



WARNING



TAMPERING MAY RELEASE
INK AND CAUSE INJURY

The headline in the lead article for the November/December 2008 issue of *LossPrevention* magazine has probably become the mantra for most Americans and the vast majority of retailers—“Doing More with Less.” With the recession cutting a swath of red ink through a second holiday season and bringing the economy and the retail industry to places most of us have never experienced before, everyone is asking the same questions:

- How can we stretch paper-thin budgets even farther?
- How can we still do our jobs with dwindling resources?

It becomes even more problematic for loss prevention professionals who not only have to deal with lowered budgets, but also with the byproduct of economic turmoil—increased crime. People who are out of work and unprepared to deal with economic devastation tend to make serious misjudgments they might not consider under different circumstances and different times. And hardened criminals become even more desperate and determined. So the loss prevention professional’s job is getting harder, as they are being asked to do more with fewer dollars and, in many cases, fewer people.

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Makes Doing More with Less Easier

By Lee Pernice

The task seems daunting, but no one has the luxury of sitting back and watching the recession pass by. Plus, there is always opportunity in adversity. The recession will eventually end and what companies and individuals do now will seriously affect how they come out of it. So, it is important now to make moves with an eye to the future. Hiring, purchases, and cutbacks should all be viewed with the idea of how they will fit into the picture months from now when the economy is looking better, shoppers are back in stores, and the retail industry is growing again.

That all takes a careful analysis of what personnel and technologies are available, what does each bring to the table, and how can you maximize the benefit for the long-term. Trying to keep some forward momentum may seem impossible, but it is important to keep striving to grow and innovate.

Reviewing current and potential resources with both short-term and long-term benefits in mind is an important first step. Following are some areas that should be examined that can provide more bang for the buck right now as well as some real potential to innovate in the future.

Current Deterrence Tactics

As anyone in this business knows, the most effective loss prevention tactic is deterrence. Obviously, if an employee or would-be shoplifter decides that the chances of getting caught are so high that he or she makes the decision not to steal, resources are saved on lost merchandise, investigation time, and litigation costs. So, now is the time to step up the department's visibility. Make sure employees and shoplifters know you are there and on the job.

Visible Electronic Article Surveillance.

Visible electronic article surveillance (EAS) tags are a good start at letting employees and the public know that the retailer is actively protecting merchandise. Nearly all shoppers know what they are and what their purpose is. They are inexpensive and many times reusable.

Visible EAS source tags are now being placed on products by manufacturers, so the retailer gets the benefit without the time and labor costs of tagging items. EAS manufacturers today offer a wide variety of tags for almost any size or shape product. Even hard-to-tag items, such as wine bottles, baseball bats, and fishing poles, now have special tagging solutions.

As difficult as the task of loss prevention is, EAS tags become even more effective if store management and employees are trained to properly respond to alarms. Would-be thieves are more likely to think twice if they see someone at the store entrance taking action, so training security personnel to be more visible and more visibly proactive is an important area to consider.

Cameras. Cameras are one of the most common and popular retail security technologies. Making sure that some

cameras are openly visible lets employees and shoppers know that they may be watched in any part of the store. The proliferation of cameras means that we all have to think twice about what we do in public and a second thought can make the difference between walking out the door with an item slipped into a jacket and taking it to the checkout counter to pay.

Signage. Signs are a low-tech, low-cost way of letting the public know security is on the job. They can communicate that shoplifters will be prosecuted and that video surveillance is being used. It is another inexpensive way to give people a chance to have that second sobering thought.

Video Technology. If a picture is worth a thousand words, then moving pictures, or more precisely video, are worth a whole lot more. Images that can be recorded and transmitted to anywhere in the world where there is an Internet connection have become invaluable for retailers and loss prevention specialists. Today's video technology is extremely effective at keeping an eye on employee and customer activities in a retail setting and as a result, its popularity has soared.

According to the National Retail Security Survey conducted by the University of Florida with a funding grant from ADT Security Services, remote video, live CCTV, and digital recording are the hottest retail loss prevention technologies, and the ones that most retailers are looking to add or increase over the next year. Probably because of their very popularity, these technologies have continued to evolve at a breakneck pace. Manufacturers have been able to make them do more, be more flexible, more scalable, and best of all, integrate with the Internet and the enterprise.

Camera, recording, and monitoring systems require an initial investment from the retailer, but they prove to be one of the most effective loss prevention tools available. Probably the biggest bonus these systems have to offer in lean times is that they pay for themselves quickly in loss prevention benefits. But they go well beyond loss prevention and security once a system is in place. Information from



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a video system is valuable for almost all store operations, from human resources and sales to marketing and management. The cost of a system can be spread out over a number of departments since the benefits are so diverse.

Emerging Technologies

Here are some of the latest technologies to evaluate to determine if they can help stretch dollars and time throughout the retail business.

Video Cameras. Video cameras are becoming smaller, smarter, and easier to install and upgrade. The biggest advancement of late is networked Internet protocol (IP) cameras, meaning cameras with their own IP address that can be plugged in and out of systems much like plugging a printer into a computer.

Video from IP cameras can be accessed directly from the Internet for monitoring and recording. IP camera systems are more versatile and scaleable, so that systems can easily grow with changes in the retailer's needs and budget. They also can be more simply upgraded since software may be downloaded directly to the camera giving the technology longer life and making it less likely to become obsolete.

As the technology for IP cameras has gotten better, so has the resolution. Getting a high-quality image for almost all applications is vital, and megapixel cameras are making it easier to do just that. More pixels also make it possible to zoom in on details without losing quality. As every LP professional knows, some criminals are very good and very quick. Being able to zoom in and freeze the frame at the exact point that the razor blade pack slips into the coat and out of sight can make a big difference and might be enough to help with successful litigation or at least an admission of guilt. These new cameras make it hard for criminals to argue with the evidence.

Digital Recording. Most law enforcement officials will tell you how much they rely on recorded images to solve crimes. The proliferation of cameras means that one of the first things police officers look for at a crime scene are the cameras in the area and the possibility

of existing video. Those same officers will also tell you how frustrating poor quality video can be or how frustrating it is searching through hours of recorded images. Some local governments are mandating that all businesses over a certain size have a camera and recording system. They are very specific about the system requirements and the old VCR of yesterday is definitely no longer in the picture.

Cameras with enhanced resolution and pan, tilt, and zoom capabilities have improved image quality, but digital recording has really taken recording to a new level. It has not only improved quality, but, even more importantly, has improved image retrieval. Recording using DVRs was a big step up from VCRs, but the latest technology, the NVR or network video recorder, has taken everything to an even higher level.

NVRs record directly to the network and servers. There the video can be effectively analyzed and stored. The NVR software can be programmed to look for certain activities, such as running, passing through a restricted area, or standing too long in a store aisle. All of these events may then be alarmed to notify store personnel, so they can act more quickly or so the video is identified and saved for later use.

Video Analytics. The latest in NVR technology includes software that can identify specific behaviors and instruct the camera system to identify and follow a person throughout the store. For example, if someone scoops up a shelf of over-the-counter painkillers, the camera will lock onto the person and as the person walks through the store, other cameras will be instructed to follow the person and zoom in.

Video analytics employed by NVRs exponentially increase the effectiveness of a video camera and recording systems. But that effectiveness doesn't stop at cutting theft and reducing shoplifting. Video analytics can alert store management to a wide variety of situations, such as long checkout lines, store traffic patterns, a blocked emergency door, and specific shopping habits. They

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CALENDAR

March 1 – 4, 2009

**Food Marketing Institute
Loss Prevention Conference**
Hyatt Regency Mission Bay,
San Diego, CA
www.fmi.org

March 10 – 12, 2009

**Merchant Risk Council
7th Annual Conference**
Wynn Resort, Las Vegas, NV
www.merchantriskcouncil.org

March 15 – 17, 2009

**International Council of Shopping Centers
Shopping Center Security Conference**
Renaissance Hollywood (CA) Hotel
and Spa
www.icsc.org

April 28 – 29, 2009

**International Association of
Property Crime Investigators
National Identity Theft & Cyber
Crimes Investigations Seminar
National Metal Theft Investigations Seminar**
Gold Coast Hotel & Casino, Las Vegas, NV
www.iapci.org

May 3 – 6, 2009

**Retail Industry Leaders Association
Loss Prevention, Auditing & Safety
Conference**
Gaylord Palms Resort, Orlando, FL
www.rila.org

June 15 – 17, 2009

**National Retail Federation
Loss Prevention Conference & Exhibition**
Los Angeles (CA) Convention Center
www.nrf.com

July 12 – 17, 2009

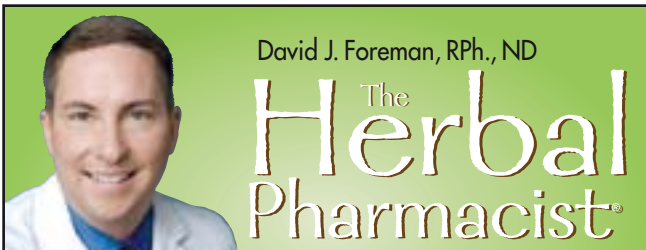
**Association of Certified Fraud Examiners
20th Annual Conference and Exhibition**
Bellagio, Las Vegas, NV
www.acfe.com

September 21 – 24, 2009

**ASIS International 55th Annual Seminar and
Exhibits**
Anaheim, CA
www.asisonline.org

October 27 – 28, 2009

**International Association of
Property Crime Investigators
National Retail Crime Investigations Seminar
National Property Crime Investigations
Seminar**
Gold Coast Hotel & Casino, Las Vegas, NV
www.iapci.org



David J. Foreman, RPh., ND

The Herbal Pharmacist®

Coping with Allergies

According to the Asthma and Allergy Foundation of America website (www.aafa.org), "an estimated 50 million Americans suffer allergies" (1 in 6 Americans). In the past, most people linked allergies to the change in certain seasons. For many, though, allergies are a year-round problem. The usual triggers are foods, dust mite particles, animal dander, pollen, mold and yeast. Exposure can lead to symptoms such as coughing, sneezing, runny nose, wheezing, asthma and sinusitis.

Until you can eliminate the culprit(s) that trigger your allergy symptoms, I suggest you use supplements to help fight your allergy woes. The top supplement on my list is the herb Butterbur.

Rosmarinic acid is another supplement on the rise for allergy sufferers. This compound is found in rosemary, basil, sage and mint. An extract of Rosmarinic acid may begin to help in as few as 3 days. Life Extension's Butterbur Allergy combines butterbur and Rosmarinic acid to give you a 1-2 punch.

Another favorite is the herb Nettle (leaf). Be certain the product you purchase is the leaf and not the root. The root is great for prostate health, but won't help your allergy symptoms at all.



Answers For Every Body

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can also save time and money with such things as slip-and-fall litigation.

All of these things provide vital operational information that affects the bottom line, makes the system more valuable, and just might help a retailer ride out a rough business climate. Also since these systems sit on the network, they are easily upgraded and can help to set up retailers for the next generation of software and analytics that will provide even more specific information on day-to-day operations.

Remote Monitoring. It makes sense that centralizing loss prevention operations is more effective, efficient, and a better use of resources. Remote monitoring allows for that kind of centralized operation.

Using the network, video can be collected and recorded locally and at the same time sent to a centralized location where it can be analyzed and stored. Loss prevention personnel or management can view activities at any store location from anywhere in the world using a password and a secure Internet connection. This type of centralized access allows loss prevention and retail forensic specialists to maximize their time and expertise. Again, it is easy to see that this type of centralization can work for more than just loss prevention and security.

The same total view of day-to-day operations on a chain-wide level can benefit every aspect of retail operations. For example, marketing can look in on stores to make sure that they have set up special promotions correctly or that seasonal items are displayed in a timely manner. Making sure items are displayed properly and easily available can increase sales and make the difference in a shaky economy.

Other Analytic Software. Cameras and recorders are not the only technologies doing some heavy duty analysis; so is exception-based point-of-sale software. This specialized retail software takes thousands of transactions at a time and analyzes them across a variety of pre-selected key performance indicators (KPIs). It can help drill down to study trends and identify anomalies. For instance, the software can very quickly analyze return trends on a chain-wide basis, regionally, locally, or by specific sales associate. It can tell if certain products are being routinely returned or if an employee is handling an unusual number of returns.

This type of software provides the retailer...and loss prevention in particular...with an excellent view of operations. It also has great flexibility, so that it can be individualized for retailers based on the specific business intelligence they need. It quickly provides information that the retailer can use to make changes or adjustments that can positively affect sales and profits.

Software for retailers has also been developed to address specific areas of the business. After this recent holiday shopping season, many retailers reported an increase in fraudulent returns. Software is now available that can help retailers to set return parameters for sales associates and limit the number of unqualified returns. It can also track sales conversion rates for returns and give retailers valuable information on shopper response to products and quality.

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Specific software can also address some of the issues that retail pharmacies face. It can help to keep track of drug sales, reporting requirements, and strict inventory controls.

All of these ever-evolving analytics give loss prevention and retail management more information and tighter control of operations. That adds up to fewer losses, more sales, and greater profits.

Tying It All Together

There is a lot of technology out there that can help retailers during these difficult times and certainly into the future. But, the technology becomes even more powerful when it works together. When all of the systems are working together, they provide the retailer with an exceptional view of their business operations on every level.

When EAS tags and alarms, cameras, recording, remote monitoring, and software systems are all integrated, it provides an in-depth picture of the business and its operations. That type of information can be used to make adjustments in everything from staffing levels to display placement or even store layout.

There are enterprise and networked systems that bring all of these elements together providing the store management with comprehensive automated reporting. It allows retailers to identify and track a wide variety of data and trends on a company-wide basis as well as at the store level and bring all of that information together into one place where it can be evaluated and acted upon. Overlapping and integrating information can point to solutions that in many cases would otherwise go unnoticed. For most retailers that means money out the door at a time when every dollar is crucial.

Building an integrated system takes resources, but it can very quickly pay for itself and allow not only the loss prevention and security departments to accomplish more, but also aid every other aspect of the retail business.

Not the Least—RFID

RFID or radio frequency identification might be the last part of a discussion about doing more with less in the retail environment, but it certainly is not the least. The adoption of RFID in retail has been slower than many people predicted, but most everyone acknowledges its potential to move items more efficiently and securely through the supply chain. For loss prevention specialists that means less shrink in the back of the store and fewer lost merchandise and inventory errors.

Beyond reducing shrink and helping loss prevention efforts, RFID's biggest benefit to retailers may be that it can keep

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shoppers happier and more loyal because it keeps products on the shelf when and where they belong. A recent study by the IHL Group estimates that retailers lose more than \$93 billion a year to out-of-stocks. It is a bigger problem than theft and has a strong effect on shopper loyalty. It can take only a couple of times of going to the store for a product and not finding it on the shelf to prompt a consumer to make another retailer their first shopping choice.

The benefits from RFID in the back of the store compliment all of the technology in the front, including cameras, EAS tags, remote monitoring, and analytic software. It is all designed to save money and resources and make retailers more profitable; in other words, "do more with less." The *having less* part is easy; it is the *doing more* part that is the challenge. But, loss prevention professionals need to understand that the benefit of the infrastructure they build goes far beyond reducing shrink. It provides tools that can be used in a whole host of ways for almost every aspect of the retail business. Its payback can be shared by the entire business operation.

Positioning for the Post-Recession

Many predictions have been made about how long this economic downturn will last, but no one really knows when shoppers will head back to stores in pre-recession numbers. For now, everyone has to keep looking at doing more with less, but there is a lot of new technology that can do the heavy lifting for retailers in times like this.

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