

# Controlling inventory differences

Security expert Manfred Sendatzki advises retailers on theft prevention. In an interview with Wanzl Worldwide he gives companies tips on preventive measures.



## Does retail theft vary from country to country?

No, theft occurs right across Europe, as can be seen from the annual surveys by the Centre for Retail Research (CRR) in Nottingham in the UK. The theft rates in the seven eastern European countries, which were investigated for the first time in 2004, are in line with the average. In general anything that sells well, such as high-value electronic goods, is likely to be stolen.

## What are the effects on retailing?

Last year the CRR calculated that European retailers suffered inventory differences of around €33 billion, equivalent to 1.34 per cent of turnover. It would be more logical to measure the shrinkage as a percentage of profit, because in many areas of retailing profits are shrinking and consumers are no longer prepared to pay the prices charged by the retailer (as is the case in Germany). When calculated like this, inventory differences can be twice as high as profits, threatening the continuation of the business.

## What specific measures can retailers take against shoplifting?

Above all retailers need fast, practicable solutions. An effective and economical measure to reduce theft is the displaying of deterrent messages. Warning signs should state that convicted thieves will always be fined and that civil law consequences will follow. Low shelves and a clean, well-lit and tidy sales area have a deterrent effect on thieves. High-theft items such as razors should be kept in heavily frequented areas of the store. Special systems such as Wanzl's SoundSafer provide additional protection, since effective supervision of the sales area cannot be

guaranteed with low personnel numbers. Particularly at risk are the entrance and checkout areas. For these Wanzl offers alarm-protected entrance systems and lockable checkout barriers. A growing trend in retail technology is the analysis of management information and cash data. RFID models are currently still in the test phase.

## What role can the personnel play in the fight against shoplifting?

Personnel have a special role. On the one hand they must support efforts to combat shoplifting and on the other, employees themselves are responsible for a proportion of the inventory shrinkage. The CRR study estimates that employees carry out one-third of thefts. Checkout personnel in particular require continuous training in order to be made aware of the shoplifting risk. Highlighting the consequences of honest behaviour also helps. Test shoppers can check whether employees are using the knowledge they have acquired.

## What measures are currently considered to be the most effective against theft?

There is no single solution. Many individual measures must be combined. I like to refer to it as a staged model. By way of preparation, it requires a precise analysis of the store or business and of the sector as a whole. The more detailed this preparatory work is, the easier it is to develop and combine targeted counter-measures. These must then be continuously assessed in terms of cost, effectiveness and profit-improvement as part of an overall control of inventory differences. The fight against theft is a constant process which must be flexibly adapted to the latest products available. «



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# Security

In-store security can be enhanced by the use of the right Wanzl products, especially in the high-risk entrance and checkout areas. Small, high-value items are among those most frequently stolen.

## Technoport 'R' entrance system

The Technoport radar-controlled entrance system optimises security but creates an inviting entrance area for the customer. The additional acoustic alarm also alerts sales personnel if a customer attempts to leave through the entrance area.



Authorised personnel can switch the entrance system to exit mode independently by radio.

## Self-locking 'S' checkout barrier

Self-locking checkout barriers make it difficult for people to leave the store without authorisation. Sales personnel can open the checkout barriers with a key. The bar then engages automatically, providing reliable protection for the checkout.



The acoustic alarm system alerts the personnel to any improper activation of the anti-panic feature, thereby guaranteeing that the store can be evacuated quickly in an emergency.

## SoundSafer

The SoundSafer protects small, high-value items such as razors against mass theft. The display module has been designed to fit all common shelf types and is subdivided into several locked compartments. If the customer opens one of the drawers, the device



emits a characteristic sound which can be clearly heard. If the customer wants to take additional products, the drawer has to be opened a second time and the distinctive sound is audible again.