In the relation to the changing, selling methods, the gradual decline of the agent and commission system and the organization the sales department -

Touching on this and related matters, in its annual report for 1890, the company says:

"It was found practically impossible to exercise over so many distinct organizations the close supervision necessary to secure rigid accountability and to conduct the business on an economical basis. It was found further that the prevailing system of allowing commissions on business obtained through local agencies was very expensive, without bringing adequate returns.

"Your board therefore decided.....to bring about a unification of all the allied manufacturing organizations and selling agencies.....It further determined that the entire business of manufacturing, selling and installing should be conducted in the General Company's own name, through its own employees.

"The Edison Electric Light Company was excepted from this arrangement, and it remains an active, independent body in all respects."

But the new policy required a complete business reorganization; and two men among the company's officials, Vice President Samuel Insull and Comptroller Joseph P. Ord, addressed themselves to the task. Out of their work came forth certain basic

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principles of business administration and methods of financial accounting which persist today.

Their plan was to set up a district organization. The United States was divided into seven large areas, and Canada was made another, with a district office in each territory. The plan want into operation August 1, 1890.

(The General Report of the Edison General Electric Company. Hammond, 627,628.)

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