

# Goodnight Sweetheart...

*Employee theft is the one of the areas of retail crime on the increase, but the marriage of technology and people power is the union that will see off staff flirtation with stealing, argues retail shrinkage experts ORIS Group*



## Laurence King

*Managing Director, Oris Consulting*

With 40 years experience in retail Laurence King has worked in Finance and in Retail Operations in Debenhams, the Burton Group, BHS and B&Q; where he was Director of Profit Protection. Laurence has helped all of these companies develop a profit protection culture and in every case has delivered substantial reductions in shrinkage. Last year he worked in France for the DIY chain Castorama, helping them develop their long term plan of activities to reduce loss. As an independent consultant, most recently, he has been advising the highly successful UK fashion chain, New Look, on the development and implementation of their shrinkage reduction programme.

THE TERM 'sweet hearting' sounds quaint and romantic until you put it into the modern context of employee theft – the one growth area in retail crime because it represents more than 50 per cent of all shrinkage, according to the European Retail Theft Barometer.

In this light, 'sweet hearting' is more than a stolen kiss – it refers to millions of pounds of missing stock processed through the tills via dishonest staff working with colleagues to receive stolen goods as a result of two or more items passing across the EPOS scanner, but only one being paid for – a sort of unofficial 'buy one, get one free' policy.

But it is time for retailers to say 'BOGOF' to those members of staff who betray their trust and use their positions to line their own pockets, especially as it accounts for more than 50 per cent of all store theft, the values involved range from between 10 to 20 times those of items stolen by customers. However, the good news is that because the crime occurs at the EPOS, modern technology is now more able to detect it, whether it is 'sweet hearting', refund fraud or straight-forward till dipping.

ORIS Group, which provides both high-level professional and practical counsel in shrinkage and tailorable software to some of the UK's leading High Street names, argues that although technology provides part of the solution to the prevention of staff theft, it needs to work in collaboration with a wider culture on intolerance to employee theft.

"A technological solution cannot work in a vacuum, it has to operate alongside a culture of zero tolerance to internal theft

that is consistently applied and permeates the entire organisation so that employee dishonesty literally has no place to hide," argues Laurence King, managing director of ORIS Consulting, one of the company's two divisions that work independently or in tandem to move shrinkage up the corporate agenda.

"Technology is the catalyst for creating a culture that despises internal theft. Once this strategy is stamped upon the business it is complemented by a host of tactics that enforce the culture at staff level," he adds.

King offers a number of examples of tactics that send a clear message that employee theft will not be tolerated.

"Sweet-hearting can be detected by technology, but it is often observed by other members of staff. Businesses can set up a whistle-blowing hotline so that honest members of staff can shop those who abuse their positions. This whistle-blowing can be incentivised to offer rewards because at the end of the day employee staff affects the profitability and jobs of every member of staff," says King.

He said this should be aimed at all members of staff – from those part time staff workers who steal a pound to those lifetime offenders who have fleeced the organisation to the tune of thousands – 'the consequences will be the same'.

"This message must be passed onto staff through both formal and informal channels of communication – a form of induction indoctrination that includes providing a 'name and shame' policy as far as it is legal to do so," says King.

Like the Honda diesel engine advertisement, sometimes you have to literally hate something to change something and after a conviction is secured, it is open season as far as identifying the offender is concerned, argues King who goes on to say that that issue should not rest with the sacking of the employee.

"The police may not wish to take the matter further, but retailers should also insist upon recovering the value of the theft and the cost of the investigation through the civil recovery programme, especially when thousands of pounds worth of goods or cash have been taken and significant resources used on investigation. This again sends the message that there is no where for internal theft to hide," adds King who says case management technology can lubricate this process providing both retribution and recovery.

"Margin pressures are increasing from all directions and in a downturn most retailers have already driven costs right through the floor which in itself can add to the shrinkage problem. Shrinkage reduction could be the last chance saloon for retailers to send a clear message to staff that theft will not be tolerated which is why they are now choosing to do something about it,"

# ORIS

g r o u p

Kerinda Ibbotson  
Business Development Director  
ORIS Group Ltd  
Office 0870 787 1170  
Mobile 07818 013 200  
kerinda.ibbotson@orisgroup.co.uk  
www.orisgroup.co.uk

**Retail loss prevention specialists,  
turning your data into decisions.**