

information, with the results of personality and aptitude tests, is evaluated by IDS against its experience to assess the applicants' qualifications.

There is nothing casual about this process. In 1966, for example, 4,200 applicants sought to become IDS sales representatives, completed the business, personal and family history forms, and took the aptitude tests. Of these 4,200 applicants, only 1,111 were appointed and licensed as IDS sales representatives.

After a new man is selected, and before he is hired and commences dealing with the public, he is extensively trained and thoroughly acquainted with the products offered by IDS, its sales standards and policies. After this training he must pass the federal and state examinations required to secure necessary licenses.

When a new man is finally licensed and sent into the field, his sales manager closely supervises and assists him in getting off to a good start and insures that he adheres to IDS' sales standards. IDS is not interested in keeping marginal salesmen. If a salesman fails to earn \$5,000 in his first year, he is usually asked to consider seeking new employment.

In addition to the training of new men, each sales manager conducts continuing training sessions for his full staff to keep them currently informed of changes in the IDS product line and of proper selling practices.

This training continues throughout the career of each sales representative in this fashion and also at periodic regional and home office meetings and conferences. Recently, 1,250 IDS representatives from throughout the country participated in a three-day working conference at the company's home office in Minneapolis.

Sales Supervision

IDS has developed an extensive supervisory system. Along with their responsibility for training, our divisional and district sales managers have specific, detailed and continuing responsibility for supervising the sales activities of their representatives. Their performance in supervising is measured on a regular basis.

In addition to supervision in the field, a department with more than 40 people at the IDS home office examines all applications submitted by the sales force to make sure there has been no violation of IDS' procedures and sales policies. Each application is referred to an electronic index system to determine what, if any, activity has occurred under that name on that or related accounts within the previous six months. The purpose of this procedure is twofold—to detect any indications of deviation from IDS sales policies and to make sure that the customer is being charged the lowest applicable sales charge to which he is entitled by reason of previous purchases.

IDS has 11 Customer Relations Representatives continuously in the field to audit the operations of the divisional offices and monitor the activities of the sales force through personal interviews of customers selected at random.

Mutual funds do not necessarily fit into the financial planning of all customers at all times. IDS sales representatives also sell life insurance and savings certificates issued by subsidiaries of IDS. The IDS philosophy is that sound financial programs for the customers it serves are based on four cornerstones: (1) money in the bank, (2) insurance, (3) a systematic savings program, and (4) investment in equity securities through mutual funds—in that order.

In addition to sales interviews, the IDS salesman is required to make numerous follow-up and servicing calls to discuss his customer's current plans and objectives and to insure that the customer is satisfied in his dealings with IDS. Our experience is that a diligent sales representative will average two sales interviews and four service and follow-up calls in a day. This means 12 sales interviews in a six-day week. Experience has shown that a successful IDS salesman averages five sales interviews per sale.

The Economics of the IDS Sales Operation

IDS has one million mutual fund accounts. A profile of the average IDS customer is as follows: (1) he is a married man of approximately 50 years of age; (2) he is a high school graduate with some college or other professional training; and (3) he has an income of approximately \$8,000 a year. On the basis of experience, we can expect his account to remain on the books for over 17 years.

The maximum sales charge at IDS is 8% and the minimum is 1% depending on the size of the investment. A customer's existing investments in any of the