

XP 100 1988 OCT NOV DEC

EXHIBIT B

TRIGGER ASSEMBLY REPLACEMENT PROGRAM

FINANCIAL IMPACT

A Reserve is being established in 1987 to accommodate the financial impact of this program on 1987 performance, and will encompass the following estimated expenses:

NOTIFICATION

Mailing (20M @ \$2) 2m @ 2
Telephone (6 lines for 1 year @ \$20M)
~~Telephone Switching~~
Telephone Operators (2,000 Hours/Line @ \$8)
Long-Distance Calls
Advertising Campaign

\$M

4

2

1

2

2

2m

TOTAL NOTIFICATION

SHIPPING

Freight (15M Guns 2 ways @ \$5)
Packing Material (10M @ \$1.25)
TOTAL SHIPPING

8m

1m

9m

REPAIRS IN THE FIELD

Replacement Parts (10 @ \$9)
Warranty Repairs (12.5 @ \$22)
Field Repairs (3.7 @ \$50)
Reconditioning (8.7 @ \$10)
Factory Repairs (1 @ \$30)
~~Customer Units to Obtain Records (50 man weeks)~~

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3m

TOTAL REPAIR

3m

INHOUSE COSTS

~~Sorting Connectors~~
~~Reconditioning (10M @ \$9)~~
Engineering, Supervision
Management Consultant & Office Help
Programming/Systems Support
Rearrangement

5

9

1

2

TOTAL INHOUSE COSTS

17m

TOTAL COSTS

ALTERNATIVES

At the present time, we see none.

\$ 38m