

Inventory & Production Planning Considerations

Historically, a company could do well if it manufactured a good quality product that was sold at a fair price. Today, the business environment has changed. Product quality and manufacturing excellence is no longer enough to dominate in global markets. *To be successful long term, Remington must be more responsive to customer demand than the competition. This will require flexibility, innovation, and most importantly, a change in our company culture.*

Information flow and technology is currently changing the business landscape. Best practices companies are building competitive advantages by reengineering their supply chains to align and integrate market demand, production, purchasing and distribution. Establishing "*Synchronized Intelligence*" is the first step towards streamlining processes, gaining efficiencies and building organizational flexibility.

Firearms marketing has made significant improvements in demand forecasting using tools provided within SAP R3. *Planning cycle time has been reduced from weeks to days.* As a result, information flow has improved from point of origin to point of consumption. Much work, however, remains to be done. Specific areas which require improvement are:

- Communications
- Forecasts
- Response Time

As we become more integrated, Remington can expect to see improvements in cash flows, margins and operating cost. Driving the financial metrics will be:

- More Inventory Turns
- Less Warehousing
- Reduced Product Handling
- Reduced Transportation Cost
- Improved Customer Satisfaction
- More Flexible Sourcing
- Fewer Dedicated Facilities