

## **New Bolt Action Centerfire Kickoff Meeting Minutes** 5/24/2005

Attendees: John Trull, Danny Diaz, Jim Ronkainen

### Program Positioning:

New Bolt Action Centerfire program is an offensive program, done from a position of strength:

- ⇒ M/710 positioned at opening price point
- ⇒ M/700 family offered in mid-price range
- ⇒ It is proposed that the new rifle would compete in the higher end category

### Current Product Market Perceptions:

<b>Pros:</b>	<b>Cons:</b>
<ul style="list-style-type: none"><li>⇒ Great value</li><li>⇒ Wide array of offerings</li><li>⇒ Relatively accurate</li><li>⇒ Easy to find at retail</li><li>⇒ Solid reputation</li><li>⇒ Looks good</li><li>⇒ Handles well</li><li>⇒ Easy to use</li><li>⇒ Easily customizable</li></ul>	<ul style="list-style-type: none"><li>⇒ Not a great trigger</li><li>⇒ Real and perceived shortcomings of the extractor</li><li>⇒ Cheap bottom metal</li><li>⇒ No accuracy guarantee</li><li>⇒ Homogeneous factory fit and finish standards for all products, regardless of price</li></ul>

### Products and Their Distribution Channels:

- ⇒ Wal-Mart moves the majority of opening price point product offerings (M/710, M/700 ADL Synthetic)
- ⇒ Big box stores move the remainder of the opening price point product volume and sell a majority of the mid-range products and move a small portion of the high end product volume.
  - Products carried by the chains varies with the emphasis place on hunting/fishing/shooting sports to overall sales
- ⇒ Independent dealers move the remainder of the mid-range products and the bulk of the high end products
  - Most purchases through this channel are less price sensitive with higher importance placed on quality (fit, finish, performance) and features
  - Products are usually sourced through wholesalers
  - Wholesalers are likely to disappear in the near future if dealer-direct distribution model used in other retail sectors is adopted

### Competition:

- ⇒ Ruger is #2 in bolt action centerfire market
- ⇒ Savage is #3
- ⇒ USRAC is #4
- ⇒ Browning is #5
- ⇒ Sako/Tikka is an innovative, but small player
- ⇒ CZ has a strong product and manufacturing capability, weak marketing

Marketing's Proposals for the New Bolt Action Centerfire Program:

- ⇒ Build upon the M/700 strengths and address the cons listed above
- ⇒ More accurate headspace control
- ⇒ Improve chambers
- ⇒ Improved squareness of receiver/bolt/barrel
- ⇒ New extractor
- ⇒ Higher end bottom metal

R&D's Proposals for the New Bolt Action Centerfire Program:

- ⇒ Utilize mass customization and agile manufacturing approach to institute a build-to-order production system
- ⇒ Need manufacturing input as product and process designs are strongly interdependent

Initial Discussion of Proposed New Product Features:

- ⇒ Where possible, build upon the M/700
- ⇒ Changes are permissible when there are tangible benefits associated with those changes
- ⇒ Keep LH actions
- ⇒ Trigger assembly
  - New designs are OK
  - Adjustable trigger pull force is highly desirable
- ⇒ Two position safety with overridable bolt lock
- ⇒ Magazine
  - Floorplate
  - Detachable magazine (if it doesn't increase product line complexity)
  - Blind magazine
- ⇒ Stocks
  - Wood
  - Synthetic (maybe not injection molded)
  - Use bedding block in all stocks?
- ⇒ No sights on guns except dangerous game guns
- ⇒ Consider using stainless steel across the board (higher perceived value) and blackening it where necessary for cosmetic purposes
- ⇒ Flexible design configurable as close to the end of the production process as possible

Path Forward:

- ⇒ Commence benchmark testing of competitive products this summer