

DATE May 24, 1983

SECTION A

I. Description of New Product

Add the 250-3000 Savage to the Model 700 Classic

- o Available in June 1984
- o Available on one-time run basis in early 1984
- o Available in 10 inch Twist

II. How Fit Strategic Plan/Business Mission

- o Strengthen distribution with independent dealers
- o Market share restoration

III. Economic Estimates (Outset)

Price - \$424.95

YEARS

1	2	3	4	5

A. Forecast Sales Volume (M Units) 4.0

Total
Incremental

B. Pretax Earnings (\$M)

Full Book
Incremental

C. Program Investment (\$M)
(Incremental Costs to Implement)

Research Expense	17.0*
Production Expense	16.0* (Eng'g. Exp. -\$4M Add'l.)
Permanent Investment	4.0
Increase in Working Capital	550.0

D. Net Return on Program Investment
(Years 1 & 3 Only) Incremental ~~24%~~

*Amortized into product cost of one-time offering.

E. Payback (# of Years) 1 Year (Liquidation of working capital at end of 1st year)

F. Manpower (Man Years of Effort) Mktg. .02 Prod. .10 Res. .3920

G. Probability of Success (Check One) ☒ High ☐ Medium ☐ Low

IV. Development Responsibility (Check One) ☒ Research ☐ Production

V. Marketing Approval

Director Finance _____

Director Legal _____

Director Marketing _____

Director Production _____

Director R & D _____