

Loss Prevention

Loss prevention is an extremely important element of keeping your costs down. Theft or shrinkage (employee theft) is all lost dollars and each of these dollars is 100% pure bottom line profit. The general method of loss prevention is to create the impression that your business knows all the ways to steal and has put methods into place to catch all offenders. Following are some ideas to help you discourage customer theft:

- Keep your cash register at the front of the business near the door.
- Use plenty of lighting in the checkout area as well as outside the door.
- Try to use large windows in front to make the checkout area visible from the outside.
- Keep a minimum of cash in the register. Large bills should be transferred to a safe.
- Attach a measuring tape at the side of the front door to help you describe the height of the thief.
- Try to avoid having rear or side doors which thieves could use.
- Train your employees to observe customers, and inform of your policy regarding shoplifters.
- Use cameras or convex mirrors to cover the “blind” spots of your business.
- Use a window sticker which states that your business is covered by a security system.

Following are some ideas to help you discourage employee theft:

- Use a perpetual inventory system. It is not recommended that you use staff for this as they could cover up know theft with inventory overcounts.
- Use loss prevention as a duty in all job descriptions. Try a reward system for staff that recover losses.
- Develop a policy and procedure manual that clearly states how to handle cash and inventory.

- Relate to employees on a consistent basis how losses affect the business and ultimately your ability to keep them employed.
- Try to make it a policy that no employee gets left in the store by themselves.
- Strictly record and monitor who has a key to the business.
- Put strict policies in place to cover markdowns and refunds.
- Inspect the garbage before it leaves the store.
- All parcels of employees are checked before they leave the business.
- Perform reference checks on new employees.

For more information:

Internet: <http://strategis.ic.gc.ca/SSG/dm01279e.html>