

RETAILER SECURITY FOLK UNITE IN FORUM

Co-operation is now the fashion

Working together is the only way to fight the growing problem of 'shrinkage', according to some UK fashion brands.

A recent 'Fashion Forum' brought together some of High Street's rivals to share best practice in the fight against ever more sophisticated criminals who in all stole £1.5 billion worth of stock in the UK last year alone. Chaired by the head of loss prevention at New Look, Stuart Green, his opposite numbers from Next, Monsoon, Jaeger, Marks and Spencer, Mothercare and River Island gathered, with profit protection firm ORIS Group. Green recognised that although they are competitors they are all joined by a common thread - that of being 'fashion victims' when it comes to shrink. According to the European Retail Theft Barometer, fashion items are high on the wish list of thieves and organised gangs in the UK which, as a nation, tops the list of countries in terms of shrink levels. New Look took a high profile role in starting the forum, with ORIS Group, because shrinkage forms such a part of the company's ambitious growth targets, figures driven from the top down. Under CEO Phil Wrigley, New Look - which employs more than 13,000 staff and had sales of £0.8 billion last year - is going for increased growth with the opening of almost 40 new stores in the UK in 2006 plus expansion in Europe. Wrigley recognised that he must arrest shrinkage.

About New Look

New Look has ambitious targets to cut shrinkage by 50 per cent over the next four years which Wrigley says will

represent £7.5m in EBIT (Earnings Before Interest and Tax). He says: "Shrinkage is the only free money left on the table. Our job is to deliver value and choice to our customers and to grow value for our shareholders; to do otherwise would be negligent. We are in this for the long term because it's not just finance and audit that benefit from improved shrinkage, but all of New Look's stakeholders."

Forum meets

The Fashion Forum's inaugural meeting at New Look's flagship store in London's Oxford Street, discussed a range of issues including staff recruitment and retention, data mining, CCTV, till thefts, tagging, loss measurement and 'cabbage' stock - the growing problem of branded items that find their way, legally or illegally, onto market stalls, car boots or E-Bay. This is not illegal in itself, as it can be the legitimate disposal of excess stock from the manufacturer when no longer required by the retailer. However, it does become an issue when the retailer's express request to remove branded labels before disposal via market stalls or the internet is not adhered to. In these cases, sometimes involving hundreds of thousands of garments, unscrupulous operators can use the opportunity to return items to stores without receipts and exploit generous retail refund policies. Green told the meeting: "This is creating real problems that have a negative impact upon brands and profits. It is a very positive first step to see so many leading brands coming together to share knowledge, tips and best practice. We have the opportunity to make a real impact and could become a

bigger voice." As for potential lobbying, the forum could deliver forthright opinion to strengthen the arm of the British Retail Consortium in discussions with the Home Office.

'Piece in jigsaw'

Town centre partnerships are one example that Laurence King, another member of the forum, believes could be further developed. Laurence King is the Managing Director of The ORIS Group. Outside the Forum King said: "The British Retail Consortium's town centre initiative is a good example of retailers teaming together and using banning orders, with CCTV, and close collaboration at the entry to towns such as bus and train stations. It sends the message to those intent on causing trouble that they are simply not welcome. Staff theft is on the increase and the current situation means that if someone is caught and sacked they can simply move to another store. Many retailers don't prosecute because of the hassle factor and the perception that the police don't put business crime high enough up the agenda. The technology exists to allow case management of internal fraud to be tracked over weeks and months, so we need to look at the Data Protection Act to see what we can share with our colleagues and the police. That way we are providing the missing jigsaw piece that could help drive shrinkage out of the high street." □

About The Fashion Forum: Due to meet again in September, it reports interest from other retailers, including Peacocks, Hobbs, TK Maxx, Selfridges, French Connection and JD Sports.

● ORIS Group and a selection of Fashion Forum members are taking part in a round-table discussion at the upcoming **Retail Loss Prevention Europe 2006** conference, on October 3 and 4 in London.

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