

# 8 Ways to STOP Inventory Loss

Retailers face an incredible dilemma when it comes to protecting their merchandise. Sources of risk come in the form of waste, errors, accidents and thefts by employees, vendors and so-called "shoplifters". Aside from the risk of actual inventory loss, other risks, namely exposure to civil litigation lurk around every corner.

Consider the issue of just shoplifting. I've personally served as a security consultant and expert witness in numerous lawsuits across the country, representing both the plaintiff and the defense. As a consequence of all my experiences, I've come to conclude the following:

1. If a store has a policy of not detaining a shoplifter, it becomes known and the store becomes a target.
2. If a store detains but doesn't prosecute, that becomes known and the store becomes a target.
3. If the store detains but don't prosecute up to a minimum amount, it becomes known you can steal with immunity up to that set dollar amount.
4. If the store has a policy of arrest and prosecution, irrespective of the amount stolen, the police, prosecutor and courts will object.
5. If the store arrests and prosecutes and the offender is found not guilty in trial, the store is subject to a lawsuit.
6. If the store arrests and prosecutes and for a wide variety of reasons (e.g. the security employee wasn't subpoenaed or is no longer employed and can't be located) and the court or prosecutor dismisses the case, the store is subject to a suit.
7. If the store detains and subsequently releases without a signed "admission", the store is subject to a false arrest suit.
8. If the store detains and release with a signed "admission", the store may be subject to a suit claiming the agent extorted the signature, i.e. made promises or threats to obtain the confession.
9. If the store detains but has a policy of no force to be used , it becomes known as a free target....all the thief has to do is pull-away or resist and walk.
10. If the store has a policy of no chasing, it becomes known and the thief only needs to run, and is free.
11. If the store detains and policy allows the use of reasonable force, there's a risk injury to bystanders and the shoplifter and the store is subject to a lawsuit claiming negligence or excessive use of force.
12. If the store detains and policy allows the use of reasonable force, there's a risk of injury to security employees and workman's compensation claims.
13. If the store detains and calls for the police and they arrive after a long delay (because transporting or citing a shoplifter has a low priority) the store is subject to a false imprisonment suit for holding a person for an excessive amount of time.
14. If the store detains and the shoplifter admits the theft but claims some form of misconduct, such as refusing to allow a phone call for someone to pick-up a waiting child, or refusing the person the use of the rest room, or agents making racial comments, or refusing a person medical attention, etc., the store is subject to a lawsuit.
15. If the store detains, arrests and prosecute because they have a "perfect case" in every way, including the written admission of the person arrested, the case can still be lost in trial for any number of reasons, and the store may be subjected to a lawsuit.

## What to do?

The merchant must develop a strategy aimed at PREVENTION . Prevent and discourage people from shoplifting so confrontations and detentions are avoided if possible. And prevent and discourage employees from stealing.

## How do you do that?

Following is a general list of strategies to consider, the consequence of which will inevitably contribute to the reduction of inventory shrinkage:

1. Never hire an employee on the basis of their appearance or unverified background. Literally millions of Americans have served time in jail and have been terminated for misconduct and dishonesty. Where are they today?
2. Write out your expectations of performance and rules and share them with employees. Do your employees know your rules on when discounts can be given to members of the family, as an example?
3. Know what your employees are doing. Employees do what you inspect, not what you expect.
4. Treat employees the way you would want to be treated.
5. Secure under lock and key high-price goods in stock areas.
6. Count incoming goods to ensure you get what you're paying for.
7. Take advantage of modern technology such as closed circuit television cameras and deploy them so that customers, vendors and employees know they are silent witnesses on guard in the store. Of all technology, the camera ranks #1 because it provides both pro-active and re-active benefits (serves as a deterrent, can assist in witnessing a crime and provides historical documentation of the criminal event). The camera never lies.
8. And create a climate in which employees identify with the goals of the business, care about the store, see their future in the continued success of the store and the best manifestation of that attitude is reflect in GOOD CUSTOMER SERVICE. It's hard to steal when an employee is anxious to provide assistance, direction and advice.

Chuck Sennewald, CMC, CPP Copyright 2004 by Charles A. Sennewald Mr. Sennewald is a retired security management consultant, a founder of the International Association of Professional Security Consultants