

DIGEST OF SMALLER COMPANY FORUM

GROWTH PROBLEMS FOR SMALLER COMPANIES

- A. Is the competitive position of smaller companies improving or declining as compared to that of the larger companies?
- B. In this situation, to what extent do the following factors affect the position of the smaller companies?
 - 1. Difficulties in obtaining and keeping agents
 - 2. Lack of national advertising and publicity
 - 3. Mass production techniques
 - 4. Direct placement investments
 - 5. Multiple line operation
- C. Have the following developments worked against smaller companies?
 - 1. Antitrust regulation
 - 2. Unionization
 - 3. Large number of new companies
- D. What other factors are involved?

MR. W. C. BROWN felt that the competitive position of the smaller company depends basically on the type of business written and the territory in which it operates. Upon these bases the smaller companies' relative position is a "seesaw" affair but in the over-all there is not much significant change because of the factors listed in section B. Antitrust legislation and unionization, referred to in section C, work somewhat against the smaller companies. The problem of over-all expenses and especially the expense of opening up new territories seem to be the most pressing of smaller companies' growth problems.

MR. R. B. HAYES thought that difficulties in obtaining and keeping agents, lack of national advertising and publicity, and mass production techniques have had some effect on the smaller companies.

MR. J. F. MACLEAN speaking from a purely ordinary operational viewpoint said that the competitive position of the smaller companies was declining. The traditional balance between higher investment returns and higher field compensation was being distorted by Federal Income Tax. Some sort of tax shelter would generate more equity between the smaller companies and the giants.