

MODEL 411C STUNNER

The Sales Department proposes offering a "Model 411C Stunner", consisting of a Model 411B assembly fitted with a retracting penetrator instead of the impact knob presently used in the Model 411B, and sold at the same retail price of \$240.

The Sales Department points out that a kit for converting the Model 411B to a penetrator-type tool has been approved and is now offered to the trade, but it is also considered desirable to offer as complete units, both an impact-type model (411B), and a penetration-type model (411C) in the 411 series.

The following economics were presented, tabulating the proposed Model 411C in comparison to the Model 411B.

|  | <u>M/411C</u> | <u>M/411B</u> |
|--|---------------|---------------|
| Retail price                                   | \$240.00      | \$240.00      |
| Net selling price<br>(Trade discount 20%)      | 185.15        | 185.15        |
| Factory cost                                   | 218.37        | 218.56        |
| Research, selling and<br>administrative at 30% | 55.55         | 55.55         |
| Operative earnings                             | (88.77)       | (88.96)       |
| % of net selling price                         | (47.9)%       | (48.0)%       |

Factory cost of the Model 411C is estimated to be \$.19 less than the Model 411B. Factory cost of the Model 411B is that shown for the third year. (See economics included with Operations Committee, Industrial Division Minute No. 4-58 dated November 5, 1958.)

After discussion, the Committee agreed that while stunners are low-volume sales items, maintenance of competitive position requires offering both impact and penetrator heads in the 411 model series.

The following action was taken -

Decision

The Operations Committee, Ilion Division, approves offering a penetrator-type Model 411C Stunner as optional to the impact-type Model 411B, at the same retail price - \$240.