



Stopping Loss in its Tracks

Stanching the outward flow of your revenues.

Costing stores more than 3.6 billion every year (according to the Retail Council of Canada), theft is nothing to be ignored. While 55 per cent of that is consumer-related, a full 26 per cent can be blamed on employee theft.

"North American retailers lost 40.5 billion to theft last year," says Al Herman, manager of retail systems for Chase McKay, noting that typical losses for a retail business are estimated at between 0.5 and 0.6 per cent of total gross sales. That's a hefty chunk out of your profit margin.

Help Is Out There

Ranging from hardware to HR, strategies exist to help you navigate the issue of theft. While you're closed, door and window-switch systems, passive infrared detectors and glass-break detectors help keep your store safe. Digital surveillance systems let you scope the floor — and staff — during open hours, no

matter where you are in the world. And hold-up buttons (both wireless and hard-wired) will notify police when an employee is threatened. "C-store employees that work alone can be further protected by automated work-alone communications solutions such as CheckMate," says Brent Handford, commercial sales manager for ProTELEC Alarms.

Keeping cash and products out of sight helps reduce outright theft and the possibility that employees will take a dip. "Have less exposure of cash drawers, and less floats," recommends Andrea Lombardi, vice-president of business operations for CashTech Currency. "The less floats you have on the floor or stored in safes, it's less exposure to the store or operation all around." Closed cash recycling systems, while a noteworthy investment up front, will save you money in the long run because there's simply no way anyone can get their hands on your money. Similarly,

using dispensing machines for high-theft items such as cigarettes helps you to clamp down on sticky fingers.

Deterrence is one of the biggest defences available to combat theft, says Handford. Post signs stating your premises are protected by a security and/or surveillance system. "One tactic that may prove worthy, and we haven't seen this being used that often, is displaying pictures of people caught in the act," says Handford. "This will let the thieves know the system actually works."

Minimizing theft doesn't end just with the lens, though. "Surveillance cameras are only part of the solution," says Herman. "An educated alert employee is the store's best defence."

Minimizing Employee Theft

But what if that educated, alert employee is also stealing from you? Convenience stores have the highest rate of employee theft, notes Herman. "On a per case average," he says, "dishonest employees steal a little over seven times the amount stolen by shoplifters."

Product Showcase

Multi-pronged Theft Solutions

Approach qualified and experienced security companies for guidance and written quotations, suggests Handford. "It's important that the right security company is selected as you will have an ongoing relationship with this company to service the products installed and to support your business as it grows and the loss prevention needs change," he says. ProTELEC Alarms offers a proven track record installing and servicing c-stores, and can help you develop a standard that can be replicated over a multi-site environment, streamlining operations and procedures when you have employees working at different locations.

Behind Closed Doors

Tobacco dispensing units help you control your inventory. Where tobacco margins are already low (around eight per cent), you can't afford to lose a point or two due to theft. "Everyone runs their store differently," says Wingrave, "but those who see the best benefit, their employees have no access to their tobacco inventory." Made by Harting in Germany, the Towerline units relieve employees of having to do tobacco counts – and they add to a feeling of safety. Look at it as an investment, not a cost, says Wingrave. "You will realize more money in your pocket because of what the tool does for you."

Hands Off the Cash

Designed to streamline processes, increase security and obliterate human error, CashTech Currency offers the Cash Infinity, a closed cash recycling system that improves efficiency, secures cash management, and leaves your employees free to focus on customer service. The front-end C-10 works at the till, taking in cash, interfacing with the POS and dispensing change back. "It reduces the time that the employee has to take in calculating or making sure they read a till correctly," says Lombardi. "Also, since it can be integrated into back office software [with the C-100, which dispenses floats and tracks all tills], you have a complete cash management system, so owners and managers can see what's going on with cash volumes."

Nowadays, employee theft is more than just stealing products from the operation, or cash from the till. "It can also be theft of data and personal information," says Handford, such as ATM or credit card information and skimming from the debit machine. "Record everything!"

Lucky for you, there are ways to keep tabs on your operation. "Retailers now are entering a day and age where they can have unprecedented control over their store even when they're not there," says Sean Wingrave at Time Business Machines. A POS that links to a DVR works well with a camera in the till, he explains. "You can search the video by transaction, so if you want to know why there was a 'no sale' or a voided transaction, you can review it and go over it with the employee."

Ensure you have a rigorous hiring process in place and that you're doing proper background checks, suggests Handford. "When it comes to the use of electronic security equipment, implement a check and balance system," he says. "This system should always have someone checking the person who has responsibility for the system so that the system will be always be verified to be working." ♦