

# Ten things you can do to reduce Theft

## In leaner times, one of the best ways of maintaining profitability is to consider shrinkage issues

There seems to be no doubt that things are getting tougher. Rising costs are leading to increasing consumer caution. Many stores are facing quieter trading days, lower spends and less money going into the tills. Retailers large and small are rightfully becoming concerned about profits, and asking: "What can I do to help my bottom line?" Here is a great suggestion.

Shoplifting and employee theft are the largest profit drains in retail. Consider the equation – if your shrinkage is 2%, and you could reduce it to 1%, what does that do your net profits? A South Island bookstore did just that – reduced losses by 50% in a year, which added 15% to the bottom line.

There are a number of basic fundamentals around reducing theft that are relevant for most retail operations. A range of low or no cost ideas, options and advice are available that can genuinely improve your security profile. Even in cases where a reasonable amount of time or commitment may be required to achieve a reduction in theft losses, the return on income is well worth it.

### Shoplifting

While the cost of shoplifting approaches \$2million a day, often it is still a crime of opportunity. Technological detection tools can be of value, but should not replace staff responsibility. Theft is still best deterred and prevented by human awareness and attentiveness.

- 1) Strive to improve customer service:** If stores are understaffed, or employees are too busy with sales or merchandise tasks, then no one is available to assist and observe customers, watch blind spots, or attend fitting rooms. This gives the 'green light' to shoplifters.
- 2) Provide staff with good anti-shoplifting training:** If employees are too trusting about shoplifting, or are afraid or not confident enough to approach suspected or witnessed theft, professional, casual and impulsive thieves will sense it. They will take advantage and probably return for more. Remind staff that regular customers can also be shoplifters.
- 3) Look for ways to improve interior visibility:** Tall product pyramids, high-stacked gondolas, headers, spinners and signs all create visual blocks, which can prevent staff from monitoring customers and suspicious activity. Try to keep an eye-level 'window' across as much of the store as possible and keep entry/exit areas clear and visible.
- 4) Consider merchandise placement:** Try to place higher value or risk items in well supervised locations so staff are better able to see any item removals and movement toward doors and blind spots. Arrange gondolas/aisles for better line-of-sight from counters and workstations.
- 5) Explore deterrent options:** Anti-theft signage, mirrors, visible cameras (real or dummy), showcases, tags, circuit alarms, and other physical measures may suit and benefit different stores or product types.

### Employee Theft

Employee theft is more costly than shoplifting and more widespread than most managers realise. Trust is a lovely sentiment but is a major risk factor in this context. A high percentage of staff anonymously admit to workplace theft, or a willingness to steal given the opportunity.

- 6) Be objective:** be discerning and inquisitive of anything anomalous. Accept that it can happen to you, by any employee. Length-of-service is no guarantee of continuing honesty.
- 7) Develop good policies and procedures:** Vitally important for all retailers, for reasons of efficient operations, employment law and internal security. Poor, absent or unenforced controls breed employee theft opportunities and minimise your chance of detecting it.
- 8) Monitor irregular transactions:** Examples such as illicit refunds, voids, No Sales, discounts, credits, and vouchers commonly figure in theft techniques. Control or review these on daily reports, detail rolls, and establish sound cash handling practices.
- 9) Consider (or better utilise) video recording:** Video (over counters and tills, entry and exit points, in stockrooms and receiving bays) is an excellent deterrent against cash or stock theft. Regular and random reviews often bring surprises and are often the best or only means of detection and obtaining proof. There is a cost involved, but leasing hardware can be an attractive option.
- 10) Play a role:** Imagine you are a dishonest employee. Could you steal from this store? What methods would you choose? How often and what could you steal? If you could do it without detection, what is stopping others? Use this knowledge to start tightening up the vulnerabilities you have identified.

**Obtain expert advice** – FREE qualified advice in all areas of loss prevention and security is a key member benefit available through the NZ Retailers Association. If you even think you might have an issue, or would like to become more pro-active in cutting shrinkage, good advice is yours for the asking. Phone 0800 472 472 for more information.

Information supplied by the New Zealand Retailers Association (NZRA) as published in the March 2009 edition of *NZRetail*. For information on the NZRA or to subscribe to *NZRetail*, call: 0800 472 472.