

**New Bolt Action Centerfire Kickoff Meeting Minutes** 5/24/2005

Attendees: John Trull, Danny Diaz, Jim Ronkainen

Program Positioning:

New Bolt Action Centerfire program is an offensive program, done from a position of strength:

- ⇒ M/710 positioned at opening price point
- ⇒ M/700 family offered in mid-price range
- ⇒ It is proposed that the new rifle would compete in the higher end category

Current Product Market Perceptions:

Pros:	Cons:
<ul style="list-style-type: none"> <li>⇒ Great value</li> <li>⇒ Wide array of offerings</li> <li>⇒ Relatively accurate</li> <li>⇒ Easy to find at retail</li> <li>⇒ Solid reputation</li> <li>⇒ Looks good</li> <li>⇒ Handles well</li> <li>⇒ Easy to use</li> <li>⇒ Easily customizable</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Not a great trigger</li> <li>⇒ Real and perceived shortcomings of the extractor</li> <li>⇒ Cheap bottom metal</li> <li>⇒ No accuracy guarantee</li> <li>⇒ Homogeneous factory fit and finish standards for all products, regardless of price</li> </ul>

Products and Their Distribution Channels:

- ⇒ Wal-Mart moves the majority of opening price point product offerings (M/710, M/700 ADL Synthetic)
- ⇒ Big box stores move the remainder of the opening price point product volume and sell a majority of the mid-range products and move a small portion of the high end product volume
  - Products carried by the chains varies with the emphasis place on hunting/fishing/shooting sports to overall sales
- ⇒ Independent dealers move the remainder of the mid-range products and the bulk of the high end products
  - Most purchases through this channel are less price sensitive with higher importance placed on quality (fit, finish, performance) and features
  - Products are usually sourced through wholesalers
  - Wholesalers are likely to disappear in the near future if dealer-direct distribution model used in other retail sectors is adopted

Competition:

- ⇒ Ruger is #2 in bolt action centerfire market
- ⇒ Savage is #3
- ⇒ USRAC is #4
- ⇒ Browning is #5
- ⇒ Sako/Tikka is an innovative, but small player
- ⇒ CZ has a strong product and manufacturing capability, weak marketing