

REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE



"CONFINE YOUR LETTER TO ONE SUBJECT ONLY" _____

April 10, 1981

To: T. L. Capeletti
From: J. W. Bower *JWB*
Subject: Model 700 Cost Improvement

Attached is a series of exhibits showing a breakdown of costs associated with the M/700 BDL. Most of this information was extracted from a report by S. M. Morris dated February 12, 1981. To generate potential cost reduction ideas, I propose that these exhibits be sent to selected people in Research, followed by a blue-sky meeting.

Potential participants in the meeting, in addition to the members of the Process Development Group, would be yourself and Clark, Jim Martin, Fred Martin, Bob Sanzo, and Jim Snedeker. To begin the session, Fred Martin could explain the function of the rifle, and disassemble it into its major components. Then, beginning with the stock, participants would be asked to propose ideas on how the parts might be made less expensively.

At the end of the session, I would be responsible for compiling the list of ideas and applying a rating index to each one, similar to the approach used for the development schedule.

If the cost information could be distributed by April 14, we could hold the meeting the afternoon of April 16, and I would recommend that the entire afternoon be set aside.

JWB:ws
Firearms Research Division
Attach.

M/700 COST ANALYSISCOST/TYPE OF EXPENSE

Material		\$35.17	40%
Labor			
Machining	\$10.67		
Finishing	13.23		
Misc.	.32		
H/T	<u>9.73</u>	33.95	38%
Expense			
Machining	\$11.45		
Finishing	4.33		
Misc.	2.99		
H/T	<u>.26</u>	19.03	22%
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Total		\$88.15	100%

M/700 COST ANALYSISCOST / COMPONENT

Stock Assembly	\$ 34.95	40%
Barrel Assembly	11.12	13%
Receiver	8.21	9%
Bolt Assembly	7.35	8%
Trigger Guard Assembly	5.95	7%
Trigger Assembly	3.56	4%
Final Assembly	2.91	3%
Test	2.61	3%
Firing Pin Assembly	2.55	3%
Rear Sight Assembly	1.55	2%
All Other	7.39	8%

Total	\$ 88.15	100%
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M/700 COST ANALYSISLABOR COST / COMPONENT

Stock Assembly	\$ 13.52	40%
Barrel Receiver Assembly	8.66	26%
Final Assemble and Inspect	2.83	8%
Bolt Assembly	2.62	8%
Trigger Assembly	1.66	5%
Trigger Guard Assembly	1.31	4%
All Other	<u>3.35</u>	<u>9%</u>
Total	\$ 33.95	100%

M/700 COST ANALYSISMATERIAL COST / COMPONENT

Stock Assembly	\$ 14.49	41%
Barrel and Receiver Assembly	4.45	13%
Trigger Guard Assembly	4.39	12%
Bolt Assembly	1.96	6%
Firing Pin Assembly	1.77	5%
Trigger Assembly	1.70	5%
All Other	6.41	18%
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Total	\$ 35.17	100%

M/700 COST ANALYSISEXPENSE COST / COMPONENT

Stock Assembly	\$ 6.94	37%
Barrel - Receiver Assembly	6.22	33%
Bolt Assembly	2.77	15%
Test	1.87	10%
Trigger Guard Assembly	.25	1%
Firing Pin Assembly	.25	1%
All Other	.73	3%
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Total	\$19.03	100%

M/700 COST ANALYSISSTOCK COSTS

Standard Material	\$ 14.49	41%
Standard Labor	7.17	21%
Labor Variance	6.35	18%
Direct Expense	6.94	20%

Total	\$ 34.95	100%
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