

### Core Strategy – Remington Custom Shop

Strategically, Remington needs to be in the Custom Gun market. Remington's presence in this market creates a halo effect over the entire line.

The most practical approach to define a strategy for the Custom Shop is to understand and accept the business for what it is. The Custom Shop represents Remington's best foot forward from a product standpoint. It is a showcase and an extension of the Sales and Marketing arm of the Firearms business. Given the nature of the cost structure in the Iliion Plant, if the Custom Shop is covering fixed costs, variable costs and overhead while generating a positive margin position, mission accomplished.

Listed below are some strategic objectives for the Custom Shop.

- **Focus on customer service and response.** Although the Custom Shop products are typically long lead time, make-to-order goods, an emphasis should be placed on letting the customer know the status of where their order stands. An example would be brief monthly updates to the customer on the status of their order.
- **Integrate into the website.** If ever there was a model of a sector of Remington's business that could use the website as a tool, it is the Custom Shop. Current efforts are underway to tie the Custom Shop into the website allowing customers on line communication for product specifications, available configurations and even eventual ordering capability.
- **Expand shotgun offerings.** Shotguns currently account for only 2% of the Custom Shop's business. As is the case in the Model 700 and Model Seven families, the expansion and implementation of core Custom Shop offerings in the shotgun line would spread a halo effect over said business.
- **Take an active role with Accounting.** Working hand in hand on a routine basis to insure standard costs are correct in SAP will provide a foundation to effectively monitor the true performance of the business.
- **Act as a "think tank" and "skunk works" arm of the Marketing Department.** As it is structured, the Custom Shop provides an effective means of rapid prototypes and previews of product concepts. Examples would be the new Model 700 Light Varmint concept.