Remington Arms Company, Inc.
Ilion Research Division

MODEL 700 CARBINE PROPOSAL

INTRODUCTION

The proposed 700 Carbine would be added to the line to supplement the current 700 ADL and BDL models.

Mechanically, it would be identical to the current 700 ADL. Grip cap, white line spacers, fore-end tip, and floor plate would be omitted. The carbine would differ from the present rifles primarily in stock contour and barrel length. The stock would be straight comb without Monte Carlo or cheekpiece - similar to the current 742 - 760 ADL buttstock. Barrel length would be reduced 3 inches to 19 inches. The fore-end would be shortened 1 1/2 inches to better match the shortened barrel.

Preferably the carbine version would be offered in short action only. It could accommodate the entire line of short action cartridges, including magn[illegible]s. However, the cartridges most consistent with the carbine concept are the .[illegible] Rem., .308 Win. and the two short Remington magnums.

The carbine, with a 19 inch barrel, would weigh about 6 1/2 pounds. This is 1/2 pound less than the present 700 ADL. The overall length would be 38 1/2 inches.

Checkering patterns would be revised to conform to changes in the fore-end and pistol grip areas. A simple, pointed, borderless, non-skipline pattern is suggested.

COST REDUCTION

Cost reductions would be achieved through the following changes:

1. Omit cheekpiece.
2. Substitute wire brush finish on barrel assembly for current Almco finishing operations. (Wire brush finish as presently used on 700 Varmint.)
3. Omit machine jeweled finish on bolt.

It is proposed that the RK-W finish and Walnut stock of the present 700 models be retained.

The target retail price of the 700 Carbine is $119.95 to $124.95.

Model 700 Carbine Proposal (Continued)

The figure in parenthesis is the factory cost savings realized from the proposed change.

	M/788	M/700 ADL	M/700 Carbine	M/660
Current Cost -	$42.50	$47.00	-- --	$45.50
1. Omit cheekpiece		44.60 (2.40)	44.60 (2.40)	-- --
2. Substitute wire brush finish for Almco finish on barrel assembly.		46.49 (.51)	46.49 (.51)	45.00 (.50)
3. Omit machine jeweled finish on bolt.		46.89 (.11)	46.89 (.11)	-- --
4. Replace RK-W finish with lacquer.		43.56 (3.44)	43.56 (3.44)	42.06 (3.44)
5. Replace Walnut stock with Sycamore.		45.21 (1.79)	45.60 (1.40)	44.10 (1.40)

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CARBINE PROPOSAL COSTS, $

Three carbine proposals, based on various combinations of the foregoing alternatives are presented. The factory costs are tabulated for each. These factory costs are then projected out to a retail selling price, based on maintaining the same profit percentages as for other Remington center fire bolt actions.

	Propósal	Factory Cost	Projected Retail Price @ M/700 Profit of 34.8%	Projected Retail Price @ M/660 Profit of 29.0%	Projected Retail Price @ M/788 Profit of 11.6%
A.	Omit Almco finish, omit machine jeweled finish on bolt, omit cheekpiece (1, 2, 3)	$43.98	$126.22	$115.67	$93.24
B.	(Above, plus) Replace RK-W stock finish with lacquer (1, 2, 3, 4)	40.54	116.35	106.62	85.94
C.	(Above, plus) Replace Walnut stock with Sycamore stock (1, 2, 3, 4, 5)	39.14	112.33	102.94	82.98

To aid interpretation of those tabulated retail prices, consider the following:

1. Price changes within a vertical column are due to changes in the proposed gun itself. The profit structure within a column is the same.

2. Price changes within a horizontal row are due to changes in profit structure only. The proposed gun is the same.

FACTORY PROFIT PERCENTAGES

These calculated profit percentages are based on factory cost and net selling price. The data used is from October - November, 1969. They provide an approximate basis with which to compare the 700 Carbine proposal. For the carbine, these percents are shown for Proposal A at both suggested retail prices.

M/788	M/660	M/700 ADL	700 Carbine Proposal @ $119.95	@$124.95
11.6%	29.0%	34.8%	31.4%	34.1%

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APPENDIX

INCREMENTAL COST ANALYSIS

With the aid of several simplifying assumptions, incremental costs were evaluated for various finishing and processing alternatives.

A simplified cost evaluating procedure was developed by applying overall gun burden rates. This permitted one to project the effect of changes in standard labor and/or material costs to retail price changes. Factory cost figures used are those for October and November, 1969.

Numerical Data

Material Variance:	4%
Labor Variance:	35%
Labor Burden:	210%
Plant Overhead Charged to M/700:	18%
Miscellaneous:	2.5%

Development of Total Multiplicative Labor Factor:

	100%	Item Itself
+	35%	Labor Variance
+	210%	Labor Burden
	345%	Factor (1)

Plant overhead and miscellaneous percents are then figured on this factor (1):

	100%	Factor (1)
+	18%	Plant Overhead
+	2.5%	Miscellaneous
	120.5%	Factor (2)

Composite: $3.45 \times 1.205 = 4.16$

Therefore, (Factory Cost) = 4.16 (Standard Labor Costs)

Similarly, for changes in material costs:

(Factory Cost) = 1.25 (Standard Material Cost)

This projection from a factory cost change to the corresponding retail price change is made by maintaining the appropriate profit percentage and trade discounts.

Numerical Data (Continued):

For the M/700 ADL:

Retail Price:	$134.95
Net Selling:	$ 72.11
Factory Cost:	$ 47.00

$72.11 − 47.00 = $25.11

$25.11 / $72.11 = 34.8% Profit on Net Selling Price

Similarly, for the Model 660:

Retail Price:	$119.95
Net Selling:	$ 64.10
Factory Cost:	$ 45.50

$64.10 − 45.50 = $18.60

$18.60 / $64.10 = 29.0% Profit on Net Selling Price

To project (Factory Cost) to (Retail Price), Model 700:

Net Selling: $72.11 / Factory Cost: $47.00 = 1.534

Addition to Net Selling Price = 1.534 x (Factory Cost)

Retail Price: $134.95 / Net Selling: $ 72.11 = 1.871

Addition to Retail Price = 1.871 x (Net Selling Price)

Addition to Retail Price = 1.534 x 1.871 x (Factory Cost)
= 2.87 x (Factory Cost)

In Summary

M/700	Standard Labor,	Retail Price = 11.93 x (Standard Labor)
M/700	Standard Material,	Retail Price = 3.59 x (Standard Material)
M/660	Standard Labor,	Retail Price = 10.97 x (Standard Labor)
M/660	Standard Material,	Retail Price = 3.29 x (Standard Material)

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