

"The 4 Way Test"

"The 4 Way Test" was conceived by Herbert J. Taylor, a Chicago Rotarian and president of Rotary International in 1954-55. He applied "The 4 Way Test" to the operation of his company with remarkable results and subsequently shared it with others. The story is told best by Herbert J. Taylor in this description of how the Test came into existence and what affect it had. Back in 1932 I was assigned, by the creditors of the Club Aluminum Products Company, the task of saving the company from being closed out as a bankrupt organization. The company was a distributor of cookware and other household items. We found that the company owed its creditors more than \$400,000 in excess of its total assets. It was bankrupt but still alive. At that time we borrowed \$6,100 from a Chicago bank to give us a little cash on which to operate. While we had a good product our competitors also had fine cookware with well-advertised brand names. Our company had some fine people working for it, but our competitors also had the same. Our competitors were naturally in much stronger financial condition than we were. With tremendous obstacles and handicaps facing us, we felt that we must develop something in our organization which our competitors would not have in equal amount. We decided that it should be the character, dependability, and service mindedness of our personnel. We determined, first, to be very careful in the selection of our personnel and, second, to help them become better men and women as they progressed with our company. We believed that 'In right there is might', and we determined to do our best to always be right. Our industry, as was true of scores of other industries, had a code of ethics - but the code was long, almost impossible to memorize and therefore impractical. We felt that we needed a simple measuring stick of ethics which everyone in the company could quickly memorize. We also believed that the proposed Test should not tell our people what they must do, but ask them questions which would make it possible for them to find out whether their proposed plans, policies, statements, or actions were right or wrong. We had looked in available literature for such a short measuring stick of ethics but could not find a satisfactory one. One day in July 1932, I decided to pray about the matter. That morning I leaned over my desk and asked God to give us a simple guide to help us think, speak and do that which was right. I immediately picked up a white card and wrote out "The 4 Way Test" of the things we think, say, or do as follows:

1. Is it the Truth?
2. Is it Fair to all concerned?
3. Will it build Goodwill and Better Friendships?
4. Will it be Beneficial to all concerned?

I placed the little test under the glass of my desk and determined to try it out for a few days before talking to anyone else in the company about it. I had a very discouraging experience. I almost threw it into the wastepaper basket the first day when I checked everything that passed over my desk with the first question, Is it the truth? I never realized before how far I often was from the truth and how many untruths appeared in our company's literature, letters, and advertising. After about 60 days of faithful, constant effort on my part to live up to "The 4 Way Test" I was thoroughly sold on its great worth and at the same time greatly humiliated, and at times, discouraged with my own performance as president of the company, I had, however, made sufficient progress in living up to "The 4 Way Test" to feel qualified to talk to some of my associates about it. I discussed it with my four department heads. You may be interested in knowing the religious faiths of these four men. One was a Roman Catholic, the second a Christian Scientist, the third a Orthodox Jew, and the fourth a Presbyterian. I asked each man whether or not there was anything in "The 4 Way Test" which was contrary to the doctrines and ideals of his particular faith. They all four agreed that truth, justice, friendliness, and helpfulness not only coincided with their religious ideals, but that if constantly applied in business they should result in greater success and progress. These four men agreed to use "The 4 Way Test" in checking proposed plans, policies, statements, and advertising of the company. Later, all employees were asked to memorize and use "The

4 Way Test" in their relations with others. The checking of advertising copy against "The 4 Way Test" resulted in the elimination of statements, the truth of which could not be proved. All superlatives such as the words better, best, greatest, and finest disappeared from our advertisements. As a result, the public gradually placed more confidence in what we stated in our advertisements and bought more of our products. The constant use of "The 4 Way Test" caused us to change our policies covering relations with competitors. We eliminated all adverse or detrimental comments on our competitors' products from our advertisements and literature. When we found an opportunity to speak well of our competitors, we did so. Thus we gained the confidence and friendship of our competitors. The application of "The 4 Way Test" to our relations with our own personnel and that of our suppliers and customers helped us to win their friendship and goodwill. We have learned that the friendship and confidence of those with whom we associate is essential to permanent success in business. Through over twenty years of sincere effort on the part of our personnel, we have been making progress toward reaching the ideals expressed in "The 4 Way Test." We have been rewarded with a steady increase in sales, profits, and earnings of our personnel. From a bankrupt condition in 1932 our company within a period of some twenty years had paid its debts in full, had paid its stockholders over one million dollars in dividends, and had a value of over two million dollars. All these rewards have come from a cash investment of only \$6,100, "The 4 Way Test", and some good hard-working people who have faith in God and high ideals, intangible dividends from the use of "The 4 Way Test" have been even greater than the financial ones. We have enjoyed a constant increase in the good will, friendship, and confidence of our customers, our competitors, and the public - and what is even more valuable, a great improvement in the moral character of our own personnel. We have found that you cannot apply "The 4 Way Test" continuously to all your relations with others eight hours each day in business without getting into the habit of doing it in your home, social, and community life. You thus become a better father, a better friend, and a better citizen. In January 1943, the Board of Directors agreed that "The 4 Way Test" should be brought to the attention of Rotary clubs. It became a part of the Vocational Service ideal and has been published in various forms and in many languages by Rotary International. Taken from the October 5, 2009 Blastoff.