

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

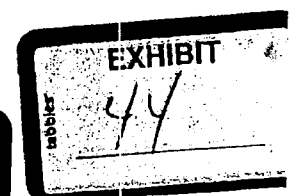
Products and Their Distribution Channels:

- ⇒ 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

Competitors:

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

Subject to Protective Order - Williams v. Remington



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Marketing's Proposals for the New Bolt Action Centerfire Program:

- ⇒ Build upon the M700 strengths and address the cons listed above
- ⇒ More accurate headspace control
- ⇒ Improve chambers
- ⇒ Improved squareness of receiver/bolt/barrel
- ⇒ New extractor
- ⇒ Higher end bottom metal

R&D's Proposals for the New Bolt Action Centerfire Program:

- ⇒ Utilize mass customization and agile manufacturing approach to institute a build-to-order production system
- ⇒ Need manufacturing input as product and process designs are strongly interdependent

Initial Discussion of Proposed New Product Features:

- ⇒ Where possible, build upon the M700
- ⇒ Changes are permissible when there are tangible benefits associated with those changes
- ⇒ Keep LH actions
- ⇒ Trigger assembly
 - New designs are OK
 - Adjustable trigger pull force is highly desirable
- ⇒ Two position safety with overrideable bolt lock
- ⇒ Magazine
 - Floorplate
 - Detachable magazine (if it doesn't increase product line complexity)
 - Blind magazine
- ⇒ Stocks
 - Wood
 - Synthetic (maybe not injection molded)
 - Use bedding block in all stocks?
- ⇒ No sights on guns except dangerous game guns
- ⇒ Consider using stainless steel across the board (higher perceived value) and blackening it where necessary for cosmetic purposes
- ⇒ Flexible design configurable as close to the end of the production process as possible

Path Forward:

- ⇒ Commence benchmark testing of competitive products this summer