

BUSINESS MEETINGBUSINESS SERVICES

E.J. Rossi presented an analysis of departmental plans:

Departmental Plans Analysis

The business planning process adopted some changes for 1980. We began the planning cycle in early May and for the most part it ended early this month, a rather compressed cycle.

Our focus has been on how our market is affected by the external and internal environment, and by our competition.

More emphasis has been given to the strategies by which we expect to meet our objectives.

Overall, in view of many new changes and the time constraints to implement them, we appear to have made a good beginning.

Marketing, Production, and Research have already addressed the specific strategies and how they will support those strategies with detailed plans. Exhibit 11 is a summary of what the key plans are, which departments are supporting, and how the construction forecast will impact. We have noted (X) whether there has been interdepartmental support of a program or whether Business Services has seen any written plans. We have found that our Product strategy is particularly well supported with all departments contributing. \$6.9MM or 17% of our construction forecast supports this strategy. Summarizing then, we see the construction forecast supports our three Key Strategies with 11% in Quality, 15% in Cost Reduction, and 17% for Product. The remaining 57% is mainly for capacity expansion beginning in 1984.

Exhibit 12 is a financial summary of where our five year firearms forecast will take us. From the exhibit you see that sales are growing at a 14% rate, but are nearly offset by the 13% rate of annual increases for COS. PTEs are growing at 12%, but investment has a lesser growth of 9%. Hence our PROI goes from 15% in 1980 to 21% in 1985. Dollar share of market is forecast to increase from 32% to about 41%, a sizeable increase.