

February 2011  
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# Hedahl's Headlines

EMPLOYEE NEWSLETTER

## Anniversaries & New Employees

We have only one anniversary this month, but it's a special one. On February 26, **Don Gross** of NEMAC celebrates 25 years with us. Bud Barth hired Don at NEMAC Warehouse in 1976. It was Don's first job off the farm. At the time, he was offered positions with at least two other companies in town, but he figured he stood a good chance of moving up the ladder here. He figured right: Don has held various positions along the way, including shipping, receiving, night janitor, and assistant manager. He's been manager of NEMAC since Les Holwegner retired in 1989. NEMAC's staff has fluctuated over the years, reaching a high of 11 when we were shipping with our own trucks and recently settling at four. Of course, the other big change Don has seen is with computerization, eliminating manual pricing. So what's the same in 25 years? "Service to the customer and turning the parts."

Dick Hedahl will present Don with his 25 year pin later this month to recognize his years of service. Congratulations, Don, and thanks.

We also have two new employees. Please welcome them.

**BRAD BARNETT** - Brad is new full-time at the counter in our Dickinson store. From Dickinson, Brad enjoys working on cars, especially rebuilding old cars.

**STEVEN CHANDLER** - Steve is new full-time at the counter in our Aberdeen store. Originally from Mobridge, SD, he is married with two children. Steve enjoys fishing, hunting and other outdoor activities.

### *New Counter Supervisor in Bismarck*

John Cozby of our Bismarck store has recently received a promotion to counter supervisor. John was our salesman in Glendive, but he's been at the counter in our Bismarck store now since the end of July. Congratulations, John!

## SUGGESTION BOX WINNER

Last month we announced a new program to formally recognize and reward those of our employees who make suggestions that we are able to implement to improve how we do business. We're pleased to tell you that the first winner is **Sharry Davis** of our Detroit Lakes store. She is this month's winner of the \$100 gift certificate. Thanks, Sharry, and keep thinking.

You can read the change Sharry suggests on page 3 of the newsletter. This policy change goes into effect immediately and it should be a great help to all of us.

If you want to read about your suggestion here (and maybe win that \$100 gift certificate too) just be on the lookout for ways to improve the way we do business: faster, better, safer, whatever. When you

think of one, tell your supervisor about it or send it directly to Larry Lysengen or Dick Hedahl at Headquarters. Each month we'll hold a drawing for a \$100 gift certificate from the names of those who submitted suggestions that we implemented during the previous month.



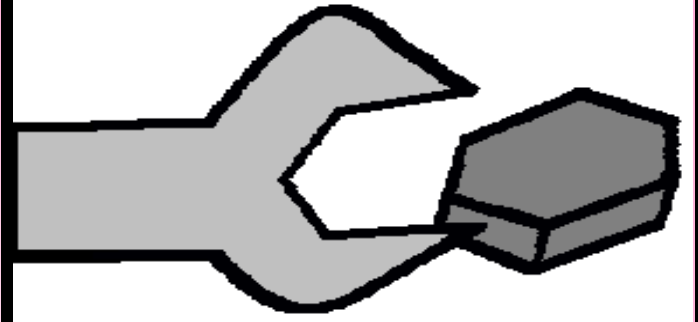
## Selling Sandwiches and Auto Parts

Last Thursday night, I was driving from Glendive to Dickinson and stopped at the Amoco station in Belfield, ND for gas. When I went inside to pay, I noticed it was 8:30 central time, and I hadn't eaten supper yet. I really wasn't hungry, but I knew if I didn't eat soon I'd be hungry later and probably eat right before I went to bed. And I hate that.

I walked around the convenience store for several minutes trying to figure out what I wanted to eat. It's hard to decide when you aren't really hungry.

I finally decided on a 6" sub on dark bread with roast beef, lettuce, onions, spicy mustard, black olives, and peppers.

I started a conversation with the lady making the sandwich, and she explained to me why she cut the bread different than one of their national competitors. She explained that the other guys just squirted the mustard or mayonnaise on, which meant you don't get the same taste with every bite. She showed me that after she put the mustard on, she spread it evenly on the bread with a



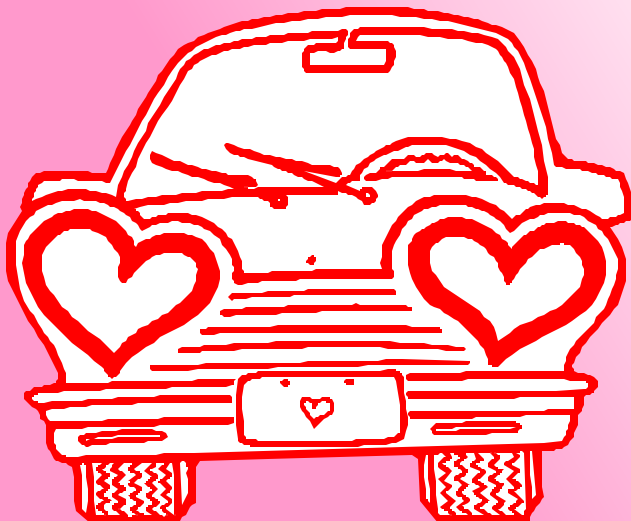
knife, which meant the same taste every bite. She pointed out that their meat was thicker sliced than that national chain.

As she was putting the finishing touches on my sandwich, I realized that I was hungry. I said, "I really wasn't hungry when I ordered that sandwich, but after listening to you explain how you make it and watching you do it, I got hungry for a roast beef sandwich." She laughed, thanked me, and asked me to stop again my next time through. I told her if the sandwich was as good as she told me it would be, I'd be back.

I paid for the gas and the sandwich, got into my van and headed for my motel room in Dickinson. During the 19-mile drive it hit me: selling auto parts is like selling sub sandwiches.

Your customers aren't always hungry for your products. It's your job to whet their appetites with product benefits and features. You need to understand your products well enough to explain those benefits and tell why your customers will benefit from them. If you do a good job, some time after you start your presentation, the customer will become hungry. If you know how to spot those buying signals, you close the sale. The more you practice it, the more sandwiches—or auto parts—you'll sell.

Oh, by the way, the sandwich was fantastic. Just as good as she said it would be.



Happy Valentines Day



# CALL PAUL

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



## What Happened?

When we all came to work on Thursday morning, January 25, the computer was down. Over the past year this has never happened to the Ultimate system. And this down time was not caused by the computer, but by an uninterruptible power source (UPS) in the computer room at Headquarters. The UPS took out all power to the computer room, but once the UPS was revived, the computer was able to come back up.

It's ironic that the device that is designed to keep the system from losing power caused it to lose power. This device is being monitored closely.

## Another Catalog Improvement

A few days ago, Dick Hedahl was trying to find a wiper arm for a 1990 Chevrolet Barretta in the electronic catalog.

He could not find it.

He called Paul.

I looked for it too and nothing was listed for the application. So I went to Bill Edwards. We both looked in Trico and found they don't list a wiper arm for that car. So I went back to Dick. He had the part in his hand. It was not Trico, but Mighty brand, listed in the Motormite catalog.

I went to the computer and told the electronic catalog to display Motormite wiper arms when looking up windshield wipers. That evening when everyone was off the system, I reloaded the catalog CD, and the next morning, the electronic catalog listed wiper arms.

The point of this story is that our electronic catalog (PartExpert) is now a little better.

When you find something that you think should be in the catalog but isn't, please **Call Paul!**

## Transfer Program Policy

The improvement Sharry Davis suggested involves the transfer program, either inter-store transfer to fill a customer's order or stock order transfers to redistribute inventory to where it might be needed. Either way, if your store gets a request for transfer and you see that the item itself is good, but the box is beat up in some way, call the store requesting the transfer. Just say, "The part is fine, but the box is beat up. Will you accept it?" Often, if the part is going straight to the customer and will not be put on the shelf, the customer will not care about the condition of the box: probably someone's car is waiting for the part and the box doesn't matter. There are other times, however, when the store requesting the item needs the packaging to be in good shape. They have the right to refuse it then,

and you shouldn't send it.

If we follow this policy, we should have a lot less problems with parts being sent and returned, which leaves one store without the part they need and the other store frustrated by the extra work. We'll also do a better job of serving our customers.



# Risk Management Program Passes for Third Time

A few years ago we implemented a Risk Management Plan for all our stores and divisions. The purpose of the program was to improve the safety of our work environment, to raise the awareness of all our employees about safety and injury prevention, and to streamline and standardize the process of filing a claim.

We worked closely with North Dakota Workers Comp and our insurance companies on the program. Successful implementation of the program also made our stores and divisions in North Dakota eligible for a possible discount on our Workers Comp premiums.

We're pleased to tell you that for the third year in a row, we have passed the Workers Comp review of our Risk Management Program. In fact, Lori Alfstad, our Risk Management Coordinator, reports that we passed with flying colors again with one of the best programs our Workers Comp contact says he's seen to date.

It's good news for all of us, in and out of North Dakota, since we're using the same programs in all our stores. It means we are operating more efficiently and with greater safety and safety awareness throughout. Congratulations to all employees in this effort.

## ASE Testing Coming Up

The ASE (Automotive Service Excellence) certification program was originally designed for hands-on technicians as a standard of quality for the automotive service industry. In 1987, Hedahls instituted a program to reward our employees for demonstrating that level of professional competence, with the idea that if our parts professionals have the same knowledge as service professionals, we would be better able to serve our customers. Since that time ASE has also added a test just for auto parts professionals.

Here are some of the highlights of our ASE program

- A raise the first time you pass a test (\$.25 per hour for hourly people or \$50 per month for salaried people)
- A \$400 bonus for the first time you pass and a \$200 bonus for each subsequent test passed. (One test per session—the tests are given twice a year, in May and November.)

To try to ensure that we have expert coverage in each store, we ask that each employee request an area of expertise and that no duplicates be allowed in any store until all six areas are filled—first come, first served. Also if an employee has passed a test, received a bonus and a raise, then quits and is later rehired, any additional test passed will earn a \$200 bonus and not a raise. Full-time employees who have been working at least six months are eligible for this program.

The next round of testing is the beginning of May. If you are interested in taking an ASE test, your manager has registration forms. They must be returned to Dee at Headquarters by March 23.

## ASE Results

Congratulations to our latest ASE testers!

**Michael Bender - Glendive**  
**Randy Holler - Hettinger**  
(both repeat finishers)

It's not just the Valentine season that makes us think our customers must **love** our expertise!

Hedahls now has 127 employees who have passed a total of 323 tests. Keep up the great work! When you are notified of passing an ASE test, you need to get a copy of the notification to LouRae at Headquarters as soon as possible. That's how we find out about it and how we arrange to have you get the money and the recognition you deserve for passing.