



Retail Loss Prevention Council **NEWSLETTER**

Retail Loss Prevention Council Members

Greg T. Brumley, CPP
Council Chairman

Steve B. Lindsey, CPP
Council Vice Chair

Bernard J. Geiben

William A. Alford

David H. Gorman

Rhett H. Asher

R Read Hayes Jr.

Keith Aubele, CPP

Donald J. Horan, CPP

Henry G. Bartol

Michael S. Magill

Alfred L. Dauser, CPP

Michael McCallister, CPP

Joe T. Davis, CPP

Karen G. Moore, CPP

Daniel J. Doyle, CPP

Shannon K. Stilwell, CPP

Jumbi Edulbehram

Shane Sturman, CPP

Richard H. Frank, CPP

Frank R. Torrell

Mark L. Gaudette

Gary L. Widman

Chairman's Corner:

Webinars - An Effective Communication Tool



Increasingly, retailers and suppliers are choosing to use Webinars as the preferred means of learning about products and services over the more traditional face to face meetings.

While eliminating travel costs and reducing unproductive time spent traveling to traditional meetings are both substantial considerations in this new trend, it is also felt that webinars are much more convenient for the customer and offer the same ability to communicate, understand the material, and ask clarifying questions as if the participants were in the same room.

These benefits are even more profound as it relates to using webinars to facilitate training or presentations, by subject matter experts, on a wide variety of relevant issues to an "audience" of individuals who have elected to participate in the discussion. The process provides not just for one way communication between the moderator (s) and the participants, but also provides the opportunity to ask specific follow-up questions which the moderator (s) can answer during the webinar.

ASIS International recognizes the value of this educational tool, and is encouraging Councils to embrace the use of webinars in order to provide more opportunities for the exchange of ideas and the identification of best practice solutions which Security and Loss Prevention professionals can benefit from. The Retail Loss Prevention Council, with the leadership of our Education Committee Chair Keith Aubele, CPP, LPP, is working to develop a series of webinars which will achieve this goal.

Be watching for these announcements as this important program moves forward. The Retail LP Council has a website within ASIS International's site, and we also have established a Group within the professional communications site LinkedIn.

IP: Think Outside The DVR Box

Choose IP (Internet Protocol) to reduce maintenance costs and your workload and to protect your business environment.

By Hedgie Bartol

I continually hear about retailers with IP initiatives. And, sales representatives—excuse me, “vendor partners” - come running with their own products and solutions that they think retailers need. I once heard a loss prevention (LP) professional say, “Most technology provides try to make your problems fit their solutions. A true partner will provide you with solutions so that you can solve your own problems—that is a true partner.” These solutions may have great features and offer very specific solutions, but none of them allows the LP professional to effectively implement exactly what they are looking for without limiting future changes.

“With an open platform approach, using common off-the-shelf tools, you can build a system that leverages your existing cameras with encoders.”

Hedgie Bartol, retail sales manager,
Milestone Systems Inc.

Should You Go IP?

If “going IP” is not the question, then what is the point? One of the most exciting facets of IP surveillance technology is that you are afforded the ability to think outside of the DVR box. After all, DVRs are just software, storage, processing, and encoding in a box. So, why not just build your solutions with common off-the-shelf components that allow full interoperability and scalability?

It’s in the best interest of many manufacturers to lock you into their hardware and software solutions. And, this is one of those things they don’t want you to know. With the advent of IP-based surveillance, you have the freedom to move away from proprietary and closed environments. Wouldn’t you prefer your surveillance to operate just like your corporate computing or any other PC-based application that you use every day? It’s the most flexible approach for the longest return on your investment.

Can you simply implement a hybrid DVR to help you bridge the gap? Yes, but how is that any better than your existing DVR environment? I would bet that it is proprietary, with its own approach to analytics, business intelligence, access control, exception based reporting, etc. Also, let’s say that one of the analog cameras fails, and you would rather replace it with an IP camera. It is an analog channel. If you have already put in the limit of IP cameras to that box, what are you going to do?

With an open platform approach, using common off-the-shelf tools, you can build a system that leverages your existing cameras with encoders. Also, you can add IP camera, and the system will operate on a unified platform on which you can layer any company’s analytics, access control or other solution of your choice. Also, you can use cellular broadband, WI-FI, or any other common protocol if need be. When an analog camera dies, replace it with an IP camera, and move that encoder to the next store that has a failing DVR. The migration path is much more palatable than we have been led to believe. IP is attainable without sacrificing your existing investment.

Technology is changing rapidly, but that doesn’t mean that you have to discard your current investment and suffer the slings and arrows of that outrageous fortune. With the rapidly changing technology, you are afforded many more options than you may realize. By putting yourself on the road to open and interoperable systems, your risk is greatly reduced, and you have the ability to “bob and weave” in



Hedgie Bartol is the retail sales manager for Milestone Systems Inc. Altogether, Bartol has been serving the retail loss prevention (LP) industry for more than a decade, bringing solutions from access control, identity theft, and fraud prevention to systems integration. Before joining Milestone

Systems in January 2008, he was the business development manager for the Retail Solutions Group at Diebold. A graduate of Catawba College, Bartol is also a member of the American Society for Industrial Security (ASIS) Retail Council and active in other organizations that support the industry.

Identifying Your Shrinkage Ecosystem

By Keith Aubele CPP, LPP



As retail loss prevention professionals, it is imperative that we take a holistic approach to the impact of shrink and loss across the entire platform. Regardless of the specific responsibility you have under your control as a Loss Prevention/Asset Protection Professional, there are always loss components that affect your business which may originate from outside your normal scope of operation. The seasoned and sage LP executive will construct an effective shrink pipeline in

order to then seek out the trouble spots and weak points of any retail operation. Once the pipeline is “constructed” then one can deconstruct the processes to see where shrink is hiding. I recall from my days in retail that a very effective shrink initiative was targeted at the buying process. The traction we made from identifying and fixing shrink buried in the buying process was paramount to our lowering shrink to a manageable level.

If we look at our retail operation as a whole ecosystem with vast areas of shrink opportunity, then we can begin to get our arms around all the stages and processes in the companies which lead to loss. The term ecosystem refers to the combined physical and biological elements of any environment. Shrink is obviously a physical component of the retail ecosystem, and hence it is my thought that we approach training, education and awareness with this in mind.

Identifying the Ecosystem

We have established the fact that shrink and loss impacts every element within a retail environment. Now let’s deconstruct the ecosystem from a retail perspective. Here are some of the key retail processes. Your individual retailer may have more or less of these toll gates.

Buying Merchandise, Accounts Receivable, Accounts Payable, Corporate Receiving/Warehousing Merchandise, Corporate Cross Docking Goods, Merchandise Transportation, Store Level Merchandise Receiving (Physical Goods), Store Level Merchandise Warehousing (Internal), External Store Level Storage Operations, Store Receiving/Invoicing Procedures, Direct Store Delivery Procedures, Markdown Procedures, Invoicing Procedures, Price Change Procedures, Grocery Department, Inventory Management, Hardlines, Softlines, Service Desk Operations, Returns Operations, Lottery Operations, Special Orders Desk, Contractor Desk, Front End Register Operations, Outlying Register Operations, Cash Office Operations, Employment Operations,

Local Purchases, Store Use Merchandise, Store Merchandise Transfers, Physical Security Operations, and Premises Security Operations.

The list can go on and on, but by now you get the idea of the complexity of our mission. If the key to the ecosystem concept is the idea that shrink and loss impacts every element within a retail environment, then we must be masters of how each of these areas inter-relate and the global cause and effect impact that shrink leaves in its wake. It is obvious that the retail environment includes not only the retail sales floor, which is common to each and every one of us, and is probably the main focus of our operations partners, but when teaching shrink’s pervasive tendencies every function associated with a retailer’s ability to buy, sell, transport, & hold goods comes into play. The term retail loss prevention ecosystem is the breadth of prevention measures layered into the very fabric of a retailer’s global operation and environment. It truly is an all-encompassing model.

Building the Shrinkage Pipeline

In spreading our shrink educational message to fellow members, outside parties and retailers alike, it is imperative that we dissect our key competencies and reconstruct them into teachable segments or building blocks to be used for educational purposes.

Taking the above lists for example and creating a retail shrink pipeline would be a valuable experiment for each loss prevention member to engage in. What better way to ferret out all those hidden shrink riddled processes and find workable solutions for each. Then it is a matter of teaching each solution to the responsible parties and begin impacting shrink on a global enterprise within your organization.

When approaching educational sessions for retailers who do not have the luxury of a fully complimented internal shrink team, it is our mission as ASIS Retail Council Members to develop teachable segments of the Retail Ecosystem process. We can begin by building a generic “global operation” and identifying the key components of a basic retail operation. From there we can develop the shrink pipeline as it relates to basic fundamentals and put those into teachable segments.

Before we know it, we could have the entire retail ecosystem broken down and rebuilt with the educational blueprint necessary to help our retail targets tackle this pervasive bottom line cancer.

Our subject matter expertise is strong, and our experiences are even stronger. I look forward to working with the ASIS retail membership in developing this important and exciting educational shrink initiative. If you have an interest in participating, let us know your expertise, and what segments of the Shrink Ecosystem you feel comfortable working on, and we can begin forming our development teams...and start making a difference for everyone!



Member Profile

Brian T. Flannery

Corporate Loss
Prevention Manager,

Dollar General
Corporation

Q. What is your Position, and how long have you been employed with this company?

Answer: Corporate Loss Prevention Manager, Dollar General Corporation

Q. Before joining your current company, where were you and what did you do in your previous position?

Answer: Owned my own security consulting company, McKenna-Brynnne & Associates and consulted for Risk Management Associates.

Q. Briefly, what is your education background and which professional certifications do you hold?

Answer: 1990 BA Sociology / Concentration Criminal Justice / Advanced Interview WZ / CPP

Q. What do you consider your greatest accomplishment in your present position? In your career?

Answer: Greatest accomplishment in this position would be completely revamping the associate shrink awareness training for our 72,000 employees. I was responsible for creating the concept / coordinating the design of our Computer Based Learning modules and establishing the format in which the associates would be taught about shrink. We contracted with a Nashville, TN talent and film agency, held auditions with actors and filmed multiple segments that captured the essence of shrink reduction in the retail environment. We addressed each shrink contributor...people, processes, and technology and essentially filmed a 30min infomercial on Dollar General's position on shrink. It has literally changed how our executives feel about shrink and how we drive a consistent message through this organization.

My greatest career accomplishment occurred in 1995. I was a homicide investigator in Fayetteville, NC. We had three skinheads that murdered a African-American couple in downtown Fayetteville...With the assistance of an alert road officer I was able to apprehend, interview and

obtain a confession on one of the most heinous murder sprees to have occurred in North Carolina. Subsequently one suspect was found guilty of 1st degree murder and sentenced to life in prison while the other plead to lesser charges and served substantial time.

Q. How has LP changed since you first got into the field? Where do you see it going from here?

Answer: The level of professionalism has changed dramatically. This in turn has changed how companies view how they are choosing their loss prevention leaders. The days of strictly running and gunning for theft cases are passing by quickly. The days of being only a reactive department are gone. Today in our profession, if you don't understand a P&L or if you can't contribute to a proactive means for eliminating shrink, you're a relic. At Dollar General, it is expected that our department be populated by the brightest in loss prevention. In fact, our executives demand it. That in turn, requires us as a LP management team, to hire people with more than just an LP background. And that's where I believe the trend will continue to go... We look for people who understand merchandising from a merchants perspective, supply chain from a supply chain professional's perspective, operations from your operator's perspective. You have to possess an all around business knowledge to sit at a table with the executive team and not only be heard but be respected...And that requires more than being able to interview and audit.

Q. Explain to the general public the importance of retail loss prevention.

Answer: The smaller the percentage of shrink any retailer incurs, the greater the benefit to the bottom line business. Improving the business (EBITDA) translates into opportunity for improved pricing, improved merchandising, and improved customer service. If I can be allowed to oversimplify...let's compare shrink in a retail environment to our homes. Let's say you're the only one working in your home. You're trying to build up your family so that one day someone else in the family can work and contribute to the household...Each paycheck you bring home groceries for you and your family. You place the groceries on the shelves and you budget each slice of bread, each glass of milk, each vegetable for a meal for each person in your home. In addition, you've taken any money left over from your grocery trip and placed it in a jar so that the next payday you have a little extra (Profit) for desert. Well, the kids bring in friends who drink the milk, eat the bread. Etc... (Shrink)...Come meal time your family (the business) isn't getting the nutrition it needs to function normally much less have a member healthy enough for work so that they contribute. Simple but same premise.

Member Profile of **Brian T. Flannery** Cont.,

Q. What do you see as the current trends in Retail Loss Prevention and what companies should take notice of?

Answer: The area I see the most movement is in E-commerce. As companies continue to increase that form of retail so will the resourcefulness and ingenuity of criminals. Many retailers have made tremendous strides in how they are addressing this threat but this is literally a daily battle between who will stay ahead of the other...Retail or a more advanced criminal.

Q. What tips would you give to someone wanting to get involved in Loss Prevention?

Answer: The greatest tip I would have is to cross-educate in multiple areas of retail...i.e. Merchandising, Supply Chain, Operations etc...The more you know of the business, the more effective you become in fighting shrink. (Does it sound like I'm beating a drum???)

Q. What was the greatest influence to your development and success in this field?

Answer: Learning to listen and respect what others can offer & speaking about what I know, not what I think.

Q. Why did you join ASIS and what drives you to participate as a member of the LP Retail Council?

Answer: I've been a member of ASIS for as long as I can remember. The resources on a professional level are unequalled in the security industry. The networking and ability to source other professionals for is something that can't be exalted enough. I'm a new member to the LP Retail Council and am looking to become more involved. I've been very impressed with the level of professionalism and how informed and welcoming the group has been. Regarding what drives me to be a member, I would say my responsibility to my professional development and my responsibility to DG to be as informed and active in the LP industry as possible.

Q. Briefly tell us a little bit about you personally... Where do you live? Hobbies? Family? Etc...

Answer: I currently live in Clayton, NC and commute weekly to Goodlettsville, TN, (DG's offices) so lately there hasn't been a lot of time for personal hobbies. I am married to wonderful woman, Stacy and have two beautiful daughters, Erin McKenna (13) and Parker Brynne (10). Both of them are heavily involved in soccer so my weekends are typically traveling with them to different events. Every chance I get to play golf, I do. I enjoy reading...mostly biographies and current events, cooking, art (all kinds), music (play guitar & percussion), & I enjoy learning about people and business...

