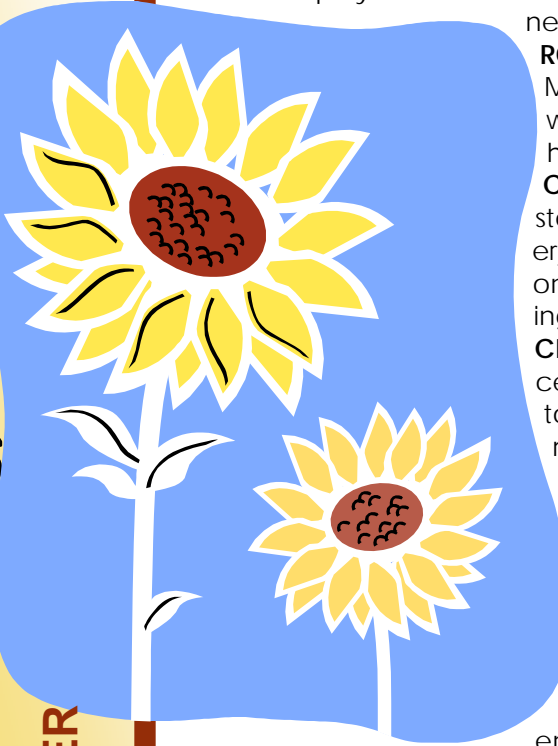


August 2005
Volume 13
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Headahls Headlines

EMPLOYEE NEWSLETTER



New Employees

No multiple-of-five work anniversaries this month, but we have seven new employees and a correction from last month. Please welcome the new employees and the new information.

RON OKLAND – Ron is new on delivery in our Minot store. From Watford City, he is married with two daughters and one son. Ron enjoys history, photography, and playing golf.

CHARLES BEADLE – Charlie is new in our Beulah store, working shipping and receiving and delivery. Originally from Louisiana, he is married with one son. Charlie enjoys fishing, hunting, camping, and other sports.

CHRISTA KUNTZ – Chris is new in shipping and receiving in our Bismarck store. Originally from Linton, ND, she has one son. Chris enjoys horses, motorcycles, and playing softball.

GARRETT HEISINGER – Garret, also known as George, is a new machinist in our Millbank store. From Parkston, SD, he has one sister and two brothers. George enjoys hunting, fishing, building model cars, and paintballing.

THOMAS ROUSU – Tom is new on delivery in our Detroit Lakes store. Originally from Callaway, MN, he is married with three sons. Tom enjoys hunting and trapping.

KRYSTLE ZENKER – Krystle is new on delivery for our Bismarck store. Originally from Carson, she has three brothers. Krystle enjoys being outdoors and spending time at the lake.

STACY LICKFELT – Stacy is new on delivery for our Aberdeen store. From Aberdeen, she has one son and one daughter and eight brothers. Stacy enjoys bicycling and fishing with her kids.

The correction from last month is on **Loretta Martinsen** of our Garrison store. We gave Loretta credit for more children and fewer grandchildren than she has. She actually has two daughters, three granddaughters, and three grandsons. Sorry about that, Loretta.

Main Street Tire needs tire techs for their shop.

If you know someone who might be interested, please have them contact

Dan Schreck

at Main Street Tire.

Special Investment Meetings

The two informational meetings on investing scheduled for July were postponed until September. Dan Delianedis from American Funds will be giving a presentation on investments at each of these sessions. All employees and spouses are welcome, but the meetings are optional.

- Wednesday, September 7 at 7:30 p.m. – Ramkota in Bismarck
- Thursday, September 8 at 7:00 p.m. – Ramkota in Aberdeen

Promotion

There's an old joke in business (and a vexing conundrum for those in marketing and advertising) where the executive says, "I know that half of my advertising isn't doing me any good at all – I just wish I knew which half!"

Advertising is a tricky thing. It's tough to know the kind of promotion that will resonate with customers. We've all had the experience of remembering a clever ad without being able to remember what the ad was promoting. That's not very effective advertising. But the reality is that in order to stay in business, any company needs to promote, promote, promote, and hope that the message gets through to the right people.

Our marketing department, managers, and sales staff wrestle with this problem every day, trying to predict the kind of promotions and products that will be effective with customers. It takes creativity, foresight, nerve, and some good guessing.

We're trying a variety of different promotions this summer. Currently, we're running radio spots in North Dakota and South Dakota and cable TV ads in North Dakota. We've also participated in some radio live remotes in Detroit Lakes and Milbank. And on the next page, you can read about the open house we had at our Sisseton store on July 14.

Our Milbank store based some of their recent promotions on Milbank's celebration commemorating 125 years as a town. Their advertising included a brief historical overview of the store, along with the history and features of the Sturdy Engines they specialize in for racing.

Main Street Tire has been running a series of radio ads over the last year, with Manager Dan Schreck doing the voiceovers. The first several ads emphasized safety issues related to tires and ride control. This year's series focused on the quality and availability of products at Main Street Tire. Inspired by the number of customers who have commented on the flower garden Dan maintains around the sign in front of the store, Dan featured his flowers in an ad about typical tire needs of summer, like those for boat trailers, ATVs, and lawn and garden equipment. The ad encourages listeners to stop by the tire shop with the flowers out front and "get tired up for summer."

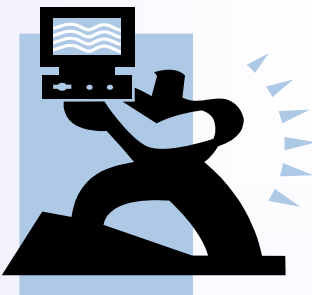
That's Dan pictured at right, posing with his flowers in a shot Dick Hedahl took just a few weeks after Bismarck-Mandan was hit by severe hailstorms. For those of you wondering, Dan says his flowers were beaten nearly into submission by the hail, but most of them are bouncing back nicely.

A Good Slogan Bears Repeating

Part of effective marketing and advertising comes from repetition, to create a consistent message that will be remembered. That's why slogans can be so effective, especially when they are used in a variety of media. Everyone at the parts stores is asked to answer the phone with "Hedahls has it," with the hope that the slogan will become as closely associated with Hedahls as "Just do it" is with Nike. Dick Hedahl reports he called our new Minot store on July 1 and Kevin Lawson answered. Dick was impressed when Kevin, on the first day as a Hedahls store, remembered to say "Hedahls" instead of "Mann's." Later that day, probably during a busy time, one store answered "Ma—Hedahls." But now all the new stores are using our standard greeting: "Hedahls has it."



Call Paul



Bids to the Report Printer:

We have talked about this before, but just recently I had a call from a store that was trying to use the Dxx option at "Change which line?" so the bid would print on the report printer. The xx stands for your report printer number, and you must use two digits. So if you want to print to printer 7, for example, you would need to use D07 at "Change which line?"

Charging Freight on an Invoice:

When a customer needs to be billed for freight on an invoice, the charge should be entered in the "Freight" area on the second screen of the invoice. It is important to use this procedure so that the freight charge is recorded as freight on our computer and not as an inventory item. **Do not** use the MIS or other codes to charge freight since the computer recognizes these as inventory items and not freight.

Here is how to charge freight on an invoice:

- On the invoice screen, enter the parts you are invoicing. You may want to enter a comment line to explain what item on this invoice is being billed for the freight charge.
- When you're done at "Change which line?" at the bottom of the screen, enter the letter I and you will go to the next screen.
- On this screen, you will notice that field #3 is for freight. Here is where you enter the freight amount.
- At the bottom of this screen, you will enter the letter I to complete this invoice.

ASE Test Results

First-Time Finishers

Travis Ketterling – Mandan
Randy Radke – Sidney
Aaron McCleery -- Sisseton

Repeat Finishers

Mike Laib – Bismarck
Jason Teske – Bismarck
Michael Bender – Glendive
Duane Bieber – Sidney
Wes Herniman – Sisseton

Congratulations to you all!

Over the years, Hedahls has had 159 employees who have passed a total of 445 tests. Thanks for your continued efforts to remain the most professional and well-informed automotive people in the region. Remember, if you pass an ASE test, you have to send your results to Dee Person at Headquarters to qualify for the bonus.

If you have questions about the Hedahls ASE program, call Dick Hedahl at Headquarters or talk to your manager.

Open House in Sisseton

On Thursday July 14, we held a customer appreciation day at the Sisseton, SD store. Wes, Aaron, Lori, and Jason put on a good feed of barbecue beef, chips, and pop for about 200 customers as the temperatures soared into the high 90s.

We also had a lot of help from our rep friends. Randy Albaugh from BENCO was there. He set up a hoist in the parking lot, and we put a Hedahls Van up in the air. Man, what an attention-getter! And it sells hoists. Also helping was Randy Petrilli, VP of Sales at KTI Tools, Randy delivered the KTI truck all the way from Dallas, TX to Sisseton, SD. Al Lunde with Ridley Blair and Associates, Doug Froehlich from Standard Motor Products, Terry Bilyeu from Retech Manufacturing, Dawn Degen from Tenneco, Jim VanErem with Hastings Filters, Chip Davis A-1 Cardone, Gary Arth from Action Auto and Al Skarpal with Dupont were all there. It was a great day and fun was had by all. Thanks, Dale

SALES TOOLS

IDEAS
FOR
BETTER
SELLING:



Reimbursement

Remember, you have until August 25 to claim money in last year's reimbursement account for expenses incurred between July 1, 2004 and June 30, 2005.

Lifestyle Analysis and Worksite Wellness

Many of you took part in a lifestyle survey collected by the University of North Dakota. In fact, 113 employees and spouses participated, answering questions that would create a profile of their health. Responses were analyzed by healthcare professionals at UND, and they were able to develop individualized recommendations for each person. This survey and accompanying analysis was sponsored and paid for by Headquarters as another way of promoting wellness for our employees and their families. We received a list of those who participated, but we received no report on individual results.

We have two things to tell you about that survey. First, all participants were entered into a drawing to win a flat panel computer monitor, and the winner is Brenda Sicble, wife of Bob Sicble of BENCO. Congratulations, Brenda.

Second, all of you who participated should have recently received your personalized analysis from UND, including the advice they have for the best chance of improving your wellness and fitness. Our advice to you: follow UND's advice!

Screening Tests

A key component of our employee wellness plan is awareness and prevention. That's why from time to time we include newsletter articles about healthy lifestyle choices, like diet, exercise, and safety. It's also why we encourage all employees and spouses to have periodic health exams, including cholesterol, blood sugar, blood pressure, and cancer screenings. In fact, we'll pay you to have these health factors tested. Many serious health problems can be prevented or more easily treated when detected early.

Have your cholesterol, blood sugar, or blood pressure checked or have one of several cancer screening tests, and you qualify for up to \$100 yearly—up to \$200 if your spouse participates too. Remember too that we don't need to know the results of the tests—just that you had them done. An easy way to accomplish this is to have the nurse write down on a prescription sheet what test was performed and date and sign it. Then turn that sheet in to Darlene Birney at Headquarters.

During the 2004-2005 plan year, 47 employees received payment because of health screening tests for themselves or their spouses. Employees or their spouses had a total of 282 qualifying tests during the year (148 for employees and 134 for spouses). That all sounds pretty good until you realize that the numbers are down from last year and that we had 168 employees during that time period: 47 out of 168 isn't too impressive.

Congratulations to all who took advantage of this program. Now start making plans to get your health screening tests done during the 2005-2006 plan year.

Safety First: Sun & Heat

Sometimes it feels like we wait most of the year for the heat and sun of summer, and once summer arrives, it seems like we can't get enough of it. But of course we can get too much sun and too much heat, with serious consequences. According to the publication of the North Dakota Safety Council, during hot weather, you need to protect yourself from skin damage, heat stroke, heat exhaustion, heat cramps, and heat rash. Whether you are working or playing this summer, protect yourself and your family by following this advice:

- Wear a hat to keep the sun off your head, face, neck, and ears. Remember baseball caps only shade your face.
- Wear light-colored, loose-fitting (except around machinery) clothing to cover arms and legs.
- Wear sunscreen with an SPF of at least 15.
- Have access to water and drink water frequently.
- Take shade breaks or breaks in a cool environment during the hottest times of the day.
- Adjust gradually to working in the heat over a few weeks.
- Treat anyone with heat exhaustion or heat stroke promptly, moving him or her to a cool environment, offering sips of water if conscious, and securing attention from emergency medical personnel.

