

MODEL 411C STUNNER

The Sales Department proposes offering a "Model 411C Stunner", consisting of a Model 411B assembly fitted with a retracting penetrator instead of the impact knob presently used in the Model 411B, and sold at the same retail price of \$240.

The Sales Department points out that a kit for converting the Model 411B to a penetrator-type tool has been approved and is now offered to the trade, but it is also considered desirable to offer as complete units, both an impact-type model (411B), and a penetration-type model (411C) in the 411 series.

The following economics were presented, tabulating the proposed Model 411C in comparison to the Model 411B.

	<u>M/411C</u>	<u>M/411B</u>
Retail price	\$240.00	\$240.00
Net selling price (Trade discount 20%)	185.15	185.15
Factory cost	218.37	218.56
Research, selling and administrative at 30%	55.55	55.55
Operative earnings	(88.77)	(88.96)
% of net selling price	(47.9)%	(48.0)%

Factory cost of the Model 411C is estimated to be \$.19 less than the Model 411B. Factory cost of the Model 411B is that shown for the third year. (See economics included with Operations Committee, Industrial Division Minute No. 4-58 dated November 5, 1958.)

After discussion, the Committee agreed that while stunners are low-volume sales items, maintenance of competitive position requires offering both impact and penetrator heads in the 411 model series.

The following action was taken -

Decision

The Operations Committee, Ilion Division, approves offering a penetrator-type Model 411C Stunner as optional to the impact-type Model 411B, at the same retail price - \$240.