

Hugh Chalmers of Detroit - By H. W. FORD

In the Business Philosopher

Perhaps you have heard of Hugh Chalmers. He is the man who received \$72,000 a year when working for John H. Patterson, president of the National Cash Register Company. Of course, Chalmers was pathetically underpaid, but even so, \$72,000 a year is a very exceptional salary, and a man who can command it, and earn it, as Chalmers has, deserves unusual attention, especially when that man is 32 years old. Chalmers was 32 when as vice-president of the National Cash Register Company and general manager of its world-wide business he received this annual fortune. He is a little older than that now. Also, he is a bigger man now.

Chalmers grows. When he decided that it was not longer worth \$72,000 a year to try to work at the National he went into the automobile business for himself. He bought an interest in the E. R. Thomas-Detroit Company and became its president. The name was then changed to the Chalmers-Detroit Company.

He has been doing things in the automobile business. If you don't believe it ask, any automobile man. Chalmers discovered that a millionaire's car could be built and sold for \$1,500. The announcement of this discovery caused a good deal, of an upheaval in the automobile world.

Also this announcement struck a responsive chord in the public mind and many kind thoughts were sent in Chalmers' direction by thousands of people who had long been wanting a millionaire's car for about \$1,500. If you doubt this, just drop a line to the Chalmers - Detroit factory and ask how many replies they got from the first advertisement about the astounding car.

Chalmers is truly a great salesman. He got his first big start by selling cash registers. When he entered the automobile business he saw that conditions were changing rapidly in that industry; that where heretofore automobiles had been bought, hereafter they would have to be sold. He figured out that with the right kind of a selling organization he could market his cars in great quantities, and hence afford to take a small profit on each car. Because of this policy it won't be long before nearly everyone can afford to own an automobile.

Chalmers is the hero of the original real millionaire story. He was worth a million dollars at 30, and he had made it all himself beginning as a very poor boy.

I do not know that Chalmers had \$1,000,000 worth of real property at that time; or that he has that much yet, but~ nevertheless, he was a real millionaire. He capitalized himself for \$1,000,000, and he then loaned the capital to the National Cash Register Company for \$50,000 a year, which is the interest at 5 per cent on \$1,000,000. And this isn't a very high rate of interest; most millionaires get more than this on their capital.

Did you ever figure out how much you are worth-how much capital your efficiency represented ? What salary do you earn? It is the income on what amount, at 5 or 6 per

cent? This amount represents the capital that you have tied up in your body, your brain and your soul.

Chalmers had a million dollars tied up in himself, and he collected the interest at regular intervals. Note also, that either the capital increased or the rate of interest was raised, because, as mentioned above, he was later getting \$72,000 a year, an increase of \$22,000 over \$50,000. Most people could manage to live fairly well on the \$22,000 increase.

Chalmers was a trained man. By constant thought, continual study, and unfaltering industry, he made himself worth what he is. Talk of efficiency! Chalmers is efficiency personified. You will be interested in the main facts of Chalmers' struggle to business success. He had the first essential to a great career: he began in the business world as an office boy at about \$2 a week. This was in the Dayton sales office of the National Cash Register Company. He worked days at sweeping out the office, running messages, and doing all the other duties that an office boy is supposed to do, but seldom does. At night he attended a business school, where he learned stenography and bookkeeping.

At fourteen, while working as stenographer and bookkeeper in this same office, he made his first sale of a cash register. The barrier was up. Nobody rang the recall bell and he went right on.

At eighteen he was an office salesman; at twenty a sales agent with an exclusive territory; four years later he was district manager for Ohio with twenty-four sales agents and salesmen under him; at twenty-five he was called into the factory to be assistant manager of agencies; at twenty-six he was manager of agencies; then assistant general manager; then general manager and vice-president, at twenty nine. It was a big Job that this youngster assumed, but he had been steadily laying up his resources against this crucial test, and when the test came he had sufficient capital on which to do business.

There was a plant with 5,000 employees to manage, a selling force in America of 475 men to direct, branch companies in foreign countries to organize and oversee, competition to meet and subdue at home and abroad.

But Chalmers took to increased responsibility as a duck takes to water. With unerring judgment of men, he built up around him an organization of young, enthusiastic, forceful lieutenants. He inspired them with loyalty. He made his personality an asset of the business.

Conventions and extensive traveling acquainted him with every man in the selling force. And every man considered Chalmers his personal friend. His wonderful memory made it possible for him to know every name and every face. Not only that, but by constant study of the daily sales report he trained himself to know each day just how much business each man had done, and, in meeting one of them could give just the right word of congratulation, encouragement or "ginger."

Was it a convention of salesmen tired after a season's work, perhaps a bit discouraged? Hugh Chalmers' words of appreciation, advice and encouragement, drawn from his own experience, and wider field view, would send them back to their territories, eager for work and confident of success - a state of mind sure to result in bigger sales. Was it a delegation of workmen with a grievance or a mass-meeting of employees on the verge of a strike? It was Chalmers who justified the company's position, showed that the interests of management and employees were one, appealed to the men's loyalty and sent them away satisfied. Whenever Chalmers spoke to a meeting, large or small, his hearers went back to their work with more snap and vim than they had before. His words were worth dollars in increased efficiency.

"I believe in treating men as human beings," says Mr. Chalmers. "When I talk to people individually or collectively I appeal not merely to their heads, but to their hearts. Persuade a man merely by cold logic and, though he admits the correctness of your claims, he is not 'sold' - not convinced. Arguments that tell are the ones that reach the heart."

If the essence of successful salesmanship is persuasion, then it is easy for one who knows Hugh Chalmers to understand why he should have been one of the most successful salesmen the National Cash Register Company ever had.

Chalmers would have made a great jury lawyer. The resourcefulness of the salesman in advancing arguments and meeting objections has developed in him to a wonderful reasoning power and persuasiveness. When Hugh Chalmers talks to you, you are convinced that what he says is right, always has been and always will be. This convincingness is one of the strongest assets in Chalmers' inventory of success-bringing qualities. He has a personality that inspires confidence.

He believes in employing good men and paying them well for what they do. He has always stood for high commissions to agents. "The man in the field, is the man who keeps the factory going. Let us pay him all we can. He can't make money for himself without making money for us."

Chalmers wants his men not only to make money, but to save it. He comes from Scotch ancestry and Scottish thrift is one of his characteristics. "Save your money," has been the burden of many talks to his salesmen. When he was a salesman himself he had an original method of making himself work hard and save money. He made it a rule that he must earn enough by the 12th of each month to pay his traveling and office expenses.

"Everything over and above expenses, was profit. So I worked and saved in the first part of the month to get my expenses paid and begin to earn profits. And I worked hard at the end of the month, to put all the commissions I could into the profit column, instead of into next months' expense column." Once upon a time on a train bound for New York, Hugh Chalmers gave a fellow manufacturer the business man's countersign: "How's 'business ?" It was during a period of depression,

“Only fair,” answered the other; “times are pretty hard. But I've done a good piece of work in the last six months. I've spent my time in the shop and succeeded in cutting down the cost of our product 25 cents.”

“But how about your sales? “They've fallen off about 30 percent, but it's a bad year. Everybody's business has dropped off. How are things with you?”

“To date,” said Mr. Chalmers, “we show an increase of 20 percent over the same period last year. We're selling our product at the highest prices we've ever got, and we are behind on our orders. I suppose our manufacturing cost is a little higher than it might be, but while you've been cutting 25 cents off the cost of each article by getting out in the factory, I have kept \$25 on the selling price by anticipating competition and by devoting my attention to the big problem of selling organization and advertising.”

“Which is the most important?” That is the question with which Hugh Chalmers faces the problems of the business day, and it is his ability to determine “which,” and to concentrate all his powers on that one task, that enabled him at 33 to manage a world-wide business and to earn a salary of \$72,000 a year. It is this same ability - to pick out the big problem and to solve it-that has made him, ten months after he entered it, one of top big figures in the automobile world.