

Marketing Principles of the Sportsman M 710 Bolt Action Rifle

Project Concepts:

- Develop a low cost bolt action rifle which will help Remington gain share at the Marts.
- The project must have low capital and development cost.
- Margins must be superior to that of the M700 ADL Synthetic.

The Competition:

- Savage Models 110/111, estimated to be 60% of their volume. Mart Volume estimated to be 12 to 17 thousand units all scope combos. Savage has costs that are similar to Remington but settles for lower margins.
- USRAC / Winchester M70 Special runs are also scope combos. The majority of their volume is at Wal*Mart. 1997 estimated P.O.S. 48 thousand units. Kmart volume believed to be insignificant.

Project Metrics:

- Volume 40,000 units
- Model 700 replacement volume 15,000 units.
- Cost \$103
- MSP \$229
- NSP \$188
- Target Standard Gross Profit, 45%

Project Issues and Concerns:

- Cost of Model 710 Sportsman
- Erosion of Model 700 business at a 46% Standard Margin.
- Congruency of features and benefits between M700 and M710S.

Goal of Today's Review:

- Validate or change product development strategy.
- Direct the employment of scarce resources to maximize benefit to the corporation.

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**SPORTSMAN MODEL 710
BOLT ACTION RIFLE**

PRICE AND VOLUME ANALYSIS

	<u>LOW</u>	<u>PROJECT</u>	<u>HIGH</u>
MSP	199	229	269
NET SELLING PRICE	163	188	221
ANNUAL SALE VOLUME	60,000	40,000	25,000

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Bunting, Jay M.

From: Bristol, II Ronald H.

Sent: Friday, August 14, 1998 8:18 AM

To: Ackley, James B.; Diaz, Danny; Rensi, Sam; Rabbia, James A.; Longo, Robert W.;
Balio, John R.; Bunting, Jay M.; Brueckmann, William R.

Subject: Model 710 Discussion/Agenda

- State of design- Chosen design and comparison to Marketing Requirements
- Review of High Spot costs and where risks lie
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	700 ADL		710 Synthetic	
	1998 Stds	1999 Stds	High Spot	NPP
MSP	\$ 319.00	\$ 320.00	\$ 229.00	\$ 229.00
NSP	\$ 258.39	\$ 259.20	\$ 185.49	\$ 185.49
Material	\$ 32.99		\$ 44.86	
Labor	\$ 23.28		\$ 21.85	
Variable Overhead	\$ 33.79		\$ 29.50	
Fixed Overhead	\$ 33.52		\$ 31.03	
	\$ 123.58	\$	\$ 127.24	103
Margin	\$ 134.81	\$ 259.20	\$ 58.25	\$ 82.49
Margin %	52%	100%	31%	44%

Capital Invest

1,400,000

R&D Cost

- Determination of Path forward

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**Sportsman Model 710
Bolt Action Centerfire Rifle**

Attribute	Must Have	Would Like	Not Necessary
Long Action Receiver, 30-06, 270 Win. Calibers	✓		
Magnum Receiver, 300 Win , 7mm Rem Mag Calibers		✓	
Short Action Receiver, 308 Win, 243 Win , 260 Rem Calibers		✓	
Crowned Barrel	✓		
Synthetic Stock	✓		
Wood Stock		✓	
Open Sights (may be synthetic)	✓		
Floated Barrel			✓
Receiver Drilled and Tapped	✓		
Swivel Studs	✓		
Recoil Pad	✓		
Synthetic	✓		
Wood		✓	
Checkering	✓		
Jeweled Bolt			✓
Barrel Metal Finish (no-turn rings)	✓		
High Polished Metal Finish			✓
Adjustable Trigger (pull & travel)		✓	
Crisp Trigger Pull	✓		
Three Rings of Steel		✓	
22 Rimfire Adaptability			✓
Black Powder Adaptability		✓	
12 Ga Shotgun Adaptability - Can't grow receiver size		✓	
3 - Position Safety With Bolt Lock	✓		
60° Bolt Throw		✓	
Mag Box / Floor Plate		✓	
Field Strippable Bolt			✓
Comparable Accuracy to M700		✓	
Accuracy As Good Or Better Than Competition	✓		
Magazine Capacity Same As M700	✓		
Weight, 6 1/4 - 7 3/8 lbs.	✓		
Barrel Lengths 22 - 24"	✓		

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