

Secure Your Holiday Profits - Don't get taken during the giving season

By: Curtis Baillie © 2007

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The bulk of retail sales occur during the last two months of the year, creating a chaotic scene perfect for the less than honest. While retailers battle crimes such as shoplifting, employee theft, ID theft, returns fraud, gift card fraud, and organized retail theft, offenders tend to increase their efforts during the busy holiday season.



According to the 2005 National Retail Security Survey, produced by Dr. Richard Hollinger at the University of Florida, shoplifters account for 32.8 percent of your overall shrink dollar. That's a big chunk of change! Fortunately, perceptive owners can learn to recognize potential threats and nip them in the bud before a crime is committed.

Identifying features

Forget the black hat and moustache – shoplifters look like the average Joe (or Jill). They come in all sizes and races. You cannot tell just by looking at someone.

Nevertheless, there are other ways to identify potential shoplifters. Watch for common alert signals, or abnormal behavior shoplifters display when they are about to take your merchandise:

- Carrying a bag into the store, especially from a store that is not located in your shopping area.
- Appearing nervous or startled when approached.
- Constantly looking around.
- Watching your actions more than anything else.
- Bluntly refusing assistance from store personnel.
- Not concerned with the details (price, size, or color) of selected merchandise.
- Moving merchandise from one location to another.
- Diverting employees' attention while others steal.
- Carrying personal items such as a coat, hat, or umbrella to conceal merchandise. Another favorite tool is a drink cup with a lid, often used to steal small, expensive merchandise.
- Thieving teams – one person diverts employees' attention while the other steals.

The best defense

The number one way to deter shoplifting is to provide excellent customer service. Industry experts say that methods such as video cameras and electric article surveillance (EAS) systems can be very effective, but these methods are costly. Nothing beats good customer service.

Pay attention

The last thing a potential shoplifter wants is an attentive and aware store associate. Make sure your staff greets customers and makes eye contact. A

shoplifter's goal is to enter your store, select and conceal your merchandise, and leave unnoticed. Your employees should be paying constant attention to all customers.

Perfect attendance

Never leave the sales floor unattended. Many times, as a customer, I have searched the floor for assistance only to find the sales associates huddled together talking about their Friday night plans, making the store a shoplifter's paradise.

Fit for a thief

A fitting room is a primary source for shoplifters because it is a private area where he or she can examine items, remove price tags, and conceal merchandise – all unseen. If your store provides a fitting room, keep it clean. Scattered merchandise from previous shoppers sends the message that you do not care. Remove unpurchased garments from the fitting rooms and remove any discarded price tags as they are evidence unpaid merchandise went out the door.

Set and enforce policies that require associates to examine and count the items before they are taken into fitting room. When a customer exits have the employee examine and take the unwanted merchandise from the customer.

Location, location, location

It makes sense to move high theft merchandise to an area where your sales associates can easily observe it. Keep high-ticket merchandise away from your entryway. This will help eliminate someone from grabbing an armful of merchandise and running out the front door.

Biting the hand that feeds



I often hear from retailers, "I don't think any of my employees would ever steal from me." However, the NRSS report found that 42.4 percent of your shrinking profit dollar was because of internal theft. Consider this, 25 percent of your employees will not steal from you under any conditions, - they are completely honest. Another 25 percent will look for or create opportunities to steal. The remaining 50% will only steal from you if the right conditions present themselves. Most people who fall into this percentage are young, first time, employees. Some tips to help you combat employee theft are:

- Keep track of who has keys to your business, and change the locks when key carriers leave your employment, - even under the best of circumstances.
- Put policies in writing. Even if you only have a one or two employees, put some basic anti-theft policies in writing, making it clear that you will not tolerate theft. This will set the tone and strengthen civil and criminal hearings where the employee may use the lack of unwritten policies as their defense.

- Examine your sales floor and stockroom areas frequently. If you find out-of-place merchandise such as a piece of jewelry hidden under an article of clothing, you could have an internal theft issue. An employee might be planning to come back at an opportune moment and steal the merchandise.
- Designate a trusted employee to do your merchandise receiving. Make sure they are properly trained. A dishonest employee teamed up with a dishonest vendor can be devastating to your business.
- If more than one employee is working, designate someone to ring employee purchases. If you have more than one register, designate a single register to be used for all employee sales.
- Designate one employee to remove trash from the store. If your business uses an EAS system, make sure the trash bags are passed through to help insure high value merchandise is not being discarded.

Lack of cash controls is a major factor. Many store operators fail to exercise proper cash controls by using what I call the “community till” system: Associates operate on one register, and at the end of the day, the owner finds that she is short cash. Was it an honest mistake? Did an employee give a customer too much change back? Did someone take the money? You will never know unless employees are held responsible for their own registers. Employees should be given a fresh register drawer at the start of their shift, and make sure they count it. The register should be counted down just before they leave for the day. This method tells associates you take cash handling seriously.

Do not allow employees to keep personal belongs, such as coats, purses and backpacks on the sales floor. Provide a secure area for personal items. Lead by example; lock up your personal items too.

In the bank

If your business makes deposits at night, always make them after the store is closed. Remove your name badge - no need to advertise your company while going to the bank. Always, drive your deposit to the bank even if your bank is close by in the same



shopping center. By walking the deposit to the bank, you become an easy target. Do not let this become a casual event. Use the team approach: One person should exit the store with the second person remaining inside with the doors locked. The first person – bringing a cell phone - should drive around the parking lot checking for suspicious cars or people. The person conducting the parking lot check should have a cell phone. If there is anything suspicious, he or she should drive to a safe location, and call the police department. If all is clear he or she should drive to the

main entrance of the store and shine the headlights on the door. The other employee, with the cash, should now exit and immediately enter the vehicle. If all is clear proceed to the drop box, quickly make the deposit, and leave the bank.

Secure future

Don't get taken during the giving season! Be cautious and take your money seriously by reviewing your loss prevention and security procedures now. It could save your bottom line and ring in a profitable new year.

About the author



Curtis Baillie's professional background spans more than 30 years of service with law enforcement, and some of the largest retailers in the world. His experience includes all phases of security and loss prevention, including: crisis management; audit; risk management; criminal investigations and prosecutions; risk assessment and physical security operations for supermarkets, retailers, manufacturing and distribution facilities, and corporate facilities.

Curtis started Security Consulting Strategies, LLC, an independent, non-product affiliated security management consultancy in 2004, providing services throughout the United States and Canada.

Curtis consults with a wide variety of retail disciplines regarding such matters as the formulation of loss prevention departments; policy and procedure; crisis management operations; shoplifter and employee theft apprehension; security equipment needs and usage; ethics and conflict of interest reporting.

Curtis is a member of the Society of Retail Industry Leaders, acting as a paid consultant, and the International Society of Professional Security Consultants where he has been designated, after examination, as a Certified Security Consultant. He also is a member of the IAPSC Board of Directors.

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