

BUSINESS MEETING - contd.Five-Year Forecast - contd.

Marketing is reviewing these forecasts. Shotguns may be over-forecast, however, a growth in market share is expected. It appears that the 1975-1976 forecast will be revised to reflect less growth.

Regarding the Model 3200 forecast, the field men left the sales meeting on a positive note that the gun is being improved. All reports indicate the gun is well accepted for target breaking performance. There are reports of inventory buildup and high priced guns may be vulnerable in these economic times. Guns in wholesaler's inventory are beginning to be returned to Ilion for design revisions.

Promotions and Major Account Handling

Marketing reported that Model 788 and Nylon 66 telescope promotions would continue. The Model 788 promotion starting in 1970 has helped this rifle to be among the best selling center fire rifles. Shotgun Barrels, for ammunition promotion, will continue.

The most significant change in major account handling is the increasing demand to ship when the customer wants delivery. This will affect inventory requirements at Ilion. The current typical 1 1/2 months inventory probably will be inadequate now. Warehouse needs may increase.

CAPACITY EXPANSION AND PROCESS IMPROVEMENTS

Production reported on all items in this portion of the meeting.

Capacity expansion programs being developed were detailed in attached Text A and Exhibits 1-4. Discussion points were:

- . Parking will be provided by expanding blacktopping in existing areas.
- . Although Exhibit 3 indicates no space shortage until 1977, some space available is not the type needed nor in the correct location.

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