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CENTER FIRE RIFLES - contd.

<u>MODEL 742X RIFLE - AUTOLOADING CENTER FIRE</u> - contd. (Introduction 1975)

The Study Group is trying to be realistic with all the data in this program. Over-estimating would kill the program. Under-estimating will be corrected before project submission; however, this could cause continued expenditure of design funds on a program that is not justified.

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Competition is now playing catch up to Remington. If the X models are introduced on a plan of less than full replacement, what does Remington do if current models (Model 1100, for example) are obsoleted by competition? Marketing is working on a "Plan B" in case the X model program does not materialize.

A company with low volume, small market share production, normally does not have funds to make product and process improvements. To compete successfully, a minimum 35% market share is required.

Low volume Job Shop production does not appear desireble. The economic studies will get more complex before the direction becomes clear. EVAL 4 will be very helpful.

Pump guns can be added later without major design problems.

When predicting erosion of sales of current models, the Model 870 will continue to be a haunting fact. (Although not presented at the meeting, a compilation of Model 870 shipments by year is attached for information - Exhibit 2.1

A 1976 introduction is getting tighter: Urgency diminishes as competition delays introduction of new models. 1976 may not be the best introduction date

R & D will be much more secure on design and costs about May, 1974. If 1976 introduction is not required, the rate of R & D effort should be decreased.

MODEL 700 BOLT ACTION CENTER FIRE RIFLE - IMPROVEMENTS

Production reported that tool design and procurement for the Model 700 rifle improvements are on schedule. Initial production of BDL Stocks has started. Several Stocks have been taken to both hand checkering vendors and the checkered samples should be received this week for approval. 83 83