

Use Alarm Monitoring Data To Uncover Employee Theft

Exception-based reporting provided through your monitored security system can create a greater ROI, helping you utilize your data to reduce shrink.

by Jim Shepherd


The biggest threat to your business doesn't carry a gun. In fact, the biggest threat to your business doesn't seem like a threat at all. They sit quietly behind your cash register, smiling pleasantly at your customers and stocking your shelves. But, when the time is right, they pocket your cash or sneak out with your merchandise, leaving you to wonder where your profits have gone.

According to the National Retail Security Survey, the number one source of shrinkage for a retail business is internal theft. The U.S. Chamber of Commerce estimates that 75% of all employees steal at least once, and that half of these steal repeatedly. Employee theft, which costs American business in excess of \$50 billion annually, is also responsible for one in three business failures.

This is traditionally a loss prevention area that is more challenging to monitor. And, what's worse, many retailers have cut personnel, leaving LP officers to manage more locations than ever before and with less on-site time.

So how do you combat shrink with fewer resources and personnel and still monitor store activity with systems such as conventional CCTV?

All retailers have some sort of security system installed in their locations, and most are already receiving the standard burglar alarm system activity reports such as opens, closes, alarms, etc. For many, this means receiving piles of data that must be deciphered in order to locate a potential issue that may signify theft or a change in store protocol. But did you know that your system activity



Having the right information at the right time is mission critical for planning your retail path...

Learn how Hibbett Sports got on the right path to **workforce planning and budgeting** by reducing their monthly labor budgeting and planning processes from one week to two days.

Go to www.dayforce.com/Hibbett to download this feature story now.

Labor Budgeting • Labor Scheduling
Task Management • Time & Attendance
Human Resources • Employee Self-Service



www.dayforce.com (866) 748-7066

Copyright © Dayforce Corporation 2010, all rights reserved.

Loss Prevention/Security

can tell you even more about what's happening in your stores — even when your system is in its normal unarmed state and during store operating hours?

Nonalarm change-of-state notifications, such as when your alarm is armed or disarmed in a conspicuous way, can provide you with information you can use to identify anomalies. Exception-based reporting can help you to make sense of all of this information to provide the “if/then” scenario that is meaningful to you.

Managing alarm data is a huge undertaking. A quality alarm system activity exception-based reporting system will give you the ability to put this data in any format, allowing you to extract the information and use in a way that is effective.

Some Examples:

1. Your store is closed for business, employees are stocking shelves, and the building perimeter is armed. When an exterior door is opened during this period, an exception report can alert you to possible theft.
2. You set up your system to alert you when certain areas such as a safe room are accessed after a certain time of day. You wouldn't want to dispatch the police on a store

that's open, but you would want to know that this area has been breached.

3. It's normal for your opens to occur from 5 a.m. to 7 a.m. But, what if a manager comes in at 6 a.m., robs the store blind, resets the alarm, leaves, then comes back 30 minutes later? Normal open/close parameter criteria wouldn't flag that incident since it happened during the normal “open” window. Exception-based reporting would capture this information, providing a time-and-date stamp where review of video footage may be in order.

Managing alarm system events by exception can help a loss prevention manager concentrate on the small percentage of events that may be a large percentage of total losses. ■



Jim Shepherd joined Protection 1 as a retail national accounts manager in 2010. His past experience includes 20 years in various positions with Vector Security. He was also business owner of JS Consulting and vice president of operations for Central Telecommunications Corporation. He is certified in NICET Level II and Loss Prevention.



Welcome to the age of transparency.

Transparency. When you have it, you know you're getting the real deal.

If seeing is believing then absolute disclosure is revealing. No vaporware, no cubes, no hiding, no joke. A true “One Version of the Truth”. See for yourself what the world's fastest and most transparent data warehousing & analytical solution can do for you.

© 2010, 1010data, Inc. 212.405.1010 www.1010data.com Make sense of it all.® **1010 data**