

THE Carphone Warehouse

...for a better mobile life

In short, it is fair to say that it has earned its stripes as Europe's leading independent provider of mobile phones and services and is currently engaged in re-drawing the continental map with the breathtaking efficiency that has already seen 40 stores open across 10 countries during the first two months of 2006.

However, the company recognises that its 'number one' position comes at a price.

Listening to the ambitious growth plans of the Carphone Warehouse (CPW) is rather like a call from a close friend you haven't seen for years – there is scarcely time to draw breath. But these ambitions are more than 'TalkTalk' – the cleverly branded land line service that is taking on BT's monopoly in the UK.



Indeed, growth only reflects well on the bottom line if, at the same time, it addresses the issue of shrink-loss caused by theft and fraud which cost Europe's retailers 32 billion last year alone, according to the respected European Retail Theft Barometer (ERTB).

High profile brands and accessories lead to high-value theft and fraud as cross-border organised criminal gangs target the mobile and telecoms retailers with a level of sophistication that goes beyond opportunistic shoplifting. Stolen credit cards and identities are used to set up bogus mobile and land line business accounts while SIM cards are traded on a European black market worth millions of euros. Identity fraud is a nebulous business that requires a sophisticated arsenal of anti-fraud weaponry.

The Carphone Warehouse is at the forefront of that fight and is setting the tone for the rest of the industry. In short, the sponsor of Channel 4's Big Brother (UK) is using Big Brother technology by turning the tables on those who target its 1700+ stores in the UK, Switzerland, Belgium, Germany, the Netherlands, Sweden Spain, Eire, Portugal and Spain.

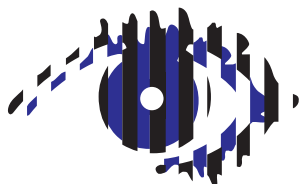
All retailers have Loss Prevention or Profit Protection departments, but few have the level of sophistication employed by the 60 + anti-fraud teams that operate on behalf of CPW across its expanding European estate.

CPW's own effective in-house technology is being complemented by a new web-based technology that will allow 'real-time' transparency and

information sharing across Europe – information that will not just be shared with the loss prevention teams and store managers, but the business heads and HR departments whose job it is to deal with overall P+L and action against the occasional dishonest employee.

The case management tool which will be rolled out across Europe from the UK – the largest market - will help CPW's European Fraud Manager Michael Furphy and his extended team to track cases of internal fraud from the point of reporting, through the investigation process and to case closure in terms of a prosecution and/or a successful civil recovery.

The case management software has been developed and provided by the ORIS Group



BIG BROTHER

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Sales & Marketing Director for the ORIS Group, Kerinda Ibbotson adds: "This is our first venture into the European market which makes it a very exciting challenge because we have had to develop the product very rapidly. The product was a 70 per cent fit for the Carphone Warehouse, but we have had to make important aspects of it bespoke to take on board multi-currency and multi language capability. We are very proud of our achievements and our partnership with the Carphone Warehouse".

"The mobile phone and telecoms market is a lucrative business with high value merchandise, the flipside of flip-up phones is their attractiveness to opportunistic thieves and organised gangs who will not only steal the phones, but also the identity of the people who use them to make money across Europe," she adds.

and takes over from the point where the loss prevention team are made aware of a suspected case of fraud, whether it be detected by data mining processes, or comes via a confidential hotline or anecdotal word-of-mouth.

It provides the entire business with accurate records of the value of fraud detected as well as the potential fraud prevented, and the cost of the investigation for civil recovery purposes.

The objective of case manager is to provide timely mapping and closure of fraud investigations. It also measures the ROI for investigators and fraud detection systems and captures and records weak business processes so that users can act to avoid repetition in the future.

The ORIS system is also fully compliant with RIPA, the Regulation of Investigatory Powers Act 2000 which ensures that loss prevention teams are not invading civil liberties by using ultra-vires procedures to build their cases.



One of the benefits of case management is regional reporting which highlights the numbers of cases by source and outcome, whatever the territory it is operating in.

"I like the fact that this technology can talk to all channels within our business because it is fully hosted for us and provides live, up-to-date information every second of the day. There are no expensive set up costs and will be ready immediately when we go live on 21 March 2006," says Furphy.

"We wanted a one stop solution that was web-based with one URL that everyone could access. This means that everyone who works for us has

the same tools in their local market with the same Key Performance Indicators across Europe,"

This consistency and transparency is important to Furphy as the CPW is opening stores at such a dramatic pace.

"Loss prevention is an integral part of all store openings as we want to make sure that as fast as we open in new markets, those stores are effectively protected. Here we are undertaking a lot of staff training to make sure that all staff are aware of the importance of profit protection with weekly audits being carried out on new stores to make sure they are not being targeted," he says.

The solution is the first of many ORIS products Furphy intends to roll out across the CPW estate as a result of the chemistry struck between the two organisations.

"It is rare to find to such a personable and professional company as ORIS. It has a real family feel about it as the company has bent over backwards to make the product work across all of our markets," adds Furphy. (February 2006)



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