DELAGET
SMARTER WINS

How to implement a loss prevention system that really works

Ebook

Does this sound familiar:

- ✔ *Watching countless hours of video footage.*

- ✔ *Wading through reams of data from your POS and other operational systems.*

- ✔ *Pulling and analyzing dozens of reports.*

For many restaurant operators and above store leaders, loss prevention is time consuming, ineffective, and frustrating.

But it doesn't have to be that way. Follow the four-step action plan below to roll out a loss prevention program that really works and doesn't eat up all your time and resources.

> " I was spending hours a day manually pulling and analyzing 10 reports. I needed to find a better way. "
>
> **Kevin Conrad, Director of Operations at Bravo Foods**

Step 1: Assess the situation

First, answer these questions to see if your stores are at risk for theft and fraud. If you answer "yes" to a majority of the questions, your current loss prevention solution or system needs improvement.

- ✔ **Are your stores' cost of goods sold (COGS) increasing but sales are stagnant or decreasing?**

- ✔ **Have you been victim to mysterious disappearance of funds or internal/external robberies?**

- ✔ **Do you frequently have cash-related issues (i.e., cash register rarely balances and has small overages and shortages)?**

- ✔ **Have you noticed a high number of voids or refunds?**

- ✔ **Have you noticed excessive discounting and promo activity?**

- ✔ **Have you noticed employees' friends hanging out at the restaurant, or do customers ask for specific team members?**

- ✔ **Are you spending more than one hour a day pulling reports or looking at video footage to find and address employee theft?**

Step 2: Research and implement

If you've decided you need to implement a new loss prevention solution, where do you begin? Consider these questions when selecting a vendor partner and when implementing a staffing plan.

Not all vendors are created equal

Make sure your potential vendor can answer "yes" to the following questions:

- ✔ **Does the vendor have specific knowledge of the restaurant industry?**

- ✔ **Can the solution provide restaurant-level and above-store views and trends?**

- ✔ **Does the solution have analysis tools that give details down to the transaction level?**

- ✔ **Does the solution integrate with your video surveillance system?**

- ✔ **Does the solution integrate with your drive thru timer?**

- ✔ **Is the solution mobile friendly?**

Step 2: Research and implement

Staffing considerations

Software is a great first step to addressing loss in your stores. But someone (or a team of people) needs to act on the software's insights and recommendations.

Answer these questions:

- ✔ **Whose responsibility is it or will it be to be to monitor the data, pinpoint fraudulent actions, and conduct loss prevention investigations at the store level? Above store level?**

- ✔ **Do you have someone on staff whose job can be repurposed?**

- ✔ **Can you add additional duties to anyone on the management team with a lighter workload?**

- ✔ **If you own 50 or more units, consider hiring a loss prevention specialist who addresses both safety and security in your operation.**

DELAGET

Step 3: Train, train, train

In order to implement a successful loss prevention program, proper staff training is crucial. And it starts by having clear expectations and procedures for your managers and shift-level employees.

Managers:

The store manager needs to fully understand his or her role in your new loss prevention program. Managers should be involved in loss prevention from the hiring process through termination, including:

✔ **Conducting background and reference checks.**

✔ **Training employees properly by leveraging your brand's training program (employee handbook, brand tools, video programs, and skill observation checklists).**

✔ **Creating a culture of coaching and accountability by providing specific feedback in the moment. Sometimes, transaction outliers are a sign of poor training, not theft.**

✔ **Communicating about the new loss prevention system effectively. This can be done at shift huddles, on your team's communication center, etc.**

✔ **Knowing their role in a loss prevention investigation, which can include: producing the employee file, schedules, and time cards, scheduling interviews, keeping the information confidential, listening to staff and answering questions, and avoiding gossip.**

✔ **Understanding the brand's cash and security policies and progressive discipline policy, typically found in the employee handbook.**

Step 3: Train, train, train

Shift-level employees:

Employees should be aware that their managers are focusing on employee theft and loss. This can be done by:

- ✔ **Prioritizing loss during shift huddle announcements.**

- ✔ **Showing employees what the new loss prevention program looks like.**

- ✔ **Sharing metrics and goals.**

- ✔ **Holding employees accountable for the metrics and results (coaching).**

" The word is starting to get out to employees. They all know about our software now, and they see their managers using it. They don't want a low ranking or to have negative coaching notes. Employees want to be on top and to improve. This is helping drive a positive store culture. "

Heath Harrison, Director of Loss Prevention at JRN, Inc.

# **Step 4:** Monitor success metrics

What will a successful loss prevention program look like to your operation? How will you define success?

When considering what success looks like to you, a good place to start is reviewing your brand's standards. Every brand has different loss-related metrics and thresholds that can help guide you in evaluating whether or not your loss prevention strategies and software are working. For example, find out if your company has certain criteria for deletes before, employee meals, voids/refunds, and discounts.

Ultimately, you'll know you're succeeding when you see sales increase. And in the restaurant industry, even a 1% increase can mean thousands added to your bottom line.
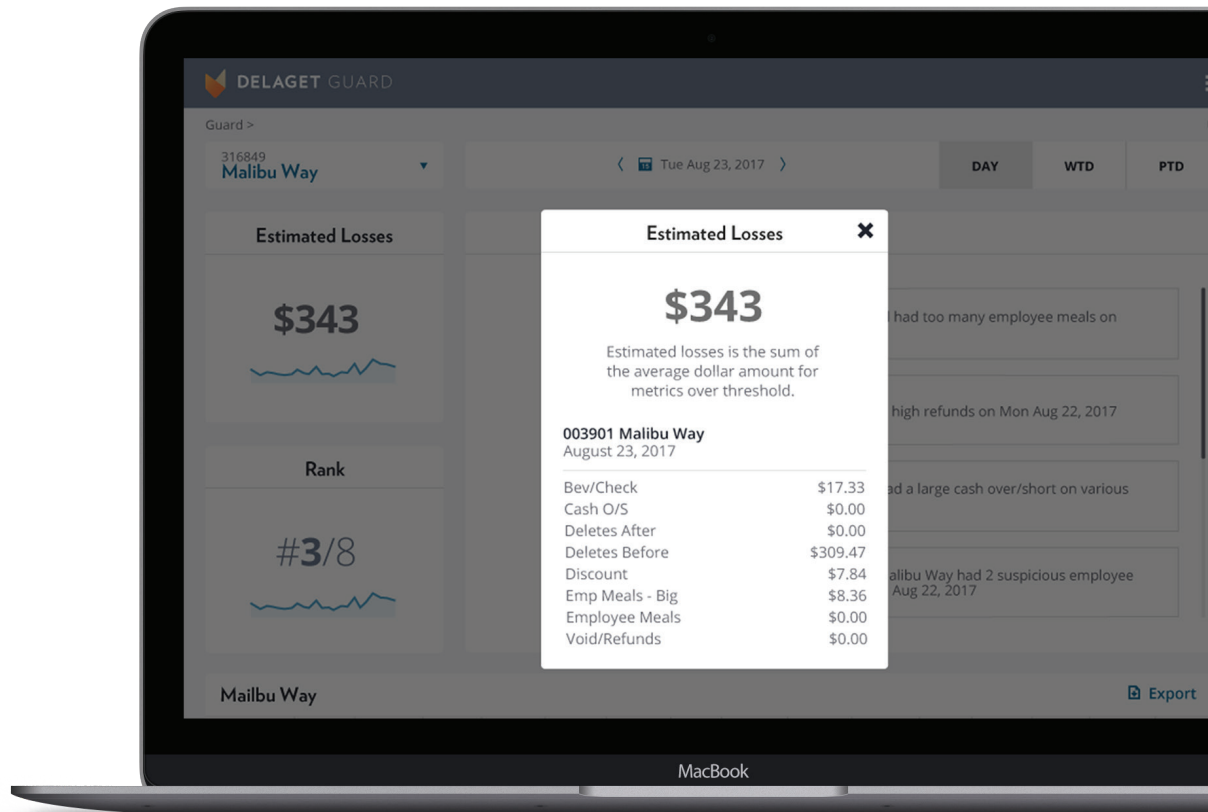
Discover and act on loss in just 5 minutes a day.

Sign up for a demo of Delaget Guard, our powerful loss prevention software.

I'd like a demo!