

LOSS PREVENTION... SHRINKING SHRINKAGE. THE CASE FOR IN-STORE LOSS PREVENTION OFFICERS.

When times are good and retailers are turning a healthy profit they are prone to ignore a certain amount of theft and call it by the pretty name “*shrinkage*”, as if it were a by-product of being in business. It’s ugly to confront the dishonesty of our fellow citizens. Better to ignore it and write off the losses as if they were an inevitable fact of life. When telling your shareholders, or your boss, you suffered a five percent *shrinkage* rate in the last financial year it doesn’t sound as bad as saying you stood by while thieves stole one-in-twenty of all the items on your shelves.

But let’s call *shrinkage* what it is... It’s robbery. And at Charter Security we can’t accept that a business-person has to shrug their shoulders and cope with an accepted level of robbery. We believe there is no acceptable level of robbery.

The Australian Financial review reports that overseas, as unemployment rises, *shrinkage* is also rising. To combat this we are seeing a rise in loss prevention officers in-store as retailers realize *shrinkage* is a potential area of profit that can no longer be ignored. Stores overseas have recently linked staff bonuses and wage increases to getting a sustainable *shrinkage* result, such is the problem there.

NSW Bureau of Crime Statistics figures for 2008 showed a 7.8 percent rise in theft from retail stores. So far we haven’t seen a similar rise in the number of Loss Prevention Officers. But it is also reported in the Fin Review that one national retailer who recently employed Loss Prevention Officers for the first time has recorded a fifty-percent reduction in *shrinkage*. With happy results like that you can be sure we will be following the overseas trend; an increase in Loss Prevention Officers is on its way.

Some firms adopt a head-in-the-sand approach, let *shrinkage* happen, and then claim the stock-loss on insurance. But they inevitably suffer a dizzying rise in next year’s premiums. There is no alternative to prevention.

Today’s economic crisis is a production-line churning out shop-stealers and thieves at maximum capacity; a retailer will either suffer more loss or put in place a very visible deterrent... Loss Prevention Officers. There is no third option.