transportation.⁴

With the advent of the tractor as an accepted source of farm power, the trading of horses for tractors was common to the industry. The dealer, recognizing the economic devaluation of the horse, was usually alert to protect himself. It was in this era of "jockeying for position in the act of trading" when the current connotation of the term "dealer" found acceptance as applied to the farm equipment retailers.

Unfortunately the very nature of the developing business militated for "dealing." The scarcity of early farm tools placed emphasis on the value of traded in and used farm equipment. Sales could be made easily at a profit on the used goods.⁵

The period beginning about 1935 witnessed the full impact of science, research, mass production, communication and population changes on our economy. Perhaps agriculture was under more pressure than any segment of our economy.

The colleges struggled to transmit to the food producer the information necessary for him to keep pace with demand. Every means were used to accomplish this end. Banking, food processing, distribution and allied lines of many services

⁴Oester, Lester E. "Survey Report." Farm Implement News, August, 1953.

⁵"Cost of Doing Business Survey." American Farm Equipment Association. 1951.



sought constantly to secure, select and train their personnel that the product might achieve a better reception. Carefully laid plans and practices are common in industry to find, select, screen, train personnel and prospective personnel.

By contrast the farm equipment industry, historically, has only of recent date inaugurated such activity as would lift the public concept of the "dealer."⁶ There are evidences of standardization of buildings, dealer requirements, information to teacher-trainers, FFA activity, et cetera. There is much room for improvement, however, on a comparative basis with the auto industry.

Summary

Historically, the farm equipment retailer is at a disadvantage. The cultural concept of his activity is still dominant. The dealer himself has done much to solidify the farmer concept that a merchandiser of farm equipment is unstable. The farmer also is responsible for a condition embarrassing to the farm enterprise. He did and does utilize such practices of bargaining as make it difficult for the sound retailer to compete. There is considerable evidence to show that the farmer has been encouraged to "shop" at the ultimate expense of himself and his normal supplier.

⁶Karr, C. N. "Industry Wide Public Relations." Report. Farm Equipment Institute, November, 1952.

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The farm equipment retailer is in the public mind a "dealer." The data shows that those retailers who recognized changing conditions and accomodated themselves to those changes, enjoy quite a different status in their communities than their competitors of the "dealer" type.

APPARATUS AND METHODOLOGY

A. THE PILOT STUDY

A pilot investigation of the problem was conducted in the late summer and fall of 1952. Twenty dealers were selected in five counties. The area of public relations were designated as:

1. How the dealer rated the business as compared to other businesses.
2. His place of business (looks) as an instrument of public relations.
3. Rating of employee meetings to structure public response to an individual business.
4. Number and type of contacts with youth groups.
5. Number and type of contacts with farm groups.
6. Number and type of contacts in community activity.
7. Number and type of contacts with the community through the various advertising media.

The following questions were asked and the results obtained are indicated.¹

1. In your judgement where does the farm equipment business rate in public respect. Put a 1, before your first choice, a 2, your second choice, et cetera.

Automobile retailing	Elevator Supply Business
Grocery retailing	Farm equipment retailing

¹See Appendix, Exhibit Number 1.

2. How does farm equipment rate as to "looks" as compared to: (Place (1) before your first choice, (2) your second choice, et cetera.)

Automobile retailing

Elevator retailing

Grocery retailing

Farm supply retailing

3. Do you have regular policy and business conferences with your employees aimed at increasing your business?

Circle one.

Yes

No

On occasion

4. Do you have a planned, sustained activity with youth? Circle one.

Yes

No

On occasion

5. Do you engage in any regular, planned sustained contact with farmers' groups? Circle one.

Yes

No

6. Do you belong to any civic group other than church? Check your activity on the list below adding any not listed.

Noon luncheon club

Chamber of commerce.

A civic promotional activity.

A governmental responsibility.

7. Check the items in the list below that you use in your promotional work.

Classified advertising.

Space advertising.

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Company advertising.

Radio.

Special house organ.

8. Place the proper figure 1, 2, 3, et cetera before the items you select as contributing most to public disrespect for the farm equipment business.

The color of paint.

Credit policy.

Quality of merchandise.

Trade-in policy.

Farmer gossip.

The personality and

The "looks" of a dealer's
place.

practices of a
given dealer.

9. Do your employees bring in "prospect" names to you?
Circle one.

Yes

No

Occasionally

10. Check the activity with which you have been identified in the last year.

- a. Visited the high school advising the Vo-Agri teacher of your desire to help him if he had occasion to call on you.
- b. Vo-Agri teacher has been in your store.
- c. Made yourself acquainted with the FFA president.
- d. Put on a demonstration for a youth group.
- e. Have had a 4H tractor club in your place of business.
- f. Chaperoned one group of FFA members to some agricultural meeting or event.

- g. Visited the home of a boy or girl who has achieved recognition for work well done.
- h. Identified yourself with some youth activity in the public press.

Questions and Results

Question number 1:

In your judgement where does your business rate in public respect as compared to each of the following businesses.

Automobile retailing

Elevator supply retailing

Grocery retailing

Farm equipment retailing

Result:

Four of twenty voted the farm equipment retailing as standing second, 16 voted that it stood fourth.

Question number 2:

How does farm equipment places of business look as compared to:

Automobile retailing

Elevator supply retailing

Grocery retailing

Farm equipment retailing

Rate the above in order of their "looks" to the customer.

Result:

Two voted to place the farm equipment retailing in third place, 18 voted for fourth place.

Question number 3:

Do you have regular policy meetings with your employees aimed at achieving customer increase?

Result :

Seventeen voted no, three said "on occasion."

Question number 4:

Do you engage in any regular planned, sustained activity with youth?

Result:

Two said yes, 18 said no.

Question number 5:

Do you engage in any regular planned, sustained contact with farmer groups? (Grange, Extension, Farmers' Clubs, Farm Bureau, Soil Conservation.)

Result:

Two said yes, 16 said no.

Question number 6:

Do you belong to any civic activity other than church?

Result:

Seven reported specific membership or responsibility in civic group affairs.

Question number 7:

What commercial advertising do you use?

Result:

All reported the use of the local newspaper.

All reported the use of company advertising.

Two reported the use of radio.

Two reported individual, printed advertising activity.

In each of the geographical areas where data was obtained two farmers were asked two questions. The response is tabulated below.

Question One:

What dealer comes to your mind as a respected citizen and sound businessman?

Result:

Of the forty farmers interviewed only fourteen picked the particular dealer in the study.

Question Two:

What one thing makes you pick that man?

Result:

The answers fell in three categories:

- (1) The integrity of the owner.
- (2) Personal likes or dislikes.
- (3) The business deals that the dealer makes with his customers.

The pilot study indicated that public relations could not be isolated from some other factors. These were:

- (1) The structure, organization and functioning of the business as a business.
- (2) An evaluation of the dealer as one trained for the job.
- (3) The influence of company policy.

Data in these three related areas resulted in a decision to make the investigation comprehensive. The study would

attempt to measure the public relations program and practice of 250 farm equipment retailers in the areas of:

- (1) The business as a functional physical unit.
- (2) The policy operation of the business.
- (3) The business as a functional public relations activity.

The pilot study gave rise to the catalogue of major and minor areas of the farm equipment business, data concerning which had to be obtained if sound conclusions were reached in the area of public relations.

The chart on the next page shows the breakdown of the business as obtained in the pilot study.

FARM EQUIPMENT RETAILING

Owner Operator

<u>Physical - Operational</u>		<u>Policy Operation</u>	<u>Public Relations, Promotion</u>
<u>Physical Site</u>	<u>Building Equipment</u>	<u>Vital Statistics Training</u> <u>Vital Statistics Personnel</u>	<u>Promotion</u> <u>Publicity and Advertising</u>
Location Adequacy	4 pieces shop convenient		Physical Relations Activity
Appearance	Office	Policy Operations Financing	Sales Campaign
Parking	Parts department	Credit	Community projects
Shop	Office	Trade-in	Company sponsored
Office	Showroom	Internal Policy	Service groups
Parts		a. Employee schools	Individual sponsored
Showroom		b. Employee benefits	Radio
		c. Tenure	Special
		d. Employee meetings	House organ
			News paper

B. APPROACH TO THE FORMAL STUDY AND METHOD OF OBTAINING DATA

1. The Questionnaire.

A questionnaire was constructed.² In obtaining the data, at no time was the complete questionnaire in evidence. The recording was done immediately after the interview.

Method: Interviews were predicated on the assumption that the interviewer was helping the dealer. Advance information was available thru the association records on some items in the questionnaire. There was some reluctance to cooperate in isolated instances. It was necessary in some cases to return as many as four times before the dealer became friendly to a point where he would give the information desired. Where the attitude was defensive the barrier had to be removed to achieve the real facts. The greatest difficulty occurred at the point of obtaining the facts of gross volume of sales of used equipment inventory, and status of accounts receivable.

2. The questionnaire was constructed using items obtained in (1) the pilot study, (2) company forms and literature, and (3) help from interested and informed individuals.³

3. Cooperating Agencies

The college facilities in personnel were used extensively. The technical problems of research were discussed on stated,

²See Appendix, Exhibit Number 2.

³See Appendix, Exhibit Number 3.

scheduled occasions. Routes of travel and contacts were worked out with the help of the Michigan Farm Equipment Association. Advice of company officials was asked in the formation of the questionnaire. There was one formal report made to company personnel midway the study.

Data obtained was in three catagories.

Category One: The physical operational aspects of the business.

Each item was given a weight.⁴ Obviously there is room for debate as to the relative weight to be given each item. A strategic site or an adequate building carries more weight than the arrangement of the merchandise or the equipment placement. Similarly, policy operation should receive more weight than evidence in the category of vital statistics, such as, age, training, tenure.

Category Two: Operational policy.

It was necessary to obtain data in this area because of its influence on the public relations status of the business.

Category Three: Direct data bearing on the problem of public relations.

Selection of dealers to be studied.

No attempt was made to pick dealers to be studied. A travel route was outlined and the questionnaire filled out on

⁴See Appendix, Exhibit Number 4.

each dealer on the route of call. Every attempt was made, however, to:

1. Balance the numbers of total dealers per company (25).
2. Balance the number of dealers per company in each of the four gross volume categories.
 - a. Gross sales under \$100,000
 - b. Gross sales 100,000 to 250,000
 - c. Gross sales 250,000 to 350,000
 - d. Gross sales 350,000 over

All data was limited to a dealer franchised with a major line.

TABLE 1

					Group	Group	Group	Group
					A	B	C	D
Company 1 -- 26 dealers were studied					12	7	5	2
Company 2 -- 29 " " "					7	12	9	1
Company 3 -- 27 " " "					6	13	8	0
Company 4 -- 27 " " "					5	8	10	4
Company 5 -- 26 " " "					4	9	10	3
Company 6 -- 24 " " "					10	11	3	0
Company 7 -- 24 " " "					11	9	2	2
Company 8 -- 25 " " "					5	8	8	4
Company 9 -- 26 " " "					9	9	7	1
Total 234					69	86	62	17

Total number of competitors in a circle of twenty-five miles diameter	23
Total number of competitors of the same "make" in a circle of twenty-five miles diameter	4
Average distance between competitors, all lines(miles)	7.8
Average distance between competitors, same line(miles)	13.6
Number of dealers per county, average fifteen (excluding seven counties)	
Number of farms with income over \$1,000.00 in Michigan	92,000 ¹
Number of farms with income over \$2,500.00 in Michigan	61,000 ²
Average dollars to be spent on farm machinery in the state per farmer	\$200 ³

This data furnished the background for evaluating the success of some dealers while others failed in the same area of operation.

¹Doneth, John. Michigan Farm Business Report, 1953.

²M.S.C. Experimental Station, Quarterly Bulletin, Volume 37, Number 2, Page 272.

³"Farming Today--What It Costs." Cooperative Extension Service, M.S.C. Agricultural Extension Bulletin Number 537, Page 6.

DISCUSSION AND INTERPRETATION OF DATA

PART I

THE PHYSICAL SIDE OF THE OPERATION

I. Introduction

The physical side of the farm equipment retailing in this study was not the area of concern. However, the physical aspects of the business did have an influence on the public relations of the dealer.¹ As such the whole area of the physical operation of the business will be discussed briefly. Some interesting facts concerning this side of the business was developed in the data.

II. The Building

There was definite data available concerning the physical plant. The summary of that data is contained in the following table.

Group A -- Total Number of Dealers 69

Location	Strategic	7	Convenient	35	Adequate	16	Isolated	11
Structure	New-Modern	2	Modern	16	Adequate	34	Medium	17
Adequacy Floor Space	Above Standard	0	Standard	11	Crowded	43	None	15
Appearance	Neat Clean	12	Clean	24	Dusty Cluttered	25	Dirty	18
Parking	Designated	9	Assigned	16	Curb	15	None	24
Business Sectioned	4 Areas	4	3 Areas	12	2 Areas	40	1 Area	11

¹"Farm Equipment Industry and the Public." Report of Farm Equipment Institute. November, 1952.

Group B -- Total Number of Dealers 86

Location	Strategic	17	Convenient	38	Adequate	21	Isolated	10
Structure	New-Modern	11	Modern	40	Adequate	9	Medium	26
Adequacy Floor Space	Above Standard	9	Standard	31	Crowded	26	None	20
Appearance	Neat Clean	17	Clean	44	Dusty Cluttered	12	Dirty	13
Parking	Designated	24	Assigned	52	Curb	8	None	2
Business Sectioned	4 Areas	54	3 Areas	26	2 Areas	6	1 Area	0

Group C -- Total Number of Dealers 62

Location	Strategic	31	Convenient	20	Adequate	9	Isolated	2
Structure	New-Modern	24	Modern	31	Adequate	5	Medium	2
Adequacy Floor Space	Above Standard	4	Standard	26	Crowded	24	None	8
Appearance	Neat Clean	41	Clean	11	Dusty Cluttered	8	Dirty	2
Parking	Designated	39	Assigned	11	Curb	12	None	0
Business Sectioned	4 Areas	51	3 Areas	6	2 Areas	5	1 Area	0

Group D -- Total Number of Dealers 17

Location	Strategic	12	Convenient	4	Adequate	2	Isolated	0
Structure	New-Modern	9	Modern	4	Adequate	3	Medium	2
Adequacy Floor Space	Above Standard	10	Standard	4	Crowded	4	None	0
Appearance	Neat Clean	7	Clean	7	Dusty Cluttered	4	Dirty	0
Parking	Designated	6	Assigned	9	Curb	3	None	0
Business Sectioned	4 Areas	17	3 Areas	1	2 Areas	0	1 Area	0

III. Tenure of the Personnel

There is a close correlation between the type and kind of physical equipment and the length of time the operator had been in business. The following table illustrates that point.

Group A -- Years in Business	4.7
Group B -- " " "	7.9
Group C -- " " "	13.6
Group D -- " " "	24.1

A summary of the data of the area of physical equipment indicates the following:

The new and younger dealer is definitely handicapped with inadequate physical facilities.² His assets are usually put in the merchandise and parts inventory. The extent of the physical equipment and plant are usually dictated by what is left of capital assets.

In each of the other three groups there is marked improvement in the physical aspects of the operation as indicated in the table.

IV. The other elements of the business, parts department, office and records, showroom, shop, and used machinery, parallel closely the data in the foregoing tables. Wide variation was found in the used machinery lots. To quite some degree the used machinery lot reflected the personality and the business practice of the owner. Some of the newer and younger equipment retailers, having been properly "scared" at the spectre of used machinery junk yards, were not to be caught in comparison with their competitors. The used machinery show lot was orderly, clean, and the used machinery re-conditioned and painted. On the other hand it is interesting to note that some of the high volume dealers actually hid their used machinery inventory. This hiding took various forms. Trips to Archibald, Ohio, auctions, storage in old

²See Chart, "Group A" item 2.

buildings or barns and with quite some frequency the used machinery was restricted to public view by being hidden in weeds seven feet in height, by actual measurement.*

By contrast, the dealers in distress might well learn a lesson from the high scoring dealers in the matter of the used machinery lot and used machinery merchandising. One illustration out of many will emphasize this point.

This dealer did not have a "fancy" operation so far as building was concerned. It was neat, painted and in repair. However, the machinery lot was well drained, slightly raised, graveled, and surfaced with a fine crushed stone. The new equipment occupied one area, the used equipment in another area. In the center of the lot was an eight inch high, ten by thirty foot platform. On it, each week was displayed a "package deal" of used machinery. The combination of items was so arranged that the total sale price would achieve a net profit. The dealer reported that in a seven months' period he had averaged a package sale a week with but one exception.

PART II

THE POLICY OPERATION

(MANAGEMENT)

Internal policy is defined as the directive program and activity of the owner or manager. It is a second, vital phase of the business. It was necessary to secure some data





The liquid assets of this dealer were in his used machinery--piled three-deep behind this shed.



in this area because of its influence on public relations.

Data was secured on the following items:

	Group A	B	C	D
	<u>Years</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>
Tenure of the Owner	4.7	7.9	13.6	24.1
Tenure of the Employees	1.3	2.6	4.8	7.7
Training of the Owner, education (high school)	4.1	4.2	4.2	3.9
Training of the Employees	3.5	3.5	4.0	3.9
In Service Training of All Personnel (Company Schools)				

Capital Structure

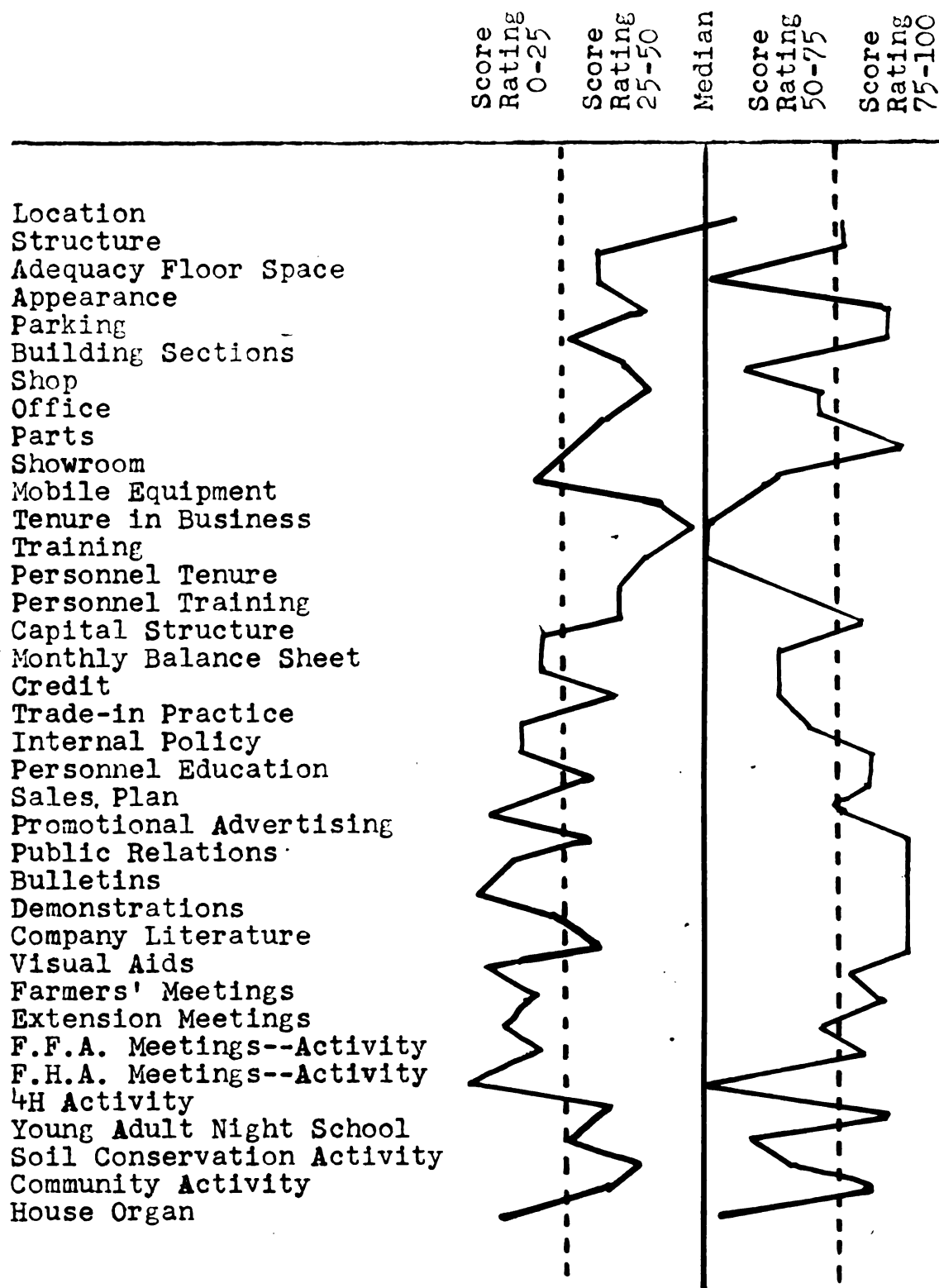
Credit Policy

"Trade-in" Practice

Sales Plan

The data in the areas of capital structure, credit policy, trade-in practice and sales plan was inconclusive. There was no way to get at the relationship of volume, assets, liabilities, credit without making a detailed, exhaustive, study of the business records. It was not the intent or purpose to pry into this phase of the business. It was the opinion of the writer and those advising the study, that it would be best to avoid the specific data in this field.

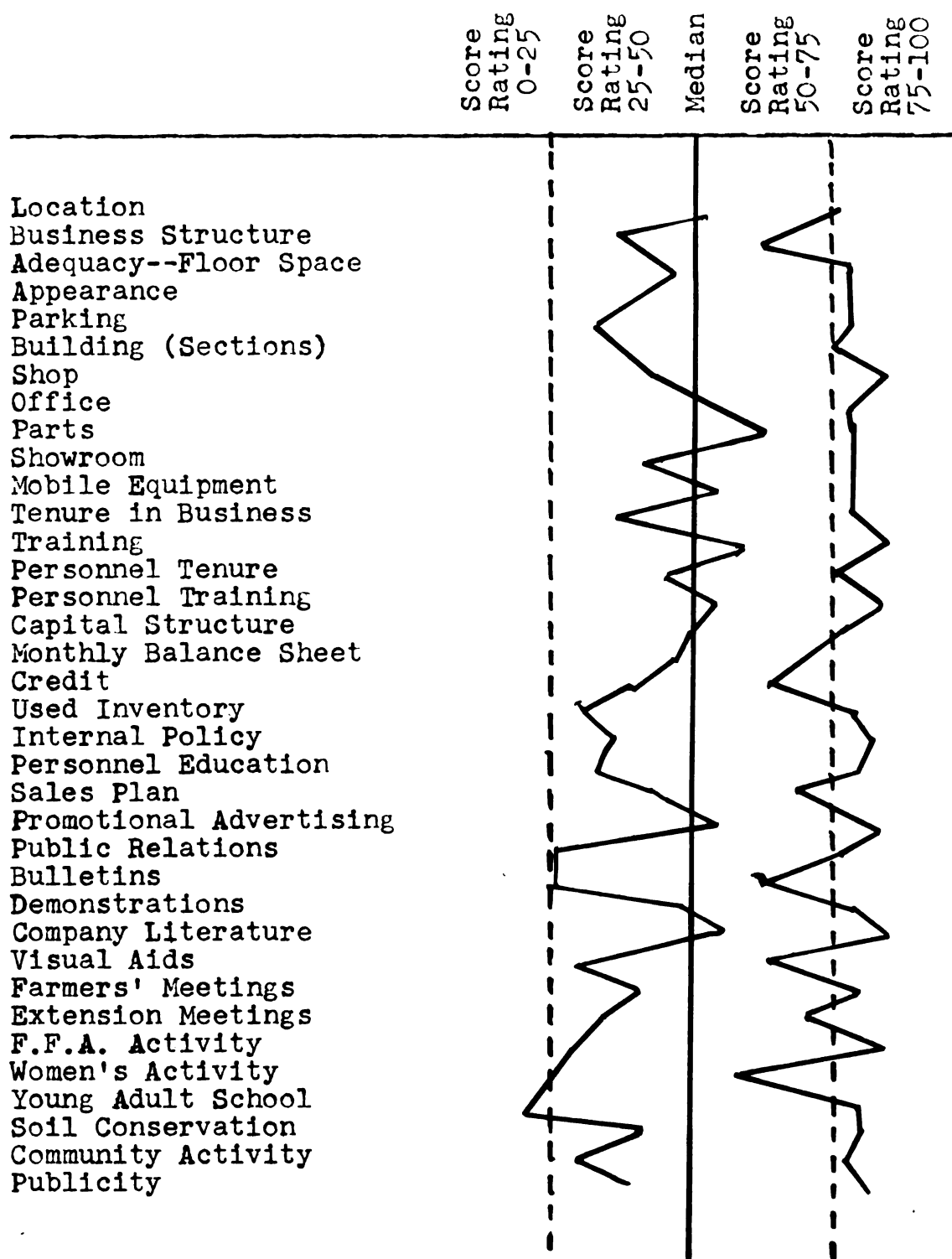
GROUP A



THESI:



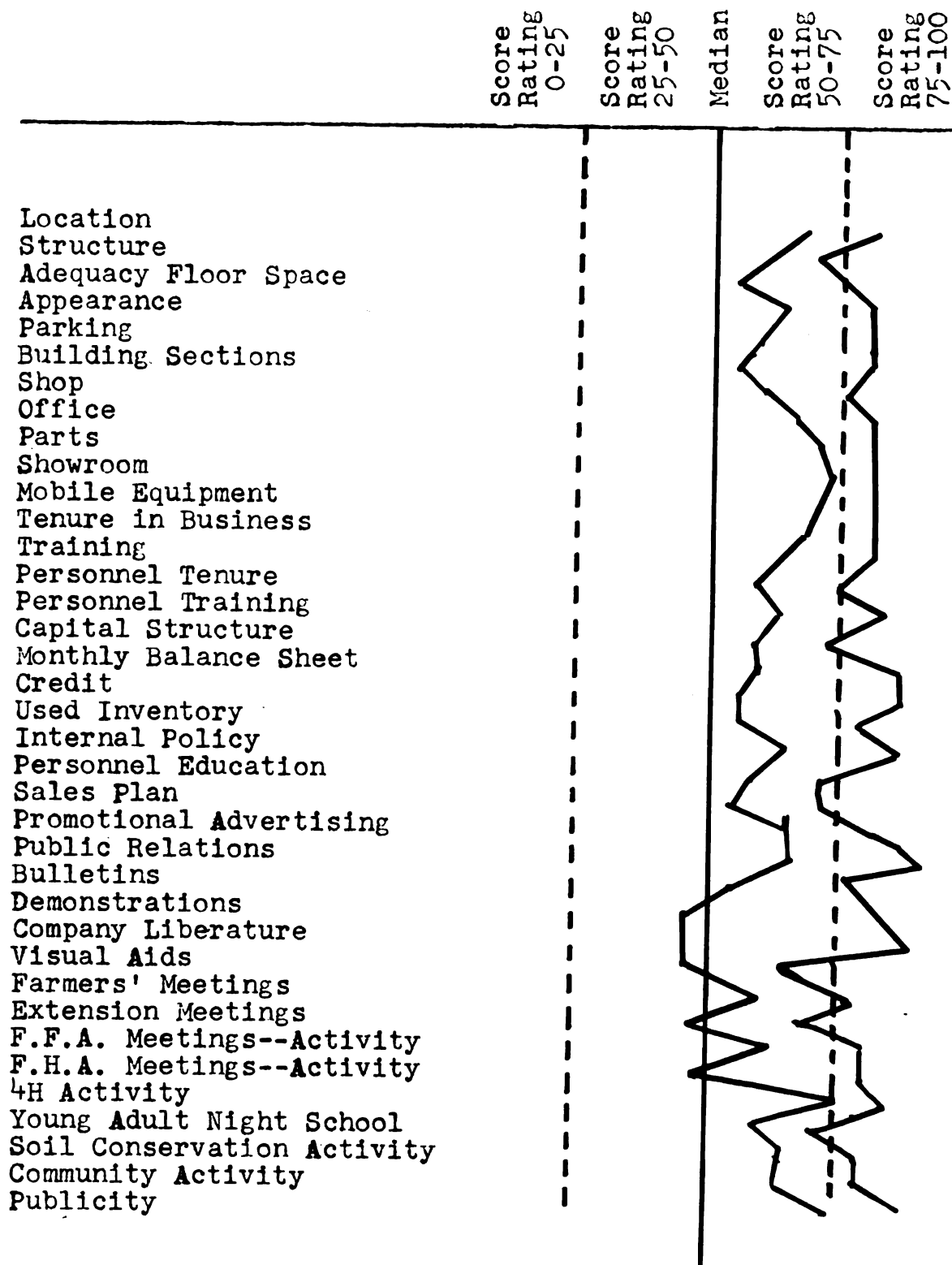
GROUP B



THESI



GROUP C



THE

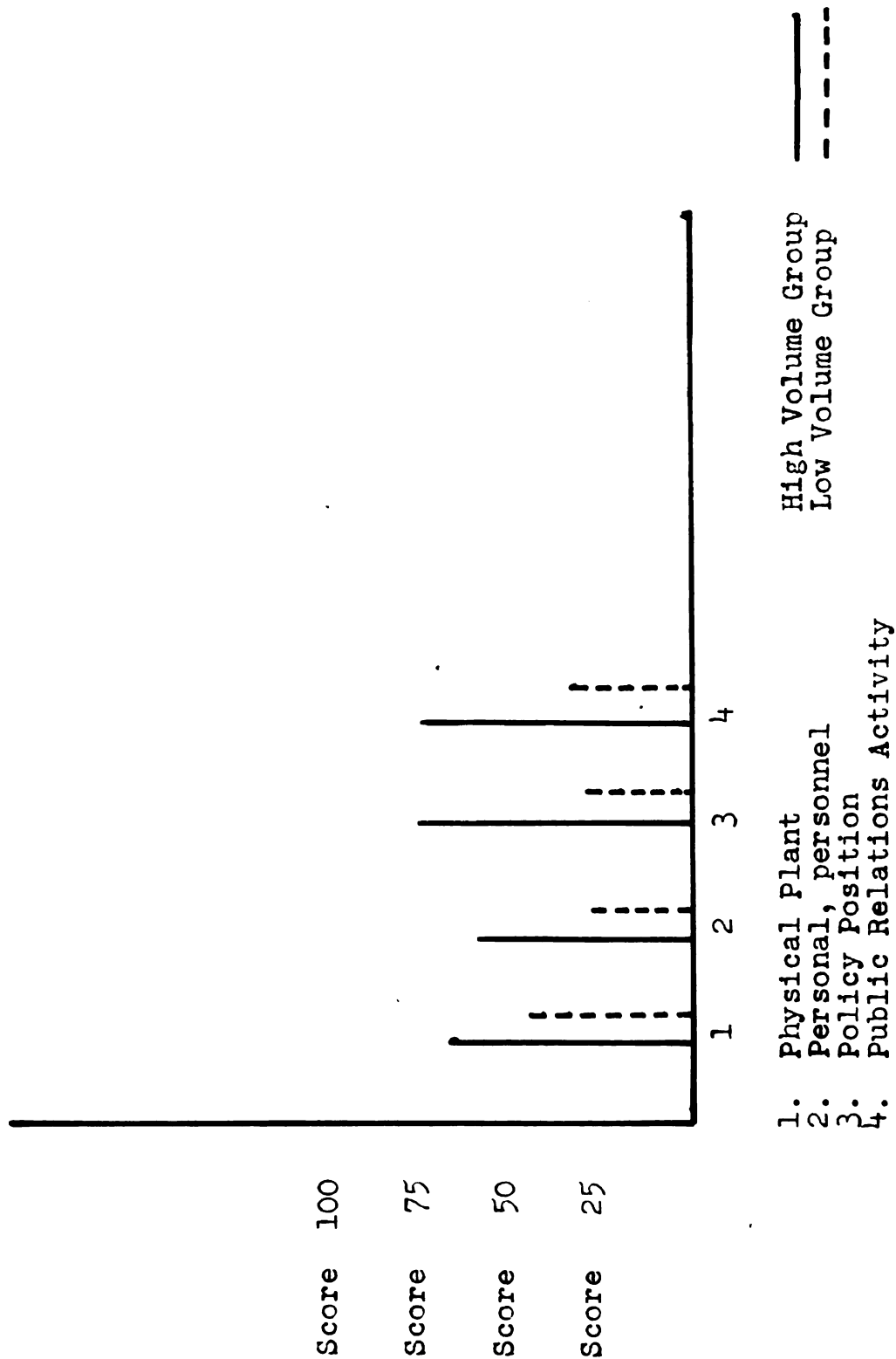


GROUP D

	Score Rating 0-25	Score Rating 25-50	Median	Score Rating 50-75	Score Rating 75-100
Location					
Structure					
Adequacy Floor Space					
Appearance					
Parking					
Building Sections					
Shop					
Office					
Parts					
Showroom					
Mobile Equipment					
Tenure in Business					
Training					
Personnel Tenure					
Personnel Training					
Capital Structure					
Monthly Balance Sheet					
Credit					
Used Inventory					
Internal Policy					
Personnel Education					
Sales Plan					
Promotional Advertising					
Public Relations					
Bulletins					
Demonstrations					
Company Literature					
Visual Aids					
Farmers' Meetings					
Extension Meetings					
F.F.A. Meetings--Activity					
F.H.A. Meetings--Activity					
4H Activity					
Young Adult Night School					
Soil Conservation Activity					
Community Activity					
Publicity					

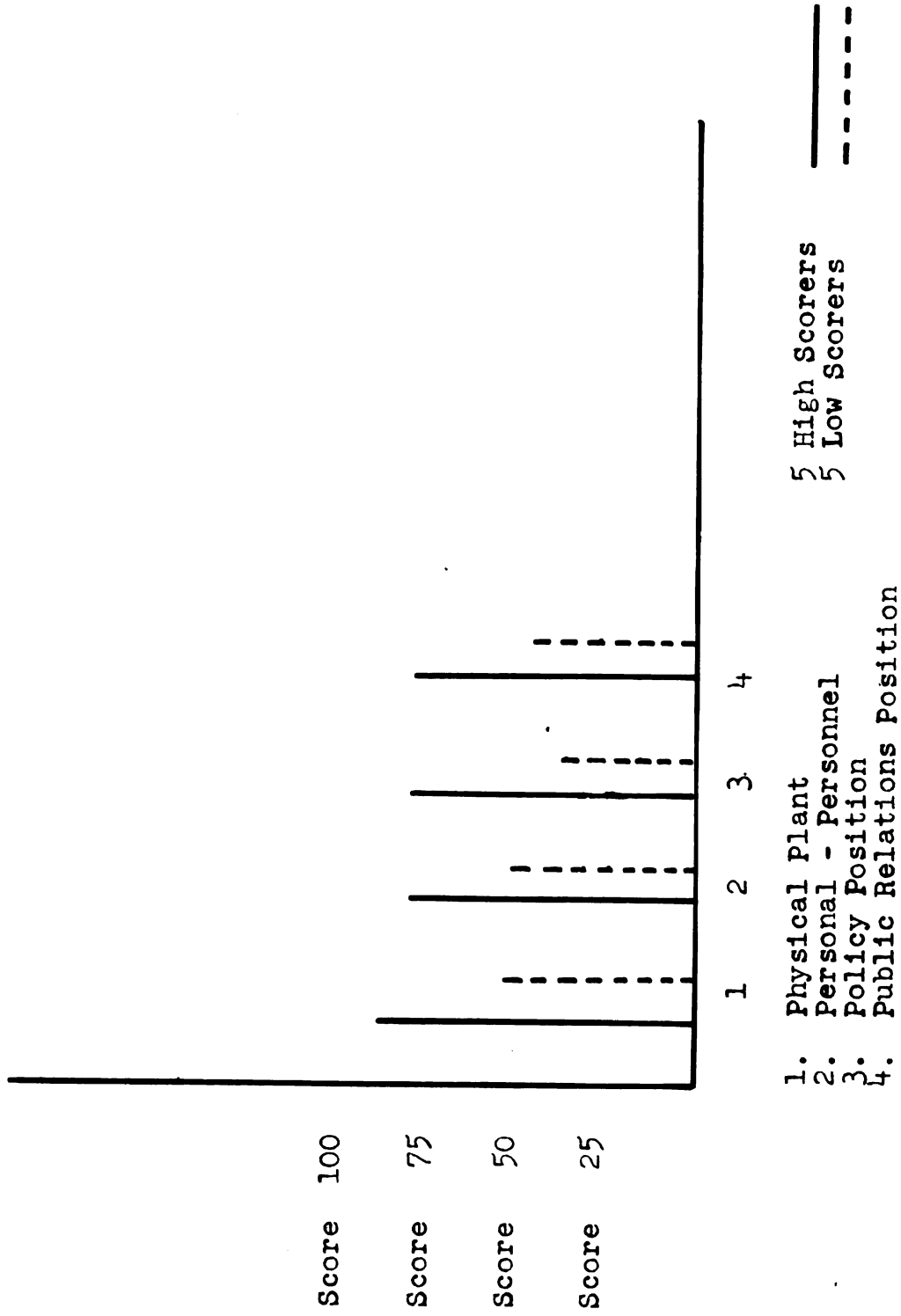
GROUP A

Volume Below \$100,000.00



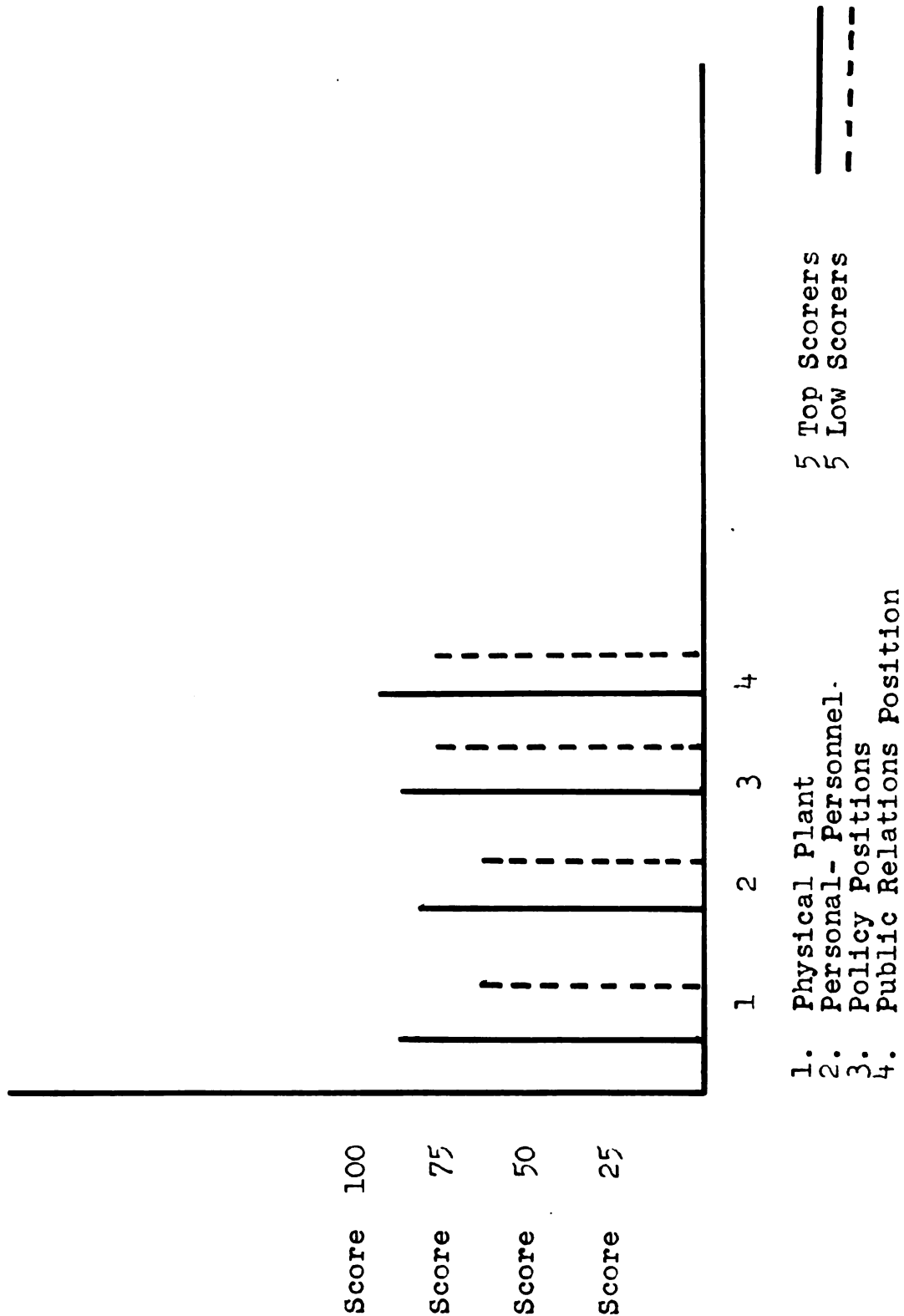
GROUP B

Volume \$100,000 - \$250,000



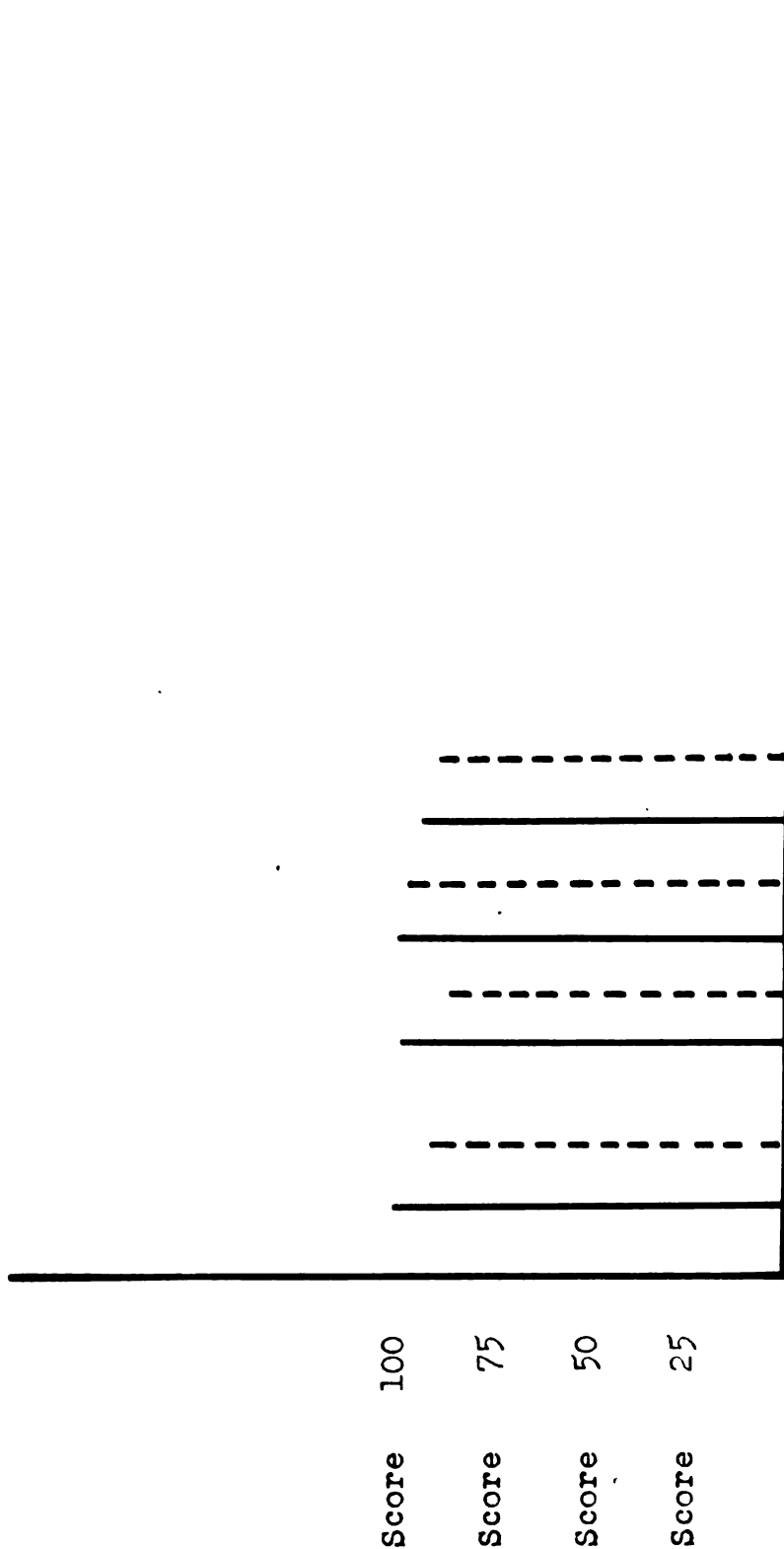
GROUP C

Volume \$250,000 - \$350,000



GROUP D

Volume \$350,000 - Over



1 2 3 4

1. Physical Plant
2. Personal - Personnel
3. Policy Position
4. Public Relations Position

The total number of dealers studied of this group are reported ~~14~~ high--14 low.

This can be said in summary. It is at this point in the business where the owner decides whether he runs the business or whether the business runs him.³

Summary

The physical equipment and operational policy are an integral part of the success or failure of a particular business. The farm equipment business might be likened to a structure having three supporting columns, namely the physical plant, the operational policy and the human relations. Emphasis on any one of these factors at the relative expense of the others courts trouble. In the study it was apparent that high scores could be achieved by new, young, (or both) dealers with what they had to work with. The sales volume as compared to the low scorers in their particular group, usually reflected a better public response to the business.

³Appendix, Exhibit 5, Cost of Doing Business--Low and High Scoring Dealers.

PART III
THE PUBLIC RELATIONS FINDINGS

Introduction

Not a Paradox but Lack of Balance

A hasty summary of the data bearing on public relations would lead one to the conclusion that a paradox exists at the dealer level in the farm equipment industry. This apparent situation is discussed at some length because it sheds light on the central problem of this investigation, namely that public relations training of farm equipment retailers needs immediate attention.

On one hand the servicing of the agricultural industry with machinery has been a magnificent contribution of the dealers and this job has achieved position of public admiration.¹ A very strong case can be built for the part that the farm equipment retailer has played in the growth of America. His role is well illustrated by the fact that he has been an essential element in the process that made it possible for one present day farmer to raise food and fibre for seventeen of his fellow countrymen.²

On the other hand--the balanced operation of the few high scoring dealers gives rise to the observation by

¹ Graham, Merrill D. The Farm Equipment Business--Its Past, Present and Future. Chapter 1.

² Austin, David F. The Lost Medium of Exchange. Chapter 1, page 4.

contrast, that the majority of the dealers, in their operation, do present a paradox. Fifty-four percent of the total number of dealers studied had less than a minimum standard of public relations activities. Put in other terms, how did the dealers do such a magnificent job while paying so little attention to public relations and human engineering.

Rather than being a paradox, the situation is one of lack of balance. By the very nature of the pressure for expansion in agriculture of recent years, the emphasis has been on product; company travelers have been trained in product, retailers have been trained in product.³

By contrast, the successful dealer apparently recognized the necessity for keeping product knowledge and merchandising practice in balance with his public relations practice and policy. His success in the field of public relations is traceable to his continuously structuring helpful situations on the human side of the equation of success.

Major Assumption

A Definition of the Function of the Farm Equipment Retailer

The sharp contrast between the top and bottom scores in the study gives rise to the suggestion that the success of the

³Graham, Merrill D. "A Lump of Yeast." Report. American Farm Equipment Association. 1954.

³Fletcher, L. J. "Telling the Story of Our Business." Farm Equipment Industry Report. 1953.

top group be defined. The following definition is submitted to cover the total operation of the successful operators.

"The retailer of farm equipment is essentially a purchasing agent and a counselor to a businessman engaged in producing and processing raw food and fibre."⁴

The interpretation of the data is predicated on this concept of the retailer and his relationship with his public. It is in order that some elaboration be made of the definition. Graphically analysed the definition reads:

Purchasing Agent and Counselor	Technical knowledge Counseling Product knowledge Client needs
of a Businessman	Large farm operation Books Profit economics Stature -- status
Engaged in Production	Efficiency Productive Methods Techniques Markets
of Food and Fibre	Varities Cultural Methods Markets Processing

In spite of the possible charge that the above explanation is academic, the evaluation of procedures and practices of the high scoring dealers support the definition.

⁴"Our Business Code." Farm Equipment Retailing, August, 1949. Page 28.

"A Purchasing Agent"

As the data was collected, the writer of necessity, spent some time with particular businesses to "get at" the reason for success or a difficulty. Whenever a dealer was scoring high in the schedule of items, it was noticed that the dealer knew his customer's business and talked with the customer on the familiar ground of his business operation. The farm equipment retailers in these instances were not sellers, they were not purveyors, they were not dealers. Essentially they were acting on a plane equal to that of a purchasing agent of any large manufacturing plant. Similarly, these dealers counseled the farmers not only in the purchase of machinery, but in several other areas as well. There was definite technique of assisting a farmer to help him solve his problem.

"Businessman"

The high scoring retailers, treated their customers on an equal business plane. They discussed the "deal" in terms of sound ethical business. By contrast, the following illustration is used to point up how injurious nefarious approaches can be by the "smart-boys."

In this instance the dealer was irritated by the inability of his salesman to secure the signed order from a farmer. The dealer (his own words) "hopped on the combine with the farmer and told him that he (the dealer) needed his (the farmer) old tractor because he had a market for it."

The deal was closed. Later the farmer saw the tractor in the used machinery lot. While he did not regret his purchase of a new tractor (at his price) he raised the question as to the ethical grounds of approach to him for a sale. The customer said, "He must be getting terribly hungry for a sale."

"Engaged in Production of--"

Essentially this is a core value in the American concept of free enterprise. Everything inherent to the dynamics of personal enterprise is tied up in the act of engaging in and producing thru the activity of farming. The sound retailer treats his client with the respect due him.

"Food and Fibre"

One man on the farm feeds and clothes seventeen other American citizens. This enormous responsibility calls for all the assistance the producer can get. As his first ally he turns to the dealer. The dealer is a vital part of the farm operation.

The Operation of the Business

The physical operational element of the retail business is not covered in detail in this report. Much has been done in recent years by the companies to improve the physical retail operation. Stores have been improved; service and management schools are common; programs are in operation to improve the service on the machines.

The discussion of these physical and management elements of the equipment business received full treatment in the Farm Equipment Retailers Handbook published by Farm Equipment Retailing, Incorporated. This book is a significant contribution to the industry. In itself this book can be of great help to any dealer provided that he will read and understand. The dealers scoring high in the tabulations seem to have a mental dynamics that carried them into reading, conferences, conventions, displays, exhibits and demonstrations. They utilize many sources of information to keep abreast of their business.

The Public Relations Area of the Study Defined

Public relations as such cannot be isolated.⁵ Almost every phase of the business, in some way, produces a reaction on the part of the customer. One dealer using an approach to a problem involving people will secure a reaction totally different from another dealer handling the same situation. The voice used in telephoning, types of advertising, effective or ineffective shop practice, prompt or tardy field service are all elements of the intangible web called public relations.⁶

⁵Dalton, James H. "How's Your Rating." Farm Equipment Retailing. April, 1945.

⁶Dealer's Guidebook. General Motors Corporation Publication, 1953. Page 9.

An illustration will serve to emphasize this point. The owners of a farm equipment business partitioned off a part of their office into a coffee spot. Accessories were arranged for leisurely, comfortable conversation. Over a cup of coffee, the owners paused to share a few minutes with their floor traffic. Invariably the discussion or conversation would strengthen the tie between the customer and the owners. This led to farm calls and sales. Where did public relations begin? Where did the sales process start?*

In spite of the difficulty of isolating a pure factor of public relations, the data seemed to classify itself into four major areas. These are:

1. The impact of the retail farm equipment business on the public.
2. The human side of public relations within the farm equipment business.
3. The influence of company policy.
4. The responsibility of education in the area of dealer program and practice of public relations.

These four areas are discussed in detail on the following pages.

*There were only three such "coffee spots" in the state.



One of the top scoring retailers of farm equipment employing a vital public relations technique--teaching a vocational agriculture class the principles of an internal combustion engine.



SECTION A

THE IMPACT OF THE RETAIL FARM EQUIPMENT BUSINESS ON THE PUBLIC

1. Lack of Understanding of the Public

Throughout the research on this project, nearly all segments of the community including the farm equipment business, seemed to reflect a singular reserve of appreciation towards one of the most important sales, supply and service¹ functions in the American economy.

One man on the farm now feeds and clothes seventeen of his city friends. He can do this only because he has machines to do the job and a farm equipment retailer to back him up. As long as food is produced, there must be the farm machinery suppliers. Farm machinery is a stable industry. The major portion of farm machinery is sold in the small towns. Figuring that each of the twenty thousand dealers in the United States have a minimum investment of \$50,000, the one billion dollars represented is no small sum.² Similarly, eight hundred franchised dealers in this state thus have an investment of forty million dollars. Again, these eight hundred dealers, averaging \$100,000 in gross sales, represents a sales volume of eighty million dollars. Many other facts, such as employment, community activity, and community economic growth could be cited

¹Fletcher, L. J. "Telling the Story of Business--Our Job." Caterpillar Tractor Company. Page 7.

²Farm Equipment Handbook. National Farm Equipment Association, Section 4, Part 1, page 44.

to build the case for the dealer. The interesting thing disclosed in this research is that the dealer has done so little to tell his story to the public.

2. Purpose of the Dealership Defined

The farm implement dealer's primary purpose is to sell farm machinery to the farmer-grower.³ In the carrying out of this function a complex program is involved.

First, the dealer is obliged to invest his money in a building, fixtures and tools. He must staff this with competent service, parts, and salesmen who not only try to sell equipment, but must also understand the farmer's needs that he may be equipped with the proper implements for his particular needs.⁴

Secondly, he must invest money in inventory--both new machines and parts, that when a farmer needs a machine, delivery can be made. When a machine already in service breaks down, it is the responsibility of the dealership to repair it quickly and put it back into service. The urgency of putting a machine back into service is of the utmost importance to the farmer. He has his money, future operations and income at stake.

³Land of Plenty. "The Better Life." Farm Equipment Institute, 1950. Page 64.

⁴Cost of Doing Business Survey. Report, 1954.

The dealer, like his salesman, must become an authority on farm management practices--especially those related to machinery, so that he can counsel with his customers regarding the latest and best suited equipment for each type of farm operation.

It is understood that the dealer is in business to make money. And like everyone, he is concerned with making a living for himself and his family. However, when he chose to make a career in farm equipment retailing he accepted the giving of utmost service to his customers as part of that career.

It is for the community to recognize the essential service rendered by the dealer.

3. The Impact of "Looks" on the Public

The study revealed some specific data in this area. One hundred dealers out of the two hundred and fifty studied were asked the question,⁵ "Would you put the average farm equipment business first, second, third or fourth when compared in "looks" with the retail auto business, farm elevator business, the grocery business?" Sixty-four placed their business on the bottom of the comparison, twenty-four placed it third, twelve refused to vote claiming the comparison was not proper.

In the areas where the above question was put to the dealers, occasions arose when it was possible to ask the farmer-customer the question,⁶ "Does the physical appearance

⁵Exhibit 1, Questionnaire.

⁶Exhibit 1, Questionnaire.



Four-tenths of one mile of used farm equipment.
The second and third rows could not be readily seen
for the sweet clover cover.

of the business have any relationship with your trading here?" The question was put forty-six times. Thirty-one of the replies indicated that, "The dealer who keeps his place neat and clean is a harder man to deal with." The inference was plain. The retailer who respected his business⁷ to the extent of keeping the premises neat and clean was catalogued in the farmer's mind as one whose business dealings compelled respect.

4. The Impact of the Used Machinery Lot

In the process of this investigation farmers were asked the question, "How would you pick the farm equipment dealer with whom you could drive a sharp bargain?". Nineteen of the thirty responding farmers said, "I'd shop around." Eleven said, "I'd find the guy who has a large used machinery inventory."

The practices of the high scoring dealer in the matter of the used machinery and its merchandising, is significant in their success.⁸ The general policy of this group seemed to be that they had purchased a piece of equipment for sale and, as such, it should be put in the best possible condition, painted and displayed at the earliest possible moment. The anecdotal records reveal that dealers who were in

⁷ Farm Equipment Retailers Handbook. National Farm Equipment Retail Association, Section 6.

⁸ Graham, Merril D. Farm Equipment--Past--Present--Future. "Handling Used Farm Equipment," Implement and Tractor. North Carolina Farm Equipment Association.



difficulty usually were found to have most of their liquid assets tied up in their used machinery lot.

5. The Impact of Dealer-Community Relations

The community reacts to a business because of its product and the man who represents that business.⁹

It was significant throughout the study that banks, farm loan officers, service or civic group members were usually in accord in naming the dealer or dealers who were contributing to their community. The following table indicates this fact. The question was asked, in ten communities having four or more dealers in it, "Can any dealer be singled out as doing his full share of community work?" In each community four people were asked to name their choice (a banker, a civic group head, the vocational agricultural teacher, a main street businessman).

Total number of communities	10
Total number of dealers	62
Total number of people choosing	40
Total agreement on first choice	86%

In other words the community had spotted and agreed on fifty-three out of sixty-two dealers as having made an impact on the community through their service activity.

⁹Jolly, Fred. "Community Relations." A Report. American Farm Equipment Institute, 1950.





All too seldom do the owners of farm equipment business take time to sell themselves. This retailer is explaining his business operations to a group of rural people.

6. The Impact of the Farm Equipment Business on the School

This area of public relations will be discussed in another section of this report. It must be recorded, however, that in the over-all picture, the contact with youth has been badly neglected. An illustration will emphasize this point. There are in Michigan nearly 100,000 youngsters in the school grades three to six inclusive.¹⁰ At some period in those years agriculture is studied. Yet in the two hundred and fifty dealers studied only four had taken occasion with toy tools to aid the teacher in instruction as to the part farm machinery played in agriculture!

Summary

It would appear from the study that the farm equipment business must take steps to "sell" or "resell" itself to the public. It has a good story to tell. It need not be ashamed of its contribution. True, that unfortunate circumstances at times has given the industry a black eye. Currently there is much distress for dealers who for one reason or another will not remain in the business. Basically, the sound retailer of farm equipment is a vital link between town and country. As such he has both status and stature in his community.

¹⁰ School Census Report. Michigan State Department of Education. 1954.





Only three dealers had an active, successful, cooperative "on the job" training program with the vocational agricultural schools.

SECTION B

THE HUMAN SIDE OF THE RETAILERSHIPS

1. Product or People

In the many discussions the writer had with dealers throughout the investigation, invariably the point was raised as to whether the management of the physical side of the business was more important to success or the human side of the operation.

Both elements, product and people, are present in the business. At times it would appear in a given situation that product was the more important. On other occasions it appeared that the management of the human element meant the difference between success or failure. There was general agreement that all too little emphasis had been placed by the industry on understanding the influence of the human element on the success or failure of the business.

In the hope that some help may be given in this area of the problem, cases of successful practice by the high scoring dealer are offered in each category of human relationships of the business.

It was noticed that all the high scoring dealers had a technique (peculiar to themselves) of engineering situations that were favorable to the business. Whether in the field of job assignments, youth work, customer relations or community activity, these dealers were structuring the situation to keep the human element happy.

2. Relationship with Employees

The tenure of employees was the criteria for evaluating the relationship with employees. The average tenure of employees on one hundred six dealers who responded to this question, was 4.2 years. It was impossible to isolate any reason for such a low figure. It is significant that, of the dealers scoring high in the study, working conditions, compensation and owner treatment (human element) of the employees were rated on a near equal level by dealers and employees alike.¹

Case Number 1. The dealer was a college graduate, community worker, twenty-five years in the business. There were eight employees, average tenure was nine years. The owner held regular, weekly staff conferences; there were bonuses and extra benefits. In this case the dealer was forced into a building expansion program (the employees and owner put up the prototype building after hours) because the employees were constantly active in many ways to secure business.

Case Number 2. The dealer had been in business for about twenty years. There were seven employees. The building was old but adequate. The working conditions were acceptable but dark. There was no ready market for labor in that area. The employer said, "I have the policy of keeping my employees

¹Carmecheal, Dr. Leonard. "Manpower and Human Talents." Science Newsletter, March 7, 1953.



One of the top scoring dealers laying the facts and figures before father and son on the cost of doing business.

careful to keep their job. I never pay a man what he is worth." The dealer complained bitterly about the lack of tenure, was critical of all competition and wanted immediate help to sell out. In this case the employees were hesitant toward the customers, surly toward one another, and were not known to present a prospect name to the owner.

3. Relation With the Farm Family

In this category of data, there was a wide variety of approaches by the successful dealers. It was noticeable that their approach in this field was planned. Not only did the dealer know the family as it related to the farm business, he knew the people of the family.

The farm housewife is a big factor in the practice of the successful retailer.² Christmas gifts of paring knives, pot holders and mirrors (to mention a few) are common. However, the economics of choice is influenced by the housewife. A \$4,000 investment in a major machine is of deep concern to the housewife who needs a deep freeze and a new rug. The good dealer doesn't forget this. Again, it was noticeable in the top scoring dealers, the readiness with which they were invited and welcomed into the farm home. Welcome and receptivity was in sharp contrast to coolness and antagonism as noticed in the interpersonal relationship of dealer and housewife in the low scoring group.

²"Special Sales Events." United States Chamber of Commerce, 1944.

41

In recent years retailers have taken on supporting lines, including household appliances. This has aided the dealers in their contact with the housewife. However, the approach usually is to sell them something rather than sell themselves as a person from whom the customer desires to buy. The following two cases prove the point of importance attached to this phase of public relations by successful dealers.

Case Number 1. A retailer (father and two sons) started a practice sixteen years ago of recording farm births in their trade area. The arrival of a baby in the farm family trade area was the signal for a personal note of congratulation and well wishing. On the third birthday of each child a toy implement combination (tractor and one tool) was sent to the youngster. The dealer showed the writer the record of how the youngsters, on reaching a responsible age in the farm operation, influenced the business of the farm toward that particular dealer. As the dealer put it, "I got my color of paint in their blood early."

Case Number 2. The data shows absolute neglect of the dealer toward the future homemaker. Data from dealers carrying white goods, kitchen equipment and hardware (household) disclosed that there was no evidence of any dealer having made a "play" for this group--the high school home economics group.

In one instance a dealer, having a demonstration of frozen foods, complained about the non response of his customers' wives to the demonstration. There were twenty-two women present. The invitation went to customers' wives only. Yet in that community there were seventeen major women's groups that were potential buyers. There were four vocational home economics groups totaling one hundred twenty-one girls in a radius of twelve miles, yet not one school had been invited.

4. Youth Contacts

Of the two hundred and fifty dealers, forty-one had active programs underway with 4H tractor clubs! A total of one hundred six dealers cooperated "as was convenient," the balance, all too frequently reported they didn't want to be bothered.

Equally amazing is the indifference to the high school FFA training program. All segments of our American life recognize, admire and applaud the vocational growth of the farm boy in FFA.³ The impact of leadership skill as acquired in FFA training has been felt in all segments of our economy. Yet the data shows that less than twenty-five percent of the dealers interviewed could:

- (1) Call the vocational agricultural teacher by name even though the two lived in the same town.

³Wright, H. C. "Industry Relations with Educators." International Harvester Company Publication, 1952.



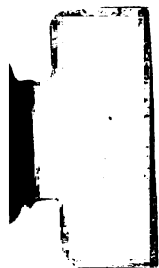
Vocational guidance at its best. A farm boy learning the function of the parts department in the retail farm equipment business.

- (2) Less than twenty-five percent could call the FFA chapter president by name.
- (3) Less than sixteen percent had any sort of a joint dealer-vocational agricultural activity.

A study of the successful retailer in the top scoring groups shows the importance attached by them to this phase of public relations activity. The following illustrations are offered as evidence of successful practices.

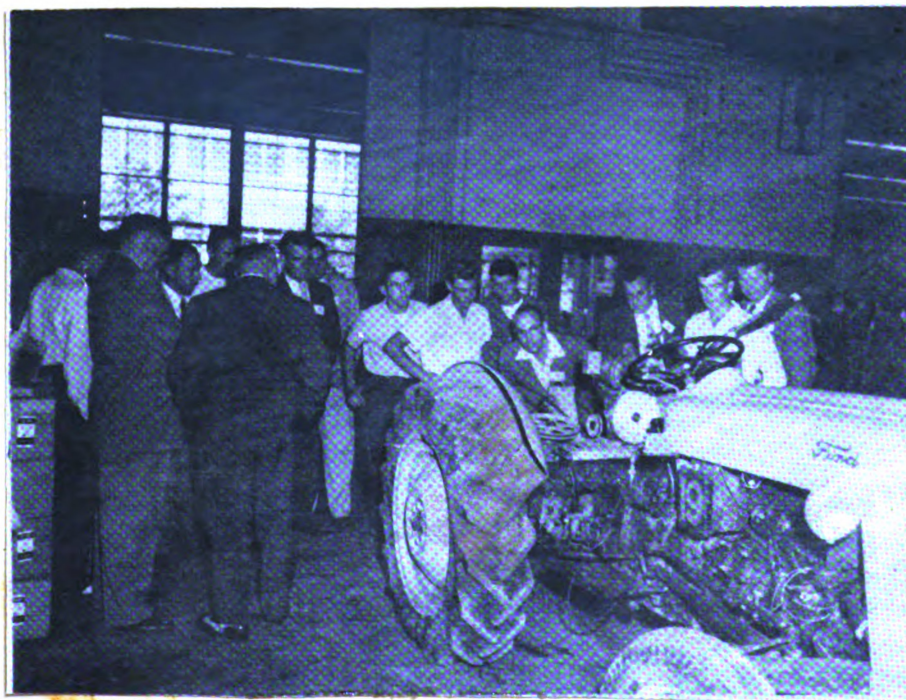
Case Number 1. Recognizing the advantage of a contact with youth as a "talker" for himself and his business, this dealer was ready to step into an emergency teaching situation in a school agricultural class. Carefully structuring a continuing relationship, he now is a regular lecturer in nine surrounding area towns having vocational agriculture. The dealer, in a public statement said, "This expansion of public relations activity has become our bread and butter." The schools report that no attempt has ever been made to sell products. This dealer helped the school with their problems, thus winning a large following of public confidence.

Case Number 2. The dealer was not satisfied with the local business house-school relationships. Unable to find ready acceptance of his concern with his fellow businessmen, he structured, with the help of the school, an "on the job" training program for qualified youth. The program is so successful that on a local and state basis many other retailers are copying the plan. The data shows the strong impact of this program on sales.





Future farmers learning dealer shop operation problems.



Case Number 3. The dealer found that the high schools night young farmers' class was without adequate shop and demonstration facilities. Here again, the situation was resolved by opening up his shop to the group. The continuous contact with the youth materially assisted the dealer in broadening his sales contacts.

Case Number 4. Thirteen dealers were influenced to award FFA mechanics' judging teams a trip to the laboratory of their company. The dealers were instructed in the total process of inviting the boys, how and what to talk about enroute to the plant as the dealer's guests in his car, and the follow up. Nine of the thirteen dealers evaluated the experiment and its results as being excellent in developing other areas of relationship with the FFA boys.

5. The Use of Publicity in Building Human Relations

This is a critical area of the dealer public relations. There were only twelve dealers out of thirty-four (who gave definite answers) that could boast a plan, policy and activity that sought to "tell his story."⁴ It can be argued that these are many ways to tell the story. The point is that the twelve dealers were using devices that were building, in their public's mind, the essentialness of their business to the community. The following cases are offered to support this point of view.

⁴Ruder, William. "Publicity a Merchandising Tool." Advertisers Digest, January, 1953. Page 17.





Future farmers are the constant concern of enterprising dealers. Here a group of F.F.A. boys are spending several hours as dealer guests in the laboratory of a manufacturing business.



Case Number 1. A group of dealers had experienced a growing concern for increasing farmer criticism of the sales and services of the area dealers. The situation demanded concerted action. The situation was studied at considerable length by the writer. A report was made to the group on the findings. Four meetings ensued with a total average attendance at the meetings of nineteen dealers. Decisions were reached, plans laid, action was taken aided by resources supplied by the college. The dealers pooled their advertising resources to make a six months' presentation of their case through skillful advertising. The results were immediate and gratifying.

Case Number 2. The dealer uses the device of the personal letter. Frequent discussions with his customers in the realm of their interest focuses the particular interest. Frequently the dealer, when running across a news article, magazine article or some material pertinent to the subject would mail it to his customers with either a typed note or penciled comment. The letter or note usually reads "I ran across this today and it bears on our discussion of last week when you were in my store." The dealer reports that it is a strong device for holding his customers in line. Frequently he finds occasion to drop a line to a youth member of a farm family who had achieved recognition.

Case Number 3. The dealer sends his house organ to the high school. He tries to get in high school news with names

of the high school boys in the article. He frequently turns over his radio time to youth panel groups. Results from this public relations practice have paid off in sales.

In summary, it is evident that the skilled use of publicity is not known to many of the dealers. This area of dealer public relations needs attention.

SECTION C

THE INFLUENCE OF COMPANY POLICY ON THE DEALER'S
PUBLIC RELATIONS PROGRAM

The influence of company policy on the dealer and his public relations needs much more study, particularly by the company. This study and discussion focuses attention on the problems in the hope that much more work can be done on this point.

Four areas are considered. They are:

1. The territory manager (blockman).
2. Direct company decisions (policy and programs).
3. Over population of dealers in a given area.
4. Aptitude testing.

1. The Territory Manager and the Dealer

The company representative, no matter what the title or responsibility, is the company to the dealer at the particular moment of contact.¹ It is significant that thirty-six percent of all dealers interviewed did not rate their company representative as being helpful to them.² All too frequently the dealer sought to attack the company through the representative. Oftimes the dealer was defensive, insecure and uncertain. He manufactured grievances traceable to his own inaptitude and took out his annoyance on the traveler. He feels that the

¹Mulliken, Paul S. "A Public Relations Program."
Farm Implement News, April, 1953.

²Exhibit 1, Appendix.

company is not sincere in its expressed concern for his welfare.

Admitting that many of the dealer-company frictions occurred at the dealer's initiative, it appears that there are ample grounds for improvement. The tabulation of the sincere "gripes" are as follows:

- (1) Arrogance on the part of the "blockman."
- (2) Lack of product knowledge on the blockman's part.
- (3) "He irritates me."
- (4) "He tries to sell me--not help me."
- (5) Too short a time on the territory to gain the dealer's confidence.
- (6) "He gives so much time to finding new dealers he hasn't time for us older dealers."
- (7) Undermining the dealer in an area on sales by carrying prospect names to competing dealers.
- (8) Lack of judgement in public statements. (In one instance a traveler made the statement, "Show me a farmer with five hundred dollars and I'll set him up in the farm implement business." The reaction of the established dealers in that area was immediate and to the point.)

The points are listed to call attention to the fact that much of the difficulty arises at the point of inability to counsel, coach and lead a dealer.

2. Direct Company Policy

The question was asked, "In what areas do you think company policy could be improved to help your relationship with the company?" The replies are listed. Only those items that received the most answers are recorded. They are not listed in order of importance.

- (1) Adequate financial policy.
- (2) Abandonment of pressured company policy.
- (3) Accounting procedures simplified.
- (4) Decreasing dealer margins call for comparable help from the company.
- (5) New dealers placement with some regard for the business of established dealers.
- (6) Failure to listen to dealer's ideas.
- (7) Moving a territory man from one locale to another, (stable tenure of respected company representatives).
- (8) Inadequate parts organization.

There is a sharp line between the relationship of the top scoring dealers and their respective suppliers and the lower scoring groups. The top scoring groups admitted differences of opinion on occasion with the company, but usually qualified their remark by saying, "I get along pretty well with the company. The things they bring to us are, in their judgement, good for the dealer. However, a particular thing, in my judgement, may be good or bad for me. I make the decision and stick to it until I'm proven right or wrong." It

was refreshing to visit a dealer who was ready to examine a company idea on its merits as against the group who immediately condemned the proposal as unworkable.

3. The "Dealer Council"

Much could be written about this area of dealer-company public relations. There is one significant development that points to an improved dealer-company relationship. Reference is made to the "dealer council."³ It is a device, instituted by one company and accepted by a second, to tap the constructive thinking and ideas of the dealers. Through a carefully structured screening device, the dealers screen the ideas and suggestions for company use. The net effect is that the dealers feel a sense of importance in that their ideas and suggestions are being sought by the company. Of the total number of dealers visited (two hundred fifty) one hundred sixty-three had heard of the dealer council, seventy-four knew enough about it to recommend it, thirty-one had active contact with and registered satisfaction for the process.

Many of the dealer-company relationships can be improved if the meetings are on a level of mutual sharing and understanding. Dealer meetings on occasion are vicious, derogatory and destructive, serving no useful purpose for the dealer or the company.

³"The Dealer Council Plan." Farm Equipment Retailer Handbook. Page 369.

4. Over Population of Dealerships in an Area as an Influence on Public Relations

It is argued that the farm equipment field is highly competitive, a "dog eat dog" situation. The ramifications of this point of view are broad. It is pointed out, that over competition for the farmer's dollar has led to disaster in the past. The placement of dealers in a territory already overstocked with dealership leads to a situation without defense. The new dealer is usually inexperienced, under-capitalized, undermanned in his operation and ill-equipped to do the job. A new and hungry dealer is easy prey to shrewd price jockeying by the farmer.

In this connection, the field work disclosed another practice that undermines the dealer's confidence in himself and the dealer's status in the community. Random rumor of possible prospects causes company travelers to encourage distant dealers (as much as forty miles away) to visit the so called prospect. In several instances farmers have reported as many as nine dealers in his yard in one day. Aside from the attitude structured in the farmer's thinking by such tactics, the tragic part of the situation is that the producer may have been carefully "worked with" by the local dealer leading up to a sale. The resultant situation leads to embitterment by the dealer and the farmer's disgust at the evident weakness that gives him an immediate dollar advantage but losses for him in the end.

A philosophy of "there should be a ten percent turnover of dealers each year" militates against any stable, sound, constructive public relations attitude of respect for the industry, the particular lines and the local dealer.

5. Aptitude Testing

It is significant that other major industries screen their personnel carefully, often using the scientific device of aptitude testing.⁴ The device is in such wide and accepted use as to need no defense.

By contrast, there was no evidence to show any use of measuring devices for aptitude for the business at any level in the farm equipment industry.

To explore this condition, the writer conducted two experiments in the area of aptitude testing. Aided by staff members of Michigan State College counseling center, two groups of potential employees were taken to a camp. These young people were introduced to and were helped to survey the farm equipment business over a one week period. They were given a battery of tests selected to bring out the aptitudes:

- (1) Persuasiveness (for the sales area)
- (2) Mechanical (spare relationships)
- (3) Mathematics (engineering)

⁴ Brooded, Charles H. Essentials of Management for Supervision. "Testing," Chapter 6.

This workshop was organized and directed by the writer. Its purpose was to make available to farm youth a chance to explore the farm equipment industry.

- (4) Reading ability
- (5) Spelling
- (6) Deductive reasoning
- (7) Clerical

The purpose of this experiment was to achieve facts and data in two areas.

- (1) Had these youth had any prior study contact with industry as a vocational field.
- (2) Were there basic aptitudes in the youth which might assist the youth in making a vocational choice in the field of farm machinery.

The aptitude profiles are contained in the appendix.

A summary is presented as follows:

Total number in experiment	30
Boys	28
Girls	2
High school graduates	30
Previous testing experience (limited to mental maturity and reading)	4
Average age	19
Currently employed (in the farm implement business)	4
Looking for employment	21

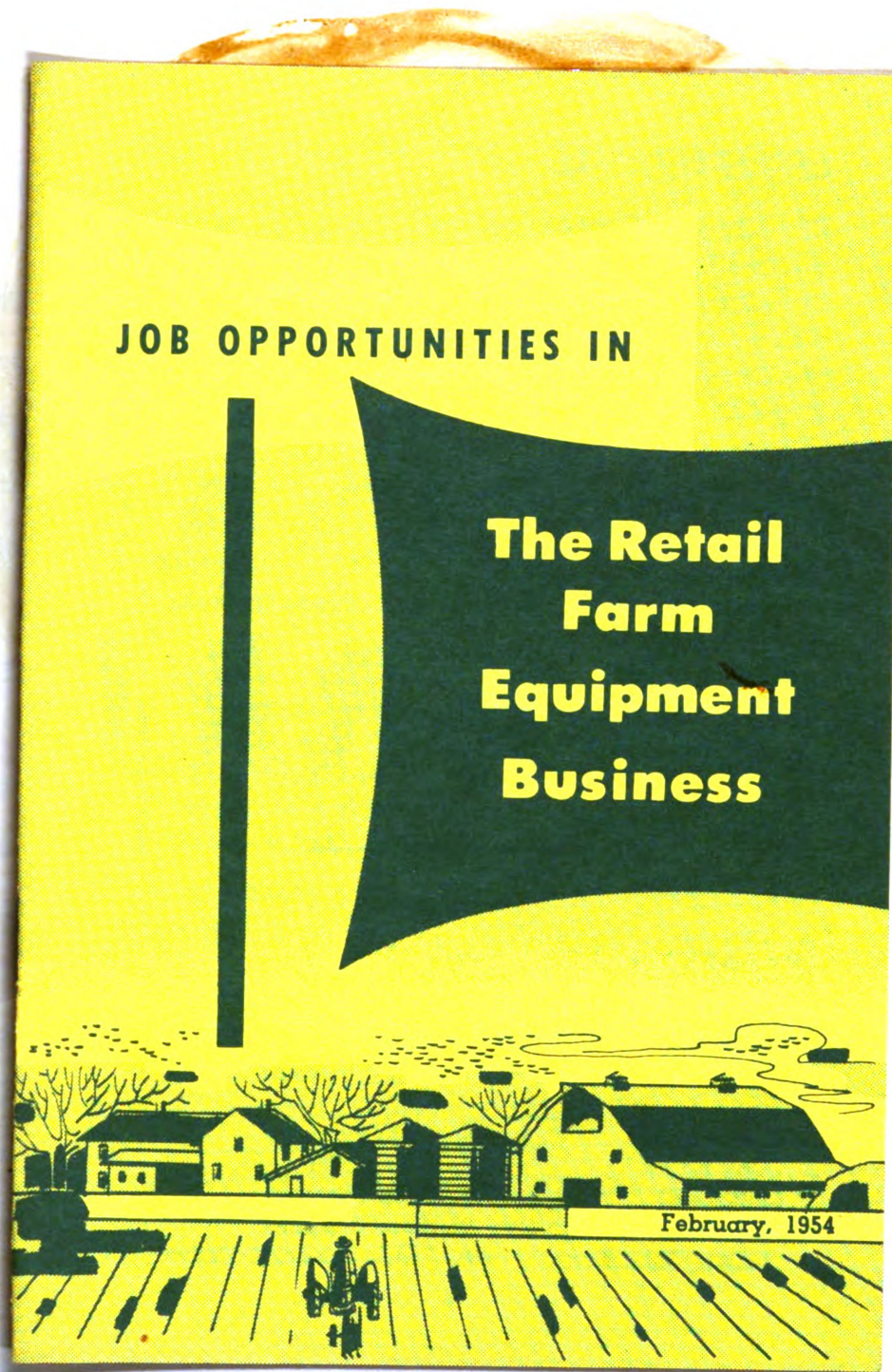
The results of this experiment were such as to cause considerable concern on the part of experts who examined the results. No attempt will be made to analyse each case.

The general conclusion reached by the experts and staff are listed.

- (1) There is a reservoir of desirable aptitudes for the business in high school vocational agriculture trained boys.
- (2) The high schools as represented by the group do not utilize aptitude testing as a device in vocational counseling. The isolation of aptitudes for particular vocational endeavor was noticeable by its absence.
- (3) There was no evidence that the industry had cultivated the FFA boy for possible employment in the industry.
- (4) There was a definite correlation between basic abilities as revealed by the tests and the aptitudes required for jobs in the industry.
- (5) The data disclosed that certain employees and prospective employees in the farm equipment business had abilities suited to other fields than farm equipment.

The following two cases are cited to point up the whole problems of adequate screening of personnel.

Case Number 1. The dealer was in distress with his books and parts department. He was badly in need of internal support on the records side of the business (management). The writer analysed the situation with the dealer, showing him his



This booklet was written and organized by the writer. It was distributed by the Michigan Farm Equipment Association to 11,000 Vocational Agriculture students.

requirements in personnel at the point of his need. The test results on a number of older youth were examined. The test results on a girl showed all the necessary aptitudes and abilities. The dealer retreated from the idea of a girl handling his parts department. He reacted further when he was faced with the reality that he had to pay for ability. His desperate situation compelled him to hire the girl. The record shows that the young lady rectified the internal situation in less than one month and became a vital factor in the success of the business.

Case Number 2. The dealer had taken a "shine" to a high school junior and had influenced the boy to come into the local business. The dealer wanted that boy. The test results (as revealed in the experiment) showed this individual as above average in mental maturity, mathematically and scientifically inclined. High school records verified the test results. The boy is now in a college engineering course achieving top honors. The dealer would have had a sad experience with this employee.

These cases are cited to point up the area of proper dealer and employee selection. Many cases of dealer failure are traceable to lack of basic aptitudes and abilities.

A summary statement of company policy as it influences the dealer's public relations must include recognition of the simple fact that the current status of agriculture argues for a rethinking of dealer-company relationship.

SECTION D

THE RESPONSIBILITY OF EDUCATION

The Dealer as a Communications Channel

An important phase of the investigation was centered around the concept that the dealer was an important channel of communications with the farmer and as such was a major responsibility of education.

Arguing from the premise that the farm equipment retailer is a key communication channel to the farmer, several areas of concern immediately present themselves.¹ These areas are brought into focus by the practice of self upgrading of the top scoring retailers. In every instance these dealers place much emphasis on keeping close to sources of training and education, the college being prominent in their thinking.

Attention must be called to the following areas of concern in the educational aspects of the problem.

- (1) Why has vocational agriculture not included a study of the farm equipment business in some phase of the training process?
- (2) Why do the colleges reflect so little concern towards the basic function of the dealer?
- (3) Why do the various dealer and trade associations of the industry show so little effective

¹Fletcher, L. J. "Telling the Story of Our Times." Farm Equipment Institute. 1952.

applications of revenues to assist the dealers at the point of their greatest need?

- (4) Why manufacturing policy continues to emphasize the product side as against balancing product knowledge with human engineering as a skill of their field representative.

1. The Central Problem

An examination of the previously mentioned points, indicates that they are elements of the central problem of dealer education.

Granted that various agencies do attempt to fortify the dealer with approaches to the educational **problem**, the writer holds that these approaches do not satisfy the central issue. In the case of Michigan, there are over eight hundred dealers, (22,000 in the United States) of major farm equipment who contact the farmers. There are only one hundred sixty county agriculture agents and their assistants. Yet, the former group, in constant contact with the farmer, has little place in the thinking, plans and programs of educational services. By contrast the county agent, of necessity being spread very thin in his area, is a highly trained individual. The central issue is simply one of education to assist the dealer in his role of being a communication channel to the farmer.²

2. Meeting the Challenge

In recent years this basic problem has been recognized by the Agricultural Engineering department of Michigan State

²Appendix, Exhibit 6.

College.³ In spite of failures in other states, 1952 saw the first attempt at a solution to the problem. Sponsored by the Agricultural Engineering department, dealers were given the opportunity to improve their fund of information that they might successfully fulfil their role as a counselor to the farmer. The two day conference was essentially a rigorous course in technical information and reviewing experiment station findings. As might be expected, only a few of the dealers participated. Double the number attended the conference in 1953. About the same time a night school course was offered for dealers. The course consisted of business management, economics, community analysis and successful business promotion practice. General approval was given to the course by the thirty-three participants.

The urgency for the educational institution to assume leadership in training the dealers is apparent. In a series of meetings held in late fall of 1954 by Michigan State College Agricultural Engineering personnel, fifty-four representative dealers in six areas of the state voiced the need for leadership in the broader fields of dealer education.

GENERAL RECOMMENDATIONS

A Broad Approach to the Problem

This study indicates and suggests some broad courses of action that might improve the status of the farm equipment

³See Appendix. Exhibit 6 and 7.

retailer.⁴ These suggested activities are:

1. At the Dealer Level

a. The land grant college, through its various activities should acquaint the dealer with the many aids it has for the dealer in merchandising, technical, information, et cetera. It is equally important that the dealers take the initiative to avail themselves of the many aids that can be furnished them by the college.

b. A device, such as, group meetings or college conducted seminars, for the purpose of examining management practices. This regular, self appraisal process must be conducted by an educational agency that the pitfalls of bias and prejudice may not hinder the educational growth.

c. There should be consistent employee, in-service training. The place of the employee in the total picture of the business is an educational growth process and needs attention.

d. Some system must be devised to acquaint the young farmer with a standard of measurement of the farm equipment dealer with whom he desires to do business. The vocational agriculture classes should take considerable time to explore the relationship of a good dealer to good farming practice. The dealer in turn should be ever alert to structure for himself a solid and sound position of respect in the mind and program of the young farmer.

⁴Karr, C. N. Industry Wide Public Relations. Farm Equipment Institute, 1952.

2. At the Company Level

The following measures might be considered as remedial to current dealer problems.

a. A system of recruitment and screening of prospective dealers. There is no defense for the current, promiscuous, desperation efforts to get dealers. There is also no defense for the tragic wastage of vocational ability evidenced in the vocational agricultural ranks.⁵ This source of manpower should be actively cultivated by the company.

b. Consistent and insistent in-service training of retailership personnel. Product education by the company is not enough. The improvement process of continuing education is needed.

c. A consistent and insistent program of balancing products with human engineering in the training of area supervisors.

d. Recognition on the part of the company that franchising of "suckers" only leads to public distrust of their products.

3. At the Dealer Organization Level

a. An awareness of, an acceptance of and a promotion of the function of coordination of all forces that can aid the sound retailer in realizing a profit from his business.

⁵"I Hate to See Those Cotton Pickers Go." Saturday Evening Post. October 25, 1952.

This calls for honest, sincere, constructive, determined leadership. This approach takes issue with lackadaisical "retreat into the future" programs.

4. At the College Level

a. The land grant college is committed to programs and activities that seek the well being of agriculture. The data indicates that a concern for the welfare of the farm equipment retailers, as it relates to the well being of agriculture, is well within the scope of policy and activity of the land grant college. Immediate leadership should be shown by the proper branches of the college to inform and train dealership personnel in the successful discharge of the responsibility each business has toward agriculture. Basic training is an educational function. This is a prerequisite to any special, particular technical skill acquired through other channels. In cooperation with retailer organization, the industry and allied industry, the college should establish and maintain a clear channel to farm equipment retail training.*

5. At the Youth Level

This is a vital area of concern. The vocational agricultural course should contain subject matter with adequate time allotment to establish a clear frame of reference in the future farmer as to the ethical, business, product

*Kellogg Center for continuing education

service and community status of the farm equipment retailing business. It seems imperative in the light of the data, that correctional procedures will be required by the intelligent young farmer when he understands the problems of the industry.

The impact of 4H tractor clubs leaves little question as to the value of this activity. Oddly enough this activity is sponsored not by the industry itself but by an allied industry.

SPECIFIC RECOMMENDATIONS

It is the opinion of the writer that the core responsibility for dealer education resides in the agricultural engineering section of the college in cooperation with the Continuing Education Service. There are several factors to support this point of view.

- (1) The vision and leadership already apparent.
- (2) The growing respect of the individual dealer for college services.
- (3) The resources available to the college for instructional purposes.
- (4) The college has no bias in building a sound approach to dealer education.

SPECIFIC STEPS

1. A Committee

A committee of college, industry and dealer personnel should be motivated to re-evaluate the function and role of the farm equipment retailer. This study should achieve a firm base for future activity. This should be a college report.

2. A Service from the College

With the support and cooperation of this committee the college should set up a service to the retailer. This service should have in it:

a. A course of study (one or two weeks) for owner-manager. This course would cover intensive training in:

- (1) Methods of research as a technique for self-examination of the business.
- (2) The psychology of persuasion (sales).
- (3) Agricultural economics (applied).
- (4) Management practices (seminar).
- (5) Analysing the community.
- (6) Skills and practice of public relations.
- (7) Skills and practices of sales advertising and promotion.

This course of study should be held at stated intervals to best match the dealers' available time. This school should be so structured as to become a permanent part of the dealers' thinking.

b. The Annual Farm Machinery Conference

Continuance and strengthening of the college farm machinery conference. This conference should be the rotation point of the total activity of the college with the dealer. The technique of consulting with dealer groups for advice and council to build this program should be continued. The "workshop" device should receive more emphasis.

c. Special Workshops and Seminars

The college should sponsor special subject workshops and seminars both on and off campus. Reference is made to the successful demonstration of taking one dealer area of concern and staying with it until a solution or practice has been achieved. (Berrien County Dealer Advertising Council)

d. An Extension Specialist

It will not be enough to offer training. There should be an arm of the college in the form of extension personnel (combination of agriculture engineering and Continuing Education) to maintain a close follow-up on the effectiveness of the training given. Obviously this work must be done in cooperation with the company area supervisors.

e. Support for "Dealer Councils"

It is axiomatic that dealers are handed a program to accept or reject. This situation is at the core of poor interpersonal relationship, dealer, territory manager and company. In very recent years a change has occurred in that two farm machinery manufacturers have instituted "dealer

councils." In essence they seek to involve the dealers into responsible evaluation, discussion and decisions as problems of mutual concern. This development is in a sense reversal of policy to dictate to the dealers. In this area the college has a function. Dynamic discussion leadership is a skilled and technical role. The college can serve the dealer council activity by training for effective discussion participation.

f. College-Dealer News Organ

The extension service, experiment station, agricultural college relationship with the dealer can be improved by the information service channeling screened information to the dealer.⁶

The dealer, being a channel of communication with the farmer, of necessity should dispense sound information rather than misinformation. It is significant that the data does not disclose one meeting sponsored by dealer or county agent for their mutual understanding or benefit. There are many reasons for this condition. Granted that all reasons may be good for justifying such non-communication, the fact remains that sound information must be built into this counseling process of the dealer. The facts prove the urgency of the situation. To cite specific examples--twenty dealers were asked a series of ten questions pertaining to the college relationship concern. The answers are in the appendix.

⁶Land of Plenty. "Ambassador of Better Methods."
Page 64.

g. Training of the Vocational Agricultural Teachers

Of great concern is the dealer vacuum in the area of the young farmer. This critical situation is best illustrated by the fact that sixty-four percent of the two hundred and fifty dealers could not call the name of the vocational agricultural teacher, ninety-four percent could not call the name of the FFA president. The evidence show conclusively that the top scoring dealers in the study have a very thorough knowledge of and a working relationship with all these groups and individuals.

It is not the function of the agricultural teacher or county agent to solicit the understanding and working relationship. It is the dealer who needs to have his vision enlarged as to the benefits to be derived from such a relationship. Every opportunity should be utilized by the dealer and his groups to achieve an understanding of and a working relationship with these agencies. Similarly the vocational agricultural teacher should have included in his training a thorough acquaintance with the place and function of the FFA.

h. On Campus Training of Dealer Personnel

The short course of sales and service of farm machinery as conducted on the Michigan State College campus is a step in recognizing the service that can be rendered to the dealers' personnel. While this course of training for young men is primarily basic, it has a distinct tendency to orient

the trainee to the over-all aspects of the farm equipment business. The dealers should not look on these young trainees as stop-gaps. There can be no incentive for a young man to enter and stay in the farm equipment field when treated as dispensable labor by his employer. Fortunately this condition is not prevalent. It is discouraging, however, to a young man getting started to experience negativeness on the part of the employer toward the business.

The short course, "sales and service" training is a key to correcting some of the problems of the industry. High schools should test for aptitudes, screening such youth as show inclinations towards the business. Dealers and high schools in close cooperation should make available the college training for those young men. The college should vigorously promote a process of area dealer meetings to involve many more dealers in the planning for the course and the recruitment of students.

1. It is significant that the Kellogg Center for Continuing Education is besieged with demands for space, accommodations and personnel for business and professional groups. It is equally significant that not once has a dealer initiated activity taken advantage of the vast resources available to them through this service agency. It had been of very recent date that an isolated instance occurred where a county group initiated an activity and utilized Continuing Education personnel as a resource.

3. ▲ Brochure Covering the Project

The problem of dealer upgrading is common to all segments of the industry. Study will reveal to the companies the advisability of utilizing the educational institutions to assist the industry in doing this job. It would seem appropriate that Michigan State College take the lead in formulating a complete plan of continuing education that it might service the entire industry in its many areas, but with immediate programs for the dealer level.

CONCLUSION

In the total consideration of the problems of the farm equipment industry there is the basic situation of the concept and workings of the "dealer" as opposed to the modern function of the successful retailer who is a counselor to the farmer and a purchasing agent for the farm business. As such, the approach to successful farm equipment retailing in the current technical and scientific agriculture is quite different than it was fifty years ago. Yet there is a strong relationship between the current ills of the business and policy that had its origin fifty years ago.

Careful examination of the total operation of top scoring dealers reveals that all their operations are in balance. The solidness, substance, measured stride of the business acquired has commanded a type of respect which is the envy of the competition.

It is also apparent that the dealer, as a counselor--a channel of communication--needs immediate recognition. There can be no defense for failure to recognize the complete role of the dealer in the total picture of agriculture. A quality dealer program is essential. The evidence shows that there is in the public mind a close association between poor quality merchandise and service and a slovenly dealer. If licencing,

standardization, quality dealer programs do not find their origin in the industry itself, the farm public may take a hand in a more drastic way than "shopping."

The data indicates the need for a reappraisal of the function of the farm equipment retailer. There is no standard by which the ultimate success of a farm equipment retailer is measured. The main standard in use by the companies in evaluating a retail outlet is the ability of the company to collect.

Held against the concept of being a counselor to the farmer, the dealer is inadequate in training to measure up to his responsibility as an effective channel of communication. The equally important technical responsibility of a "purchasing agent" for his farmer customer calls for educational training. The data indicates that there is within the various elements of the industry men who recognize the situation and have conducted their business, philosophy, practice and activity to measure up to a high standard of ethical and business conduct. Balanced management practice is the key to their success. In these cases the community, the customer, the competitor, the company all enjoy a high standard of relationship.

APPENDIX

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EXHIBIT 1

QUESTIONNAIRE

1. In your judgement where does the farm equipment business rate in public respect. Put a 1, before your first choice, 2, your second choice, et cetera.

Automobile retailing	Elevator supply business
Grocery retailing	Farm equipment retailing

2. How does farm equipment rate as to "looks" as compared to: (place a 1, before your first choice, 2, your second choice, et cetera).

Automobile retailing	Elevator retailing
Grocery retailing	Farm supply retailing

3. Do you have regular policy and business conferences with your employees aimed at increasing your business?

Circle one.

Yes	No	On occasion
-----	----	-------------

4. Do you have a planned, sustained activity with youth? Circle one.

Yes	No	On occasion
-----	----	-------------

5. Do you engage in any regular, planned, sustained contact with farmers' groups? Circle one.

Yes	No	On occasion
-----	----	-------------

6. Do you belong to any civic group other than church? Check your activity on the list below adding any not listed.

Exhibit 1

Continued

Noon luncheon club

Chamber of commerce

A civic promotional activity

A governmental responsibility

7. Check the items in the list below that you use in your promotional work.

Classified advertising

Space advertising

Company advertising

Radio

Special house organ

8. Place the proper figure 1, 2, 3, et cetera before the items you select as contributing most to public disrespect for the farm equipment business.

The color of paint

Credit policy

Quality of merchandise

Trade-in policy

Farmer gossip

The personality and

The "looks" of a dealer's
place

practices of a
given dealer

9. Do your employees bring in "prospect" names to you?
Circle one.

Yes

No

Occasionally

10. Check the activity with which you have been identified in the last year.

Exhibit 1

Continued

- a. Visited the high school advising the Vo-Agri teacher of your desire to help him if he had occasion to call on you.
- b. Vo-agri teacher has been in your store.
- c. Made yourself acquainted with the FFA president.
- d. Put on a demonstration for a youth group.
- e. Have had a 4H tractor club in your place of business.
- f. Chaperoned one group of FFA members to some agricultural meeting or event.
- g. Visited the home of a boy or girl who has achieved recognition for work well done.
- h. Identified yourself with some youth activity in the public press.

EXHIBIT 2

RATING SCALE OF FARM EQUIPMENT RETAILER
PUBLIC RELATIONS

Part I. Rating Schedule of the Business Operation

A. Facilities - Physical

1. Facilities - Housing

a. Building classification

- (1) location, class--prominent, convenient, inconvenient, difficult
- (2) parking lot, class--assigned area, curb, curb only, difficult
- (3) building appearance, class--attractive new construction, neat and substantial, expedient, shabby, old construction.
- (4) classification of used implement lot, class--showmanship, adequate and arranged, unarranged, junk pile.
- (5) storage and warehouse facilities

b. Office

- (1) utility, class--owner separate office-bookkeeper separate office-adequate space and lighting, utility, non-business.
- (2) machines, class--typewriter, adding machine, files, telephone, secretarial desk and chair
- (3) books, magazines, and references

c. Showroom

- (1) windows, class--large and attractive, average, small and unkept
- (2) floor space, class--roomy, convenient, small and cluttered
- (3) "filler" display, class--convenient, adequate, crowded and cluttered

d. Parts Department

- (1) perpetual inventory, class--complete and current, incomplete and non-current
- (2) personnel, class--number, age, training-high school-short course-company trained
- (3) gross amount of inventory

Exhibit 2

Continued

- (4) parts bin system, class--adequate and substantial, realistic, cluttered and ill classified
- (5) obsolete parts storage, class--in separate storage, in main storage.

e. Shop facilities

- (1) size--floor space, class--adequate, average, cramped
- (2) light, class--maximum, adequate, dingy; heat, class--optimum, adequate, happenstance
- (3) benches, auxiliary machine, class--optimum, average, inadequate
- (4) accessory service, class--paint shop, steam jenny, electrical department
- (5) personnel safety, class--consistent program, maximum safeguards, adequate, hazardous
- (6) personnel working conditions--toilets and rest rooms adequate, maximum cleanliness, inadequate, unclean

2. Facilities - Personnel

- a. Salesmen--number, complete satisfaction, satisfied, average, non-satisfied; general--turnover, age level, schooling, age, years selling farm machinery
- b. Bookkeeping--years experience, age (annual audit)
 - (1) excellent
 - (2) average
 - (3) substandard
- c. Parts Department--number, ages, company trained
 - (1) excellent
 - (2) average
 - (3) substandard
- d. Service Department--number, ages, company trained, years of experience
 - (1) excellent
 - (2) adequate
 - (3) substandard

3. Facilities - Management

- a. Training--age, years in business, company schools

Exhibit 2

Continued

- b. Employee policy and relations--employee contests, insurance
- c. Information service
 - (1) employees
 - (2) customers
- d. Relationship with the company block man and company schools
- e. Professional advancement
 - (1) company schools--attendance
 - (2) conferences and conventions--attendance
 - (3) magazines--trade papers
 - (4) advanced farming techniques
- f. Departmentalization - foremen - number
- g. Credit policy
 - (1) on parts
 - (2) on repair and service
 - (3) on loan paper
- h. Balance sheet - monthly

Part II. The Public Relations Program and Practice of the Farm Equipment Retailer

A. Educational Agency Relationships

1. Extension Service

- a. Cooperation with the program, county agent sponsored meeting--attendance, aiding county agent meetings, 4H sponsorship.
- b. Knowledge of the program on extension planning council
- c. 4H Club - evidence of participation
 - (1) specific activity
 - (2) sponsorship--broad

2. Vocational Agriculture

Exhibit 2

Continued

- a. Cooperation with the program--evidence
- b. Knowledge of the program on vocational agriculture council
- c. F.F.A. relationships

3. Others

- a. Other youth groups
- b. Veterans' classes
- c. F.H.A.

4. Soil Conservation

B. Farm Service

1. Promotion of Farmer Information

- a. Bulletins
- b. Farmer meetings
- c. Evening schools
- d. Educational projects
- e. Farm family

C. Press and Radio

D. Promotion

1. Advertising

- a. Local paper
- b. Company advertising
- c. House organs
- d. Spot projects

Exhibit 2

Continued

e. Movie programs

f. Open house

2. Radio

E. Community Service

1. Member of Service Organization

2. Member of Civic Organization

a. School Board

b. City Council

c. Other

d. Church

e. Farm Board

f. Boy Scouts

3. Civic Projects

4. Service to Farmers' Meetings

EXHIBIT 2

QUESTIONNAIRE

1. Is your company representative (List them in importance by putting a 1, before your first choice, 2, your second choice, et cetera.)

usually helpful

represents the company well

indifferent

distinctly not helpful

2. In what areas do you think company policy and operation can be improved? (List them in importance by putting a 1, before your first choice, 2, your second choice, et cetera.)

Financial policy toward dealer

Company pressure

Company accounting

Adjustment of company prices

Placement of dealers

Communication of ideas

Blockman's tenure

Parts organization

3. What is the dealer council?
4. Who started this dealer council?
5. In operating your business are "filler lines"

Exhibit 2
Questionnaire
Continued

(circle one)

very important

important

convenient

nuisance

6. If you belong to your state association of dealers,
check one of the following:

The association is important to me

The association is helpful

The association is "alright, I guess, but is hasn't
done anything for me."

The association is ineffective

EXHIBIT 2

QUALIFYING REQUIREMENTS

TRAINED MANPOWER

		1		2		3	
		Yes	No	Yes	No	Yes	No
		(Check One for Each Rating)					
1.	Have you adequate manpower?						
2.	All job functions <u>definitely</u> assigned and <u>properly</u> operating?						
	<u>Name</u>						
a.	Manager _____						
b.	Sales Manager _____						
c.	Service Manager _____						
d.	Parts Manager _____						
e.	Salesmen _____						

f.	Servicemen _____						

g.	Bookeeper _____						
3.	Right men in dealership attending distributor-held schools?						
4.	Holding <u>regular</u> meetings--at least twice a month--with all employees?						

Exhibit 2
Continued

FINANCIAL CONTROL

	1	2	3			
	Yes	No	Yes	No	Yes	No
	(Check One for Each Rating)					
1. Using Planned Profits Program?						
2. You have adequate working capital--equal to at least one-seventh of sales volume?						
3. You have <u>adequate cash</u> ?						
4. Ratio of current assets to current liabilities (two to one)?						
5. Accounting procedure which provides the facts to make up the Financial and Operating Statements?						

SERVICE TO OWNERS

1. Dealership has a separate service shop area of about 400 square feet per tractor being serviced?
2. Shop has ALL these basic tools?

Check Each

Complete set, hand tools
for each mechanic _____

Workbench and vise _____

Electric drill _____

Valve grinding equipment _____

Vacuum gauge and compression tester _____

Timing light _____

I.D. and O.D. micrometers _____

Boring bar _____

Bench grinder _____

Cylinder honing equipment _____

One-ton hydraulic jack or chain hoist _____

Connecting rod aligning tools _____

Hydraulic lift cover adjusting gauges _____

Exhibit 2
Continued

1 2 3
Yes No Yes No Yes No
(Check One for Each Rating)

Check Each

Hydraulic pump overlap
gauges

Torque wrench

Cast-sleeve puller

Governor repair tools

Tachometer

Air compressor

Spark plug cleaner and
tester

Battery testing equipment

Pressure grease equipment

3. Explaining Assembly and Operating
Manual to ALL owners?

4. Maintaining a current file of
Service Bulletins--readily
accessible to mechanics?

5. Using Service Record System--
or its equivalent?

PARTS SUPPLEMENT

1. Parts bin set-up per distributor
approved plans?

2. Have attractive functional parts
counters?

3. Making effective use of parts
and accessory display space?

4. Genuine parts displayed and
offered for sale?

5. Inventory control system kept up
to date on ALL parts?

6. Consistently submitting monthly
tractor parts order?

7. Consistently participating in
seasonal ordering programs?

8. Parts and price lists kept up to
date?

Exhibit 2

Continued

ADVERTISING AND DISPLAY

1 2 3
 Yes No Yes No Yes No
 (Check One for Each Rating)

1. Building properly identified?
2. Consistently maintaining attractive displays?
3. Regularly advertising through at least TWO of the following media--allocating a minimum of one percent of sales volume for advertising?

Check

- a. Newspaper
- b. Billboard
- c. Radio
- d. Theater Ads
- e. Direct Mail

4. Maintaining effective display of tractor and implement sales literature?
5. Displaying at local fairs or divic events--whenever practical?

PUBLIC RELATIONS

1. Mailing company magazine to agricultural leaders?
2. Held a FIELD DAY?
3. Actively cooperating with 4H and FFA groups?
4. Actively cooperation with local Soil Conservation District or Extension Service Representative?

	1 Yes	1 No	2 Yes	2 No	3 Yes	3 No
1. Building <u>properly</u> identified?						
2. <u>Consistently</u> maintaining attractive displays?						
3. Regularly advertising through at least TWO of the following media--allocating a minimum of one percent of sales volume for advertising?						
4. Maintaining effective <u>display</u> of tractor and implement sales literature?						
5. Displaying at local fairs or divic events--whenever practical?						
1. Mailing company magazine to agricultural leaders?						
2. Held a FIELD DAY?						
3. Actively cooperating with 4H and FFA groups?						
4. Actively cooperation with local Soil Conservation District or Extension Service Representative?						

Exhibit 2

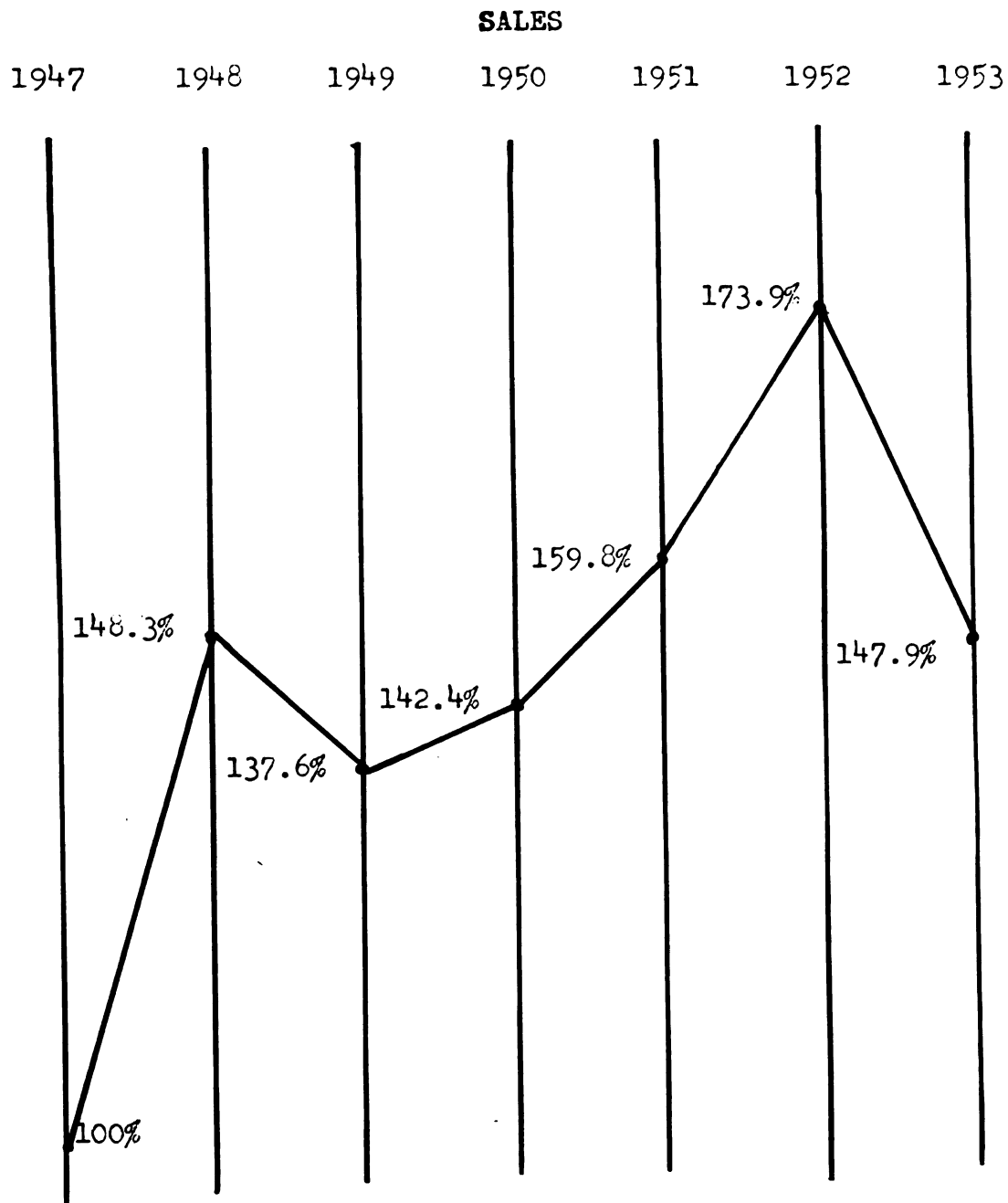
Continued

EFFECTIVE SELLING

	1		2		3	
	Yes	No	Yes	No	Yes	No
	(Check One for Each Rating)					
1. When available, keeping in inventory an <u>adequate</u> stock of every implement salable in your territory?						
2. Have a used equipment lot-- <u>properly maintained</u> and <u>properly</u> identified?						
3. Following a planned and approved used equipment merchandising program?						
4. Using recommended Used Equipment Inventory Control System?						
5. Using recommended Owner-Prospect Record System or its equivalent?						
6. Following a definite schedule of owner and prospect calls?						
7. Equalled or exceeded field-demonstration objective?						
8. Salesmen maintaining and using loose-leaf sales binder with all current and applicable sales literature?						
9. Actively cooperating with current company distributor programs and campaigns?						

EXHIBIT 2

NATIONAL AVERAGES--ALL DEALERS

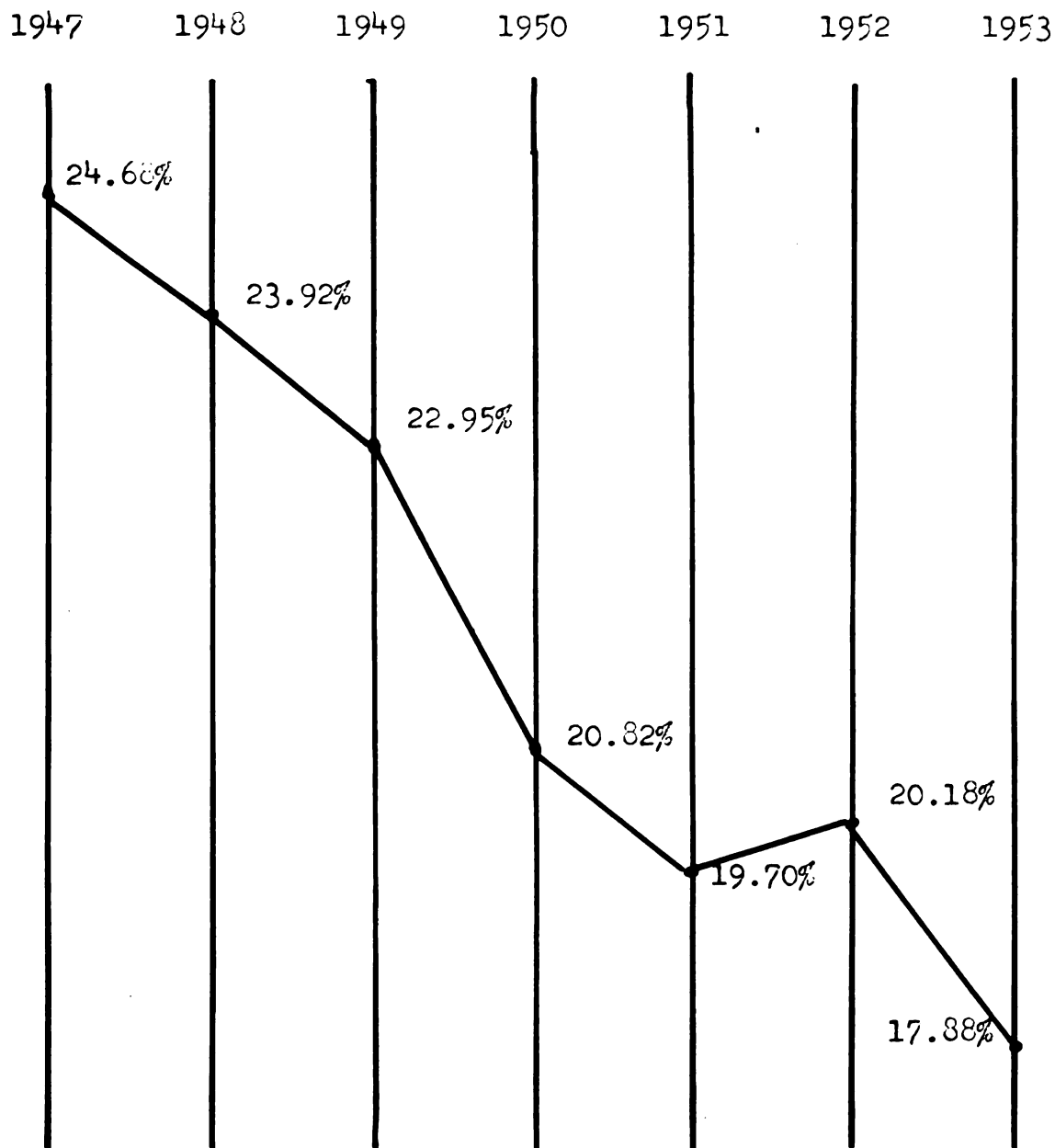


(National Retail Farm Equipment Association)

EXHIBIT 2

NATIONAL AVERAGES--ALL DEALERS

MARGINS



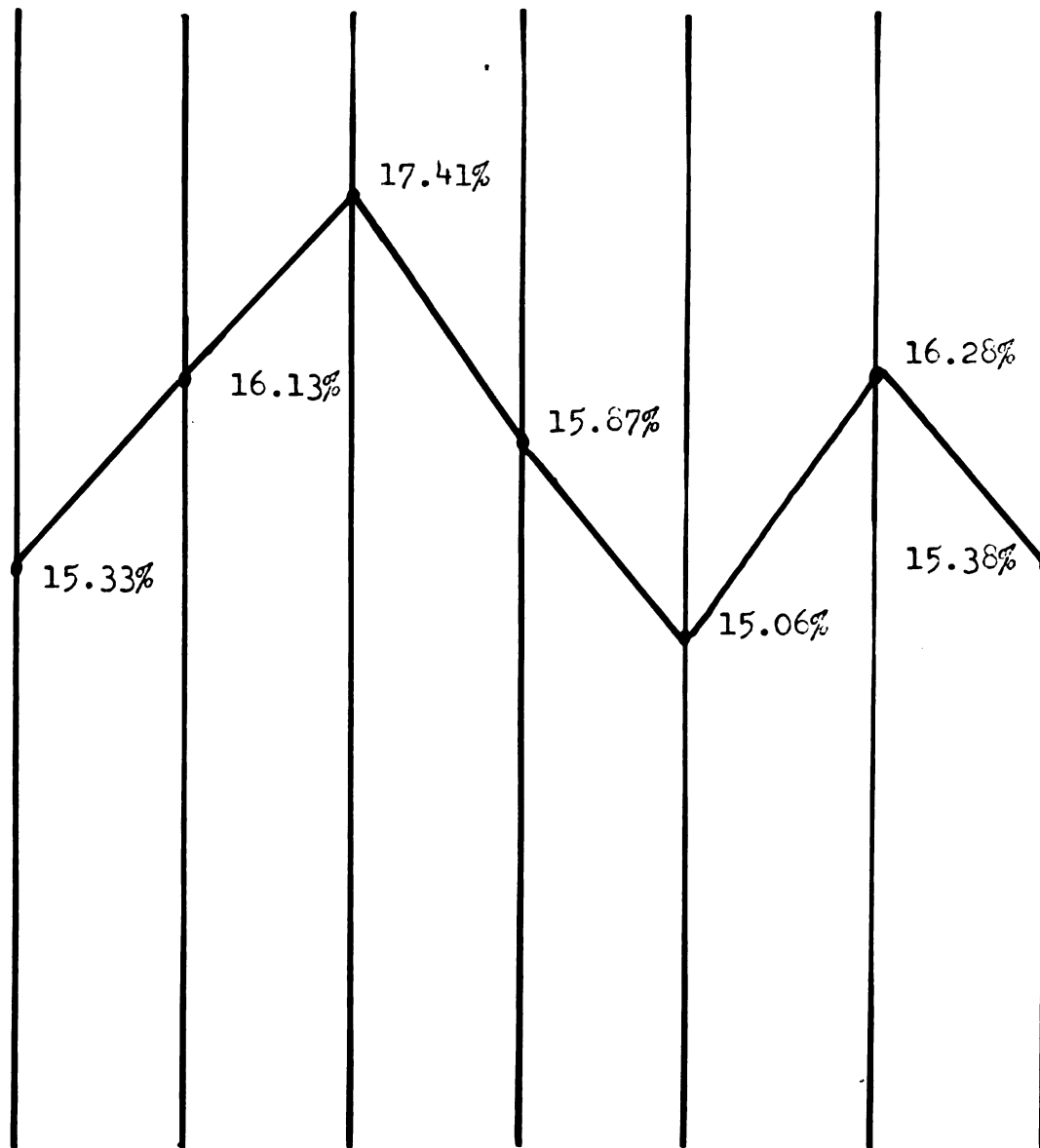
(National Retail Farm Equipment Association)

EXHIBIT 2

NATIONAL AVERAGES--ALL DEALERS

EXPENSES

1947 1948 1949 1950 1951 1952 1953



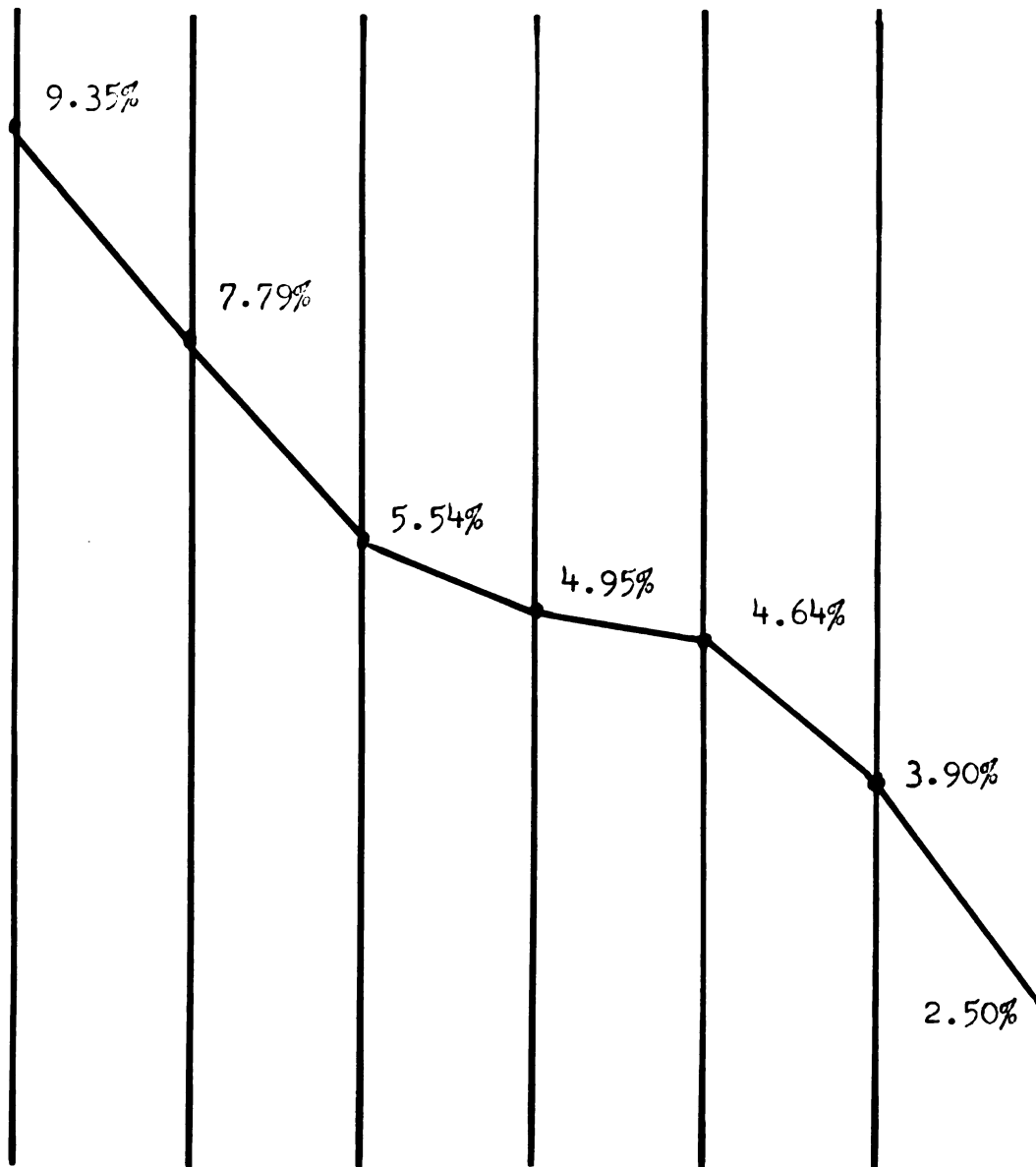
(National Retail Farm Equipment Association)

EXHIBIT 2

NATIONAL AVERAGES--ALL DEALERS

PROFITS

1947 1948 1949 1950 1951 1952 1953



(National Retail Farm Equipment Association)

EXHIBIT 2

NORMS FOR GROUP A

NATIONAL AVERAGES OF RETAILERS WHOSE 1953 SALES
WERE UNDER \$100,000

<u>SALES</u>	<u>Average</u>	<u>High-Profit Dealers</u>	<u>Low-Profit Dealers</u>
New Farm Equipment and Tractors	\$37,813	\$33,369	\$34,990
Used Farm Equipment & Tractors	9,196	7,351	9,454
Repair Parts (Farm Equipment)	12,936	12,238	12,149
Service Labor	3,792	4,440	3,236
All Other Lines	8,779	8,705	5,713
Total Sales	\$72,516	\$66,103	\$65,542
 <u>MARGINS</u>			
New Farm Equipment and Tractors	\$ 5,908	\$ 6,609	\$ 5,413
Used Farm Equipment and Tractors	(837)	(219)	(1,960)
Repair Parts (Farm Equipment)	3,914	3,848	3,420
Service Labor	657	1,587	(69)
All Other Lines	1,559	1,564	800
Total Sales	\$11,201	\$13,389	\$ 7,604
 OTHER INCOME	 \$ 2,135	 \$ 1,915	 \$ 2,483
TOTAL MARGIN	13,336	15,304	10,087
TOTAL BUSINESS EXPENSES	13,588	10,677	15,360
NET OPERATING PROFIT OR			
LOSS BEFORE INCOME TAXES	(252)	(4,627)	(5,273)

INVENTORIES

GROUP A NATIONAL AVERAGES

	<u>Beginning</u>	<u>Closing</u>	<u>Change</u>	<u>%Change</u>	<u>Turnover</u>
New Farm Equipment	\$18,604	\$18,944	340	1.83	1.70
Used Farm Equipment	4,796	4,586	(210)	(4.38)	2.14
Repair Parts	9,505	9,506	1	.01	.95
Other Lines	<u>5,584</u>	<u>5,089</u>	<u>(494)</u>	<u>(8.86)</u>	<u>1.35</u>
Total	\$38,489	\$38,125	(364)	(.95)	1.52

EXHIBIT 2

NORMS FOR GROUP B

NATIONAL AVERAGES OF RETAILERS WHOSE 1953 SALES
WERE BETWEEN \$100,000 and \$250,000

<u>SALES</u>	<u>Average</u>	<u>High-Profit Dealers</u>	<u>Low-Profit Dealers</u>
New Farm Equipment and Tractors	\$89,478	\$90,476	\$81,430
Used Farm Equipment and Tractors	26,378	26,944	23,563
Repair Parts (Farm Equipment)	27,512	27,698	28,069
Service Labor	7,879	8,329	7,492
All Other Lines	24,326	25,141	18,916
Total Sales	<u>\$175,573</u>	<u>\$178,588</u>	<u>\$159,470</u>

MARGINS

New Farm Equipment and Tractors	\$16,758	\$16,926	\$14,375
Used Farm Equipment and Tractors	(2,947)	(1,420)	(3,561)
Repaired Parts (Farm Equipment)	8,062	8,223	8,142
Service Labor	881	1,520	250
All Other Lines	4,008	4,899	2,282
Total Sales	<u>\$26,762</u>	<u>\$30,148</u>	<u>\$21,488</u>

OTHER INCOME	\$ 5,543	\$ 6,148	\$ 4,536
TOTAL MARGIN	32,305	36,296	26,024
TOTAL BUSINESS EXPENSES	26,549	24,108	29,372
NET OPERATING PROFIT OR LOSS BEFORE INCOME TAXES	5,756	12,188	(3,348)

INVENTORIES

GROUP B NATIONAL AVERAGES

	<u>Beginning</u>	<u>Closing</u>	<u>Change</u>	<u>%Change</u>	<u>Turnover</u>
New Farm Equipment	\$28,601	\$30,215	\$1,614	5.64	2.47
Used Farm Equipment	7,376	8,166	790	10.71	3.77
Repair Parts	15,761	15,551	(210)	(1.33)	1.24
Other Lines	<u>6,941</u>	<u>6,869</u>	<u>(72)</u>	<u>(1.04)</u>	<u>2.94</u>
Total	\$58,679	\$60,801	\$2,122	3.62	2.37

EXHIBIT 2

NORMS FOR GROUP C

NATIONAL AVERAGES OF RETAILERS WHOSE 1953 SALES
WERE BETWEEN \$250,000 and \$350,000

<u>SALES</u>	<u>Average</u>	<u>High-Profit Dealers</u>	<u>Low-Profit Dealers</u>
New Farm Equipment and Tractors	\$152,637	\$163,329	\$129,791
Used Farm Equipment and Tractors	46,969	50,658	43,402
Repair Parts (Farm Equipment)	45,618	45,462	45,033
Service Labor	15,806	14,403	16,297
All Other Lines	78,238	63,533	93,490
Total Sales	<u>\$339,268</u>	<u>\$337,385</u>	<u>\$328,013</u>

MARGINS

New Farm Equipment and Tractors	\$28,156	\$32,851	\$23,152
Used Farm Equipment and Tractors	(5,667)	(3,573)	(7,896)
Repair Parts (Farm Equipment)	12,712	13,315	12,124
Service Labor	2,875	2,733	2,525
All Other Lines	9,849	10,199	9,973
Total Sales	<u>\$47,925</u>	<u>\$55,525</u>	<u>\$39,878</u>

OTHER INCOME	\$ 9,917	\$11,568	\$ 8,188
TOTAL MARGIN	57,842	67,093	48,066
TOTAL BUSINESS EXPENSES	50,677	45,786	51,089
NET OPERATING PROFIT OR LOSS BEFORE INCOME TAXES	7,165	21,307	(3,023)

INVENTORIES

GROUP C NATIONAL AVERAGES

	<u>Beginning</u>	<u>Closing</u>	<u>Change</u>	<u>%Change</u>	<u>Turnover</u>
New Farm Equipment	\$39,755	\$41,038	\$1,283	3.23	3.08
Used Farm Equipment	10,731	11,840	1,109	10.33	4.67
Repair Parts	20,903	20,474	(429)	(2.05)	1.59
Other Lines	15,584	15,123	(461)	(2.96)	4.45
Total	<u>\$86,973</u>	<u>\$88,475</u>	<u>\$1,502</u>	<u>1.73</u>	<u>3.17</u>

EXHIBIT 2

NORMS FOR GROUP D

NATIONAL AVERAGES OF RETAILERS WHOSE 1953 SALES
WERE OVER \$350,000

<u>SALES</u>	<u>Average</u>	<u>High-Profit Dealers</u>	<u>Low Profit Dealers</u>
New Farm Equipment and Tractors	\$296,934	\$334,142	\$279,408
Used Farm Equipment and Tractors	95,523	88,258	102,037
Repair Parts (Farm Equipment)	108,335	142,060	88,355
Service Labor	42,322	41,202	57,736
All Other Lines	241,017	94,755	494,972
Total Sales	\$784,131	\$700,417	\$1,022,508

MARGINS

New Farm Equipment and Tractors	\$ 56,595	\$68,156	\$53,863
Used Farm Equipment and Tractors	(8,757)	(4,031)	(11,946)
Repair Parts (Farm Equipment)	30,137	38,622	24,499
Service Labor	8,687	8,771	11,739
All Other Lines	36,135	17,593	48,738
Total Sales	\$122,798	\$129,111	\$126,893

OTHER INCOME	\$ 22,175	\$ 24,520	\$ 22,567
TOTAL MARGIN	144,973	153,631	149,460
TOTAL BUSINESS EXPENSES	125,567	107,281	183,690
NET OPERATING PROFIT OR LOSS BEFORE INCOME TAXES	19,406	46,350	(34,230)

INVENTORIES

GROUP D NATIONAL AVERAGES

	<u>Beginning</u>	<u>Closing</u>	<u>Change</u>	<u>%Change</u>	<u>Turnover</u>
New Farm Equipment	\$82,463	\$84,825	\$2,362	2.86	2.88
Used Farm Equipment	21,226	21,545	319	1.50	4.88
Repair Parts	45,454	44,951	(503)	(1.11)	1.73
Other Lines	40,578	38,776	(1,802)	(4.44)	1.08
Total	\$189,721	\$190,097	\$ 376	.20	3.31

EXHIBIT 2

EXPENSES

NATIONAL AVERAGES--ALL DEALERS

(Average Sales--\$272,890)

	<u>Percent of Total Sales</u>		
	<u>Average</u>	<u>High-Profit Dealers</u>	<u>Low-Profit Dealers</u>
1. Salaries--Owners, Managers	2.60%	2.46%	2.98%
2. Salaries--Sales and Parts	2.74	2.48	3.44
3. Salaries--Office	1.00	.95	1.15
4. Salaries--Other (Except Shop)	.78	.56	.93
5. Rent and Lease	.61	.49	.73
6. Heat, Light, Power, Water	.34	.31	.42
7. Telephone and Telegraph	.25	.23	.31
8. Shop Supplies and Equipment Repairs	.46	.40	.46
9. Other Supplies and Equipment Repairs	.20	.14	.21
10. Postage	.08	.07	.10
11. Car and Truck Expense (Gas and oil, tires, repairs, licenses and insurance)	.85	.82	.94
12. Advertising	.75	.64	.86
13. Taxes--Payroll and Property	.66	.65	.79
14. Insurance (except auto and truck)	.62	.57	.71
15. Legal and Auditing	.11	.11	.13

EXHIBIT 2

EXPENSES

(Continued)

	<u>Percent of Total Sales</u>		
	<u>Average</u>	<u>High-Profit Dealers</u>	<u>Low-Profit Dealers</u>
16. Demonstrations	.17%	.18%	.20%
17. Bank Charges and Interest	.32	.24	.45
18. Repairs--Building and Fixtures	.14	.12	.14
19. Depreciation	.88	.85	.95
20. Bad Debts	.21	.18	.18
21. After Sale Expense	.41	.34	.54
22. Discounts and Allowances	.44	.36	.25
23. Dues and Subscriptions	.07	.06	.07
24. Miscellaneous	<u>.69</u>	<u>.59</u>	<u>.79</u>
25. TOTAL EXPENSE	15.38%	13.80%	17.66%

EXHIBIT 3

EMPLOYER EVALUATION SHEET

Date _____

Name _____

	High Degree	Medium Degree	Low Degree
1. Accepts criticism without resentment			
2. Willing to correct an error . . .			
3. Speaks well of product or service offered			
4. Accepts responsibility			
5. Does jobs above and beyond the regular job			
6. Economical with time and equip- ment			
7. Regular and punctual			
8. Plans work			
9. Starts a job without unnecessary delay			
10. Avoids making careless mistakes .			
11. Completes a job in a neat way . .			
12. Neat in personal appearance . . .			
13. Does added tasks without griping .			
14. Willing to adjust plans to meet the demands of the job			

Exhibit 3

Continued

	High Degree	Medium Degree	Low Degree
15. Expresses satisfaction in doing work well done			
16. Friction with other workers			
17. Willing to adjust plans to meet needs of fellow workers			
18. Helps other workers			
19. Versatile			
20. Shows ability to follow instructions and modify work habits			

Department _____

EXHIBIT 3

PROPER EMPLOYER-EMPLOYEE RELATIONSHIPS

QuestionnaireYes No

- | | | |
|-----|-----|--|
| ___ | ___ | Do you accept criticism from your employer without resentment? |
| ___ | ___ | When you make an error, are you willing to admit it? |
| ___ | ___ | Do you avoid speaking ill of the product or service offered by your employer? |
| ___ | ___ | Do you avoid gossiping about your employer and his business with other employee? |
| ___ | ___ | Do you accept responsibility for doing things which you are not required to do? |
| ___ | ___ | Are you economical of your employer's time and materials? |
| ___ | ___ | Do you contribute constructive suggestions for your job? |

ACQUIRING GOOD WORK HABITS

- | | | |
|-----|-----|---|
| ___ | ___ | Are you regular and punctual in reporting for work? |
| ___ | ___ | Do you plan your work carefully? |
| ___ | ___ | Do you go ahead with your work without unnecessary delay? |
| ___ | ___ | Do you avoid making careless mistakes? |
| ___ | ___ | Do you finish up your work in a neat way? |
| ___ | ___ | Are you neat in your personal appearance? |
| ___ | ___ | Do you keep your temper under control at all times? |
| ___ | ___ | Are you willing to do added tasks without griping? |

Exhibit 3

Continued

Yes No

- ___ ___ Are you willing to adjust your own plans to meet the demands of the job?
- ___ ___ Do you have a feeling of satisfaction in doing your work well?

COOPERATION WITH FELLOW-WORKERS

- ___ ___ Do you avoid words or actions which might cause friction with other workers?
- ___ ___ Are you willing to adjust your plans to meet the needs of your fellow workers?
- ___ ___ Do you help other workers when your work is done?
- ___ ___ Are you willing to give helpful information to new employees?
- ___ ___ Are you capable of adjusting to the demands of different employees?
- ___ ___ Can you work well in different types of job situations?
- ___ ___ Have you shown that you can discard or modify work habits learned in previous jobs?

EXHIBIT 3

QUESTIONNAIRE

Yes No

- ___ ___ Courtesy is _____ unnecessary to promote a sale.
- ___ ___ A customer buys a product one feature at a time.
- ___ ___ A buyer understands a product when the buyer considers the product as a whole.
- ___ ___ Services is a means of increasing the profits of an organization.
- ___ ___ Service is the management of a business.
- ___ ___ Service is the repair of equipment.
- ___ ___ Accidents are not caused.
- ___ ___ Promotional schemes stimulate employee thinking.
- ___ ___ Accidents can not be prevented.
- ___ ___ Accidents result in inefficiency and delays, in addition to being costly.
- ___ ___ One small accident can cause a tremendous loss.
- ___ ___ Yearly inspections with yearly corrections are musts.
- ___ ___ You can not expect others to do what you do not do.
- ___ ___ There is a philosophic side of safety.
- ___ ___ The concerns that have the best safety records know the least about their employee.
- ___ ___ It pays to kick. American was built by discontented humans.
- ___ ___ More is to be gained from cooperation than from coordinated cooperation.
- ___ ___ Action speaks louder than words.

Exhibit 3
Questionnaire
Continued

Yes No

- ___ ___ Success requires the thinking of the young buck and the action of the old timer.
- ___ ___ Injury of one key employee affects many.
- ___ ___ Community relations are, doing the right thing in the right way and at the right time and then telling other people about it.
- ___ ___ A parts department does not need to keep a record of fast moving parts.
- ___ ___ Slow moving parts should be purchased several months in advance.
- ___ ___ A parts foreman never knows when there is an improvement change in a part.
- ___ ___ Special priced goods are "Sale" items.
- ___ ___ Sales are promoted by service.
- ___ ___ To undersell a customer is to inadequately equipment him.
- ___ ___ Advise the customers.
- ___ ___ A high powered salesman always makes a sale.
- ___ ___ Service promotes selling.
- ___ ___ A business should sell to the buyers' needs.
- ___ ___ The purchase of goods should be determined by others.
- ___ ___ Anyone can sell.
- ___ ___ The ability to sell is a gift.
- ___ ___ Management is not responsible for employee injuries and occupational disease arising out of and in the course of unemployment.

Exhibit 3
Questionnaire
Continued

Yes No

- | | | |
|---|---|--|
| — | — | Safety and quality go hand in hand. The customer depends upon management for: quality, workmanship, and service. |
| — | — | Expenditures for injuries and occupational diseases are greatly reflected in operational costs. |
| — | — | Housekeeping has a terrific effect on the customer. |
| — | — | An account with a merchant is a convenience for the customers. |
| — | — | Cash customers always buy for less. |
| — | — | A sales talk is developed feature by feature. |
| — | — | The dress of a customer determines his capacity to pay. |
| — | — | A business is a public service. |
| — | — | The sale of new implements promotes new practices in agriculture. |
| — | — | A salesman does not have to know the features of his product. |
| — | — | In selling a product only the advantages of the product should be discussed with the customer. |
| — | — | A salesman selling merchandise presents features and the benefits of the merchandise to the customers. |
| — | — | A sale is completed when the goods are delivered to the customers. |
| — | — | A customer knows what he wants to buy. |
| — | — | A retail dealer is the factory representative of the goods sold to the customer. |

Exhibit 3
Questionnaire
Continued

Yes No

- | | |
|-----|---|
| — — | The supplying of parts through a retail parts department is a service to the buyer. |
| — — | Parts can be more easily dispensed by sending them through the mail. |
| — — | A parts department is a seasonal business. |
| — — | A farmer needs parts only two or three months of the year. |
| — — | The parts department is the same as a service department. |
| — — | In a service department trained mechanics work on tractors only. |
| — — | A farm implement service man works only on combines and corn pickers. |
| — — | A retail business man is a middleman. |
| — — | A parts man of a parts department is interested only in fast moving parts. |
| — — | Slow moving parts are of small value to a parts department. |
| — — | Goods sold at bargain prices or at special sales are sold on a small margin. |
| — — | The parts department of a store is a service department. |
| — — | Most accessories are gadgets. |
| — — | Obsolete parts are melted up for scrap. |

EXHIBIT 3

SURVEY OF GROUP CONFERENCE WORK - GEORGIA FARM IMPLEMENT
ASSOCIATIONArea of Concern

"What can we do at the county level to build a stronger position for our business in our community?"

The area of concern of the Georgia Farm Equipment Retailers is embodied in the title of this report. The detailed account of approach and procedure is recorded herewith. This report is submitted as a record in the hope that it may afford an opportunity for critical examination of the field, as well as materials of value to the area under study--the public relations practice of the farm equipment dealer.

An Overview of the "What" and "Why" of the Job

The Georgia Farm Equipment Association, composed of 319 members, all retailers of farm equipment, meet twice a year in sectional meetings to listen to resource information. Past meetings have concerned themselves with a wide variety of popular subjects, economics, soil conservation, public policy affecting agriculture, et cetera.

It was the desire of the members, expressed through the association, that this series of meetings be devoted to a frank evaluation of the current status of the farm equipment business in the light of possible economic contingencies.

Exhibit 3

Continued

The area to be covered was characterized by its intimate (perhaps crucial) relation with individual businesses.

Approach

Conferences with the Secretary of the Association, J. Pruitt, F. Lamley, Vice President of the Citizens and Southern Bank (chain) and members of the board of directors of the Association secured the basic position that the meetings should seek to have the dealers examine themselves and their situation, rather than a speaker pouring it in, telling them (the retailers) what was wrong.

To secure a readiness, an open, receptive mind to this unorthodox approach, all the meetings began with a free dinner. On arrival, the retailers were greeted by the secretary and officers. Large name cards were pinned on each lapel.

With one exception all rooms were adequate to utilize the small group discussion technique. In three of the five meetings the Citizens and Southern Bank had a one-half hour cocktail party for all early arrivals (quite well attended).

Procedure

Following the dinner, the bank representative, Mr. Lemley, briefly discussed the interest of the bank in the dealers making a factual appraisal of their business operation. In

Exhibit 3

Continued

each meeting he outlined the bank's rating scale: (1) The increase of the individual businesses. (2) The credit paper and accounts receivable of the dealers. (3) The business records. (4) The recourse instruments of purchasers as required by the retailers, (insurance) and the relations of the business to the public. This material was given in five to seven minutes.

Then followed the presentation of the research material as being developed in Michigan and explanatory remarks were made in the course of the ten minutes discussion.

1. Material on the public relation status of the dealers.
2. Material on the appraisal and rating of the businesses studied--as a business.

Using a recreational device the entire group was segmented into work groups of six, a secretary and spokesman appointed and the discussion question given and copies for group work.

Each group had about eight members for discussion, two minutes to agree, as a group, on the most pertinent idea on the group discussion card, and one minute to report.

Exhibit 3

Continued

Statistics of the Meeting

	<u>Dealers</u>	<u>Employees</u>	<u>Others</u>	<u>Total</u>	<u>Work Groups</u>
Athens	42	16	15	63	10
Louisville	30	8	4	52	9
Atlanta	61	16	19	96	15
Perry	41	21	4	66	10
Tifton	<u>76</u>	<u>19</u>	<u>7</u>	<u>102</u>	<u>13</u>
Total	250	80	49	379	

Total cards collected after all meetings - 57.

Total ideas or contributions by individuals in the group - 228.

Tabulation Results

All the reports were recorded at each meeting. The cards of each discussion group were examined and items tabulated. Because of the terminology and phrasing, it was necessary to arbitrarily catalogue some of the material. Where two ideas were contained in the statement, both were segregated and tabulated as separate items.

A. In the field of business operation, policy, practice and operational procedure:

Of the 228 ideas expressed, 78 could be classified as indicating dealer concern that the business was running them

Exhibit 3

Continued

instead of they running the business. Areas most frequently suggested as areas of concern were: (1) not enough time to manage, (2) disinterest in bookkeeping, (3) community demands on time, and (4) inability to dig out new resources for help and information. The ideas in other related fields were: Personnel--41; Bookkeeping--24.

This area of concern indicated clearly a recognition that current conditions and economic situations were forcing the farm equipment dealer to look in the mirror of standard business practice and what he was seeing, he didn't like.

B. In the field of public relations:

This area was broken down into chief concern:

1. Relations with educational programs.
2. Relations with youth groups.
3. Relations with farm groups.
4. Relations with the customer and farm family.
5. Relations with the community

This area of concern indicated that of the fifty-seven cards collected and reports listened to, there is a heavy vote for the dealer achieving, establishing, and maintaining public confidence and respect. Forty-four groups reported this as their first concern. Good practice, mal practice were cited to support the viewpoints.

Exhibit 3

Continued

The second choice of public relation concern was in the area of dealer-dealer relations, establishing an ethical code, a professional standard. Thirty-seven groups said this was their second major concern. Cooperation with F.F.A. and 4H clubs, county agents, soil conservation and related activities was reported as not being a concern because every dealer was doing this in some measure.

The scattering reports and recorded comments covered a wide variety of subjects, community activity, personal interest in specific farm family activity, publicity concerning news events and feature stories were mentioned most frequently.

Summary

In this area it was evident that the routine public relation practice stopped at minimum 4H and F.F.A. cooperation. The evident necessity of developing technique to exploit the other areas may cause a headache for the Georgia secretary. The retailers are already calling for schools and workshops to give them skills in various "soft spots" of their public relations programs.

General Summary

1. The approach--Structuring a readiness of mind (rapport), equipping the participant with a short, pertinent

Exhibit 3

Continued

background, getting him to objectively examine his own policy and procedure, frequent summarization of expressed ideas, the sharing of ideas in a dynamic setting--all were essentially counseling and guidance technique. At points where the participants floundered, resource material was brought to bear in the situation. Supporting material by resources, to expressed positions in the discussion, was used only if and when necessary.

This approach was new and the delight of the mature minds. The groups had come to listen to a speech; the tables had been turned on them; they had to do the work--public confession via the reports was a face washing that delighted them.

2. Criticism--(a) Too frequent desire on the part of resource to want to inject himself into the structuring process. Funds of information, pertinent to the situations, cried for vocalization.

(b) Fatigue--a lack of a rest or relaxation period previous to such a session is a serious handicap.

(c) I was particularly impressed with the point of establishing previous acquaintanceship with some of the participants. The "giving" of the first group was slow and reluctant. The next sessions were pre-structured by calling

Exhibit 3

Continued

on some dealers who were to be evening participants. My interest in their business--a ten minute visit--changed the "give" of the groups. This was particularly evident at the Atlanta meeting where the top brass of the companies were present.

(d) Summarization at conclusion of each session could be helped greatly by visual presentation of anticipated group findings, i.e., slides showing one good profit and loss statement to a bank, the other a presentation of a poor profit and loss statement; a slide showing a "good looking" business, another a graveyard of used farm equipment.

(e) Frequent summarizations during the reporting and sharing processes is the crux to the success or failure of the effort.

EXHIBIT 4

WEIGHTS ASSIGNED TO EACH ITEM IN EVALUATING THE SCORING

	<u>Weight of</u>	
Location	10 points	Strategic
Structure	8 points	Modern brick and block to old and delapidated
Floor Space	6 points	Adequate to cramped
Appearance	5 points	Neat and clean to shabby
Parking	2 points	Adequate to none
Building Sections	6 points	Prototype to one room
Shop	10 points	Complete to makeshift
Office	4 points	Complete to makeshift
Parts	10 points	Complete to makeshift
Showroom	4 points	Adequate to none
Mobile Equipment	10 points	Group 1--Truck or trailer Group 2--Truck-trailer Group 3--Truck-trailer- pickup Group 4--2 Trucks, 1 trailer, 1 pickup
Tenure in Business	8 points	Group 1--1 to 2 years Group 2--2 to 5 years Group 3--5 to 8 years Group 4--8 years and over
Training	4 points	Attendance of company schools
Personnel Tenure	4 points	Group 1--1 to 2 years Group 2--2 to 4 years Group 3--4 to 6 years Group 4--6 years and over
Capital Structure	10 points	Investment to volume
Monthly Balance Sheet	6 points	

Exhibit 4

Continued

Weight of

Credit (open accounts)	6 points	1/10 of gross volume
Used Inventory	10 points	Evaluation on percent basis of total volume
Internal Policy	6 points	Employee Meetings
Personnel Education	4 points	Use of company schools Use of educational facilities
Sales Plan	8 points	Scope and usage
Promotional Advertising	6 points	Scope
Bulletins	2 points	Available on display
Demonstrations	10 points	Four a year minimum
Literature	4 points	Usage
Visual Aids	4 points	Usage
Farmer Meetings	4 points	Project participation
Extension Meetings	4 points	Attendance Project participation
F.F.A. Activity	8 points	Knowing the personnel School cooperation Project support Demonstrations
Women's Activity	4 points	Cooperation with group activity Demonstrations
Young Adult Night School	4 points	Cooperation with school activity Project support
Soil Conservation	4 points	Meeting attendance Sponsorship of projects
Community Activity	4 points	Service clubs, projects
Publicity	4 points	House organ, Local News Advertising space, Additional

EXHIBIT 4

SCORE RATING

	4	3	2	1
Location	Strategic	Convenient	Adequate	Isolated
Structure	New-Modern	Modern	Adequate	Mediocre
Adequacy	Above standard space	Standard space	Cramped	Over crowded
Appearance	Above average	Average	Below average	Mediocre
Parking	Designed	Designated	Curb	Inconven- ient
Building Sections	Five standard areas	Above 3 standard areas	2 or 3 standard areas	- - -
Mobile Equipment	2 Tractors 2 trailers 2 cars	Tractor, trailer, car	Tractor, trailer, car	Tractor, car
Tenure	10 years-- over	7-10 years	4-7 years	4 years-- below
Training	College and company	High School & company	High school	Grammar school
Personnel tenure	Average 5 years and over	Average 4-5 years	Average 2-4 years	Below 2 years
Personnel Training	Policy	Company	Spotted	None
Capital Structure	Investment reserve cash	Investment reserve cash	Investment operating capital	Investment
Monthly Balance Sheet	regular	Less than regular	Irregular	None

Exhibit 4

Continued

SCORE RATING

	4	3	2	1
Credit (Customer)	Low accounts receivable	Controlled accounts receivable	High accounts receivable	East credit
Trade-in Practice	Firm-- low inventory	Less than firm	Above average	Radical
Internal Policy	Efficient	Less than efficient	Inadequate	Confused
Personnel Education	Planned	Periodic	Irregular	None
Sales Plan	Planned-- scheduled	Incomplete	Below standard	None
Promotional Advertising	Promotes customer education	Planned bulletins	Spotted	Poor
Public Relations	Promotor	Interested	Non- aggressive	Indifferent
Bulletins	Promoted	Casual	Available	None
Demonstrations	Aggressive	Occasional	Indifferent	None
Company Literature	Aggressive promoted	Promoted	Available	Indifferent
Visual Aids	Planned use	On occasion	Indifferent	None

EXHIBIT 4

COLLEGE ACQUAINTANCE RATING SHEET

<u>Questions</u>	<u>Results</u>
1. Who is the extension director at M.S.C.?	0 out of 20
2. Have you attended Farmers' Week in the last five years?	6 out of 20
3. Who is Dr. Farrell?	2 out of 20
4. Who heads the short course sales and service?	4 out of 20
5. Have you been on the M.S.C. campus for any reason in the last twelve months?	8 out of 20
6. What building on the campus is most closely identified with the machinery dealers major interest?	2 out of 20
7. Who is Bob White?	0 out of 20
8. Do you read the Farm Machinery bulletin in your Association Newsletter?	7 out of 20
9. Did you attend the Machinery Conference?	1 out of 20
10. Do you listen to WKAR regularly?	0 out of 20

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