

Ilion Minute No. 1, 1959

Sales emphasized that even though operative earnings on this item are unattractive, it is necessary that we offer a 3/8" Captive Stud Driver Piston at no more than \$8.50 list to maintain competitive position.

In view of the necessity of improving the 3/8" Captive Stud Driver Piston, the Committee approves substitution of "Omega" steel for 4140 steel in this item. Management re-approval of the item was not deemed to be necessary in view of the insignificant change in operative earnings occasioned by change of materials.

FLUSH DRIVING PISTON - 1/4" CAPTIVE STUD DRIVER

Management approval of this item is recorded in Informative Bulletin No. 11 of the Operations Committee, Industrial Division, dated September 25, 1958. Approval was based on forecasted normal yearly sale of 500 units at a list price of \$7.50 each. Operative earnings were estimated at \$730 per year. 83

As in the case of the 3/8" Captive Stud Driver Piston, the previous item in these minutes, Research & Development has recommended that flush driving pistons be made from "Omega" steel, instead of 4140 steel.

In order to offset the increased cost of unit fabricated from "Omega" steel, the Sales Department has increased the list price of flush driving pistons to \$8.50 each. Economics presented to the Committee indicate that on a forecasted sale of 500 units at \$8.50 each, operative earnings will be reduced only slightly, from \$730 to \$345 per year.

Sales again emphasized that accessories of this nature for the Model 440 tool are necessary to maintain competitive position and must be priced at a level which makes them competitive, despite the fact that they present unattractive operative earnings.

The Committee approved material substitution of "Omega" steel for 4140 steel in construction of the flush driving piston on the basis that change of material is necessary to improve reliability and functional life of the Model 440 tool as a whole. Management re-approval of the item was not deemed necessary in view of the relatively insignificant operative earnings involved in the item.

MODEL 440 HEAVY DUTY REPLACEMENT PISTON

This item is a 1/4" stud piston for the Captive Piston Stud Driver. Design has been improved over the current standard piston and "Omega" steel is used as the material of construction. Extensive testing by Research & Development has confirmed that functioning and life performance are superior to the standard piston.