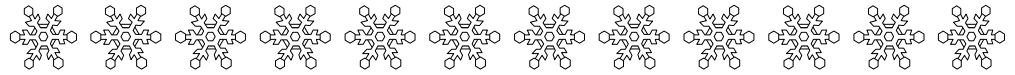


Hedahls Headlines

EMPLOYEE NEWSLETTER

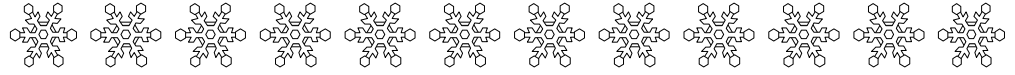
January 2002
Volume 10
Number 4



Anniversaries & a New Employee

We have two multiple-of-five employment anniversaries this month: on January 6, **Gary Zundel** of Aberdeen celebrates five years, and on January 20, **Dan Schreck** of Main Street Tire celebrates 20 years. Congratulations, guys!

We also have one new, returning employee: **Bonnie Olds** is back with our Detroit Lakes store, working at the counter.



HEDAHL'S PARTS PLUS



Monster Truck Show Contest Shows Off New Signs

Maybe you've already heard the ads on the radio—they've been running since December 12—but next Friday, January 11, Hedahls is sponsoring the halftime entertainment at the Monster Truck Show at the Bismarck Civic Center. The main event at halftime will be the Tire Roll-Off Contest, complete with prizes for the winners. The first three places will win Hedahls gift certificates—\$150 for first, \$75 for second and \$50 for third.

Ten people have a chance at the Roll-Off. Our customers have been registering in our Bismarck, Mandan, Beulah, and Linton stores. But people have also been able to register on-air with a call in to Anderson Broadcasting who is sponsoring the truck show on January 11 and 12.

The event will also serve as the official debut of the Hedahls PartsPlus logo for the Bismarck-Mandan area. The signs are up in Redfield and our new South Dakota stores and are coming soon to Aberdeen. Our other stores will follow.

Exciting Inventory News

Almost every time I walk into a store, I hear "How come we don't have more @?!@^%#&!&#((# inventory?"

I always answer that question with this question. "Are you recording lost sales, and when you notice something you really need to stock, do you fill out an inventory update form and send it to Larry Bosch?"

If the answer is yes, then we can continue to talk about specifics.

If the answer is no, my next question is, "Why not?"

In spite of what some of you think, I can guarantee you that lost sales get looked at, and in fact store managers have the capability to run lost sales reports right at their store.

If Larry Bosch gets the information on what you need, he takes care of it. He looks at lost sales reports constantly and makes inventory adjustments.

Quick Refresher on the Lost Sale Procedures:

- Go to the P1 Screen from the **ACT?** line of the Invoice Screen
- at **(M)aint** type LO, hit ENTER
- at **Which location ?** Type in your location number
- at **Enter Qty** enter the amount lost
- **End** to go back to the invoice screen

Simple and effective. So if good usable inventory interests you, use the Lost Sales feature on our computer.

But now for the latest and greatest inventory news in years...

We now have combined all sales for all stores into one inventory calculation for the entire company, and we calculate movement codes based on the sales of that part over the entire company. Think about it. We have approximately 450,000 part numbers in our system. And by using the combined sales of the entire company, Larry, Bill & Rich will be able to easily look at a part number's movement code based on sales for the entire company. It will allow us to more accurately classify our inventory.

It'll work like this... 

This is the inventory ranking system used by the large competitors in our market. When that little store down the street has a part on the shelf that you do not, it is likely that their ranking system was more accurate. Not any more. Now **Hedahls Has It!**

This system is in place and on your parts screens in the "MFG Movement Codes" section.

We will also be calculating your own store movement codes on all parts you sell using the same formula. Some parts will be higher ranked in your store than the company average, while others will be lower. The new system takes advantage of our large size and gives us a more statistically valid movement code ranking system by combining all of our sales to calculate the MFG Movement Codes.

New parts will be given a ranking of "**N**," apart from this system, until they have been in our system for 180 days.

MarketPace is another tool Larry Bosch will have to help him set your inventory. MarketPace uses local vehicle registration numbers to predict what parts will be needed by your customers. It will be installed on our system in January.

Combine these powerful new tools with lost sales reports and inventory update reports to Larry Bosch and Hedahls has a win-win inventory program.

Larry Lysengen told me he was at the Detroit Lakes store the other day and a couple of the customers told him we had the best inventory in town.....It's working. Thanks, Dale

Code 1 — 64 or more sales a year for all stores. That is an average of **4 sales** per store per year.

Code 2 — 63 to 48 sales a year for all stores. That is an average of **3 sales** per store per year.

Code 3 — 47 to 32 sales a year for all stores. That is an average of **2 sales** per store per year.

Code 4 — 31 to 16 sales a year for all stores. That is an average of **1 sale** per store per year.

Code 5 — 15 to 8 sales a year for all stores. That is an average of **1/2 of one unit** of sales per store per year.

Code 6 — 7 to 4 sales a year for all stores. That is an average of **1/4 of one unit** of sales per store per year.

Code 7 — 2 to 3 sales a year for all stores. That is an average of **1/8 of one unit** of sales per store per year.

Code 8 — 1 sale a year for all stores. That is an average of less than **1/8 of one unit** of sales per store per year.

Code 9 — **0 sales** a year for all stores.

Code X — **negative** sales.



SALES TOOLS

IDEAS FOR BETTER SELLING:

**“In order to
succeed, we
must first
believe that
we can.”
Michael Korda**

Changing Technology: It's Everywhere

This is the type of story that most people would be embarrassed to tell, but I figure we could all learn something from it, and I thought you would get a laugh out of it.

A couple weeks before Christmas, I sold the wood burning stove that was in my garage and replaced it with a new vent free propane heater. I bought a new 40 pound propane bottle and had it filled. I followed the instructions to the tee when I installed the heater.

I got everything hooked up and tried again and again to light it and nothing. I unhooked the hose at the propane bottle and opened the valve on the bottle and nothing came out. Hmm, must be a bad valve, so I took the 20 pound bottle off my barbecue grill and tried it, nothing. I unhooked the hose and opened the bottle and nothing came out.

I've done this before, and I know that when you open that valve, propane should come out, hmmm. Must be a defective valve so I did what any red-blooded handyman would do, I tapped on both valves with a hammer and worked them back and forth and still nothing.

I put them both in my vehicle and took them to Cenex where I always have my bottles filled. Now you have to remember, it's late Saturday afternoon so the only thing open is the convenience store. The lady there knew nothing about propane so she called the manager, and he told her to give me a new full bottle for my full bottle and to bring the

other one in on Monday to have it repaired. Well, as luck would have it, they had no full 40 pound bottles. So I took both bottles and head home. Now as I was driving home I remembered that propane is a fluorocarbon just like R12 freon and destroys the ozone layer. It's for that reason that a couple of years ago we all had to buy new propane bottles with built in safety devices built in which makes it impossible to open the bottle and expel propane into the air, duhhhhhh.

Have you figured it out yet? Both of the bottles I tried are the new style so when I unhooked the hose and opened the bottles they did exactly what they were supposed to do, nothing. I thought about it for awhile and realized that the reason my new propane heater wouldn't light right away was because there was air in the system that I needed to bleed out.

I hooked up the 40 pound propane bottle to the heater, turned it on and held down the pilot light switch for about a minute which got rid of all the air, then I lit the stove and it works great. I put the 20 pound bottle back on the grill and lit it as well.

Once I figured it all out I thought it was funny and had a good laugh. What can we learn from it and how does it apply to the auto parts business. I can answer that in one sentence. "Keep up with technology or you won't be able to help your customers and you'll eventually feel like a fool." Thanks, Dale

The Hedahls National Sales Meeting
Friday and Saturday — January 18-19
at the Kelly Inn in Bismarck

Saving Key Strokes



**CALL
PAUL**

Certain function keys on your terminal keyboard have been pre-set for everyone. They are listed in the box at the bottom corner of this page (easily clipped out for handy reference too).

Most of you are aware of these. If there are one or several function keys you weren't aware of, this could save you many keystrokes during the day by getting to know the pre-set keys. Some stores have pre-sets for the writer field on the point-of-sale screen. The fields F11 through F14 can be used and can be programmed by Paul at Headquarters with your store's writer codes. If this is something you want, **just call Paul.**

Award-Winning Christmas Display

Talk about Holiday traditions. It seems the Tire Co. has once again taken top honors in the non-product display division of the Bismarck Downtown Business Associations Window Decorating Contest. This marks the sixth time in the seven years the contest has been held that the Tire Co.'s display has taken first place (the other year, we took second). Many downtown businesses compete in the contest each year, either in the non-product division or in the product division with a display that makes use of some of the business's merchandise or products.



This year's theme was "God Bless America" and the display featured "Uncle Sam Claus" with patriotically adorned stars and reindeer, set against a backdrop of an American flag with candy cane stripes. As they have for many years, members of the St. Mary's Central High Art Club created the showroom display.

- F1 = End
- F2 = Quick Release Invoice
- F3 = Quick release Invoice to your shipping printer if you have one. This would only affect Bismarck, Detroit Lakes and Aberdeen.
- F4 = New Cash Sale. When you want to start a new invoice and it is a cash sale, just hit this function key and it will get you started.
- F5 = PartExpert
- F9 = Uni-Select Inquiry. This will work when you are at the action prompt in point-of-sale.
- F15 = DEL or delete. Use at "change which line" to delete an order or invoice.

This Month's Good Idea

This month's winning suggestion comes from Don Gross at NEMAC Warehouse. Don realized that shipping engines often involved guessing at the weight, and usually the guesstimations were heavy. This meant that we were paying too much for freight. He suggested we make up a list of engines and their weights and have these available for reference at each of the stores.

By now all the store shipping departments should have a chart of engine weights. Please refer to this chart when you are shipping engines to get an accurate weight.

Good thinking, Don and congratulations on the \$100.

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.

