

Secure Protect Security Solutions Report: An Inside Job

How much is theft costing you? Chances are it's more than you can afford!

Of the three major types of crimes that a proprietor can face during the course of doing business; burglary, robbery, and theft, the term "**shrinkage**" is the industry lingo associated with shoplifting and theft crimes. On the average businesses in Canada suffer from a 35% shrinkage factor. This means that your business is easily at risk of losing 35% of its annual profit dollars due to shoplifting/theft crimes. **Crime is on the rise**, and with no prospect of-change for the near future your business is at a higher risk of crime-loss now than anytime during the past fifty-years.

Shrinkage is the loss factor which occurs either via "customers" who shoplift during business hours or via staff who steal from your business. According to the Retail Council of Canada, chances are that 40% of the value of shrinkage at your business is as a result of theft from staff. Many businesses just overlook this shrinkage factor as a "cost of doing business" or dismiss the issue entirely without realizing how shrinkage is driving retail prices up and driving shoppers to spend less. Today, as the economy lags year after year, driving crime upwards, **the "shrinkage factor" has become the most decisive factor that will determine if your business survives or fails.**

For most proprietors the prospect of losing 35% of their profit every year is alarming. No one could have predicted that the depressed economic trends would have been so severe or persisted for so long. Coming up with **a plan to address the shrinkage factor has become something of a necessity** yet most proprietors are not skilled to prepare a plan for themselves. A security plan that will reduce your shrinkage **requires the help of a security risk assessment consultant.**

The benefits of utilizing the skills of a security consultant are numerous, but we wish to highlight a few benefits:

- 1). A security consultant can help you to identify the areas where your business is the most at risk of loss.
- 2). A security consultant can help you to identify the best security technology options to lower your risk of loss due to the shoplifting component of shrinkage.
- 3). A security consultant can help you to identify the best security technology options to lower your risk of loss due to the employee theft component of shrinkage.
- 4). A security consultant can help you to define and implement staff protocols to get the most out of your security investment while creating goodwill and explain how the law applies to your use of such security technologies.

Unless you have personally experienced a shoplifting/theft type of crime at your business then you likely have no idea how **dealing with a crime scene situation can consume your time and impact upon your businesses profit Margin**, upset your normal routine and direct your life, for example:

- Dealing with the Police may require several onsite visits, your statement, witness statements, telephone calls and visits to the local Police station as a follow-up to the crime scene investigation.
- Your insurance company, if involved, may require copies of inventory records, sales records, invoices, receipts, photographs, appointments with the adjuster, potentially requiring dozens of your labour hours.
- Dealing with lawyers, the Ministry of Employment Standards and attending court proceedings can require dozens of hours of your time and thousands of dollars in expense that you will likely never recover.
- On average, the direct and indirect costs associated with a non-violent shoplifting/theft type crime that is borne by the business proprietor is about \$5K per incident, that is if the perpetrator is caught. The average value of each instance of shoplifting/theft is \$250. 95% of these go undetected. In most cases the perpetrator is never caught unless effective security options have been deployed. If your business suffered only two of these shoplifting /theft crimes per week it would amount to \$26,000 per year. This figure does not take into account the risk of increased insurance premiums or legal fees. Costs can go well into \$10-50K if violence/injury is involved.

The logical conclusion we can glean from this report is that the cost of a suitable security strategy, one that helps you to reduce your risk of shrinkage to as close to zero as possible, will likely pay for itself within the first six months and deter the worst scenario crimes. Call us to find out how effective security options can save you \$.

Call us to book our Security Risk Assessment Tour for your home/business Tel: 647-847-6400