

Welcome New Employees

No multiple-of-five anniversaries this year in June, but we do have three new employees and two returning employees. Please welcome them.

KIMBERLY KURTZ – Kimberly is working part-time at our Sidney store stocking shelves. From Sidney, Kimberly enjoys fishing.

JEROMIE BACHMEIER – Jeromie is working part-time in shipping and receiving at NEMAC. From Bismarck,

Jeromie enjoys singing and playing the guitar.

RUSSELL STOTTS – Russell is new at the counter in Sidney. From Sidney, he is engaged to be married. Russell enjoys boating, fishing, and restoring cars.

And returning to Hedahls is **Bob Gabel**, working part-time delivery for our Bismarck store, and **James Pihlstrom**, working part-time in the Detroit Lakes machine shop.

Hedahls Headlines

June 2000
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EMPLOYEE NEWSLETTER

Annual ESOP & Safety Meetings Scheduled

The annual ESOP and safety meetings are this month. The complete schedule is included here. The safety segment of the meetings is mandatory for all employees, full-time and part-time. The ESOP segment is mandatory for full-time employees only. All meetings begin with the safety segment, except those meetings scheduled to begin at 7:00 a.m. These 7:00 a.m. meetings will start with the ESOP segment, and part-time employees need not come until 7:30 a.m.

Thursday, June 15
7 a.m. – Fergus Falls
10 a.m. – Detroit Lakes
11:30 a.m. – Detroit Lakes

Monday, June 19
9:30 a.m. – HQ
5:30 p.m. – Dickinson

Tuesday, June 20
7 a.m. – Hettinger
5:30 p.m. – Glendive
8 p.m. – Sidney

Wednesday, June 21
7 a.m. – Beulah

Thursday, June 22
2 p.m. – HQ*
5:30 p.m. – Bismarck

Friday, June 23
7 a.m. – Mandan

Tuesday, June 27
7 a.m. – Aberdeen
noon – Redfield
5:30 p.m. – Linton

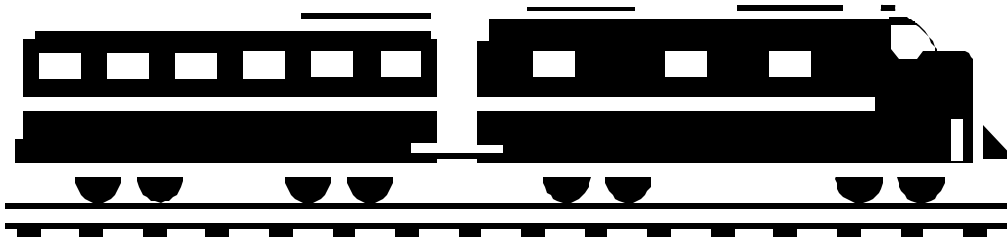
* Please note there will be a make-up meeting at Headquarter on Thursday, June 22, at 2 p.m. for any employees who cannot be at one of the other scheduled meetings.



All Hedahls companies and divisions will be closed on Tuesday, July 4.
Have a safe and happy Fourth of July!

A Tale of Toy Trains, Typewriters &

Auto Parts



When you hear the name Tyco, what do you think of? If you're old enough, you'll probably say toy trains. Tyco realized that toy trains didn't have much of a future. Today Tyco is a multi-diverse company, doing business in over 80 countries with 182,000 employees. The majority of these companies are in healthcare, specialty products, fire and security products, telecommunication and electronics. In fact, Tyco owns AMP, a company some of you are familiar with.

Now what does the name Smith-Corona bring to mind? Again if you're old enough, you'll remember typewriters. For many, many years, Smith-Corona was one of the leading manufacturers of typewriters in the world. But last week Smith-Corona filed for bankruptcy. Why? Well, when was the last time you bought a new typewriter? Smith-Corona tried making fax machines, but it was too little too late.

It's real easy to see what happens when a company doesn't keep up with the times. Toy trains and typewriters are yesterday's technology. Healthcare, fire safety, security, telecommunication and electronics are today's technology.

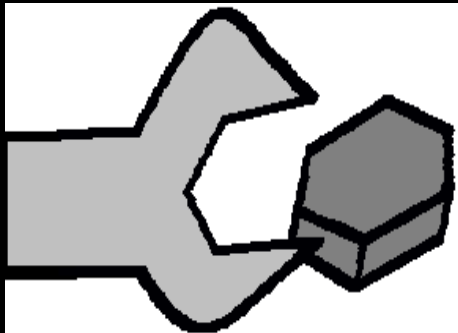
Now, think about it. Is Hedahls keeping up with today's technology? I'm glad to say, I think we are. We're recognized as the professionals in our areas because we keep up with technology and either have or know where to get the answers.

I know we're the best darn auto parts wholesaler in the area, but to respond to our changing market, we need to make our stores more retail friendly. We have Checkers and Advanced moving into our territory. On the exterior they both look like retailers, and for the most part, they are. But they are both making a play for the wholesale market. Then there's O'Reilly's Auto Parts. They grew up as a wholesaler, but today their goal is to be 50% wholesale and 50% retail - the best of both markets.

The challenge for Hedahls in our changing market is to continue our superior wholesale performance while also making our stores retail friendly. We're currently looking at several ways to improve our retail appeal while maintaining our ever-important wholesale business. Watch the newsletter in months to come for details as our plans come together. Thanks, Dale.

SALES

IDEAS FOR BETTER SELLING:



TOOLS

Get Counter Training on the Internet

It's sponsored by Standard Motor Products, and it's really cool. The address is www.smp-training.com.

Once you're at the Web site, select the counterman training program on the right. You will be asked to register. Be sure to enter all your information correctly, because after you successfully complete three tests you will be sent a certificate and a gift.

After you've tried that one, try Standard Motor Products University for a real challenge. This is just a cool sight, and it will teach you a lot about Standard and Murray.

Convenience for Convenience Stores

Everyone knows you pay for the convenience of a convenience store. That's why you don't mind paying \$1.10 for a 20 ounce bottle of cold pop at a convenience store, when you know you could go to a grocery store and buy a warm 2 liter bottle any day for \$1.19.

Recently Derek Niemitalo, salesman from the Detroit Lakes store, used that convenience angle to his advantage to capture all the automotive business at the Tank & Yummies convenience store in Vergas, Minnesota.

Derek made a cold call a few months ago and introduced himself and started asking questions about who supplied their automotive products. It took a while and a lot of persistence, but it finally paid off.

Tank & Yummies is located in a rural area near Vergas, in the heart of Minnesota lake country. Tank & Yummies includes a convenience store, bait shop, deli and take-out pizza, small hardware area, and 24 feet of automotive products, now serviced by Derek and Hedahls. This includes the normal fuses, bulbs, wiper blades and oil, Casite oil filters, oil filter wrenches, gas cans, Sea Foam, funnels and assorted chemicals. Also Wizards and Meguiars wax products, Eveready batteries and flashlights, Wonder gloves, Champion spark plugs, S.M. Arnold bug sponges, Go-Jo, and Convert-A-Ball. Derek says he writes orders every week.

Why did they decide to go with Derek and Hedahls? First, they weren't happy with their current supplier. Then Derek was able to gain their trust, and he guaranteed the sale. He promised to work with them and make sure any items that didn't turn in a reasonable time would be taken out and replaced with new items. Derek said he worked real hard to convince Tank & Yummies that it would be convenient for them to let him take care of their automotive needs because he was there once a week, we have daily delivery, and we understand the automotive business.

Imagine that, a convenience store paying for convenience! Check it out. It may work for you too. Any questions, call Derek at Detroit Lakes. But call early—Derek likes to be on the road by 8:30 a.m. Thanks, Dale.

Year-End for Flex Plan

Proof of health screening tests for this Flex Plan year must be submitted to LouRae at Headquarters by July 7. Eligible employees can earn \$25 for each test (cholesterol, blood pressure, cancer, and blood sugar) they have during a plan year. That goes for spouses too. The benefit money will be added to the employee's July 21 pay. To qualify for this plan year, tests must be completed by June 30.

Any money still in your reimbursement accounts must be used in this plan year or you lose it. That means you must incur the expense by June 30. But you have until August 25 to claim your reimbursement from this plan year. To "incur" a reimbursable expense, you must have had the service or procedure performed, or have received the medication or product from your health-care provider. You may not prepay an expense to beat the deadline. All claims must be submitted after the date of the service or procedure or the date the medication or product is received. Also, you go by the date of the service, procedure, medication or product, not the date you are billed or the date you pay. In other words, if you incur an expense before July 1, but are not billed until after July 1, that expense is reimbursable with funds from this year's plan.

ESOP/401(k) Investments

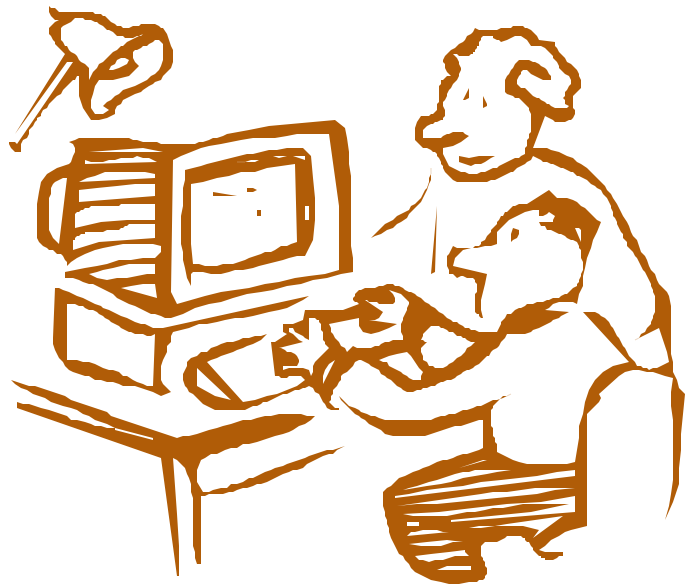
You should have discussed your ESOP/401(k) investments during your recent sign-up session for the Flex Plan. Eligible employees can invest up to 15% of their income in the ESOP. And for eligible employees, everything you invest up to 6% of your income, Hedahls will match fifty cents to the dollar. This investment is tax-deferred until you take it out. All eligible employees are encouraged to take advantage of this opportunity to plan for your future.

If you've changed your mind about your investment, you have until July 1 to make a change. After that you'll have to wait until December. Just contact Darlene at Headquarters.

Relive the festivities of Linton's 50th Birthday Party with the pictures on our Web site: www.hedahls.com.

Special thanks to Jim VanErem of Hastings, Greg Monson of Uni-Select, Ed Thier of Permatex, James Dean of A-One Cardone, and Gary Arth of Action Auto. Thanks always to the Linton staff for their fine work.

CALL PAUL



Invoice Reversals: the Phantom Menace & Happy Trails

The Phantom Knows

I have seen this happen several times in the last few weeks so I thought it should be noted. When you create an invoice and a minute later you find an invoice reversal is necessary, but the computer can't find that invoice, here is what is happening:

Somehow the "Phantom" (where everything gets processed after it leaves your screen) got stalled and that happens when some terminal somewhere in our system has a part number with a cursor left in the middle of that part line. If that terminal remains unattended it can affect many things throughout the company—such as invoice reversals— from getting completely processed.

The moral of the story is please, do not leave that part number line with a cursor somewhere within— go to the next line and then you can leave it without it affecting anyone.

Electronic Trails

Also, as long as we're talking about reversals, a thing to keep in mind is that a reversal will show up on a customer's statement. On our old J-CON system you could void an invoice and that invoice just disappeared. The Ultimate system does not let anything disappear. It always leaves a trail and that is why it will still print on the customer statement. If it did not print, the "trail" would be broken.

Part Number Conversion on Computer

Conversion time for US Metric is here. Paul Barth and Rich Ebach converted all US Metric part numbers in the computer to the Endurance part number. This conversion took place last Friday.

Our new code for Endurance is BBB. This is the same code Uni-Select uses. The electronic catalog is set up so you are able to use it to look up Endurance Electrical.

If you have an idea for a topic for "Call Paul," please FAX, email, or call Paul Barth at Headquarters.

Next Managers' Meeting
Tuesday and Wednesday — August 15 and 16