

Business Plan Mtg.
Sept. 1984
Production items
Ray Schrader

FIREARMS

QUALITY PLAN

(1983 DOLLARS IN M)

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
NET SAVINGS	\$(843)	\$(240)	\$654	\$1,708	\$2,837
STAFFING:					
EXEMPT	11	11	11	11	11
NONEXEMPT	2	2	2	2	2
WAGE	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>
TOTAL	48	48	48	48	48

CREATIVE COST IMPROVEMENT PROGRAM

(\$ IN M)

IMPLEMENTATION 1983

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
NET SAVINGS	\$1000	\$500	\$300	\$300	\$300

REGULAR COST REDUCTION PROGRAM

(\$ IN M)

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
NET SAVINGS	\$500	\$650	\$800	\$900	\$1000

ZERO-BASE BUDGETING

IMPLEMENTATION TO BEGIN IN 1983 - SAVINGS TO BE DETERMINED

FIREARMS
COST REDUCTION PROGRAMS

<u>PROGRAMS</u>	<u>FULL IMPLEMENTATION</u>
QUALITY PLAN	1983
CREATIVE COST IMPROVEMENT	1983
MRP	1983 (PHASE II - SHOP FLOOR CONTROL
REGULAR COST REDUCTION PROGRAM (PROJECT ACTIVITY, ENERGY CONSERVATION, METHOD REVIEWS, SUGGESTION PROGRAM)	ONGOING
ZERO-BASE BUDGETING	1983

ILION PLANT

TOTAL COST REDUCTION*

(\$M)

<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
\$657	\$910	\$1754	\$2908	\$4137

* PLUS \$11.9MM MRP POSITIVE
CASH FLOW THROUGH 1987

DOMESTIC YEAR-END
INVENTORY PROJECTION

FIREARMS

	<u>12/31/82</u>	<u>GOAL</u>
SHOTGUNS	95,056	85,000
RIM FIRE RIFLES	23,071	20,000
CENTER FIRE RIFLES	91,853	80,000

PRODUCTION DEPARTMENT PERSONNEL FORECAST

FIREARMS

(EXCLUDES POWDER METAL AND PURCHASING)

	<u>JULY 31,</u> <u>1982</u>	<u>YEAR END</u>					
		<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
EXEMPT	160	140	130	130	140	150	155
NONEXEMPT	74	72	72	72	72	72	72
WAGE	<u>1,554</u>	<u>1,371</u>	<u>1,361</u>	<u>1,387</u>	<u>1,533</u>	<u>1,696</u>	<u>1,830</u>
TOTAL	1,788	1,583	1,563	1,589	1,745	1,918	2,057

MRP

OBJECTIVES:

- . REDUCE INVENTORY
- . IMPROVE CUSTOMER SERVICE
- . IMPROVE PRODUCTIVITY
- . REDUCE OBSOLESCENCE

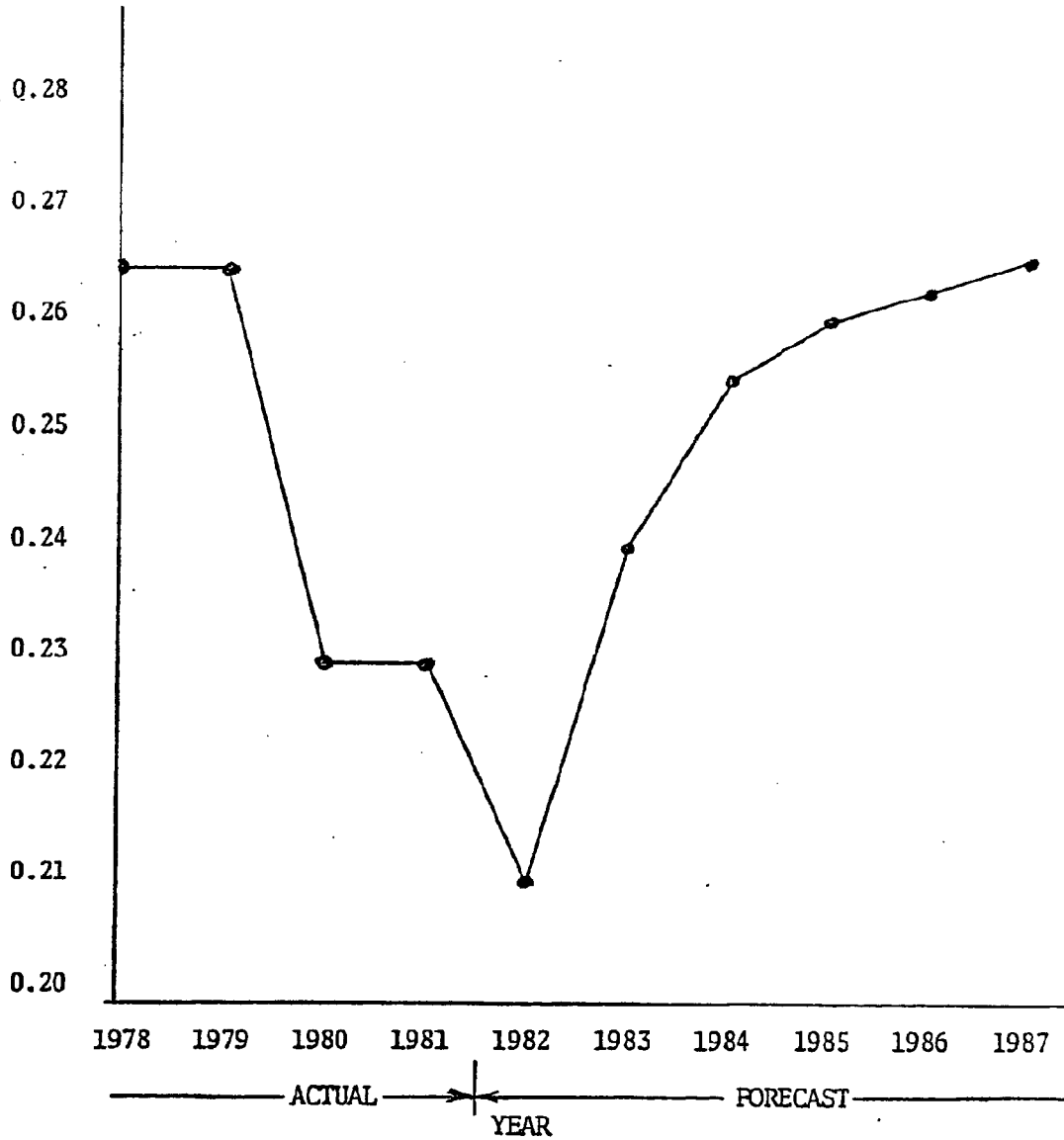
IMPROVEMENT IN CASH FLOW THROUGH 1987 - \$11.9MM CUMULATIVE

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
*STAFFING:					
EXEMPT	6	6	5	4	4
NONEXEMPT	8	8	7	6	5
WAGE	<u>31</u>	<u>31</u>	<u>30</u>	<u>28</u>	<u>26</u>
TOTAL	45	45	42	38	35

* PRODUCTION DEPARTMENT PERSONNEL ONLY

PRODUCTIVITY

EQUIVALENT GUNS
PER
EXPOSURE HOUR



POWDER METAL
COST REDUCTION GOALS

<u>PROGRAM</u>	<u>IMPLEMENTATION</u>
CREATIVE COST IMPROVEMENT PROGRAM	Ongoing
QUALITY PROGRAM	1984

POWDER METAL

PERSONNEL FORECAST

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
ILION						
EXEMPT	16	16	16	16	16	16
NONEXEMPT	5	5	5	5	5	5
WAGE	<u>48</u>	<u>50</u>	<u>54</u>	<u>58</u>	<u>62</u>	<u>66</u>
TOTAL	69	71	75	79	83	87
HAZEN						
EXEMPT	2	2	2	2	3	3
NONEXEMPT	7	7	8	10	11	14
WAGE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	9	9	10	12	14	17
TOTAL POWDER METAL						
EXEMPT	18	18	18	18	19	19
NONEXEMPT	12	12	13	15	16	19
WAGE	<u>48</u>	<u>50</u>	<u>54</u>	<u>58</u>	<u>62</u>	<u>66</u>
TOTAL	78	80	85	91	97	104

POWDER METAL
COST REDUCTION GOALS

	SAVINGS (\$ IN M)				
	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
CREATIVE COST IMPROVEMENT	\$135	\$150	\$175	\$210	\$255
QUALITY PLAN	<u>\$ 55</u>	<u>\$ 60</u>	<u>\$ 50</u>	<u>\$ 80</u>	<u>\$100</u>
TOTAL	\$190	\$210	\$225	\$290	\$355

ABRASIVE PRODUCTS

COST REDUCTION GOALS

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
TRANSFER SHIPPING TO WHSE.	25	-	-	-	-
OTHER		10	10	10	10

PERSONNEL FORECAST

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
EXEMPT	5	5	4	4	4	4
NONEXEMPT.	1	1	1	1	1	1
WAGE	<u>19</u>	<u>20</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
TOTAL	25	26	26	26	26	26