

CENTER FIRE RIFLES - contd.MODEL 742X RIFLE - AUTOLOADING CENTER FIRE - contd.

Design and process revisions for cost reduction will continue until January, 1974. Significant results have been achieved on the Barrel Extension. A new model drawing is being made for this part reflecting the design and process changes needed. Work on the Frame will start next. At present all this work is directed toward reducing cost of the proposed X model rifles.

In January, 1974 additional prototype rifles will be started to correct problems and prove the proposed cost reductions.

The X Model Study Group reported that initial analysis of a "line" process, with 100,000 units/yr. capacity, showed the best economic condition to be 70,000 guns/year production - \$686M/year earnings and 4.0% ROI. Product mix was 40%, 1100X; 30%, 870X; 20%, 742X; 10%, 760X. 83

This case has been analyzed for optimum model mix. Earnings are \$767M/year at 4.3% ROI, with 91,500 guns/year production and a mix of 32,000 (35%) 1100X; 32,000 (35%) 742X; 20,000 (22%) 870X, and 7,500 (8%) 760X.

Preliminary ten-year forecasts (4 cases - with the do-nothing case as the basis for comparison) were received from Marketing. This information will be analyzed using the EVAL 4 computer program. Information is being transmitted to Du Pont evaluation specialists. Initial analysis should be complete by the end of May.

A sensitivity analysis of factors affecting economics will be made for the line manufacturing proposals.

Comments on this report concerned the low ROI and the necessity of solving the design - cost problem.

MODEL 700 BOLT ACTION CENTER FIRE RIFLE - IMPROVEMENTS
(Introduction 1974)

Production reported that tool design and procurement for the Model 700 rifle improvements remain on schedule. BDL Stocks