

September has reported the worst sales performance in recent retail history. Sluggish footfall has been caused by a number of factors, but it would be crude to blame all of the high street's problems on the global price of oil.

rates and strong footfall, retailers ignore stock loss, but now the shop window is looking a little thread bare, so retailers must re-energise their efforts to tackle theft and the root causes of shrink.

information systems, tagging, EAS source tagging and CCTV can make a difference and the problem can be dealt with robustly.

This autumn will be a busy time for retail crime analysis with the launch of the European Retail Theft Barometer later this month and the BRC's own crime survey in mid October, both of which King says will help provide a wake-up call to retailers.

Black September for retailers can be reversed by tackling shrink, says Laurence King of the ORIS Group

Shrinkage, the loss of goods caused by theft, fraud and error, has always been a major contributor to the poor high street performance and, according to Laurence King, an expert in loss analysis and recovery, tackling it must become the retailers priority.

King's approach is not simply a knee-jerk, but more a fundamental 'root and branch' assault of making sure that shrinkage is taken seriously from the top of the organisation down.

"The slow down in sales gives retailers the opportunity to get themselves organised with the right people and systems to send a clear message that shrink will not be tolerated at any level of the organisation," he says.

The ORIS Group which provides consulting for reducing shrinkage and systems to track and monitor shrink, is sponsoring a two-day Retail Loss Prevention Conference in October 2006 in London. For more details contact info@orisgroup.co.uk. (September 2005)

King, who has many years experience with some of the UK's biggest high street names says: "The high street is a barometer of economic performance. During the good times of low interest

King says that by educating all staff, by providing good, accessible information and where appropriate investing in a range of recognised solutions including data mining, management



"Shrink runs into billions of pounds every year, but few give it the attention it requires when the economy is doing well. Unlike global oil prices, it is something within the retailers sphere of influence and they should tackle it head on to protect their margins."
Laurence King, Managing Director of the ORIS Group



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Andrew Wood is a plain speaker who believes that retailers prefer a no-nonsense approach to shrinkage - especially when they already have the solution to the problem that is costing them millions of pounds every year under their noses.

Packaging and presentation are everything when it comes to marketing a product, and the same applies to retail shrinkage data, argues Andrew Wood Operations Director of the ORIS Group.



His view is vindicated this week with the publication of the European Retail Theft Barometer which, apart from highlighting a worrying increase in internal theft - up almost two per cent over the last two years - suggests that one of the reasons is that retailers are not sharing strategic shrinkage information with key stakeholders.

With the High Street suffering a major slump in footfall, tackling shrinkage is a key way that retailers can take back control of their profits, argues Wood.

“Packaging shrinkage data in the right way makes the visible, visible right across the organisation from loss prevention to store managers to finance, HR and key suppliers. This is because shrinkage is not owned by one department - it is everyone’s problem and it is only by working together that strategies can be put in place to reduce it,” argues Wood.

“But you can’t put those strategies in place until you have the ability to measure shrinkage in a way that

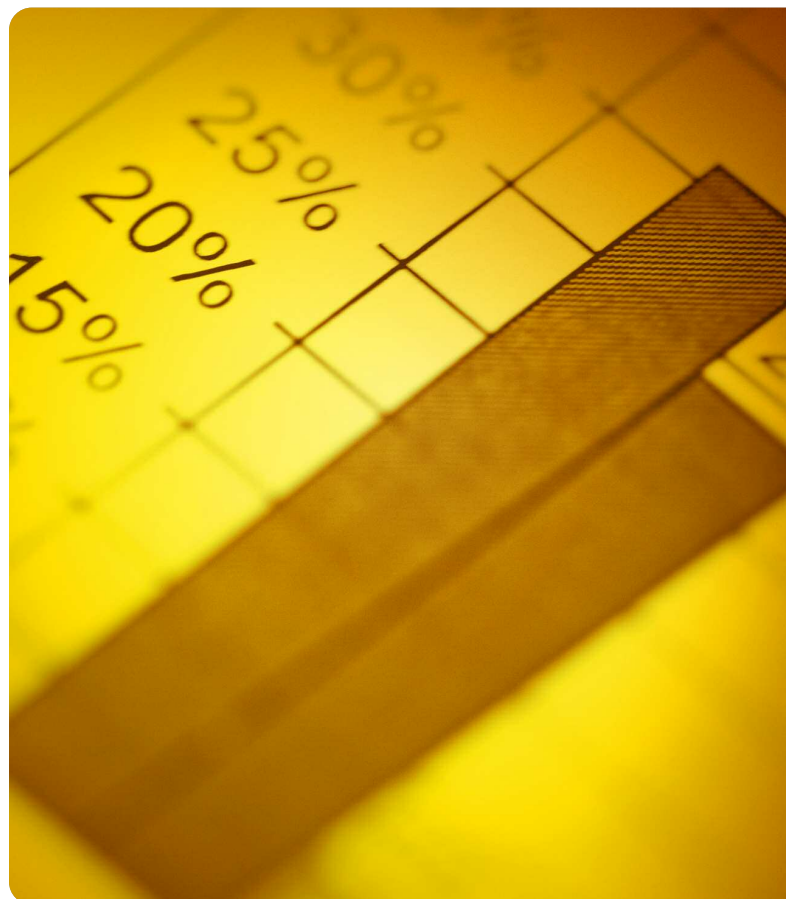
is meaningful for the entire organisation,” he says.

This is where ORIS Management Information Systems come in as it presents a total picture of shrinkage region by region, store by store and factors in key personnel and technology already in operation.

“It’s a bit like pressing the interactive red button while watching a football match on the television. We can now get all sorts of information that enhances our understanding of the player’s and team’s performances as and when we want it from the comfort of our arm chair. ORIS MIS does the same for retailers so they can judge their team’s performance and identify who needs a

metaphorical red card,” he adds. Boots the Chemist has taken some of ORIS’ alternative medicine via the web-based management tool introduced by ORIS and now the business shares that data across key departments and among its supply base.

According to Robert Jennings, Head of Loss Prevention at Boots: “This tool has simply changed people’s lives in the way it delivers information to key departments and allows us to share data with our supply-chain partners. As a result, we now have a much more collaborative approach to shrink management.” (September 2005)



“Retailers often can’t see the wood for the trees - they usually possess most of the relevant management information on shrinkage, but not in a usually-friendly format and it often goes no further than the desk of the loss prevention manager.”

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