

## SPRING CLEANING

Article contributed by Bill Cafferty,  
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Spring has sprung! It's time to break out some serious cleaning supplies and dive into the annual spring cleaning of the house. As for your business, spring brings an increase in customer traffic and (hopefully) sales. But like your house, it's also time to check your internal controls to confirm that they haven't gathered dust over the past months and possibly need to be cleaned up and given a new coat of polish. Rest assured that increased traffic will be accompanied by increased risks of loss to both external and internal causes.

Following are what we consider to be ten very important loss prevention issues which must have appropriate controls in place in order to minimize the risks of loss. Our recommendation is that you do a little spring cleaning and check to ensure that these controls are in place and being followed.

**1. YOUR ASSOCIATE HANDBOOK** – Your associate handbook contains, among other things, company policies regarding dishonesty, theft, drug and alcohol abuse, dress and personal appearance codes, etc., along with consequences when an associate violates one of those policies. Associates should sign a receipt for the handbook that stipulates they have (or will) read it and understand that the rules contained within are conditions of employment. Check it over and confirm that all policies are clearly stated and up to date. If you don't have an associate handbook, contact Retail Loss Prevention for handbook samples.

**2. BACK DOOR CONTROL** – If the back door *is not an emergency exit*, keep it locked, with the key controlled by management. If the back door *is an emergency exit*, mount a key-operated exit alarm on the door, with the key controlled by management - and place a sign on the door that states "EMERGENCY EXIT ONLY – ALARM WILL SOUND." It's also recommended that a peephole be installed in the door for use before opening the door in response to a knock or doorbell. See VENDORS at <http://www.ancelossprevention.com> and click on Se-Kure Controls for information on exit alarms.

*If the back door is not controlled, it is not a matter of WHETHER you will lose product through that door, but rather HOW MUCH product you will lose through that door.*

**3. OVERHEAD RECEIVING DOOR CONTROL** – Keep this door closed and padlocked when not in actual use, with the key controlled by management.

**4. TRASH REMOVAL** – Empty trash containers daily just prior to closing; use clear trash bags (available from the RSC); take all trash to the stockroom, but do not take it to the Dumpster. Task the store opening crew with removal of trash bags to the Dumpster. Keep the Dumpster locked at all times. Check with your refuse company – they may even provide the padlock. Unlock the Dumpster only when needed and for refuse collection – and immediately re-lock it. Management should closely control the key.

**Mark your  
Chicago Convention  
Calendars for  
FREE Retail Loss  
Prevention Training!**

**Shoplifting Prevention**  
Thursday, August 16  
1 to 2:30 p.m.

Gain the knowledge you need to teach your associates to work as a team to identify and prevent shoplifting.

**Associate Theft  
Prevention**

Thursday, August 16  
3:30 to 5 p.m.

Associate dishonesty is the leading cause of store shrinkage. Learn how to identify associate dishonesty, approach the situation, and complete the interview/restitution/termination/prosecution process.

**Epicor POS Security**  
Friday, August 17  
2:30 to 4:30 p.m.

The number one place that associates take advantage of a store is at the point of sale. This session will walk store owners through ways to protect against POS theft.

**CONTACT US:**

Phone:  
(630) 972-2670  
[www.ancelossprevention.com](http://www.ancelossprevention.com)

## SPRING CLEANING cont.

**5. STORE OPENING AND CLOSING PROCEDURES** – The two prime times for robbery are just before opening and just after closing; thus it is important that best practices be closely followed.

- **OPENING** – Mandate a “two person” rule for opening the store, requiring that the opening manager and one other associate enter the store at the same time. If, upon arrival, there is a suspicious vehicle or individual near the front door, **do not proceed with opening** – call the police and ask for assistance. Ensure that all opening managers have their own unique alarm code (no sharing of codes). Establish a *duress code* with your alarm company for use by an opening manager should he/she be accosted during the opening process. Require that the entry door be immediately RE-LOCKED after entering. Unlock the door for arriving associates, one at a time, re-locking it after each entry. **DO NOT** unlock other (unattended) perimeter doors prior to store opening.
- **CLOSING** – Immediately lock all perimeter doors at closing (the exception being fire exit doors; but they should be configured to prevent independent opening from the outside). **DO NOT** allow anyone to enter the store after closing. Assign a trusted associate to the customer exit door, unlocking it for exiting customers and associates, re-locking it after each exit. Conduct package checks of hand carried items by associates. Check all restrooms and other rooms/out of the way areas for “hide-aways.” Remove all cash from POS terminals and leave the drawers open. Mandate a “two person” rule for closing the store, requiring the closing manager and at least one other associate to leave at the same time. Do not exit, but alert police, if there is a suspicious vehicle or individual near the front door as you are about to exit and lock up.

**6. POS CONTROLS** – This topic is far too complex, with way too many facets, to cover completely here. Suffice it to say that there are numerous specific best practices designed to keep losses to a minimum at this very vulnerable, very sensitive, high risk position. Please contact Retail Loss Prevention for our pamphlet that contains detailed information on loss prevention related features available within the Epicor system and our recommended settings. It is essential that you implement appropriate safeguards against employee malfeasance at the POS. Following are major best practices.

- Closely control POS drawer keys – **DO NOT** keep them at the front.
- One cashier per drawer (*VERY IMPORTANT*).
- Establish a fixed change fund for each drawer and require cashiers to verify (sign for) their change fund at the beginning of each shift.
- Require currency in the drawer to be “faced.”
- Provide a receipt to every customer (*Post signage that a free gift certificate will be presented if a receipt is not provided.*).
- Require name and phone number (at a minimum) from customers receiving refunds; set a dollar threshold for manager override (\$25 is recommended).
- Conduct periodic cash pickups or (*preferred*) install a cash drop box at each terminal.
- Prohibit the keeping of purses at the checkout.
- Ensure that managers respond to cashier pages in a timely manner – **DO NOT** permit managers to provide telephonic manager overrides/approvals.
- Calculate cashier over/short at end-of-shift, with a manager present who verifies the count (DCD).
- Verify the presence of supporting documentation (refunds, voids, etc.) at end-of-shift (DCD).
- Reconcile all sales data/documents/cash the following day (RDS).
- Take prompt action when a policy or rule has been violated.

**7. EMPLOYEE PURCHASES** – Associates should be prohibited from ringing their own sales/refunds, as well as those of relatives and close personal friends, during which “sweethearting” can occur. (You don’t know who their close personal friends are, but they do - and if you discover a violation of policy, you will have grounds for action.) Establish a house cash account for each associate that automatically computes the associate discount and which will contain a record of all purchases. Review those accounts on a weekly basis for unusual or suspicious transactions. Restrict purchases (except drinks and edibles) to off-duty times only, with immediate removal of the item(s) to their vehicle. Require the purchase receipt for drinks/edibles to be taped to the container. All refunds to associates should require that a manager be present who will verify the purchase receipt and initial the refund document for back office review.

## SPRING CLEANING cont.

8. **CCTV** – CCTV coverage is essential at POS terminals, the safe/countdown area, the back door, tool, electrical and plumbing aisles and other sales floor hot spots. A public view monitor at the front door is also recommended, as is the interfacing of the CCTV system with the Point of Sale system. If you don't have a CCTV system or yours is in need of upgrading, contact Retail Loss Prevention for assistance. Retail Loss Prevention provides a free service that includes the recommended CCTV layout for your store, along with quotes from our three preferred vendors.

9. **KEY CONTROL** – Consider investing in a *registered* keying system. It is a bit more expensive up front, but keys cannot be duplicated and there is no need to re-key doors when a key holder terminates employment. Require key holders to sign a receipt (see FORMS at <http://www.ancelossprevention.com>) for keys issued for retention. Consider a *day lock/night lock* system for exterior gates, storage buildings, etc.

10. **MERCHANDISE DISPLAY SECURITY** – Consider a power tool alarm for displayed power tools - it is fool-proof and a very cost-effective investment. Consider annunciators in out-of-the-way aisles where theft-prone merchandise is displayed. And consider mounting aisle-sized public view monitors near high theft-prone displays (e.g., Craftsman hand tools). See VENDORS at <http://www.ancelossprevention.com>. If product is displayed in a locked display, mandate a “lock it up – walk it up” policy in which associates carry all product displayed in locked displays to a cashier, advising the customer that the item will be waiting at the register. See FORMS at <http://www.ancelossprevention.com> for signage to be placed on those fixtures.

Go to the Retail Loss Prevention website (<http://www.ancelossprevention.com>) for more in-depth articles on many of the issues highlighted above. For a complete set of loss prevention best practices, contact Retail Loss Prevention at 630-972-2670 or [info@ancelossprevention.com](mailto:info@ancelossprevention.com). And please don't hesitate to contact us for personalized professional assistance in all matters of internal controls, shoplifting, employee theft, POS operations, physical security, CCTV needs, etc.

*The above best practice is but one of those contained in Retail Loss Prevention Best Practices, a document that is yours just for the asking. Contact Retail Loss Prevention at 630-972-2670 or at [info@ancelossprevention.com](mailto:info@ancelossprevention.com) for a copy of the complete set, which contains recommendations for all aspects of your loss prevention program.*

# 2012 Fall Convention/Chicago

## Tuesday, August 14 (pre-show; full-day sessions)

Cost is \$99 each, except for Hands-On Electrical & Plumbing Workshop, which is \$199.

Session	Time	Length	Title
A	9 a.m. to 5 p.m.	Full Day	Hands-On Electrical & Plumbing Workshop
B	9 a.m. to 5 p.m.	Full Day	Amaze Every Customer Every Time by Developing a S.A.L.E.S. Team
C	9 a.m. to 5 p.m.	Full Day	Maximize Your Business Customer Sales
D	9 a.m. to 5 p.m.	Full Day	Nuts and Bolts of Financial Planning
E	9 a.m. to 5 p.m.	Full Day	Don't Train 'Em, Don't Blame 'Em!

## Wednesday, August 15 (pre-show; full-day sessions)

Cost is \$99 each, except for Hands-On Electrical & Plumbing Workshop, which is \$199.

Session	Time	Length	Title
F	9 a.m. to 5 p.m.	Full Day	Hands-On Electrical & Plumbing Workshop
G	9 a.m. to 5 p.m.	Full Day	Amaze Every Customer Every Time by Developing a S.A.L.E.S. Team
H	9 a.m. to 5 p.m.	Full Day	Maximize Your Business Customer Sales
I	9 a.m. to 5 p.m.	Full Day	Ace Rental Place Training
J	9 a.m. to 5 p.m.	Full Day	Save Time by Utilizing Epicor E4W Applications

# 2012 Fall Convention/Chicago

Thursday, August 16

These sessions are FREE!

Session	Time	Length	Title
K	1 to 3 p.m.	120 Minutes	Financial Management 201 – Using the Enhanced Ace Budget Tool to Manage Profitability
L	10 to 11:30 a.m.	90 Minutes	How Pallet Alley Can Increase Your Average Ticket
M	1 to 2:30 p.m.	90 Minutes	Discovery Acceptance Rate: How to Drive Sales and GP\$ by Having the Correct Assortment
N	1 to 2:30 p.m.	90 Minutes	Shoplifting Prevention
O	1 to 2:30 p.m.	90 Minutes	The Future of the Light Bulb Category
P	1 to 2:30 p.m.	90 Minutes	Five-Star Key Performance Indicators (KPIs) – A Facilitated Discussion
Q	3:30 to 5 p.m.	90 Minutes	Associate Theft Prevention
R	3:30 to 5 p.m.	90 Minutes	How Pallet Alley Can Increase Your Average Ticket
S	3:30 to 5 p.m.	90 Minutes	How to Maximize Each Transaction through Project-Based Selling
T	3:30 to 5 p.m.	90 Minutes	Customer Returns: Policies and Procedures
U	3:30 to 5 p.m.	90 Minutes	How to Set Up Your Garden Center in Less Than a Day
V	10 to 11 a.m.	60 Minutes	Increasing Sales of Green Goods and Hard Goods at Ace – Getting New Consumers

# 2012 Fall Convention/Chicago

Friday, August 17  
These sessions are FREE!

Session	Time	Length	Title
W	2:30 to 4:30 p.m.	120 Minutes	Epicor POS Security
X	2:30 to 4:30 p.m.	120 Minutes	Financial Management 203: Understanding How Cash Flow Impacts Profitability
Y	9 to 10:30 a.m.	90 Minutes	Increase Sales Using Dynamic Promotions
Z	9 to 10:30 a.m.	90 Minutes	Strategic Clutter: Making the Most of Your Impulse Space
AA	9 to 10:30 a.m.	90 Minutes	Learn To Earn Business Customer Sales
BB	9 to 10:30 a.m.	90 Minutes	Ace in the Digital Space
CC	9 to 10:30 a.m.	90 Minutes	Amazing Customers through Engaged Employees: How to Action Your Survey Results
DD	2:30 to 4 p.m.	90 Minutes	Five-Star Key Performance Indicators (KPIs) – A Facilitated Discussion
EE	2:30 to 4 p.m.	90 Minutes	How to Lower Occupancy Costs: Understanding Lease Terms and Strategies
FF	2:30 to 4 p.m.	90 Minutes	Introduction to Margin Master – Making More Money through Variable Pricing