

Retail Loss Prevention Tips

Sales Floor Procedures

- Be on the sales floor at least 80 percent of the day.
- When walking the floor, continually observe and respond to:
 - mismarked merchandise
 - incorrect price on sign
 - loose price tickets
 - open showcases
 - unlocked security fixtures
 - empty packages
 - known shoplifters
 - suspicious customers
 - merchandise concealed for later pickup
 - merchandise without security tags
 - inoperative security equipment
 - salespeople not following procedures
 - customers not being serviced
 - cashiers not properly ringing sales
 - coupons not controlled
 - loose bags or gift boxes accessible to customers
 - unpaid-for merchandise under wrap desks
 - employee handbags under counters
 - unauthorized checks or voids or refunds, etc.
- Instruct employees to greet or acknowledge every customer who enters the store.
- Provide personal customer service to as many customers as possible.
- Instruct employees to make frequent eye contact with customers who wish to browse on their own.
- Assign zones for staff coverage so that vulnerable areas aren't left unattended.

Cash Wrap & Money Handling Procedures

- Lower displays around the cash register that block the cashier's view of the selling floor.
- Sign voids or "overings" and authorize a refund in the presence of the customer.
- Go behind the counter to authorize a void or "overring" so you can observe potential problems (i.e., bagged merchandise which could be handed out to friends, consumables not paid for, money not in its proper slot in the till or too much cash in the drawer).
- Don't allow employees to write up, ring up or wrap purchases for themselves or relatives.
- Review cash over/short reports and daily exception reports highlighting excessive voids, overings, no sales, refunds and other suspicious activity every day and respond appropriately.
- Limit the number of employees authorized to ring up other employee's sales, reducing the opportunities for collusion.
- Require management authorization of employee purchase transactions.
- Occasionally offer to assist employees in completing a customer transaction to verify that the amount paid and the merchandise in the bag is correct (particularly when suspicious). Never allow employees to work with an open cash drawer. They must close the register drawer before ringing the next sale.
- Limit the number of "NO SALE" rings by defining under what special conditions they will be permitted.
- Require all receipts to be given to customers and employees to immediately destroy (i.e., tear twice in half) any receipts left by a customer.
- Don't allow register transaction numbers to be cleared by anyone at the end of the day. They should continue ad infinitum to ensure that the register tape was not removed from the register.

- Prohibit the possession of keys to bank deposit bags when the bank is responsible for opening locked deposit bags. There should be no reason for managers or anyone to open a locked deposit bag, whether full or empty.
- Make bank deposit drops daily . . . no exceptions.

Shipping & Receiving Procedures

- Close Receiving doors immediately following a delivery, or pull a wire mesh gate across the opening if the door must be left open for ventilation. Keep the gate padlocked or alarmed.
- Post a sign that prohibits freight line drivers from entering the Receiving area beyond the point necessary to unload merchandise from their truck.
- Accept only one freight delivery at a time unless adequate personnel are present to provide proper control.
- At least once each week, verify the proper receipt of one delivery by counting and comparing the number of cartons received (and their satisfactory condition) to the amount shown on the waybill, and look for proper notations and completion.
- Secure all shipping labels unless part of an authorized, register-validated sales receipt.
- Don't allow merchandise to be removed from Receiving until it is properly checked-in and marked.

Merchandise Handling Procedures

- Maintain 100 percent compliance with placing security tags on vulnerable merchandise.
- Prohibit the delivery of merchandise directly to the selling floor before being properly checked-in by Receiving, regardless of how quickly it may be needed.
- Never allow merchandise to leave the store "on approval," without being purchased first.
- Prohibit hand-carried merchandise transfers from being taken out of the store without proper paperwork.
- Require that all merchandise to be taken out of the store for alteration, cleaning, style show or other purpose be signed in and out and authorized on a merchandise control log.
- Don't allow wrapped merchandise to be hand delivered to UPS or the post office unless authorized and recorded on a store delivery log.

Preventing Shoplifting

- Install added security measures in "blind spots" around the store (i.e., bright lighting, security mirrors, anti-shoplifting signs, and cameras).
- Issue a criminal trespass warning to all known shoplifters who you want to be prohibited (by law) from entering your store again. Let shoplifters know, by work and deed, that your store prosecutes all offenders.
- Remind employees that it is better to prevent a theft than to try to catch people.
- Make it easy for employees to call the manager of security for assistance by silent alarm, annunciator, intercom or telephone.

- Drop everything and respond immediately when you receive an employee call for assistance.
- Consider the installation of a bell, buzzer or chime on all fire or exit doors to alert the manager and other employees when the door is opened. This should be in addition to any crash bar device, which can be disarmed. The sound should be audible from all key areas of the store.
- Prohibit the unsupervised removal of trash from the building.
- Keep back areas neat and clean so that it is easy for store management to quickly observe irregularities.
- Prohibit vendors from going into back areas unsupervised.

Preventing Employee Theft

- Prohibit employees from using another employee's I.D. number for any purpose whatsoever.
- Inspect trash dumpster at random but at least weekly, following trash collection but prior to pickup.
- Provide employees with lockers or other secure area for employee handbags, purchases, coats and other belongings that should be prohibited on the sales floor.
- Require at least two employees to open and close the store, simultaneously.
- Require managers and employees to always present their belongings for inspection before leaving.
- Limit employee access to markdown pens and remarking machines when access is not needed.
- Limit access to keys that disarm the fire exit(s) security crash bar alarm(s).
- Keep perimeter doors alarmed during night-fill operation and when the store is not open to customers. Supervisor authorization should be required to leave the store during those times.
- Change door cores on locks to the store when key holders are transferred, leave voluntarily or are terminated.
- Tell employees what will happen if anyone is caught stealing . . . not what can happen, but what will happen.
- Include questions on personal integrity when hiring employees to let prospective employees know that integrity is an important issue to your organization.
- Give employees a reason to value their job based on what they do and how they are treated.
- Explain to employees why employee theft in a store causes a problem for co-workers (i.e., managers begin to distrust everyone, innocent co-workers may be implicated, tighter internal controls are installed, the manager may lose his job, all employees may be replaced).
- Treat employees with respect and consideration.
- Don't leave new employees totally on their own until you are satisfied that they have been properly trained and supervised for the proper amount of time.
- Don't push employees so hard that they are forced to take shortcuts.
- Don't treat employees like crooks, so they feel mistrusted and unappreciated.
- Reduce unnecessary stress on the job. Employees should not be subject to excessive workload pressure, unreasonable demands, constant criticism or frequent threats by managers or supervisors.

Training & Managing Employees to Prevent Shrinkage

- Start employees on the right foot by welcoming them and, giving them written rules of conduct and describing the risks and consequences involved in dishonesty so that they may make the right decision for themselves, should they ever find themselves in a compromising position.
- Encourage employees to keep their heads up and eyes open.
- Pass through the store regularly and give employees feedback on their performance, especially positive feedback.
- Train employees how to say "NO" when friends or relatives ask for extra merchandise, a lower price or an employee discount. Each employee should be instructed in advance about what to say when put in such a compromising situation.
- Although the customer is king, never treat customers better than employees. Be friendly and show your appreciation. Say "good morning" and "thank you."
- Keep employees well informed about what's happening in the store, so they feel more a part of the organization.
- Make yourself accessible to employees.
- Don't criticize employees who may be over-cautious.
- Train employees on what to look for and how to respond to a potential shoplifting situation in a manner that will not cause employees to fear becoming involved in a confrontation or lawsuit.
- Remind employees to observe the physical symptoms and behavioral changes associated with drug use.
- Train employees that internal theft can never be a big problem when the other employees (by speaking up) don't allow it to happen.
- Make it easier for employees to come forward to report their suspicions or concerns:
 - Tell employees what to report and when to report it
 - Tell employees exactly how the information they provide will be used
 - Give employees alternative ways to report suspicions (i.e., by telephone, in writing or in person)
 - Reassure employees that they are doing the right thing
- Catch employees at doing things right, rather than only looking for what they do wrong.
- Make sure all employees receive a written statement of key policies and procedures, and that they acknowledge receipt by their signature.
- Be sure that systems and procedures are user-friendly so employees are not encouraged to circumvent the system.
- Have needed information readily available for reference (i.e., merchandise information, price information, policy and procedural guidelines, et al).
- Never criticize employees for asking a question when they are not sure of the answer, but do criticize employees for not asking a question when they are not sure of the answer.
- Remember that the attitude and performance of store employees is heavily influenced by the attitude and performance of store management. Set the example for employees in all things.