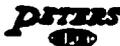


XC JW Bower

REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE



"CONFINE YOUR LETTER TO ONE SUBJECT ONLY" _____

November 12, 1985

TO: ~~J.W. Bower~~ ^{kw Soucy} DJ Anderson, CB Basquet
 FROM: R.S. Murphy
 RE: Proposed NBAR Introduction

The present plan for the introduction of the NBAR as I understand it calls for the replacement of the BDL in all specifications in one year. From a Marketing point of view I'm sure that there are very good reasons for this schedule, however upon a closer inspection, the realities of development and manufacturing virtually prohibit this rapid a product change. In 1988 the BDL will be comprised of twelve calibers, two action lengths, three barrel contours, five receiver configurations, and seven stock configurations. These variations accommodate the short, long, and magnum standard versions, varmint, and short, long, and magnum left hand versions of the BDL.

As an alternative to this plan I propose that we introduce the NBAR in six calibers and shift the balance of the BDL specifications into an upgraded ADL. The six calibers would be comprised of three short, (22-250, 243, 308) and three long (25-06, 270, 30-06) action offerings. The .17 Rem, .300 Win Mag and .338 Win Mag would be added to the ADL line and the .222 Rem and 7mm Rem Mag would be dropped since they already exist in the ADL line. In addition, the four varmint and six left hand specifications would be added to the ADL. Since the NBAR will have a detachable magazine, I propose to upgrade the ADL by adding the current BDL hinged floorplate. In subsequent years the ex-BDL specifications can be reinstated as NBAR's as time permits.

The biggest advantage of limiting our initial NBAR offering is that it is feasible. From a Research point of view the magazine box must be developed, the stock must be designed and approved and both the engineering and design acceptance tests must be completed. Magazine box and follower development historically have been iterative processes and I expect at least one iteration before we arrive at the final design. Due to the turnaround time required for design and prototype fabrication, I don't feel that we can develop the small and magnum caliber magazines in addition to the short and long versions.

JW BOWER

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The stock configuration is primarily a cosmetic feature and as such it is Marketing's responsibility to give us direction. Since the focus panel review to determine stock shape is planned for early December, I don't expect a design and detailed drawing until early February, 1986. (This may be optimistic but Steve Miller feels that it is possible given the time frame.) Since the remaining five stock configurations are similar to the standard long (and short) action stock the required drawing work cannot be started without the "core" stock to follow. In addition, we have scheduled an engineering evaluation in 30-06 caliber and a design acceptance test in three short and three long action calibers. Even if we had a proven design I do not feel that we have the resources to fabricate and test a statistically significant sample of rifles in each of the specifications.

I briefly discussed this proposal with Dennis Anderson and from a manufacturing point of view his first reaction is that this introduction schedule seems possible. ~~The numerous changes in the NBAR will no doubt be responsible for a corresponding number of mini-crisis without compounding the problem. Fabricating and de-bugging a single stock former seems to be very difficult. I just can't imagine production tackling several of these in one year.~~

It may seem ludicrous to shift volume from a marginally profitable rifle line to a less profitable line, but a pricing change could solve this problem. I realize there is competitive price pressure on the ADL but the addition of a hinged floorplate may justify a minor price increase. In addition, a premium above the standard ADL could certainly be charged for the "specialty" varmint and left hand versions. The result of these changes I feel would be a rifle line that performs at least as well as our current BDL.

Finally, it makes good sense to test the water with any significantly new product. Although every change to the NBAR has been justified by internally or externally driven reasons and the rifle should be accepted, the decision to buy in the marketplace is not always logic driven. In spite of all that we know about the market and this new rifle we do not know if it will sell well.

RSM:sps

Please review this proposal carefully and plan on a meeting in the near future to discuss alternatives and/or improvements. Together we need to develop a sound path forward to present to Marketing