

CENTER FIRE RIFLESMODEL 7400, 7600, FOUR AND SIX - Contd.

Daily meetings, chaired by the Plant Manager, are being held to review progress in these three major process development areas. Weekly meetings are also being held to monitor improvement efforts in other areas. These weekly meetings are intended to identify potential problems early and provide improvements before increased production schedules make them major problems.

Production reviewed updated project economics and expenditures (Exhibits 4 & 5) for the Committee. Exhibit 4 summarizes first and third year economics for three separate cases. The Project column numbers were taken directly from Project 1185 economics. The Updated Project column reflects updated costs and selling prices, with no change in sales volume. The Current Forecast column is the latest economic update, reflecting current costs and sales forecasts. 83

Production pointed out that the 7400 line is geared for a capacity of 250,000 guns in 1983.

As shown in Exhibit 5, expenditures are currently at 103.2% authorized. Total project expenditures are now anticipated to reach 106.4% of authorized funds.

Production samples of all four models were reviewed with the Committee. Marketing noted that selling prices have not yet been firmly established.

Research reported that a recent warehouse audit showed all four models to be visually acceptable. Models 7400 and 7600 were evaluated for accuracy and function and found to be within acceptable limits. Research believes that further refinements to the Magazine Box will improve feeding reliability. However, these refinements may take a full year to achieve. In any event, all evaluations made to date show the 7400 line to be superior to the 742 in all categories.

Marketing reported they are proceeding with plans to introduce the new models in 1981. Line item forecasts have been developed for all models and transmitted to Production. A Marketing plan has been formulated to move the carry-over Model 742 and Model 760 inventory with minimal effect on the 7400 and 7600. Marketing is prepared to announce the new models to the Field Force at the Sales Meeting in November.