NAPA Outlook

VOL. 14 NO. 3

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- **Help for the Stranded Motorist**

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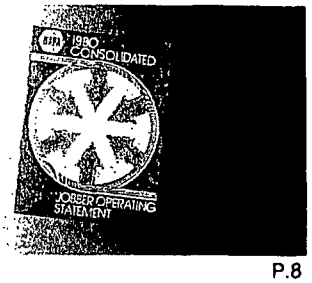
In order to plan for your own business future, you must first be aware of what the future holds for your dealer customers. Here's a look at some of the trends already apparent which will have a significant impact on the future of the full-service station and independent garage.



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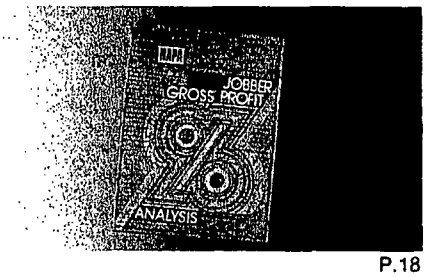

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Concentrating sales efforts on low gross profit lines is a common mistake that can lower your overall gross profit. By showing the profit levels that can be realized selling at various suggested price levels, the NAPA Jobber Gross Profit Analysis shows you which product lines to direct selling efforts toward for the greatest profit potential.



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Items of interest to NAPA and its people.

NAPA OUTLOOK VOL. 14 NO. 3

Chris McLean, Editor & Director of Communications

Published periodically in the interest of NAPA Jobbers, Distribution Centers and Manufacturers across the nation. When notifying us on a change of address, please mention NAPA *OUTLOOK* and give us the old address along with the new address and zip code.

Litho in U.S.A.

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Reel In Extra Profits

Beginning immediately and lasting through September 30, 1981, Mac's is offering a special mix or match case promotion on the following two products.

Valve Tune (5700)

Spray Degreasing Compound (6200)



Be sure to check with your Mac's Sales Representative or Distribution Center Sales Manager for additional promotion details on Valve Tune and Spray Degreasing Compound, and how you can receive the truly new fishing invention of the century—a Pocket Fisherman Spin Casting Outfit.

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Mac's

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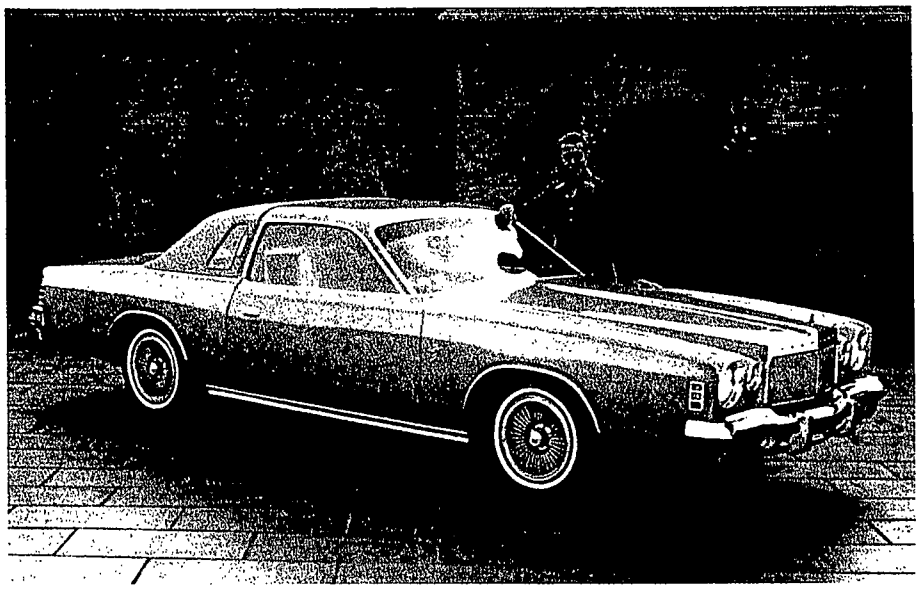
WORKING TOGETHER FOR A PROSPEROUS FUTURE . . .

YOU AND THE SERVICE STATION



New in 1974, this car is now 6.4 years old, and represents the average age of our national vehicle fleet. This growing average age provides a rising demand for parts and service.

Every parts store manager with a sizeable traditional customer base knows the following rule rings true: the success of your store depends largely upon the success of your dealer customers. So in order to plan for your own business future, you must first be aware of what the future holds for your traditional dealer customers; then, you must work with them — and *for* them — to help them be as successful as they can.

There are a number of trends already apparent which will have a major impact on the service station and independent garage business over the next few years:

1. As the growth rate of our national vehicle fleet is slowing, the age of the average vehicle in operation is going up. Currently 6.4 years, the age of the average vehicle is at its highest since the early 1950's — which is a positive indicator of a rising need for service repair work on this large population of older vehicles.
2. As car technology is becoming increasingly complicated, so too are the knowledge, skills and equipment needed to service these newer vehicles.
3. Although for a while increasing energy costs caused a reduction in the number of overall vehicle miles traveled, two factors are currently promising to reverse this trend: OPEC's recent decision to put a freeze on oil prices (at least until the end of this year), and; the fuel economy improvements being realized in the production of new cars. At present, the number of miles being driven in most parts of the country are either holding steady, or in some areas, are even increasing.
4. As people are postponing buying new cars due to our sluggish economy, it has been predicted that as many as 1600 new car dealerships may close by the end of 1981 — equaling the number that 1980 saw fold.

". . . the success of your store depends largely upon the success of your dealer customers."

This sharp decline in the number of new car dealerships, combined with increasing service demands due to an older vehicle population and potential increases in the number of miles driven, is creating a virtual service vacuum that will have to be filled by others in the service industry — primarily specialty shops, independent garages and service stations. So let's take a look at the status of each . . .

The number of specialty shops is growing by leaps and bounds. On top of this, many specialty shops already in existence are expanding their services to capitalize on as much of the business as possible. Certain muffler chains, for example, have already expanded and are now offering shock absorber replacement and brake service in addition to their muffler specialty work.

Although difficult to determine, it appears that the number of independent garages has been holding relatively steady, with approximately 16-18% of the service repair market. As more and more of the potential service work opens up, however, don't be surprised to see many new garages opening their doors to welcome the new business.

Over the past few years, the number of service stations has declined dramatically. Today, however, we may well be entering a "renaissance" period for the full service gas station, helping fulfill today's service repair requirements. The major oil companies (always quick to spot a potential profit) have already begun their rediscovery of the full service station; Shell's AutoCare program has been joined by Arco, Exxon, Chevron, Texaco and Amoco.

All of this potential repair business adds up to a tremendous opportunity for your traditional dealer customers — provided they start planning and making the right decisions *now*.

To compete successfully with

& GARAGE BUSINESS

the many others vying for the service repair business, your dealer customers will have to improve their marketing ability and actively go after more of the parts and service business. They will have to not only maintain, but *improve*, their ability to give fast, competitively priced, quality service. In order to do this, they will have to make several necessary investments.

First of all, sizeable investments in equipment will be a must to ensure an operation's ability to service today's more complex vehicle fleet. What's more, with today's high cost of labor, a repair shop operator will have to increase the productivity of his employees. One of the only ways to do this in light of the increased use of electronics and advanced technology in today's cars is through the use of special tools and equipment designed to make diagnosis and repair as fast, simple and accurate as possible.

However, regardless of what is purchased or leased in terms of advanced new equipment, tools and service techniques, there is still no substitute for well-trained, skilled repair technicians.

"Currently, the ratio of vehicles to mechanics is over 250 to 1. That ratio should really be cut in half to achieve the kinds of maintenance we really need," says Ronald Weiner, president of the Automotive Information Council. "Studies indicate that the job market could absorb 270,000 *properly-trained* mechanics in the next few years." In other words, in order to operate a successful repair garage over the coming years, there is a strong need for investments in the area of technical skill development.

Here, you as an NAPA Jobber have a tremendous opportunity to help your dealer customers. Nobody is in a better position than you to step in and fill a real need for service stations and independent garages. How? By offering technical training clinics. You know your dealers *and* you have the contacts with your NAPA Manufacturers who can supply your customers with this needed technical training. Remember — your success depends on the success of your customers; all of the efforts that you put into training and developing their repair capabilities will pay for you in terms of increased business.

Another way you can help your dealer customers increase their future share of the repair business is to help them improve their image with the consumer. And a perfect framework for assisting in this customer image development is the NIASE mechanic certification program.

NIASE certification is the most meaningful and most universally accepted credential attainable by mechanics. For your dealer customers, NIASE certification makes the motoring public aware of their mechanics' dedication to professional, quality service. For you as a parts jobber, assisting your dealer customers in becoming NIASE certified means: more sales, as competent mechanics turn out more work and generate more parts business, and; better customer relations, for working with your customers in all aspects of their business helps build a solid relationship and increases their loyalty.

So to really help your dealer customers prepare for the potentially profitable years ahead — *and* to differentiate your NAPA Parts Store from the competition — help them make the right decisions now. Promoting NIASE certification and offering NIASE-oriented technical clinics with the assistance of your NAPA Manufacturers are two of the best, most effective efforts you can undertake to ensure a successful, mutually prosperous future for both you and your service station and garage customers.

3 REAL-WORLD REASONS WHY A PARTS JOBBER SHOULD PROMOTE NIASE MECHANIC CERTIFICATION

- Government is more than anxious to step in and license mechanics if voluntary certification does not do the job, or if participation lags.
- Competent mechanics turn out more work and generate more parts business.
- Working with your customers in all aspects of their business helps to build a solid relationship and increases their loyalty.

KEEP WATCHING THE STORE . . . BUT LOOK OUT FOR YOUR CUSTOMERS' NEEDS TOO!
GET 'EM CERTIFIED!

Please send us a complimentary copy of the NIASE Jobber Kit, which includes suggestions on how we can promote NIASE certification.

NAME _____

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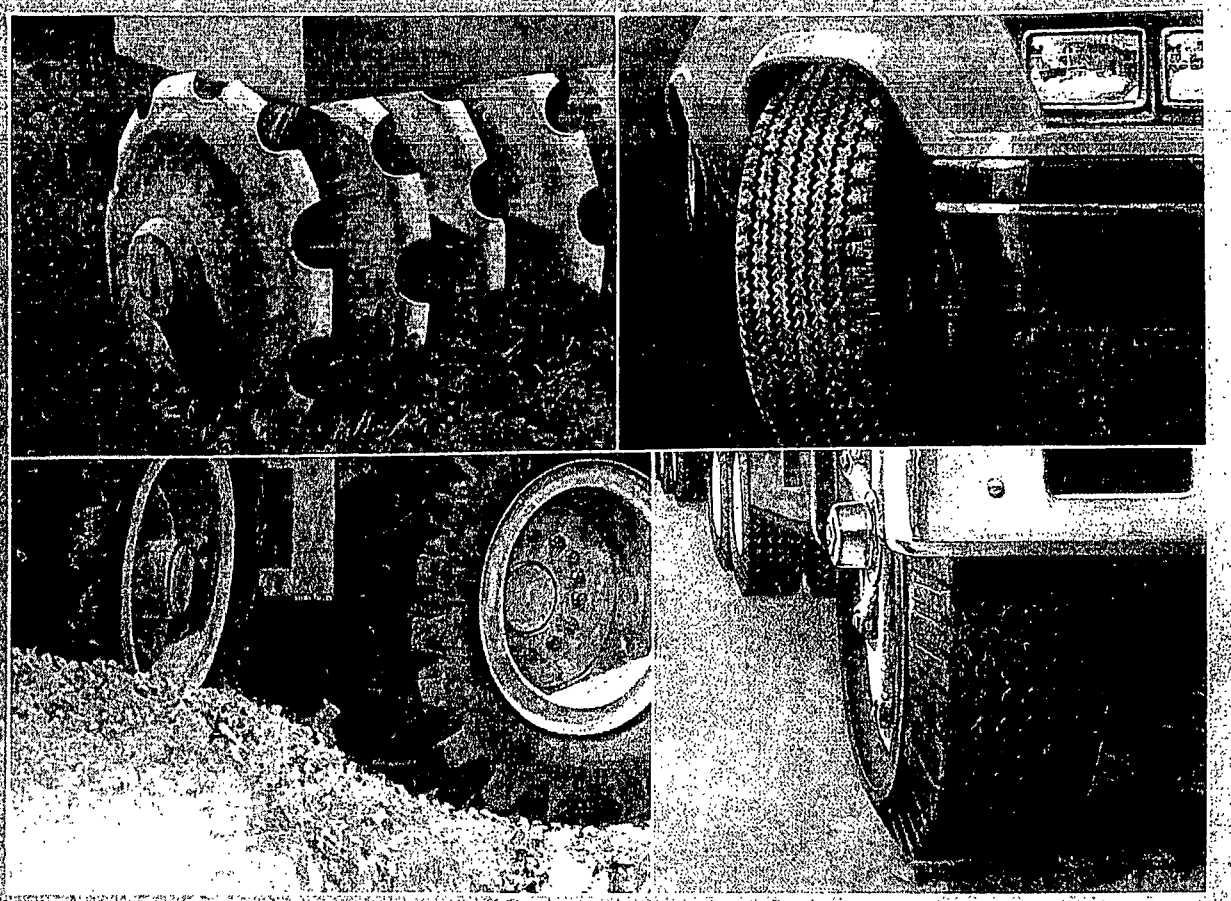

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REDUCING OPERATING COSTS

Increasing profits through cost reduction must be based on the concept of an organized, planned program. Unless adequate records are maintained through a proper accounting system, there can be no basis for ascertaining and analyzing costs.

Cost reduction is *not* simply attempting to slash any and all expenses unmethodically. The owner-manager must understand the nature of his expenses and how his expenses interrelate with sales, inventories, cost of goods sold, gross profits and net profits.

Cost reduction does not mean only the reduction of specific expenses. You can achieve greater profits through more efficient use of the expense dollar. Some of the ways you do this are by increasing the average sales per customer; by effectively using display space and thereby increasing sales volume per square foot; by getting a larger return for your advertising and sales promotion dollar; and by improving your internal methods and procedures.

Profit is in danger, however, when good merchandising and cost control do not go hand in hand. A big sales volume does not necessarily mean a big profit. A large and increasing sales volume often creates the appearance of prosperity while behind-the-scene expenses are eating up the profit.

PAYING THE RIGHT PRICE

Your goal should be to pay the right price for prosperity. Determining that price for your operation goes beyond knowing what your expenses are. Reducing expenses to increase profit requires you to obtain the most efficient use of the expense dollar.

Look, for example, at the payroll expense. Sales people are paid to sell and their productivity is the key to reducing the payroll cost.

If you train a salesperson to make multiple sales at higher unit prices, you increase his productivity and your profits without adding dollars to your payroll expense. Or if four sales people can be trained to sell the amount previously sold by seven, the payroll can be cut by three persons.

An understanding of the worth of each expense item comes from the manager's experience and an analysis of his records. Adequate records tell what has happened. Their analysis provides facts which can help you set realistic cost and profit goals. When you attain these goals, you are paying the right price for your store's prosperity.

ANALYZE YOUR EXPENSES

Sometimes you cannot cut an expense item. But you can get more use from it and thus increase your profits. In analyzing your expenses, you should use percentages rather than actual dollar amounts.

For example, if you increase sales and keep the dollar amount of an expense the same, you have decreased that expense as a percentage of sales. When you decrease your cost percentage, you increase your percentage of profit.

On the other hand, if your sales volume remains the same, you can increase the percentage of profit by reducing a specific item of expense. Your goal, of course, is to do both: to decrease specific expenses and increase their productive worth at the same time.

Before you can determine whether cutting expenses will increase profits, you need information about your operation. This information can be obtained only if you have an adequate recordkeeping system. Such records will provide the figures to prepare a profit and loss statement (preferably monthly), a budget, break-even calculations and evaluations of your operating ratios compared with those of similar types of business.

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	A		B	
	BREAK-EVEN AMOUNT	PERCENT OF SALES	PROFIT AMOUNT	PERCENT OF SALES
Net Sales	$ 500,000	100	$ 600,000	100
Cost of Sales	300,000	60	360,000	60
Gross Profit	$ 200,000	40	$ 240,000	40
Operating Expenses				
Fixed	$ 150,000	30	$ 150,000	25
Variable	50,000	10	60,000	10
TOTAL	$ 200,000	40	$ 210,000	35
Operating Profit	$ NONE	0	$ 30,000	5

BREAK-EVEN

A useful method for making expense comparisons is break-even analysis. Break-even is the point at which gross profit equals expenses. In a business year, it is the time at which your sales volume has become sufficient to enable your overall operations to start showing a profit. The two condensed profit and loss statements in the example on page 7 illustrate the point.

In statement A, the sales volume is at the break-even point and no profit is made. In statement B for the same store, the sales volume is beyond the break-even point and a profit is shown. In the two statements, the percentage factors are the same except for fixed expenses, total expenses and operating profit.

As shown in the example, once your sales volume reaches the break-even point, your fixed expenses are covered. Beyond the break-even point, every dollar of sales should earn you an equivalent additional profit percentage.

It is important to remember that once sales pass the break-even point, the fixed expenses percentage goes down as the sales volume goes up. Also, the operating profit percentage increases at the same rate as the percentage rate for fixed expenses decreases — provided, of course, that variable expenses are kept in line. In the illustration, fixed expenses in statement B decreased by 5 percent and operating profit increased by 5 percent.

LOCATING REDUCIBLE EXPENSES

Your profit and loss statement provides a summary of expense information and is the focal point in locating expenses that can be cut. Therefore, the information should be as current as possible. As a report of what has already been spent, a profit and loss statement alerts you to expense items that bear watching in the present business period. Ideally, you can get the most recent information from a monthly profit and loss statement.

For the most information, two profit and loss statements should be prepared. One statement should report the sales, expenses and the profit and/or losses of your operations cumulatively for the current business year to date. The other should report on the same items for the last complete month.

Each of the statements should also carry the following information:

1. this year's figures and each item as a percentage of sales;
2. last year's figures and the percentages;
3. the difference between last year and this year — over or under;
4. budgeted figures and the respective percentages;
5. the difference between this year and the budgeted figures — over or under;
6. average percentages for an NAPA Jobber; and . . .
7. the difference between your annual percentages and the industry ratios — over or under.

This information allows you to locate expense variation in three ways:

1. by comparing this year to last year;
2. by comparing expenses to your own budgeted figures; and . . .
3. by comparing your percentages to the operating ratios from the NAPA Consolidated Operating Statements.

The important basis for comparison is the percentage figure. It represents a common denominator for all three methods. When you have located the percentage variations, you should then study the dollar amounts to determine what kind of corrective action is needed.

Because your cost cutting will come largely from variable expenses, you should make sure that they are flagged on your profit and loss statements. Variable expenses are those which fluctuate with the increase or decrease of sales volume. Some of them are: advertising, delivery costs, supplies, sales salaries, commissions and payroll taxes. Fixed expenses are those which stay the same regardless of sales volume. Among these are: your salary, salaries for permanent non-selling employees (for example, the bookkeeping), depreciation, rent and utilities.

TAKING ACTION

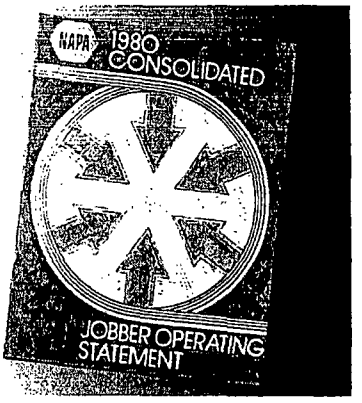
When you have located a problem expense area, the next step obviously is to reduce that cost so as to increase your profit. A key to the effectiveness of your cost-cutting action is the worth of the various expenditures.

As long as you know the worth of your expenditures, you can profit by making small improvements in expenses. Keep an open eye and an open mind. It is better to do a spot analysis once a month than to wait several months and then do a detailed study.

Take action as soon as possible. You can refine your cost-cutting action as you go along.

And perhaps most importantly, be persistent. Sometimes results may be slower than you might like. But keep in mind that only persistent analysis of your records and constant action can keep expenses from eating up your profits.

NAPA Consolidated Operating Statement

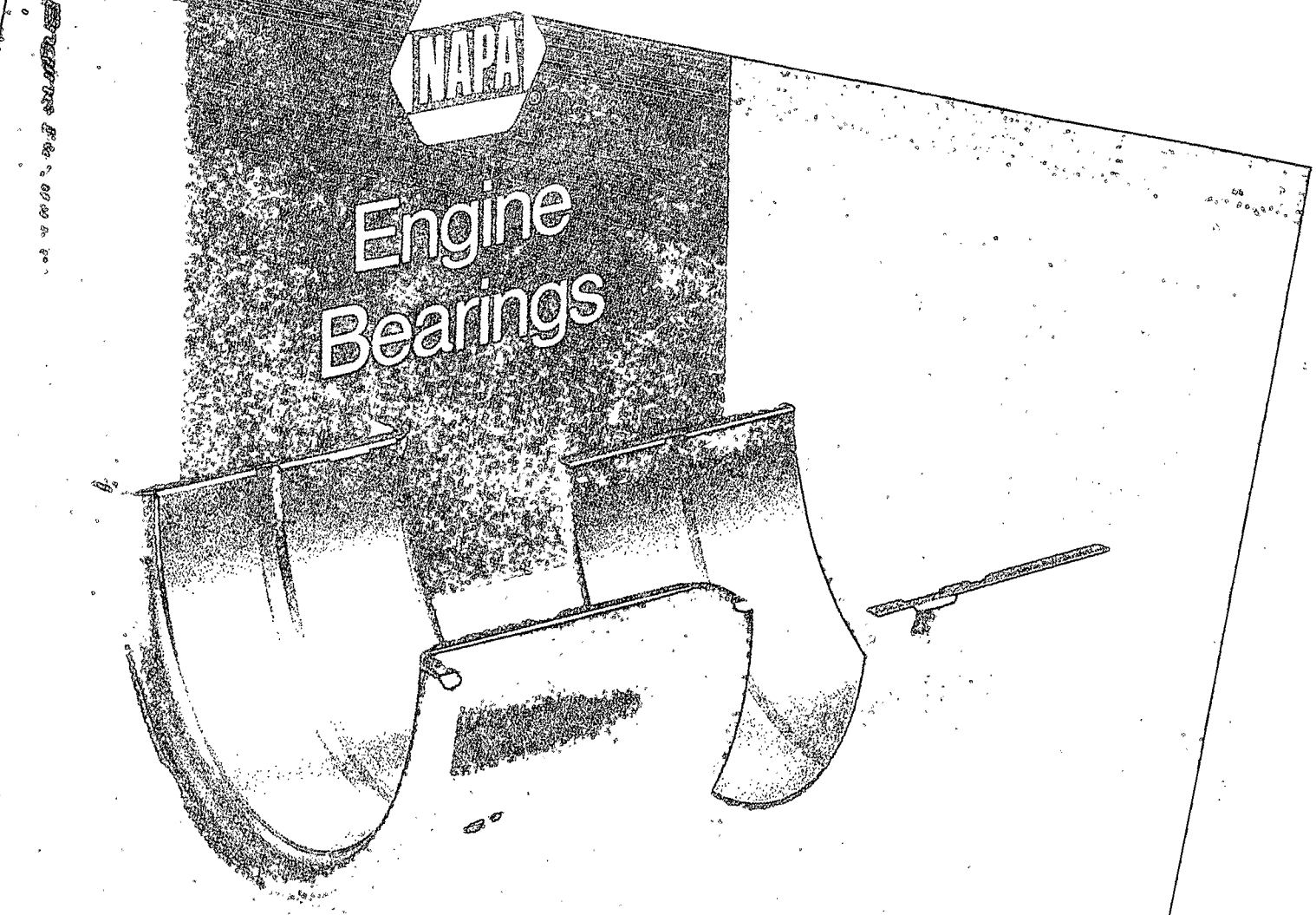


The NAPA Consolidated Operating Statement, available through your NAPA Distribution Center, is a vital information source that can be used to help determine the cost efficiency of your business operation.

The Consolidated Operating Statement combines the operating figures from hundreds of NAPA Jobbers across the country, providing you with a representative profile of the typical NAPA Jobber's operating results. This enables you to compare your own operation's results with the nationwide average.

Such information is required not only for locating expense variations in order to cut your operating costs, but also for making informed management decisions for planning your store's overall future financial course.

Take the time to compare this year's Consolidated Operating Statement with your own operating figures; there's no better time than right now to begin planning for the future success of your store.



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When the name is NAPA, the standard is quality.

YOUR IMPORTS' FUTURE FORECAST LOOKING GOOD

THE SIDE OF THE ROAD WILL BE

It's certainly not news that the import vehicle population in this country has been booming during the past decade. Imports now claim almost one quarter of the total U.S. new car registrations.

Last year, Japanese imports accounted for approximately two million new vehicle registrations out of a nationwide total of less than nine million. These Japanese imports have increased from almost four percent of the U.S. market in 1970 to over 21 percent in 1980, with an increase of more than 6 percent in 1980 alone!

What's more, all signs indicate that this phenomenal growth rate will continue for years to come. And for you, the NAPA Jobber, this increased import vehicle penetration in the U.S. means many, many new sales opportunities lie ahead.

Until now the replacement parts market for imported vehicles hasn't grown in the same proportion as have sales of these vehicles. But this is to be expected, as the average age of foreign vehicles in use in the U.S. is less than five years. And as we all know, the replacement parts market runs several years behind new vehicle sales — at first. However, as these vehicles become older and start to require more service work, the market for replacement parts catches up and blossoms quickly. Thus, as import car sales — and their ages — increase, the demand for replacement parts will grow in direct pro-



LITTERED WITH *FOREIGN* PARTS

portion and continue to do so. This, of course, presents you with a real selling opportunity over the next few years.

Presently, import car dealers claim about a 50 percent share of the total retail imports service parts market, as compared to only about 18 percent for the domestic auto dealer. This is because of the currently limited availability of service parts through other channels.

However, the dealers' share of the import parts market will decline as import vehicle parts become more readily available through traditional channels. And more and more parts are becoming more readily available, as foreign car makers are facing some real problems when it comes to effectively supplying replacement parts for their products. Long lines of supply, communications difficulties and a lack of experience are already hampering their efforts to build a viable replacement parts network in this country. Therefore, import car dealers in the U.S. feel they will be hard pressed to meet the growing demands by import car owners for replacement parts during the coming years, including the increasing consumer demand for O.E. quality replacement parts for their imported vehicles.

These very problems faced by the foreign car makers and dealers are exactly where your strengths and opportunities lie, for with NAPA you've got what it takes to

(continued on page 12)



IMPORTS FUTURE *(con't.)*

get your share — and then some! — of the expanding import car and truck aftermarket.

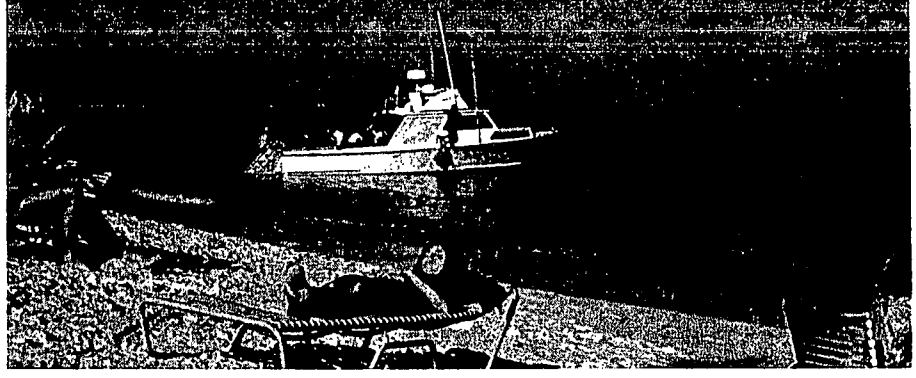
As a result of NAPA's domestically supplied import parts program, you have what the imports customers are looking for — and what the import dealers can't offer. Import owners are demanding O.E. quality replacement parts, and this is no problem for you. NAPA's imports program continues to provide the same level of quality in foreign car parts that has made NAPA the leader in the domestic replacement industry. Before any part, whether domestic or import, can wear the NAPA seal it must be "equal to or better than the original."

Additionally, when import owners need a replacement part, they want it fast! Again, no problem for you. With domestic suppliers for import parts, NAPA has the advantage of being able to make modifications and new product introductions faster and more cost effectively than foreign suppliers. What's more, you have the established distribution network of NAPA that the import car producers and their dealers don't have.

On top of all of this, you also have the tools you need to actively go after this huge growth area. The NAPA Imports Catalog contains maximum NAPA parts coverage for imports, with application data for thousands of NAPA import part numbers covering the most popular import models. The O.E.M. Import to NAPA Interchange Catalog lists in numerical sequence all the original equipment numbers for which NAPA has interchange parts for imports — and that's over 10,000 parts! For promoting your import parts coverage and availability, you have your NAPA Imports P.O.P. Kit, in addition to three brand new ad slicks for the import market just developed by NAPA and available through your NAPA Distribution Center.

How good is NAPA's imports program? The following article tells NAPA's imports story quite well . . .

GOOD ENOUGH TO STAND ON ITS OWN



***At one time or another, almost every American businessperson dreams of getting away from it all and setting up shop on some exotic island paradise. But would it really be possible to operate a successful NAPA parts business on such an island — especially when there are virtually no American-made cars on the island, and 900 miles of dark blue gulfstream water separate the supplier from the store? Believe it or not, the answer is* YES!**

In early 1980, Irving Pearman, managing director of Holmes, Williams & Purvey of Bermuda, began pondering the feasibility of opening an NAPA Parts Store to service the island's automotive needs. Last June, Pearman and HW&P associate Michael Plowman, accompanied by David ManningPress, HW&P's business consultant from England, ventured to Miami to confer with Ned Bell, president of the NAPA Miami Distribution Center concerning the potential of opening a store on the island. At this meeting, it was quickly determined that the service side of the story wouldn't present any problems, as the Miami Distribution Center could have parts to the Bermuda store every four days, as compared to a one-year estimate from other parts sources. But one important concern still remained: Could NAPA supply a market consisting of *no* U.S.-manufactured cars?

To determine the answer to this question, Bell and two very successful stateside NAPA Jobbers, Ted Arch and Ralph Warren, traveled to Bermuda to conduct a market study of the island. Following their efforts, Ken Manfredi, the NAPA Miami new store specialist, was called upon to confirm their findings. His results were affirmative: Yes, NAPA *could* supply an all-foreign car market, including many models that are not even imported into the United States. And so work began.

To help get the planning for the new store off the ground, NAPA Jobber Ralph Warren from Stuart, Florida volunteered his services — at no charge — for three months. And with Warren's ability for coordinating successful new store openings, matters quickly began to fall into place.

After the initial new store order was completed, the staff of HW&P located a 3,500 square foot building for their store in one of the highest traffic areas of Bermuda. Once the building was secured, 15 manufacturers' representatives and 8 Miami Distribution Center representatives were called in. Arriving on a Saturday morning, they immediately went to work to actively set up the new NAPA operation.

The new store, with its 3,500 square feet of space, enclosed 65 sections of stockroom bins and a

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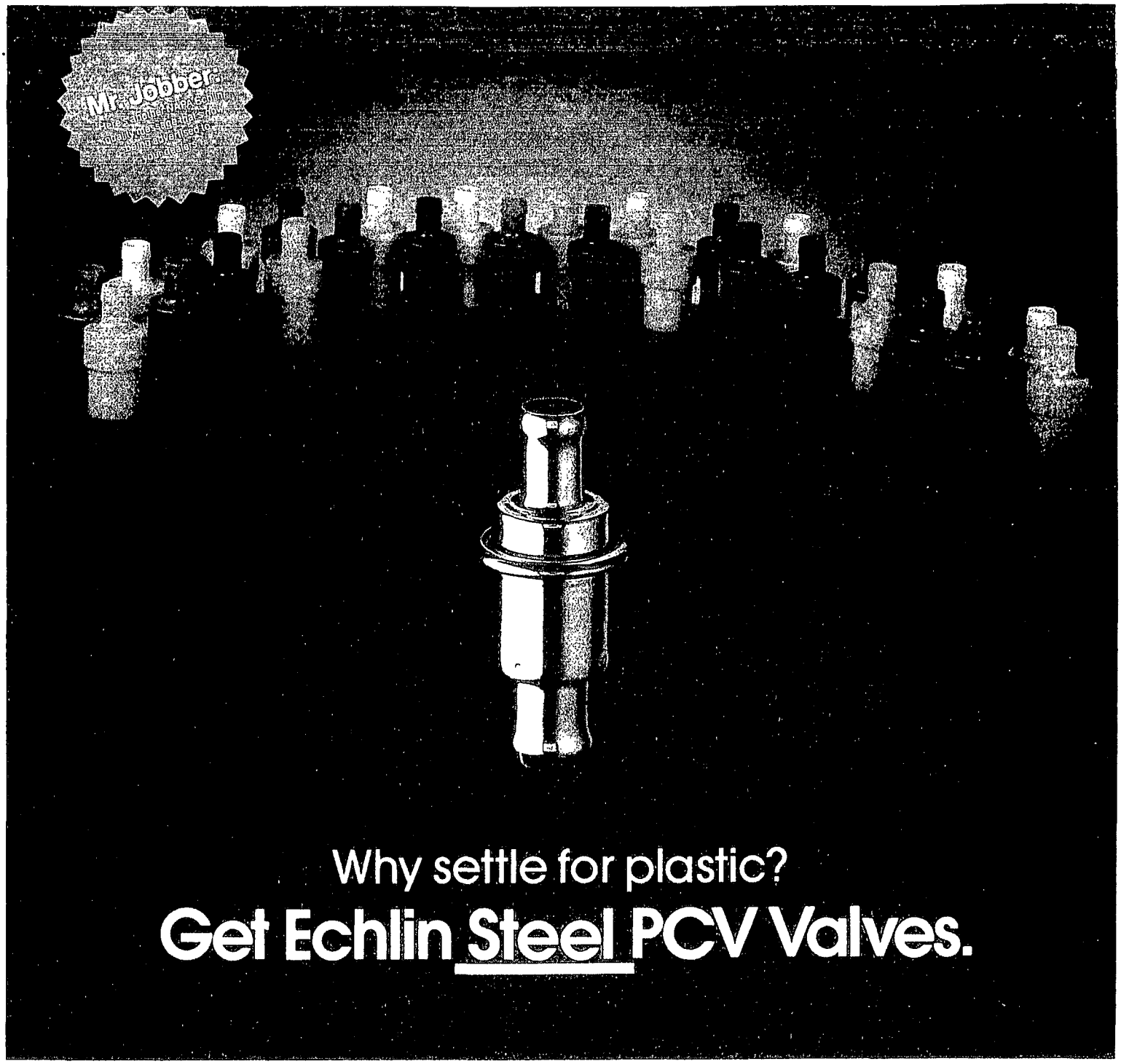

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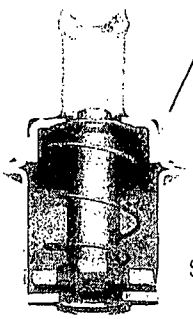


Steel body with extra heavy cup and metering orifice. Accurate. Durable.

Stainless steel spring annealed to maintain precision control.

Tempered steel 4-arm piston, manufactured to .001 inch accuracy.

Steel anti-flame washer to prevent backfire explosion in crankcase.



A V.I.P. cocktail party held in the store the night before its grand opening afforded local press representatives a "sneak preview" of the new Bermuda Parts Centre.



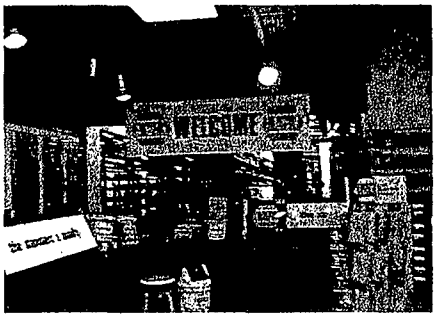
Nearly 800 people flooded into Bermuda Parts Centre on its first trading day; at one point, the premises were packed with more than 250 people.



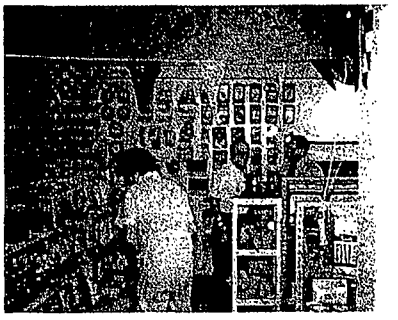
Over 25 interested paint and body trade customers attended a paint clinic conducted by Martin-Senour representatives.



Fifteen manufacturers' representatives and eight representatives from the NAPA Miami Distribution Center obtained work permits to help set-up the Bermuda Parts Centre main store and two stocking dealer annexes.



The 3,500 square foot building chosen to house Bermuda Parts Centre provided plenty of room for 65 sections of stockroom bins, as well as a spacious showroom, paint mixing room and machine shop facilities.



Ralph Warren (center), an NAPA Jobber from Stuart, Florida, volunteered his services for three months to help get the new store off the ground.

(continued from page 12)

beautiful sales showroom with over 120 feet of gondolas and 80 feet of pegboard walls. In addition, a separate paint mixing room and machine shop facilities were installed to capitalize on all areas of business.

Following the set-up of the main store, two stocking dealer annexes were also organized. These each feature two 8-foot wall gondolas and two 12-foot gondolas. Both are beautiful showrooms located in different areas of the island.

In order to insure a successful opening for the new store operation, a thorough advertising campaign was planned. Over 120 radio commercials were heard on three radio stations, and various ads ran throughout the week in the daily newspaper. All were aimed at announcing the gala "Open House," special activities and the grand opening ceremonies that were planned to officially begin the new business.

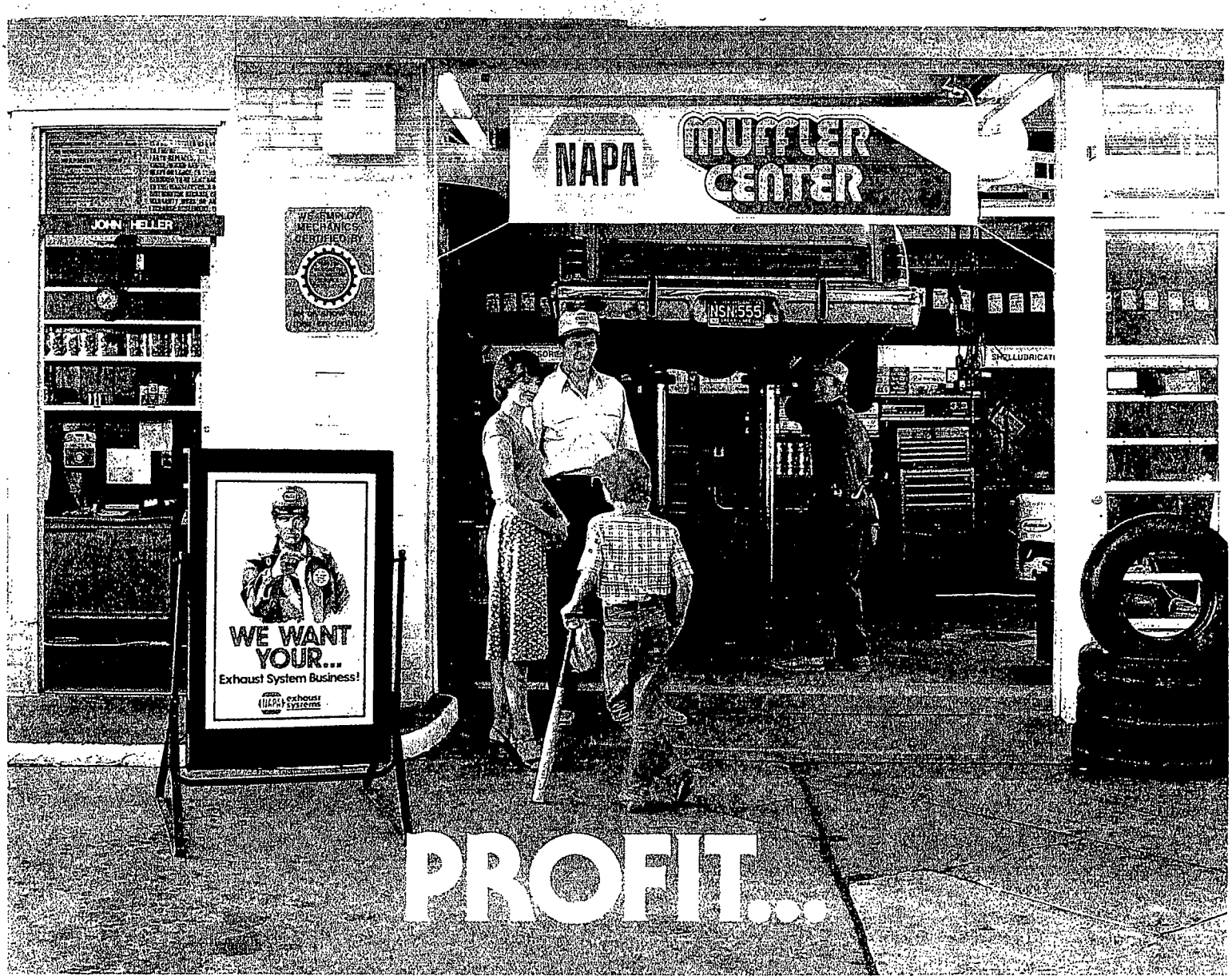
On Tuesday night, while the interior of the main store was still undergoing work, Ken Kennedy and Roland Gifford of Martin-Senour conducted an informative paint clinic for the island's paint and body trade. Over 25 potential customers attended to learn of new spraying techniques and paints in the Martin-Senour line.

The store construction was complete the following Friday morning. That same evening, a cocktail party was held in the store for various government officials. The store and its inventory were shown off to their fullest, and the local press turned out in full force to cover keynote addresses by a variety of speakers, including: the Hon. Sir John Plowman, Minister of Marine and Air Services; the Hon. Sir John Sharpe, Minister of Transport; Irving Pearman of HW&P; and Ned Bell of the NAPA Miami Distribution Center.

The very next morning, an "Open House" was held for the island's automotive trade customers. Indicating the success of the newspaper ads and radio campaign, over 800 people were attracted to the "Open House" and the store's grand opening later that afternoon.

It's obvious that while attending these events the island's automotive trade customers saw what they wanted: broad parts coverage for the variety of foreign-manufactured cars accompanied by a supply program that gets them the parts they need within four days. Since these activities took place, Bermuda Parts Centre has been averaging $1,000 in sales per day.

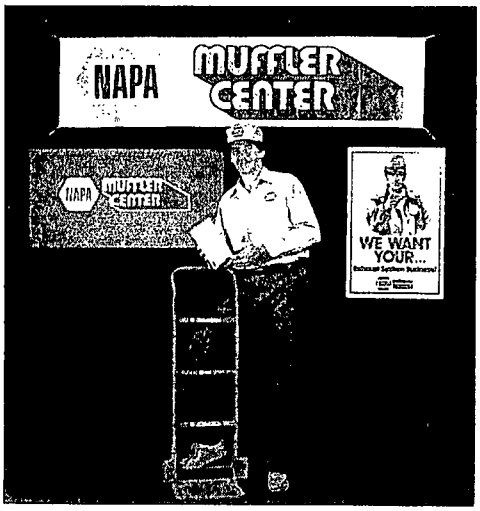
Now — if NAPA's imports program is good enough for Bermuda Parts Centre, good enough to stand on its own on an island with a vehicle population consisting of nothing but imports, just think of the business you can do with your import customers back here in the good ol' stateside U.S.A.!



THE REASON TO ENCOURAGE YOUR DEALERS TO DRESS UP.

Seventeen percent of all cars need exhaust system work. Your dealers can get their fair share of this $1,000,000,000+ market—if they're properly dressed.

NAPA® Exhaust Systems has tailored a Muffler Center program that can put your dealers into the muffler business. And help turn a small investment into big profits for both of you. It begins with some simple dressing—a service bay banner, a clock sign, posters, decals and brochures.



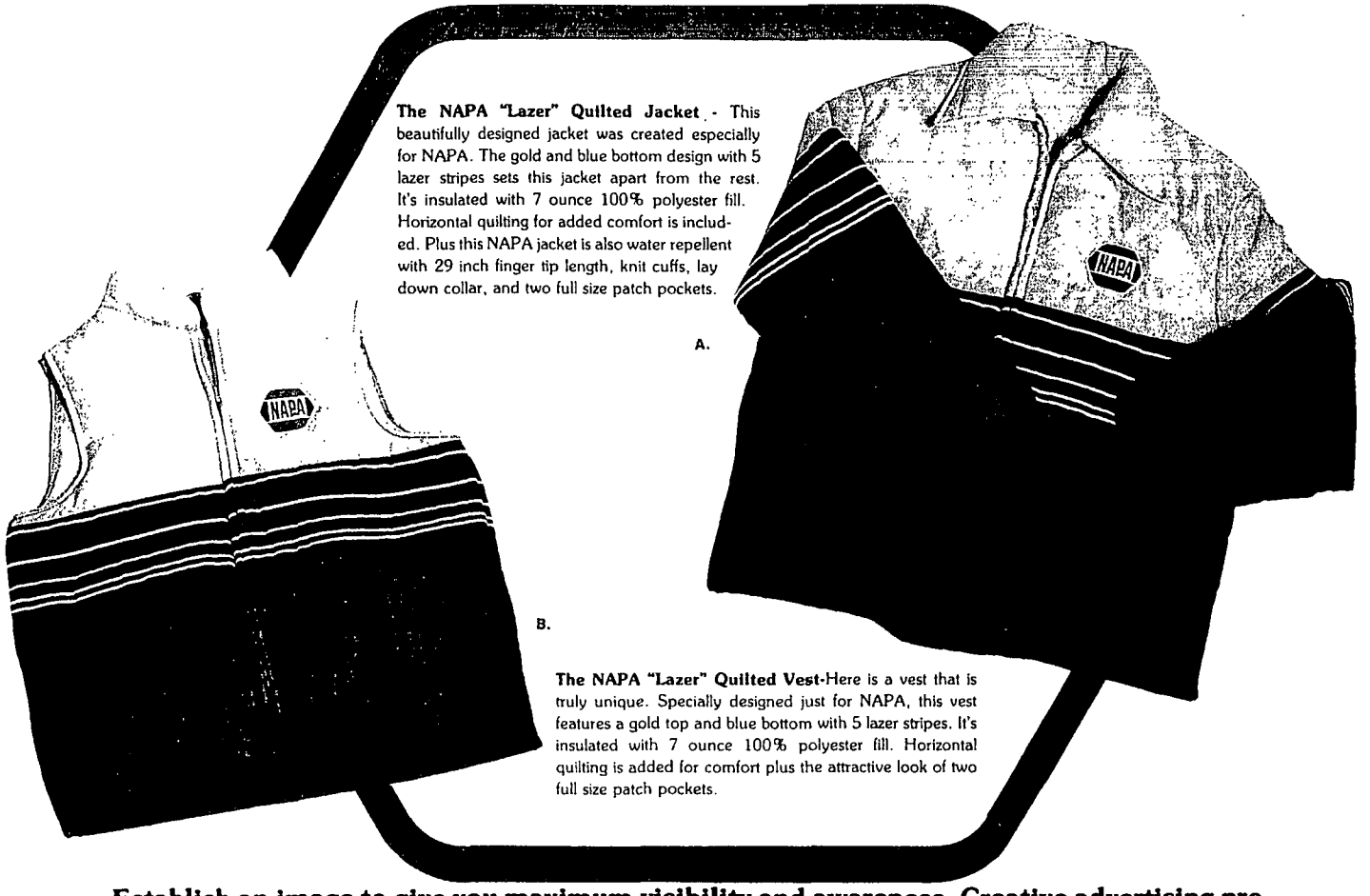
It doesn't stop there. We've developed dealer promotions that can increase their muffler market penetration . . . and their business with you. Contact your NAPA Exhaust System Field Sales Representative today.

AMERICA'S finest exhaust system

NAPA exhaust systems

DeKoven Manufacturing Co., Racine, WI 53402

Winterize Your Company's Image with These New Creative Advertising Products



The NAPA "Lazer" Quilted Jacket - This beautifully designed jacket was created especially for NAPA. The gold and blue bottom design with 5 lazer stripes sets this jacket apart from the rest. It's insulated with 7 ounce 100% polyester fill. Horizontal quilting for added comfort is included. Plus this NAPA jacket is also water repellent with 29 inch finger tip length, knit cuffs, lay down collar, and two full size patch pockets.

A.

B.

The NAPA "Lazer" Quilted Vest-Here is a vest that is truly unique. Specially designed just for NAPA, this vest features a gold top and blue bottom with 5 lazer stripes. It's insulated with 7 ounce 100% polyester fill. Horizontal quilting is added for comfort plus the attractive look of two full size patch pockets.

Establish an image to give you maximum visibility and awareness. Creative advertising products lead you down the road to instant identity. Here is advertising that gives you style, comfort and the power to make you stand out in the crowd.

NAPA JOBBER PRICE SHEET

81-GH 252
EFF. AUG. 15, 1981

NAPA STYLE NO.	DESCRIPTION	SMALL	MEDIUM	LARGE	X-LARGE	VENDOR NUMBER	TOTAL HOW MANY	UNIT PRICE	AMOUNT
805801	A. NAPA "LAZER" QUILTED JACKET				/Ea.	805801		21.42 Ea.	
805811	B. NAPA "LAZER" NYLON QUILTED VEST				/Ea.	805811		14.64 Ea.	
						TOTAL AMOUNT OF ORDER			

SEND THIS ORDER FORM DIRECTLY TO: **Your NAPA Distribution Center**

FOR VENDOR USE ONLY:

BILL TO:

COMPANY

ATTN:

ADDRESS

CITY STATE ZIP

PHONE ( )

SHIP TO:

COMPANY

ATTN:

ADDRESS

CITY STATE ZIP

PHONE ( )

Top Notch Help for the Stranded Motorist

MARS TO THE RESCUE



From past experience, Strader has found that identifying the MARS truck with NAPA puts the stranded motorist's mind at ease, knowing that he is receiving quality parts.

Winding through the state, the Florida Sunshine State Parkway (I-75) and Interstate 95 share one noticeable characteristic with many other super highways traversing the nation: long, isolated stretches of road with no service repair facilities for miles; stretches of road along which a vehicle breakdown can cause quite a delay and a lot of aggravation and frustration for the unfortunate driver involved.

Fortunately for the ever-increasing number of motorists traveling these Florida highways, the city of Ft. Pierce — home of Auto Supply Company — is located nearby. Even more fortunately, Ft. Pierce is also the home of one very enterprising mechanic by the name of Keith Strader.

With the increasing frequency of breakdowns on these interstate highway systems, Strader came up with the idea to furnish a complete mobile repair service for these stranded motorists . Called Mobile Auto Repair Service (MARS), the unit is equipped to handle not only light maintenance work but also an extensive list of the most common emergency repairs.

NAPA Jobber Roy Thomas, owner of Auto Supply Company, worked closely with Strader to determine the optimum stock to be carried aboard the MARS unit. Then they both went to work to redesign the vehicle to accommodate its parts inventory.

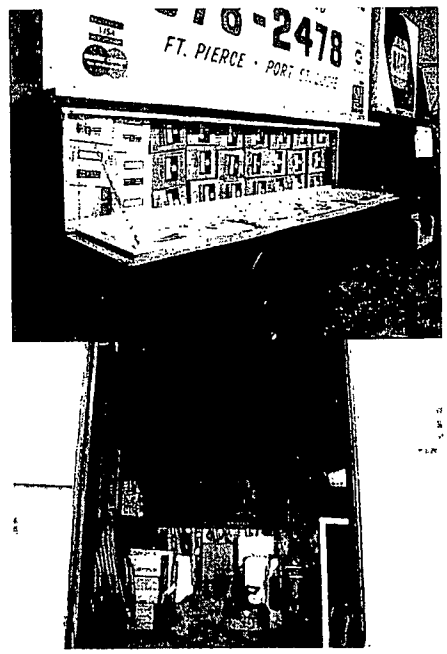
The MARS unit itself is a 1979 LN600 Ford with an eleven foot Reading body equipped with a power platform containing a 16hp 2-stage air compressor and a 200 amp Millen Welder with a 5KW power plant.

The original MARS inventory was based on the items most frequently purchased at Auto Supply Company for the most common problems encountered by the average motorist. Following the initial inventory selection, both Strader and Thomas went to work to customize the MARS truck for ease and accessibility to the work area.

On the left side of the truck, on the outside of the vehicle, is a roll-out canopy that holds all air and hand tools. The outside of the right side of the truck has a shelf that contains starters and alternators that cover the most frequent applications, as well as generators and water pumps.

Inside the truck, four cabinets contain a wide selection of ignition and electrical parts, as well as an assortment of belts, nuts and bolts, radiator caps and a basic selection of bearings and seals that cover most automobile, light truck and trailer applications. Also in the truck is a write-up desk with catalogs and price guides.

To even better provide quick service and parts availability, the MARS unit is equipped with a two-way radio. This way, should



Strader keeps the truck stocked with everything needed to handle the most common repair problems encountered by motorists.

Strader encounter a repair job on the expressway that requires other parts not stocked in the truck, he simply calls Auto Supply Company, tells Thomas what is needed, and the parts are then delivered to him right there alongside the road. As you can well understand, this is a big plus feature; Strader doesn't have to leave the stranded motorist sitting there, getting even more frustrated, while he drives back to pick up the needed parts before continuing work on the car. He can continue to work on the problem while waiting for the parts to be delivered to *him.*

Strader and Thomas also made sure the MARS truck is well identified with the NAPA logo. Strader has found out through experience that knowing the quality of the parts being used puts the stranded motorist's mind more at ease.

Both Strader and Thomas agree that such a mobile repair service business holds many advantages, above and beyond the additional business it generates. Although the MARS unit has already resulted in an estimated 12.7% increase in sales for Auto Supply Company (serviced out of the NAPA Miami Distribution Center), both Strader and Thomas feel that the fact they can work hand in hand to assist stranded motorists with quick service and quality parts makes all of their efforts more than worthwhile.

INCREASING YOUR PROFITS

Every business manager is interested in improving his operation's net profits; after all, that's why you're in business. But in order to attain significant improvements in net profit, your store must first be producing the right gross profit. Therefore, it is crucial that every store manager understands exactly what his store's sales are producing in terms of gross profit.

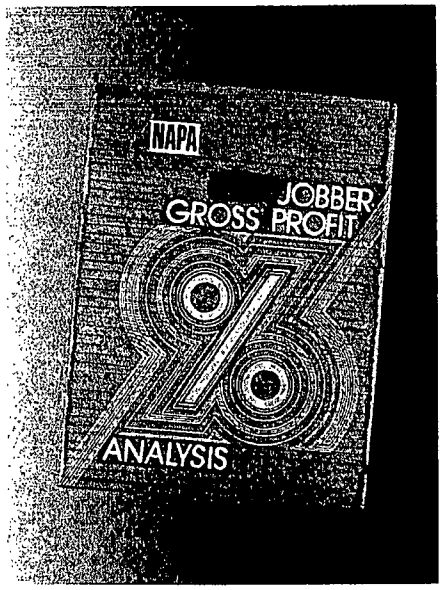
To determine your operation's gross profit figure, subtract the cost of sales from actual sales. This resulting amount of gross profit, and the percent of gross profit to sales, is vital information to be familiar with in order to direct your employees' selling efforts toward producing improved profits.

Keeping track of gross profit is important, for it's easy to be deceived by watching sales volume alone. For example, let's say you've had a day where your store has enjoyed quite a good sales volume. But when you go over the figures for that day, you realize that the gross profit realized on those sales just didn't meet your expectations. In such a case, by using gross profit information for further analysis, you could readily determine the cause of the problem, and then take the necessary corrective action.

Say, for example, that you found the low gross profit was due to sales of low gross profit items. To remedy the situation, you could redirect your personnel's sales efforts toward those lines which give you a better gross profit return. A solid knowledge of gross profit data lets you train your salespeople to put their selling efforts in the direction which produces the most profit.

This is why NAPA provides you with the NAPA Jobber Gross Profit Analysis, which shows you where to put your real sales efforts for greater gross profits.

The NAPA Jobber Gross Profit Analysis is a summary of the



The NAPA Jobber Gross Profit Analysis shows the profit levels that can be realized by selling at each of the suggest price schedules.

percentage of gross profit for all NAPA and certain non-NAPA manufacturers. The information is compiled directly from the manufacturers involved. The percentages of gross profit appearing in this gross profit analysis are drawn from the most currently available manufacturer's suggested price lists, and in most cases, represent a weighted average percentage.

The NAPA Jobber Gross Profit Analysis shows profit levels that you as an NAPA Jobber can realize when selling at each of the suggested price schedules. This information is of real value, as it allows you to determine which product lines have the greatest profit potential.

The information contained in the NAPA Jobber Gross Profit Analysis should be passed on to your counterpeople as well. This will help them determine the emphasis that should be placed in over-the-counter sales. It can also assist in educating your store personnel against giving away gross profit by the indiscriminate use of the various suggested resale schedules. Additionally, as you also need to be interested in the gross profit produced by your outside selling efforts, this gross profit analysis information should also be utilized by your outside sales people to better direct them in their work.

The NAPA Jobber Gross Profit Analysis is available through your NAPA Distribution Center. Put this valuable information to use in your business operation to make sure that your selling efforts are on the right path to greater profits.

PROCEDURES AND CIRCUMSTANCES THAT LOWER JOBBER GROSS PROFITS

1. Incorrect physical inventory counts.
2. Confusion in the billing of new and rebuilt items where part numbers are alike.
3. Error in billing items with prefix or suffix such as:

Heavy Duty—H.D.	Federal—F
Victor—FS—HS	FF
Weatherhead—	R
A suffix	RR
B suffix	

4. Failure to charge for bolts, nuts, washers, and bulbs, where invoice amount would be small.
5. Free shop jobs (small jobs done as a favor).
6. Out-of-date shop prices.
7. Distributing premiums, display racks, advertising material, etc. on a no-charge basis without proper charge to expense.
8. Illegibility of prices or part numbers on invoices.
9. Improperly accounting for all invoices.
10. Failure to properly charge out expenses such as: advertising material, shop supplies and equipment, repair parts for delivery equipment, etc.
11. Unrestricted use of salesperson's samples.
12. Errors in machine shop operations — pistons, bearings, camshafts, etc.
13. Inaccuracy in mixing paints.
14. Failure to report broken parts or shortages in packages.
15. Failure to account for freight shortages.
16. Mishandling stock — dropping, throwing, and loss under bins.
17. Failure to keep current suggested resale schedules in counter and sales binders.
18. Theft.
19. Failure to double check deliveries for all items billed.
20. Failure to double check items billed on shop jobs.
21. Incorrect core credit to customer.
22. Lack of follow-up with factory or D.C. for credit on defective returns and other claims for credit.
23. Failure to return cores on a current basis.
24. Improper billing or failure to bill core charges.
25. Indiscriminate allowance of 2% discount to cash customers.
26. Salespersons pricing their own sales invoices at improper prices.
27. Extending discounts to persons not entitled.
28. Concentration of sales efforts on low gross profit lines.

NAPA DATELINE NAPA

VOLUME 2 NUMBER 3 DEARBORN, MICHIGAN LIMITED EDITION

Sweet Thanks . . .



(Left to right): Doug Melzer, customer; Scott Brooks, salesman; Bill Poteete, manager; April Hemby, counter sales; Tommy Lathem, counter sales.

When Doug Melzer, a student at Georgia Tech, needed a complete engine for his 1969 Ford Mustang, he wanted nothing but the best: highest quality parts at a reasonable price. After visiting just about every parts store in the area, he discovered that the Sandy Springs local branch of Genuine Parts Company could best satisfy his stringent requirements for price, quality and service. And with a little help from the Sandy Springs crew, Melzer's Mustang was back in shape and ready to get him to school on time.

To show his sincere appreciation for the help and outstanding service he received, Melzer offered his own style of thanks to his new NAPA friends: a 16" diameter chocolate chip cookie that read "Thank You NAPA."

Judging from the expressions on the Sandy Springs employees' faces, they more than appreciate the sweet thank-you!

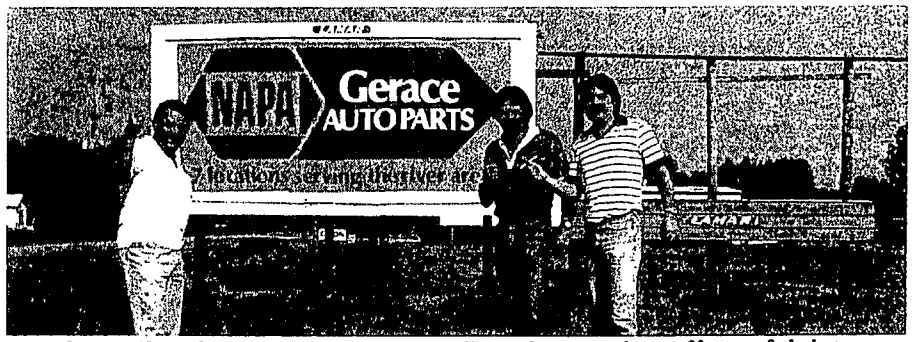
Auto Operating Costs Climb

According to a recent report by the American Automobile Association (AAA), the average cost of owning and operating a 1981 intermediate-sized car is $3,601 per year, or 24 cents per mile.

This represents an increase of more than 13 percent over the comparable 1980 cost ($3,176 or 21.2 cents per mile).

The AAA's figures are based on owning and operating a 1981 Chevrolet, 6-cylinder (229 cu. in.) Malibu Classic four-door sedan driven up to 15,000 miles per year and kept for four years.

ROADSIDE ADVERTISING POINTS THE WAY



Sam Gerace (far left) and his two sons, Russell and Sammy, show off one of their ten eye-catching billboards.

To direct traffic to Gerace Auto Parts, NAPA Jobber Sam Gerace designed his own roadside billboards. In all, ten of these billboards are used to represent Gerace Auto Parts' seven locations throughout Louisiana: Plaquemine, Port Allen, Donaldsonville, Napoleonville, White Castle, Labadieville and Pierre Part. (All of the stores are served by the NAPA New Orleans Distribution Center.)

The single biggest sales opportunity of the 80's has been created by major changes underneath today's vehicles. Front-wheel drives, transverse axles, MacPherson struts and constant velocity joints allow you additional opportunities unmatched in the history of the chassis business. It's a perfect time to start building new profits from the bottom up. And now NAPA Chassis Parts has materials and products to do the job...the complete "Bottoms Up" program.

Designed to capture new front-wheel drive, import, 4-wheel drive, light truck/van and domestic chassis business, this program includes everything you need to cash in on this growing profit opportunity.

- Strong identification for you.
- P.O.P. and merchandising materials to build traffic for your installer and dealer customers.
- Up-to-date Chassis Systems Clinics and Service Guides for your customers, covering:
  - Rack and Pinion, MacPherson Strut
  - Standard Steering and Suspension
  - 4-Wheel Drive, Light Truck/Van
  - Front-Wheel Drive, C.V.Components
- Chassis products to meet today's and tomorrow's customer demands.

Right now NAPA Chassis Parts can strengthen your profits from the "Bottoms Up." For complete information on the program see your NAPA Chassis parts representative and get your hands on new profits today.

NAPA Chassis Parts

Victor Oil Seals
Spicer/Tru-Cross U-Joints
Weatherhead Products

DANA
PARTS CRAFT DIVISION
P.O. BOX 455 · TOLEDO, OHIO 43697