

November 2001
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Headahls Headlines

EMPLOYEE NEWSLETTER

Anniversary & New Employees

Only one multiple-of-five work anniversary this month. Terry Tolk of Detroit Lakes celebrates five years on November 25. Congratulations, Terry.

We also have three new employees, so please welcome them.

TODD KURTZ – Todd is new in our Dickinson store, working shipping and receiving and at the counter. He is married and originally from Bismarck. Todd enjoys hunting and restoring old cars.

LYLE CONN – Lyle is new on delivery in our Aberdeen store. From Aberdeen, he is married with three grown children. Lyle enjoys fishing and camping.

JOHN SCHAUNAMAN – John is new at the counter in our Sisseton store. From Sisseton, he is married with two daughters. John lists his hobby as horses.



Holiday



Party

December 15
Doublewood Inn, Bismarck

Social at 6:00 p.m.
Dinner at 7:00 p.m.
Dance at 8:30 p.m.

Please plan to join us!

Happy Thanksgiving!

Investment Perspective

by Jim Kasper, Asset Management Group

It's not news to anyone that the economy and the stock market have been in a tailspin the past 12 to 18 months. The question is what should you do with your 401(k) investment approach to attempt to obtain the maximum advantage for yourself and your investment dollars.

Suppose someone made this offer to you: "You can purchase one of two automobiles today. Both are identical 2002 vehicles made by General Motors. Same color, same options, same make and model—everything identical. You can purchase one vehicle for \$25,000 or the other identical vehicle for \$20,000. Which one would you buy, assuming you indeed were in the market to purchase this type of vehicle? Now, this is not a trick question. I think that everyone would purchase the \$20,000 vehicle and be very happy about the fact that you had just saved \$5,000 because you were able to buy at a discounted price.

What does this have to do with today's economic circumstances and your 401(k) plan, you ask? As a matter of fact, a lot. Today, because the stock market has been moving downward for the past 12 to 18 months, you are able to purchase shares in your 401(k) plan at a discount because the price per share in most of your 401(k) accounts is anywhere from 15% to 40% reduced from the prices you had to pay just a few short months ago. We will probably not have such a tremendous buying opportunity again for many years to come.

Historically, the stock market goes up and it goes down. Over the long term, the average annual return on well-managed investment accounts has been very good. Take Fundamental Investors, one of your 401(k) investment options, as an example. The chart at the right illustrates the funds consistency in different market environments, over a series of 10 year periods.

American Funds has been in business since 1931. They manage over \$325 billion dollars for millions of investors. Portfolio counselors for the American Funds average 21 years of investment experience. They maintain nine research offices around the world, staffed by over 100 investment professionals from 18 nations, speaking 22 languages. In 1999 alone, the investment counselors of American Funds visited more than 7544 companies worldwide, to research these companies and gain valuable information to better manage your investment dollars.

Take a long-term view of your 401(k) dollars. Keep on consistently buying while the market is low. Buy at those discounts now available, so when the market turns, you will be able to realize the results.

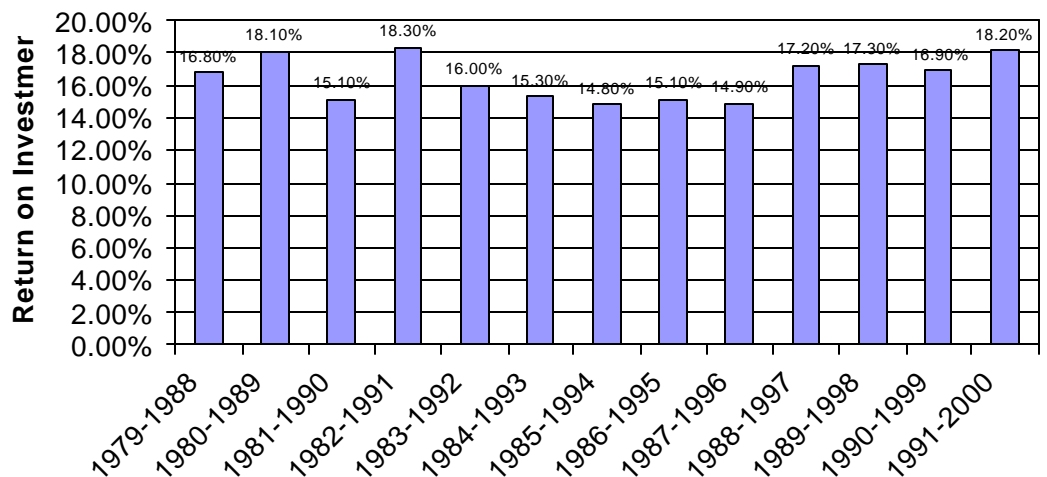
If you have questions, please call 1-800-370-8877.

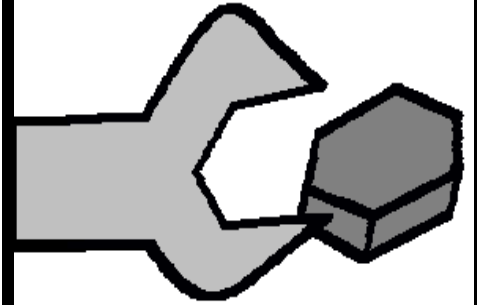
Investment Information

You will soon be receiving sign-up forms for our Employee Stock Ownership Plan (ESOP). All employees (full-time, part-time, and temporary) must complete one of these forms, indicating enrollment in the plan if you are eligible, re-enrollment "as is" if you want no change, or re-enrollment with a change in the amount you are investing. Even if you do not qualify for the ESOP or if you are not interested in investing, we ask that you fill out the form with your employee number and store or division, and mark the appropriate choice.

These forms need to be returned to Darlene Birney at Headquarters by December 14.

**Fundamental Investors
Returns in Good Times and Bad**





Customer Safety

Recently Dick Hedahl, Larry Lysengen and I attended a Town Hall Breakfast Meeting at the APPEX show in Las Vegas. It was a panel discussion with some of the leading Auto Parts people in the country. Sitting on the panel were the CFO of Pep Boys, the chairman of the board from O'Reilys, V.P of sales for Dana Corporation and the president of JiffyLube.

One of the things they all agreed on was the fact that as jobbers we don't sell safety enough. Things like checking your brakes every 30,000 miles and replacing them if necessary. Changing your oil every 3,000 miles for longer engine life and better performance. Replacing your wiper blades at least once a year or more if needed. Replacing the timing belt according to the manufacturer specifications or every 50,000 miles. Rotating your tires every 6,000 to 8,000 miles and replacing those tires when they wear to less than 4/32" of an inch of thread.

When a customer comes in to buy a set of brake pads, ask them if the rotors are warped or glazed. Because of lighter material, by the time the pads need to be replaced so do the rotors. A warped or glazed rotor only provides 50% or less of your car's brake capacity.

If a customer replaces one brake hose, ask him if the other one has been replaced, and remind him that when a brake hose breaks, you loose both sides of your brakes at once and if one broke, the other might be ready too. Also remind them that brake fluid naturally absorbs water. As a result, most manufacturers recommend that it be tested every 15,000 to 20,000 miles and the system should be flushed and the fluid replaced as necessary.

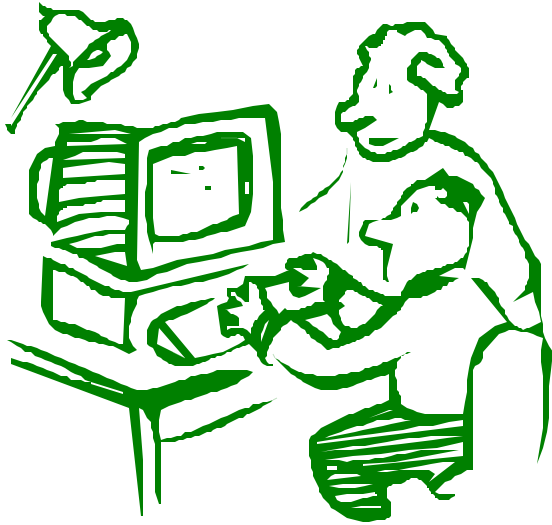
I realize this may sound like a way to increase sales on these items, and to be honest, I hope it does. But if we can increase sales and keep people safer to boot, that's a double bonus. Thanks,
Dale.

**"If
there's a
way to do
it better...
find it."
Thomas
A. Edison**



A Better Way

The winning suggestion this month comes from Connie Dockter of Headquarters. Connie suggests we trim costs by switching to a two-window envelope for accounts payable rather than a separate one each for Hedahls, BENCO, NEMAC, and Main Street Tire. Our company name will show through the second window, still clearly identifying the sender. That's \$100 to Connie. Please send your suggestions to Larry Lysengen at Headquarters. If we implement the suggestion and you're picked in the drawing, you'll win \$100 too.



Selling Connectivity

Many of you already know this, but it still needs mentioning from time to time.

If you have a customer that would like to get electronically connected to your store, we have the solution.

In fact, we have a numbers of ways to connect:

1. We can put a Hedahl supplied terminal and modem in your customer's shop, which will give him the electronic catalog you have at the counter, plus the ability to access labor through the electronic Mitchell labor guide. This will also connect him to your inventory.
2. We are able to put a software program on the shop's PC called Accu-Term, that will enable the customer to electronically order parts from your store, just as the computer terminal does.
3. Service Estimator II can be installed on your customer's PC. This is a program that Hedahls sells that gives the ability to make professional looking service estimates. It also connects him to your inventory and allows him to electronically order parts from Hedahls.
4. Service Expert E-Z is a complete shop management software program sold by Hedahls that also gives your customer connectivity to Hedahls.

We can even sell a PC to the customer if necessary. When a Hedahls salesman goes into a customer's shop and sees a PC, the salesman should right away think that there is a very good possibility of getting that shop electronically connected to your store. The more connections at your store, the closer you are to a sale.

Our goal is to become our customer's partner in the repair of his customer's vehicles. The computer connection strengthens that partnership.

CALL PAUL

Injury prevention begins with you

Doing your job shouldn't hurt. It seems like common sense, yet many people find themselves doing tasks in a way that can actually cause pain or injury. We're familiar with on-the-job back injuries from incorrect lifting techniques, and nationwide we've seen a campaign to help educate people about proper lifting. This increased awareness and enforcement of safe lifting guidelines has actually decreased the number of back injuries on the job. We need to put the same sort of awareness and prevention efforts into preventing other injuries too.

Other factors causing pain or injury on the job include repetition, force, awkward posture and contact stress. But you can minimize the risk to yourself in a number of ways. Take short, frequent breaks from repetitive actions. Alternate tasks to give your actions variety. Train yourself to stretch out stressed muscles regularly, especially in your wrists, arms, neck, and back.

Physical conditioning can also help. The main thing is to be aware of your body. If you don't fit your work station, speak to your manager about making your work station fit you. It can be done. They've even got a name for it: "ergonomics." And the people at the left? Why, they're stretching and conditioning, of course. On the job!

