

Jay Bunting

From: Diaz, Danny
Sent: 10/29/2001 02:20:44 PM
To: Bunting, Jay
CC: Trull, John; Schoppmann, Ed D.
BCC:
Subject: RE: Important Issues

Jay:

Brad will move over to the New Gas Autoloader. The concept I have for Program Management going forward I believe will keep Will very busy; however, I failed to include Will's responsibility for emissions and susceptibility testing for the EltronX hunting in the first part of the year and his involvement in EltronX Varmint and Zero Displacement Trigger in the last part of the year.

I will get things prepared for meeting and dinner in December. Will talk to you about exactly the type of review you are looking for.

With regards to the single shot shotgun, no we did not have a design that worked. More importantly however, we did not have a design that met the cost objectives. Our target was \$35 - 38 and if you recall we came in at around \$46 for two different designs. Parts and labor was approximately \$27, overhead was approximately \$19 and capital ranged from \$1.2 - 1.5 million depending on approach. We did not know how to get \$10 out of the design, so the project was stopped very early in the design process.

DDD

-----Original Message-----

From: Bunting, Jay
Sent: Friday, October 26, 2001 3:11 PM
To: Diaz, Danny
Cc: Trull, John; Schoppmann, Ed D.
Subject: RE: Important Issues

Danny,

I concur with your decisions on the firearms product plan. I believe you have correctly selected the projects which should be delayed as a result of the challenge to reduce the proposed budget by \$250k for 02. Also, your selection of people to drive the programs seem logical. I have no problem with the assignments but I have a question.....what is Brad Howard doing once DAT is completed on the NAS in April of 02? Secondly, is program maintenance a full time job? I'm unsure that we are tasking Will James with enough workseems like most of the stuff he is doing could be done by a NON engineer. I want your input here.

Ed will start his new position in Marketing on 12/3/01. An Organizational announcement will be made next week. Ed needs to plan on attending the sales meeting, Nov 7th thru 11th.....he knows of this and I just wanted to give you a heads up.

Lastly, I've tentatively made arrangements to be in your shop after lunch on December the 12th. Would like to have the group together for an afternoon meeting to review year end business conditions, the outlook for 2002 and a general review of the attached program schedule as a group.....I want everyone to buy into what we are doing and why we are doing it.....if there is any difference of opinion I want it on the table so we can flesh out the differences. My goal is to have the group focused and pulling in the same direction as we start the new year. You should plan to make dinner reservations for the group over in Bardstown at the restaurant we always go to. I want to buy the gang dinner and spend some non office time with them to tighten up the relationship between Marketing and R&D.

Finally, I'm really worried about shotguns. We've got nothing next year and we're two years out on a new gas autoloader at best. Question, where did we leave the single shot shotgun? Do we have a design that works? If not, how far are we away from something? We spent a good deal of time and money on this project and have little to show for it so far. Please give me your perspective.

Jay

-----Original Message-----

From: Diaz, Danny
Sent: Thursday, October 25, 2001 4:03 PM
To: Bunting, Jay
Subject: Important Issues

Jay:

Attached is a first cut at the 2002 product plan assuming a \$250m reduction in Firearms P&L. The remainder of the reductions come from reduction in operation expenses (firearms share is 61%), reduction in firearms travel to 2001 outlook, cutting all firearms training and reduced spending on firearms related programs in Dale Danner's technology group.

<< File: 2002 Firearms Development Budget Rev 2 10-24-01.xls >>

With regards to reorganization of firearms projects I will make Mike Keeney lead engineer on both the bolt action rimfire and New Gas autoloading gun. In addition, I will give Will James program management responsibility for both programs. Vince Norton will be assigned to the rimfire project and Brent Jarboe will assigned to the New Gas Autoloading Gun. How is Mike going to do both jobs you ask? Well the initial phase of the New Gas Autoloader will be primarily dissection of all current gas autoloading firearms. Mike can direct this activity without being intimately involved. Also, I will have Will taking care of all the program tasks, scheduling, finances, reporting, etc., thus freeing Mike to concentrate on the nuts and bolts gun design.

Brad Howard will finish the NAS, Jim Ronkainen will work on the 700 fire control, Randy Murphy will take the 710 Wood Stock and Guide Gun. This leaves with the EtronX and Aluminum receiver programs uncovered. With the right person as Ed's replacement I can easily cover these programs. If I got someone experienced for Ed I might change some of these assignments.

Given, that Mike or for that matter any engineer would rather own the bolt action rimfire from the start and that I have delayed the EtronX hunting to next year, we can transfer Ed at your discretion.

Will be much easier to explain everything over the phone than in a e-mail, but wanted to get back to you with some indication of the path I was on.

Call me when you can.

DDD