



Retail Loss Prevention Publications

Lumberyard Controls

BILL CAFFERTY
RETAIL LOSS PREVENTION CONSULTANT

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Lumberyard Controls

Lumberyards and other outdoor areas in which lumber, other building materials, rental equipment or other product is on public display for sale or rental present a unique set of challenges. It is important that these challenges be acknowledged and dealt with in a manner which protects your investment, while accommodating normal sales activity. While customary controls are in place inside a store for protecting product – everything from walls and doors to cashiers positioned at entrance/exit points – this is often not the case with outside display areas. Following are best practices designed to provide optimum protection, with minimal impact on customer service.

PHYSICAL SECURITY

- **FENCING** should be installed to completely enclose the perimeter and prohibit unrestricted access both during and after business hours. Fencing should be at least six feet high with angled out barbed or razor wire topping (if permitted by your local building code). The customary fencing material is chain link, although a steel post fence or any other type of fencing will work as long as it is sturdy and prevents a thief from easily going over, under or through it. Fencing must be checked at least weekly for evidence of damage, breaching, etc.
- **GATES** must be of the same or comparable material and be hung and maintained in a manner that, when closed, do not provide an opening of sufficient size between the gate and adjacent fencing, or between the gate and the ground, to allow entry.
 - **LOCKS AND (WHEN NECESSARY) CHAINS** used to secure the gate must be of sufficient size and strength to provide optimum protection against cutting and forced opening. Padlocks should be high security, commercial grade, ideally with a hidden shackle and the feature that prevents the key from being removed when the padlock is open. This feature, called *key retaining* or *non-removable key*, will require that the padlock be locked in place, rather than left hanging open during the day, before the key can be removed, and thus prevent switching or theft.
- **BUILDINGS WITHIN THE AREA** must be secured to protect their contents both during and after business hours. If the area is manned *at all times* during business hours, these buildings need not be locked during business hours. If, however, the area is not manned at all times, these buildings should remain locked, particularly if they contain high value items such as water heaters, HVAC units, motorized lawn care equipment, etc.
 - **DOORS** should be metal or wood solid core, with the hinges mounted on the inside of the door. If the hinges are mounted on the outside of the door, the hinge pins should be spot-welded or secured with inaccessible pins to prevent removal. As with gates, locks of sufficient size and strength should be used to secure these doors. Deadbolt locks with at least a 1" *throw* provide the best protection. If padlocks are used, we again recommend a commercial grade padlock, ideally with a concealed shackle and the *key retaining* or *non-removable key* feature for these doors. The hasp/staple assembly should be of comparable strength, and mounted in such a manner that the securing screws are not exposed. Ideally, the hasp/staple assembly should be secured to the door and frame with bolts through the door/frame, secured on the interior side with retaining nuts.
 - **WINDOWS** should be either barred or secured/covered with plywood or comparable material to deter forced entry.
- **COMPANY VEHICLES** should be secured at all times, including during business hours and when parked within the enclosed area overnight. Keys to company vehicles should be secured in a lockable key box inside the store when not in use.

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- **SECURITY LIGHTING** is essential to deny thieves the advantage of using darkness to mask their activities. By dispelling shadows around parking lots, adjacent landscapes, walkways, and building wall areas, you can minimize the risk of criminal invasion, burglary, or violent attack. There should be sufficient lighting to permit passing police and honest citizens to see movement during nighttime hours – and to provide sufficient illumination for installed CCTV cameras to clearly record images of persons and vehicles. Pole mounted, downward focused lights with fluorescent, LED, metal halide, halogen or equivalent bulbs provide excellent lighting. It is advisable and worthwhile to have a professional lighting company provide recommendations and quotes for the appropriate lighting system for the area. These lights should be on a timer that is adjusted throughout the year to provide lighting only during hours of darkness or, better yet, controlled by a photo cell activated switch that turns the lights on and off at appropriate times based on natural, ambient light levels.
- **CLOSED CIRCUIT TELEVISION (CCTV)** coverage of the area, *particularly the gates*, is strongly recommended. Cameras should be in environmental (and if deemed necessary, vandal proof) housings and located at points that maximize their value; that is, the fence line, vehicle entry-exit points (with one camera focused to provide clear images of license tag numbers), company delivery vehicle loading areas, perimeter door(s) of the store that are contiguous to the area, buildings that contain theft-prone product, high theft-prone product, etc.
- **ALARM SYSTEM** – Consider extending your store’s alarm system to this area. Systems should include alarm points on perimeter gates, doors of buildings containing high value product, and infrared and/or motion detection devices along the fence line. Contact your alarm company for a recommended design and quote.
- **PRODUCT SHOULD NOT BE POSITIONED-STACKED NEAR THE FENCE.** It is recommended that a distance of 10 feet be maintained between the fence and stacked building materials. Product stacked closer than 10 feet provides a handy platform for both entry and exit over the fence.
- **GRASS, BRUSH AND WEEDS** adjacent to the fence should be kept cleared. This will deny cover for stolen merchandise that may be thrown over or placed near the fence by associates or customers. It will also deny cover to burglars during attempts to surreptitiously enter the property during nighttime hours.
- **SIGNAGE** is important. It informs customers and others of your policies, as well as your commitment to the protection of your property and product. NO TRESPASSING signs should be posted every 50 feet on the exterior side of perimeter fencing and on all gates. You may also want to consider a sign at the entrance to your lumber or building materials yard that states something to the effect that A SALES RECEIPT IS REQUIRED FOR ENTRY INTO THE LUMBERYARD. If you do have CCTV coverage of the lumberyard, a sign stating THIS GATE AND LUMBERYARD ARE UNDER CCTV SURVEILLANCE should also be posted. Lastly, if there is a perimeter door in your store that exits directly into the lumberyard, we suggest you place a sign on the interior side of that door informing customers that UNPAID MERCHANDISE MAY NOT BE TAKEN INTO THE LUMBERYARD.

ACCESS CONTROL

- **GATES** are only effective during business hours if passage through them is controlled. An open, uncontrolled gate is an invitation to **STEAL FROM ME** and should be avoided if at all possible. If the enclosed area has more than one gate, all but one of them should be closed and locked – only the gate that is closest to the store, easy to observe and control should be used by customers. If there is a rear or side gate that must be used by commercial delivery vehicles (or company delivery vehicles), it should remain closed and locked when not in actual use.

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- **PADLOCK KEYS** should, of course, be very closely controlled. Since padlock keys are easily duplicated, it is important to take actions, whenever possible, to eliminate any advantage an associate would have by making an unauthorized key duplication. In this case, one such action would be to utilize a **DAY LOCK - NIGHT LOCK** system on perimeter gates that are used during business hours. This system involves the use of a heavy duty padlock for nighttime security (to which only opening/closing managers have the key); and the use of a second padlock (of lesser quality) for securing that gate during business hours. The day lock can be locked in place (on the gate) overnight. Once the *night lock* is opened in the morning (and locked in place on the gate), the *day lock* is opened and used to secure the gate during the day. This arrangement is particularly advisable for a gate that is not controlled by a guard and which is locked during operating hours when not in actual use.
- **WHEN IS IT APPROPRIATE & COST-EFFECTIVE TO EMPLOY A GATE GUARD?** There is no standard formula for determining when the employment of gate guards is appropriate. However, if a significant segment of your sales (e.g., 50% or more) is from product stored and/or displayed in an exterior lumber/building materials area – or if periodic inventories confirm that you have a significant theft problem in that area – it would, indeed, be appropriate to consider putting a guard on the gate. Once the decision is made, a guard shack should be constructed (or purchased). The ideal location of the guard shack would be in the middle of the gate opening, thus allowing the guard easy access to both entering and exiting vehicles.
 - **THE GUARD SHOULD BE PRESENT AT ALL TIMES THE GATE IS OPEN.** For example, if the gate is opened at 7 a.m. and the store opens at 8 a.m., the guard's shift should begin at 7 a.m. Further, this person should report to, and take direction only from, the store manager (not the lumberyard manager). This avoids any potential conflict of interest situations. Additionally, the guard's duties should be restricted to gate control and not include other duties that would take that person away from the gate for any length of time, no matter how short that period of time. Lumberyard associates *should not* be used as gate guards.
 - **THE GATE GUARD MUST BE FAMILIAR WITH ALL BUILDING MATERIALS**, to include the various types and grades of lumber. To this extent, consideration should be given to distinctively marking the different grades of identical lumber products to make it easier for lumberyard associates and gate guards to quickly identify them (e.g., spray painting different colors on the ends of the lumber products). You should also consider, if not already doing so, marking the lumber/building material storage locations with the SKU/description of the product (see examples below).



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- **WHEN A PRODUCT IS SOLD THAT WILL BE LOADED BY AN ASSOCIATE**, it is prudent to provide the customer with two copies of a receipt or invoice; one for the customer's retention and one to be surrendered to the associate who will be loading the product, or to the gate guard if you have a gate guard. When the product is loaded, the associate initials the store copy and turns it in – or it is surrendered to the gate guard upon exiting the lumberyard. This process does three things – first, it identifies the associate who loaded the product; second, it tends to make the associate more careful during the loading process because his/her identity is being documented; and third, it prevents a customer from returning later, with the sales receipt, claim that the product has yet to be loaded, and having the same product loaded a second time. If the Epicor **LOADING TICKET** feature is in use, the loading ticket produced when the sale is rung may be used in lieu of a second copy of the receipt/invoice. The loading ticket feature requires the activation of Epicor Option #160. This feature, once established, prints a second POS terminal receipt (a "Loading Ticket") that contains only those items that are to be loaded by an associate. If this feature is used, it would be the Loading Ticket that would be required for entry into the lumberyard and would be surrendered to the gate guard upon exit.
- A large **STOP** sign should be posted at the gate that can be seen by both entering and exiting vehicle drivers.
- **ENTRY TO LUMBERYARDS SHOULD BE CONTROLLED JUST LIKE EXIT.** Only customers with *two copies* of a sales receipt/invoice (or Loading Ticket) should be allowed to enter the lumberyard.

NOTE: If deemed absolutely necessary, special customers (i.e., contractors and other customers who make frequent building materials purchases) may be allowed to circumvent the established policy and enter without a sales receipt/invoice. Consider issuing a "pass" or other type of identification to those special customers that can be displayed to the gate guard when entering. **HOWEVER**, special attention should be paid to these customers when they exit, to include being on the lookout for store product inside the passenger compartment of their vehicles. Should store product be seen, proof of payment should be requested.

- **IF THE ENTERING VEHICLE ALREADY HAS BUILDING MATERIALS IN ITS BED OR INTERIOR** and those materials are identical to product displayed/sold from within the enclosed area, it is recommended that the gate guard annotate a summary of those items on the reverse side of the gate guard copy of the sales receipt/invoice. This will be of value when conducting the exit load check.
- All exiting loads must be verified by the guard – to include product on company vehicles. The load check process should be **LOAD TO INVOICE**. That is to say that the guard should start directly behind the driver, identify the product type and quantity at that location, locate it on the invoice and check it off; then proceed around the rear of the vehicle to the passenger door and, if required, climb onto the bed of the truck to confirm that there is no product in the middle of the bed that could not be seen from the ground, identifying each new product and quantity seen, then locating it on the invoice and checking it off.

This method (as opposed to the **INVOICE TO LOAD** method) will ensure that any product that has been loaded, but not invoiced, will be found.

The customer must be required to surrender the gate guard's copy of the invoice when exiting. The gate guard should initial that copy and record the license tag number of the customer's vehicle on it. If errors are discovered (e.g., wrong grade of material, incorrect quantities, etc.), the guard should direct the customer back into the yard and radio (if possible) the yard supervisor that an error was discovered, what it was, and the fact that the customer is returning to have the error corrected.

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- The **GATE GUARD DAILY ERROR REPORT** should be used to record all errors discovered during load checks. This form can be downloaded at <http://www.ancelossprevention.com>. This form should be turned in weekly to the store manager for necessary actions. Consider an incentive program for both lumberyard associates and the gate guard that is based on accuracy of loads. For example, pay an incentive to the gate guard for every error he detects (a percentage of the value of the error), and a flat rate incentive to lumberyard associates who load a specified number of customer vehicles without an error (e.g., \$10 for every 100 vehicles loaded without an error).

DELIVERY CONTROLS

- The invoice copy that is used by lumberyard associates for loading outgoing deliveries should contain blocks for the initials of **THE LOADER, THE CHECKER AND THE DRIVER**, all attesting to the accuracy of the load. That copy should be reviewed for accuracy and completeness by a supervisor, filed for an appropriate period of time, and then destroyed. The gate guard is the “fail safe” and is in addition to the checks made at the time of loading (should check the load before it exits the gate).

NOTE: Keep in mind that regardless of the accuracy of the load at the time it was loaded, it is always possible that additional product could be surreptitiously loaded prior to the truck leaving the lumberyard.

- An **OUTGOING DELIVERIES FORM** should be maintained at the guard shack to record all outgoing deliveries. Minimum data to be recorded on this form would be date, time, truck number, driver ID, invoice number, and odometer reading.
- It is recommended that a **GPS SERVICE** be employed to track delivery vehicles. There are many such services available with reasonable pricing. The costs associated with such services are typically offset through savings in driver man-hours and vehicle fuel costs.
- **FUEL CONSUMPTION SHOULD BE CLOSELY MONITORED.** This is particularly appropriate if delivery drivers have use of a company credit card or signature authority at a designated gas station for fuel purchases.
- A **HOLD HARMLESS DELIVERY AGREEMENT** form should be considered, particularly if delivery vehicles are heavy duty or tandem dual axled. A sample form is available and can be downloaded from <http://www.ancelossprevention.com>.

*If there is a unique situation at your store that is not adequately addressed here, please contact Retail Loss Prevention and discuss your concerns with one of our loss prevention professionals.
Call 630-972-2670 or email info@ancelossprevention.com.*

Visit Retail Loss Prevention online at <http://www.ancelossprevention.com>.

Remember ...

SALES + LOSS PREVENTION = GOOD BUSINESS