

REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE

Xc: C. B. Workman

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"CONFINE YOUR LETTER TO ONE SUBJECT ONLY" _____

Ilion, New York
August 24, 1982

TO: R. E. FIELITZ J. P. LINDE
J. H. CHAMBERS J. S. MARTIN
W. H. FORSON, JR. T. W. RAWSON

FROM: T. L. CAPELETTI *TC*

SUBJECT: AD HOC FIREARMS PRODUCT COMMITTEE MEETING
- AUGUST 19, 1982

At our meeting at the Ramada Inn in Kingston, New York on Thursday, August 19, 1982, we discussed the objective for this committee and formulated a mechanism for soliciting, evaluating, and screening firearms product proposals. Those discussions and action items are summarized in the paragraphs below.

Objectives

- To solicit ideas for new firearms products that can be implemented quickly (less than 18 months) with minimum new investment in order to stimulate firearms sales.
- To submit, for Management consideration, a prioritized list including product description, implementation schedule, and estimated cost.

The basic objective is to stimulate firearms sales. However, due to limited resources, the concepts selected for submission to Management must be capable of being implemented quickly with minimal capital investment.

Solicitation of Ideas

Each group represented at the meeting (Research, Production, Marketing, and Quality) will solicit ideas from personnel in their groups and submit that list to R. E. Fielitz by Friday, September 10, 1982. Ideas should be categorized by major product line as follows:

- Centerfire Rifle
- Rimfire Rifle
- Shotgun
- Other (eg. Accessories)

Criteria for Evaluation of Proposals

- Preliminary Evaluation (First Cut) Criteria
 - Manpower Commitment (ie. Engineering effort)
 - Capital Expenditure (Capital and Operations)
 - Time to Implement (Execute)
 - Complexity or Probability of Technical Success
 - Short vs. Long Term Market Potential
 - Subjective Estimate of Marketing Desirability (ie. Consumer interest)
- In-Depth Evaluation (Second Cut) Criteria
 - Profitability (ie. Contribution to earnings)

The Preliminary Evaluation Criteria will be systematically applied to each proposal to determine which concepts should be pursued further. Concepts which appear most promising will then be evaluated for potential contribution to earnings. Those concepts which satisfy the basic criteria of being easily and quickly implemented and which have the highest potential for earnings will then be proposed to Management.

System for Screening Proposals

- Establish a matrix of Ideas vs. Criteria
- Rate Desirability of each Idea on a scale of 1 to 5 based on how well that Idea satisfies each criteria, where
 - 1 = Most desirable (Satisfies criteria the most)
 - 5 = Least desirable (Satisfies criteria the least)

System for Screening Proposals (continued)

- For each Idea, add Ratings for each criteria to arrive at Total Desirability Rating
— eg. If individual ratings for Idea #1 were as follows:

Manpower	-	4
Capital	-	3
Time to Implement	-	4
Complexity	-	2
Short vs. Long Term	-	1
Market Desirability	-	3
		<hr/> 17

Total Desirability Rating = 17

- Rank Ideas by Total Desirability Rating

Desirability Ratings
CRITERIA

	RATING				
	1	2	3	4	5
1. Engineering Manpower (MY's)	≤ 1	1-2	2-3	3-4	≥ 4
2. Market Desirability (Number of Committee Members Who Agree)	6	4-5	3-4	2-3	1
3. Capital Expenditure (\$M)	25	50	75	100	≥ 100
4. Timing (Months)	0-2	4-6	7-9	10-12	≥ 12
5. Short vs. Long Term Market Potential (Years)	≥ 5	—	2-5	—	≤ 2
6. Probability of Success (%)	≥ 80	60-80	40-60	20-40	≤ 20

Action Items

- Submit list of Ideas to R. E. Fielitz by Friday, September 10, 1982 — All Members
- Schedule next meeting to review ideas by the end of September — R. E. Fielitz

TLC:ws