

to express interest and adopt this concept have sparked discussions with Sales internally to launch this platform as a chain-only offering.

| Model               | MSRP      | NSP (Chain) | 1st Yr. Volume |
|---------------------|-----------|-------------|----------------|
| 597 SS Scoped Combo | \$ 175.00 | \$ 166.00   | 5000           |

**Model 597 Performance Improvement** – While the performance of the Model 597 has improved considerably since its inception, room for improvement remains. Magazine related malfunctions, although significantly reduced, continue to pose an issue in the marketplace. Primary concerns center around difficulties in loading the magazine box to capacity and feeding rounds reliably out of the magazine box during normal operation. A proposal has been placed with R&D to overcome and resolve these issues once and for all. R&D has been given leeway by Marketing to explore alternative materials, finishes, coatings and even pursue dimensional changes if needed to bring this issue to rest.

**Pricing Considerations** – A price increase of 4% was taken in 2003 across the Model 597 line. Due to the difficult market conditions in 2003 which are anticipated to carry over into 2004, no price increase for 2004 is planned at this time. A noted exception would be in the event that R&D is able in short order to bring resolution to the remaining magazine issues. Such as resolution may result in an increased product cost, thus requiring a slight pricing adjustment to maintain margins. Such an increase would be acceptable provided that there are tangible claims that can be made with respect to improvement in performance.

**Product Deletions** – No product deletions are planned for 2004.

## **Product Strategy – 2005 & Beyond**

### **Model 552 Speedmaster**

There are no new products planned for this item. Consideration will be given to special make opportunities provided they meet a threshold minimum of 500 units.

### **Model 597**

The key to the continued success of the Model 597 family lies in maintaining or reducing manufacturing costs without sacrificing the quality of product delivered to the marketplace and in product differentiation. Points for consideration are:

- Cost reduction opportunities such as the elimination of the receiver dovetail cut and drilling and tapping of scope base holes on the receiver by redesigning the receiver with built in bases, similar to the Ruger 10/22.