



A UK retailers approach to Loss Prevention

ECR Russia shrinkage seminar - Moscow

November 2011

Asda, part of the Walmart family

Walmart Global

- Over 9,600 retail units spread across 28 countries
- Employ 2.1M colleagues
- Sales last year \$419bn

Asda in the UK

- Turnover 2010 £20.5bn
- 542 units across England, Wales, Scotland & Northern Ireland
- Market share 17.4%
- Customers per week 18M
- Employ 175,000 colleagues

Walmart business model

“Our overall performance reflects Walmart's strategy of driving the productivity loop, reducing expenses and investing in price”, Mike Duke Nov 2011



ASDA
SAVING YOU MONEY EVERY DAY
.....

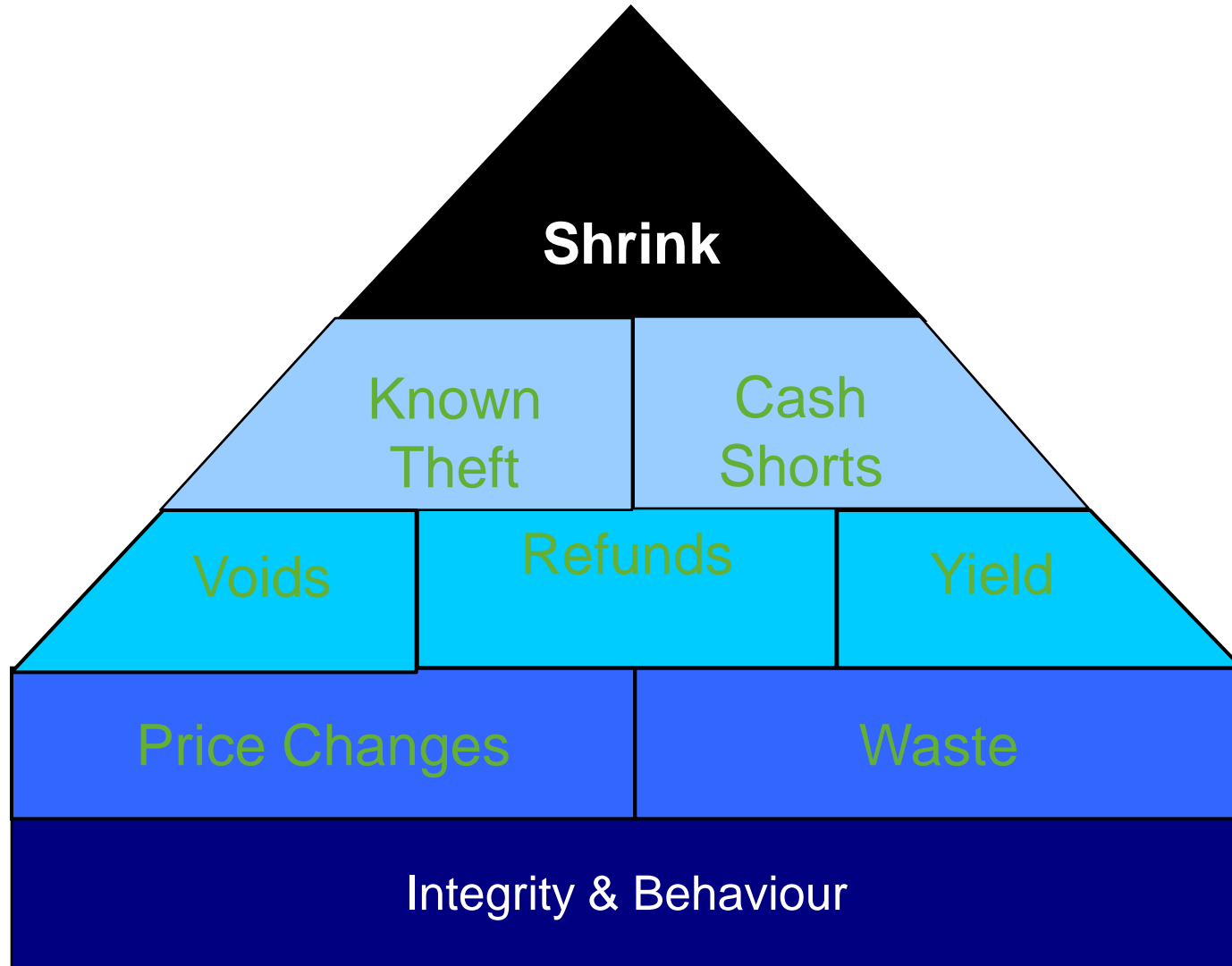
Purpose

To be an industry leading Loss Prevention team that delivers competitive advantage by maximising profitable sales whilst minimising risk to company assets

Guiding Principles

- Colleague & customer safety is paramount
- Cost reduction and simplification at the forefront of what we do
- LP is a source of competitive advantage when we get it right
- We must be aligned to the objectives of the business
- We must always Do The Right Thing

Asda Total Loss Pyramid



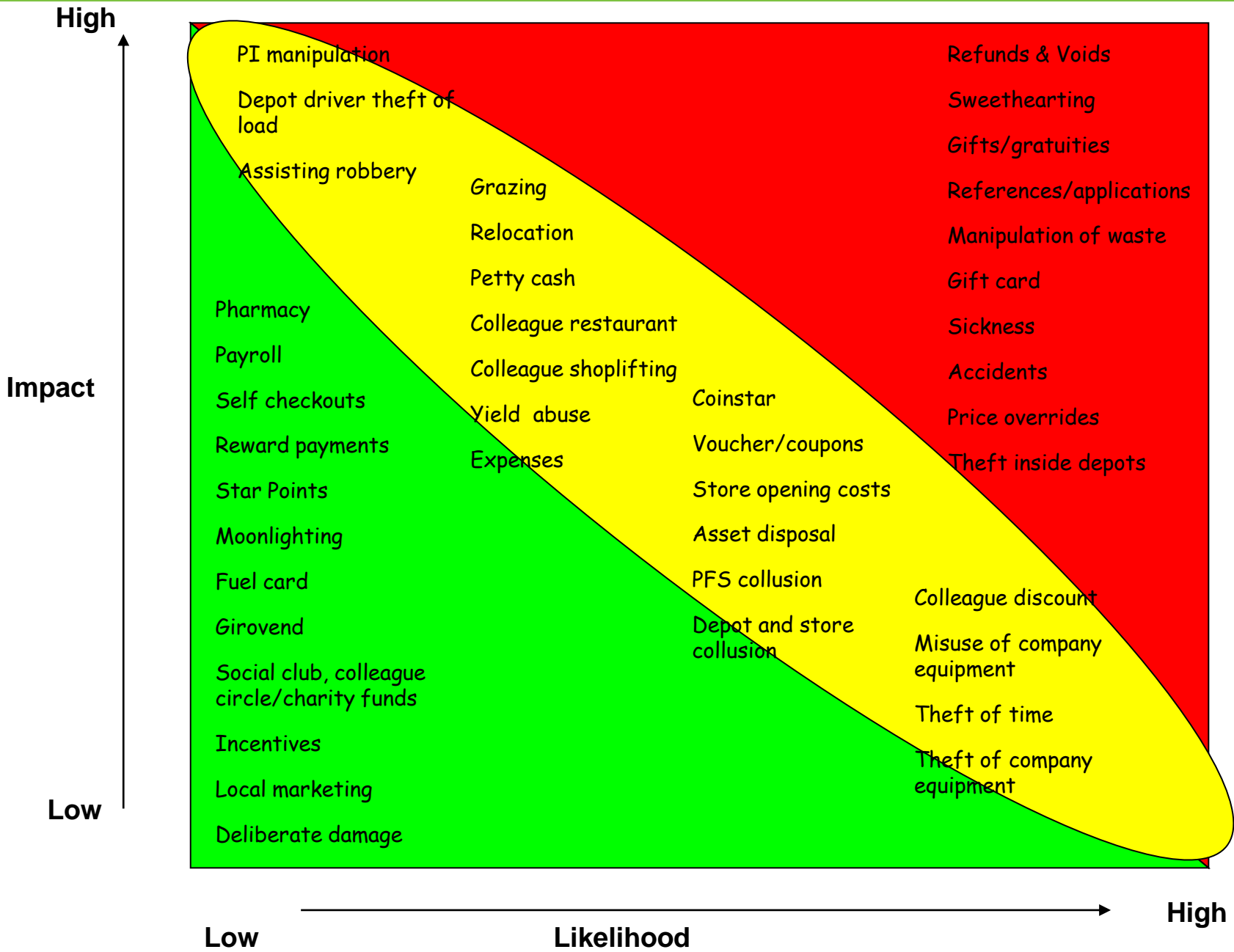
Asda Total Loss Typology



Way of Working



Internal loss risk map



Example - What could go possibly wrong ?

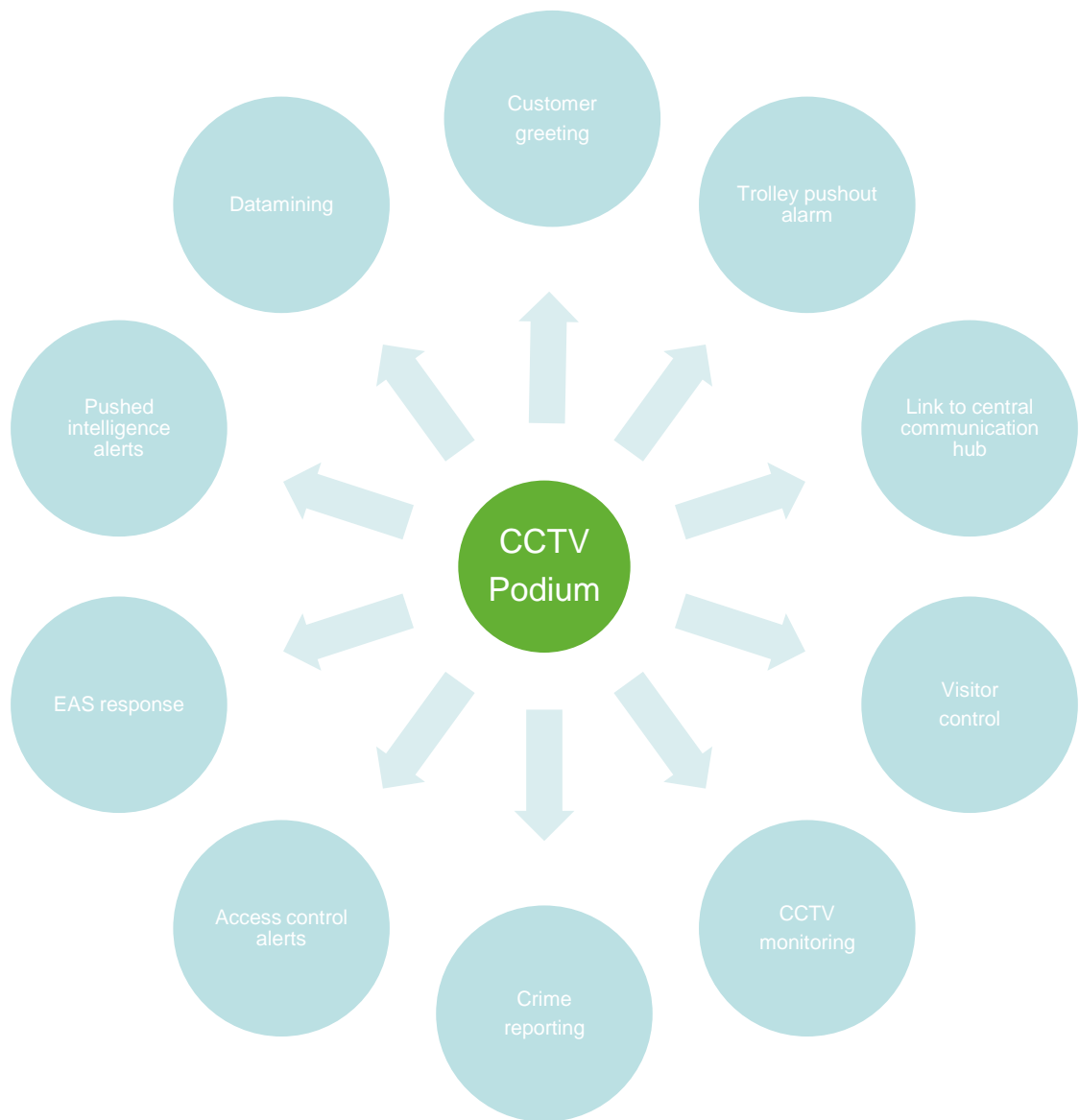
Front Doors

- Customer theft
- Violence
- No response to product protection
- Colleague morale declines
- Poor customer safety perception
- Results in defensive merchandising
- 'Kneejerk' expense

Front End

- Cash loss
- Collusion & product theft
- Till abuse/manipulation
- Poor process
- Lack of management focus
- Poor customer service
- Poor productivity

Front Doors First Example



Example – What did we do to respond ?

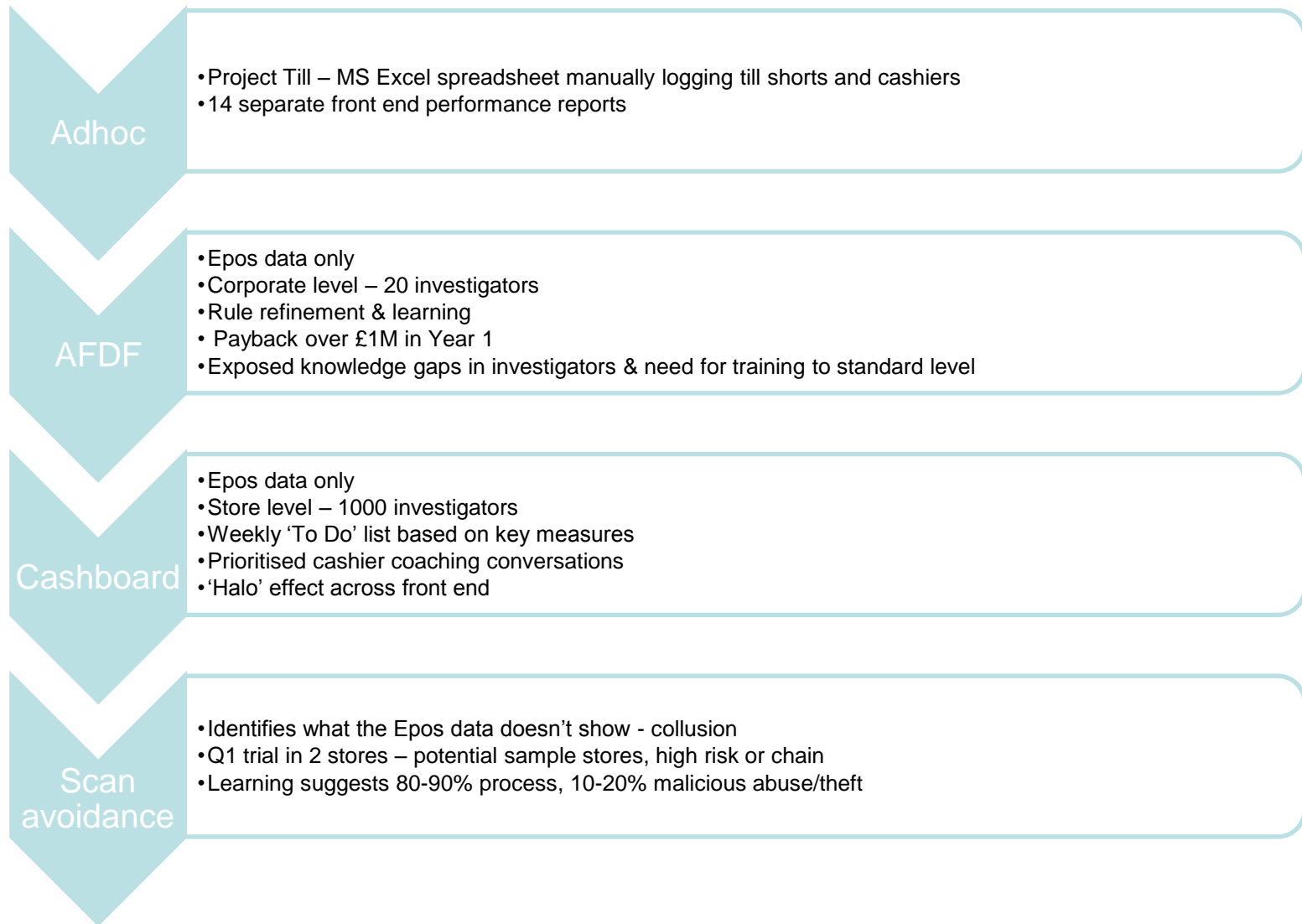
Front Doors First

- Risk modelling
- Greeter re-alignment
- DILO & task removal
- Mystery shop
- Podium as security hub
- Future open display strategy
- Customer expectation
- 'Its Your Job'
- Close security offices

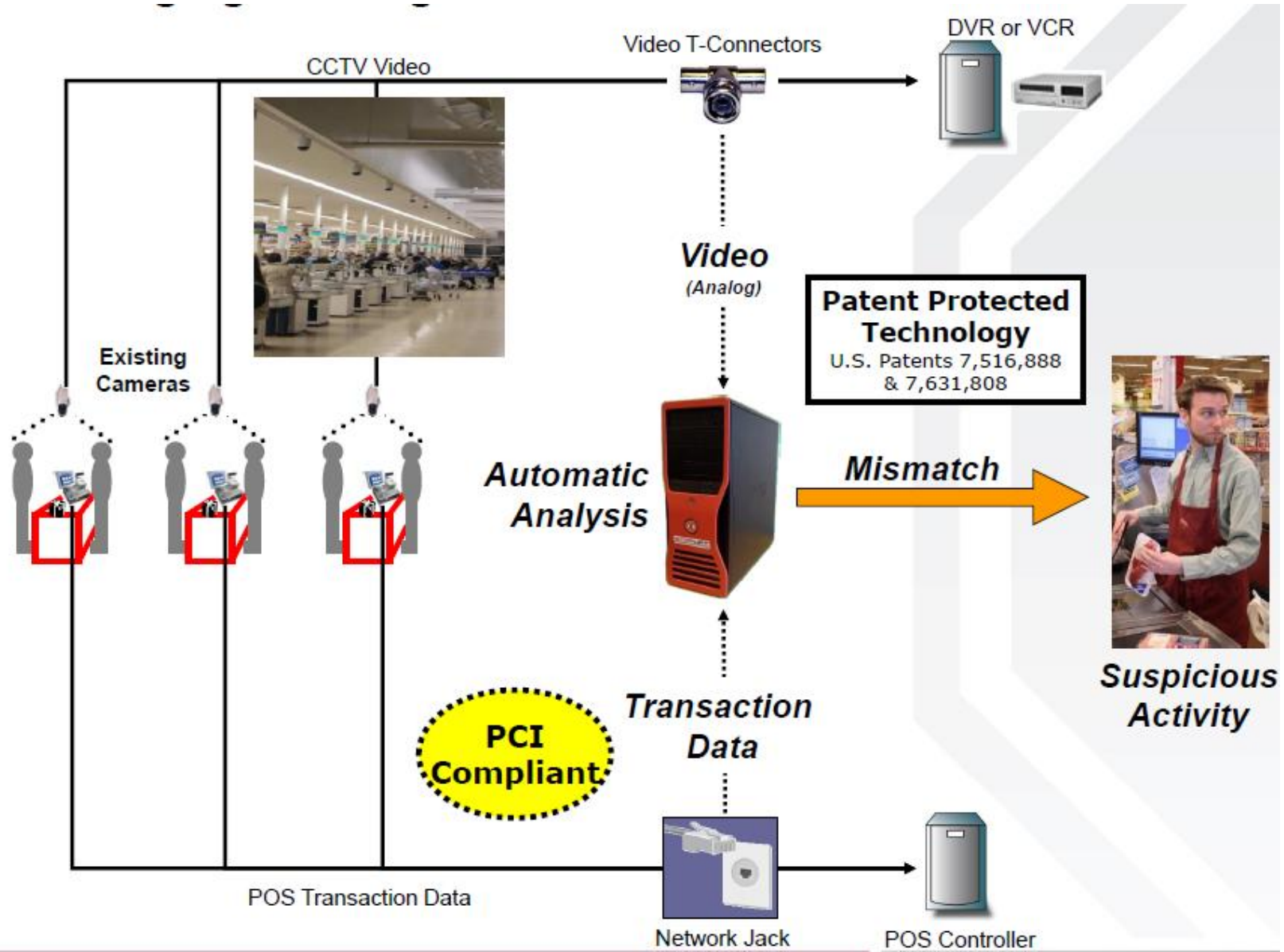
Front End Focus

- Datamining roadmap
- Operator profiling
- System fixes
- CCTV per till
- Process change
- Task removal – reports stopped
- Clarify ownership
- Time to do the job
- Training

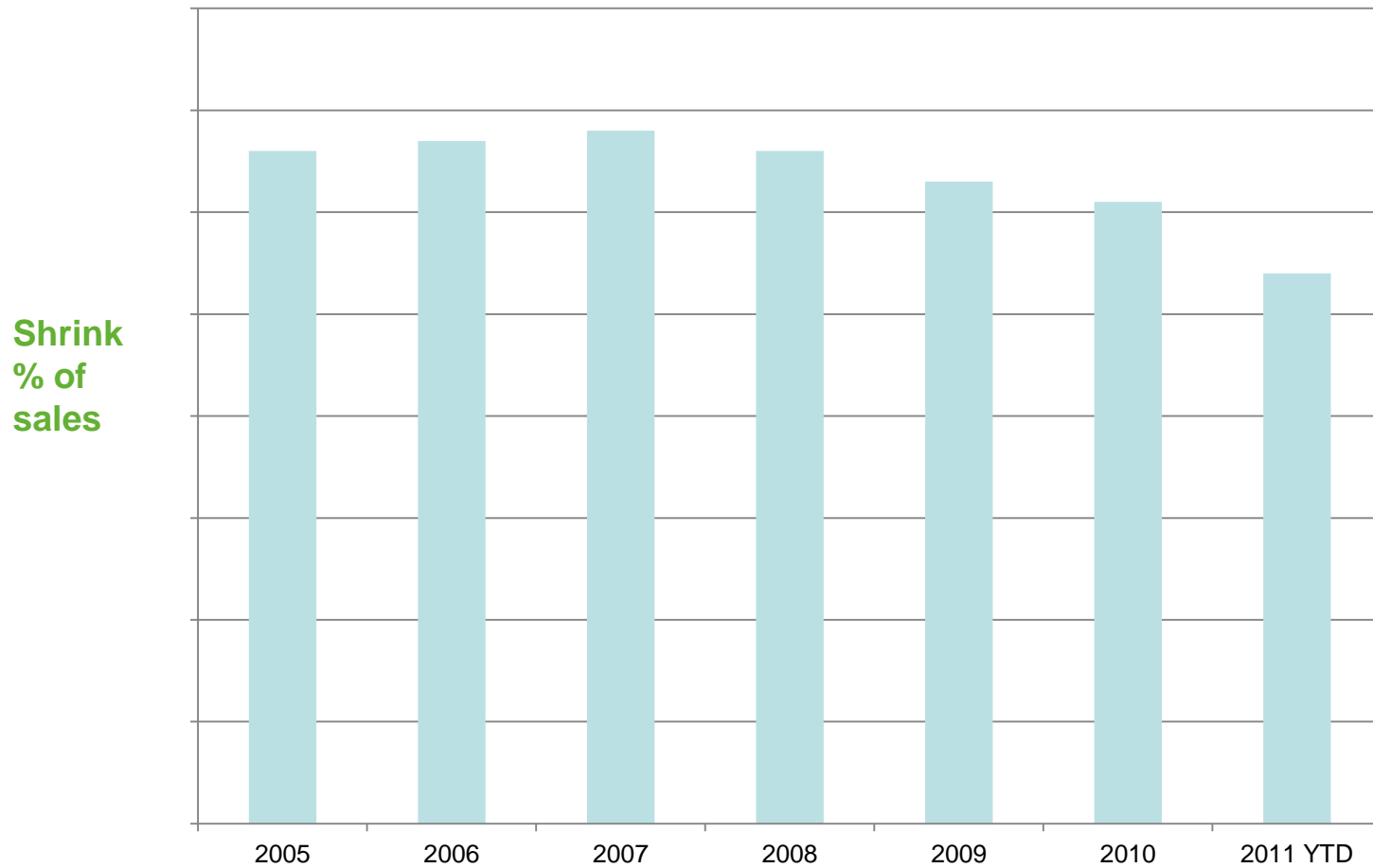
Front End Focus Example – Datamining roadmap



Scan avoidance overview

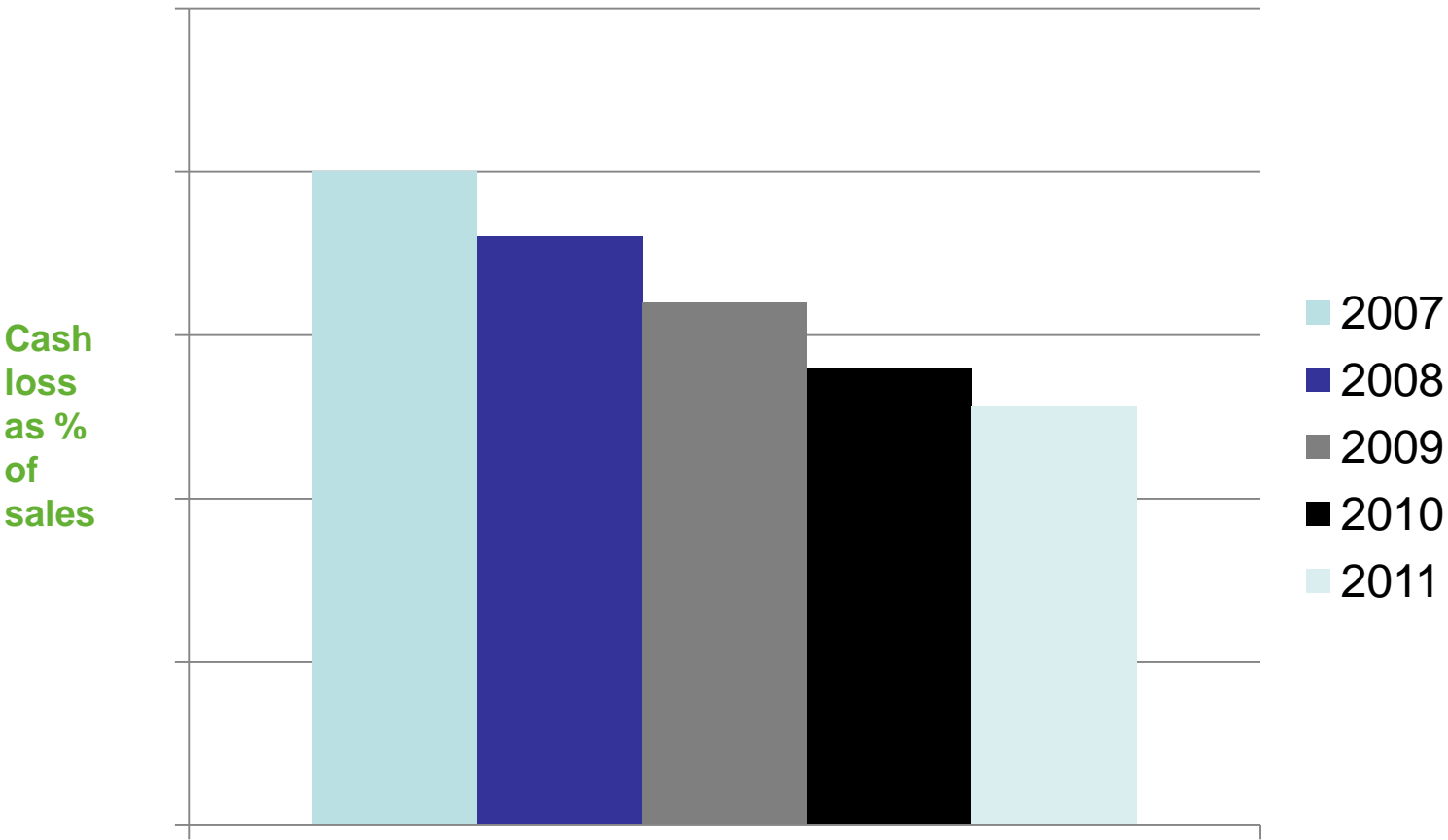


Shrink trend



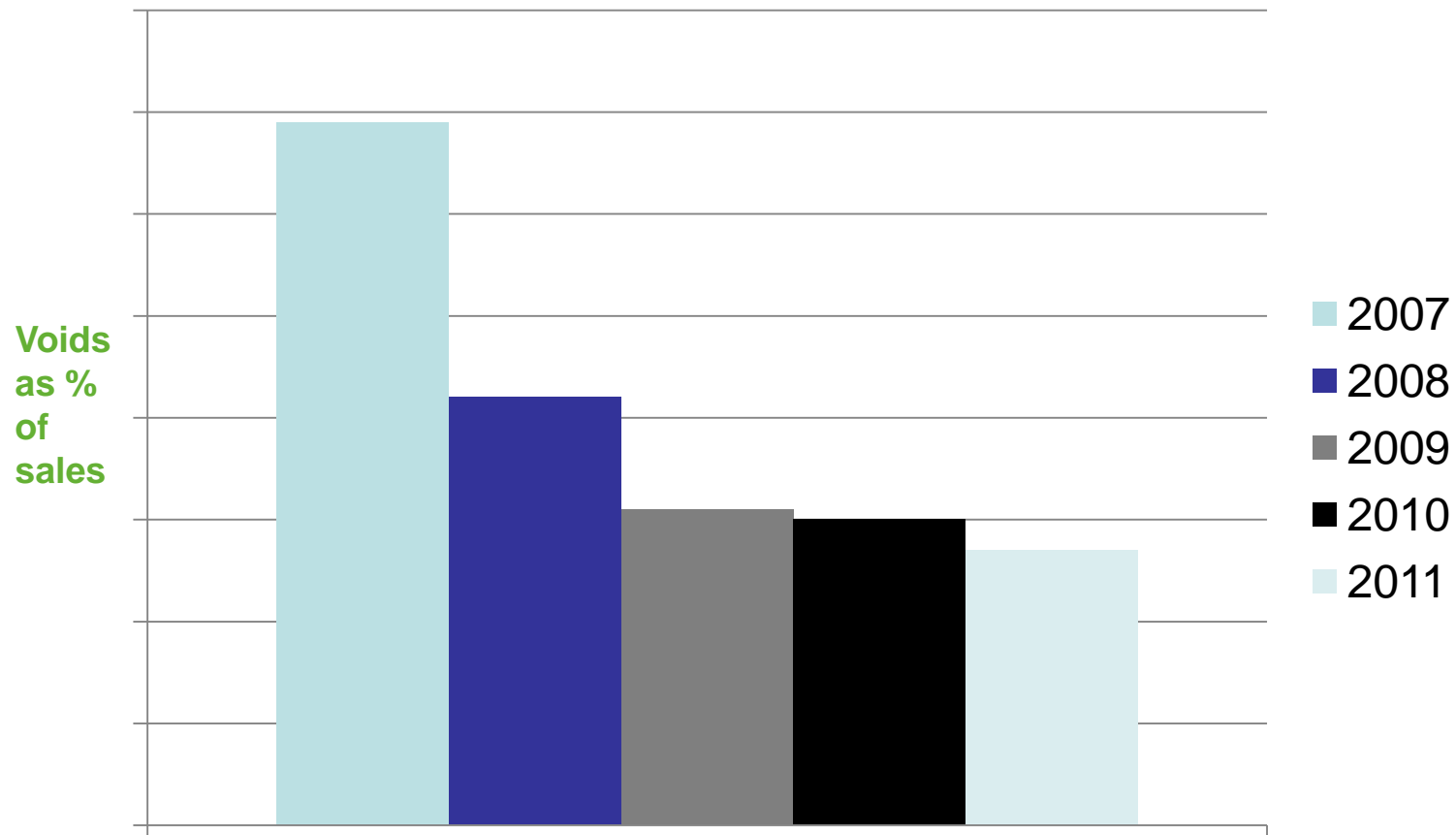
Equates to 21% improvement since 2007

Cash loss trend



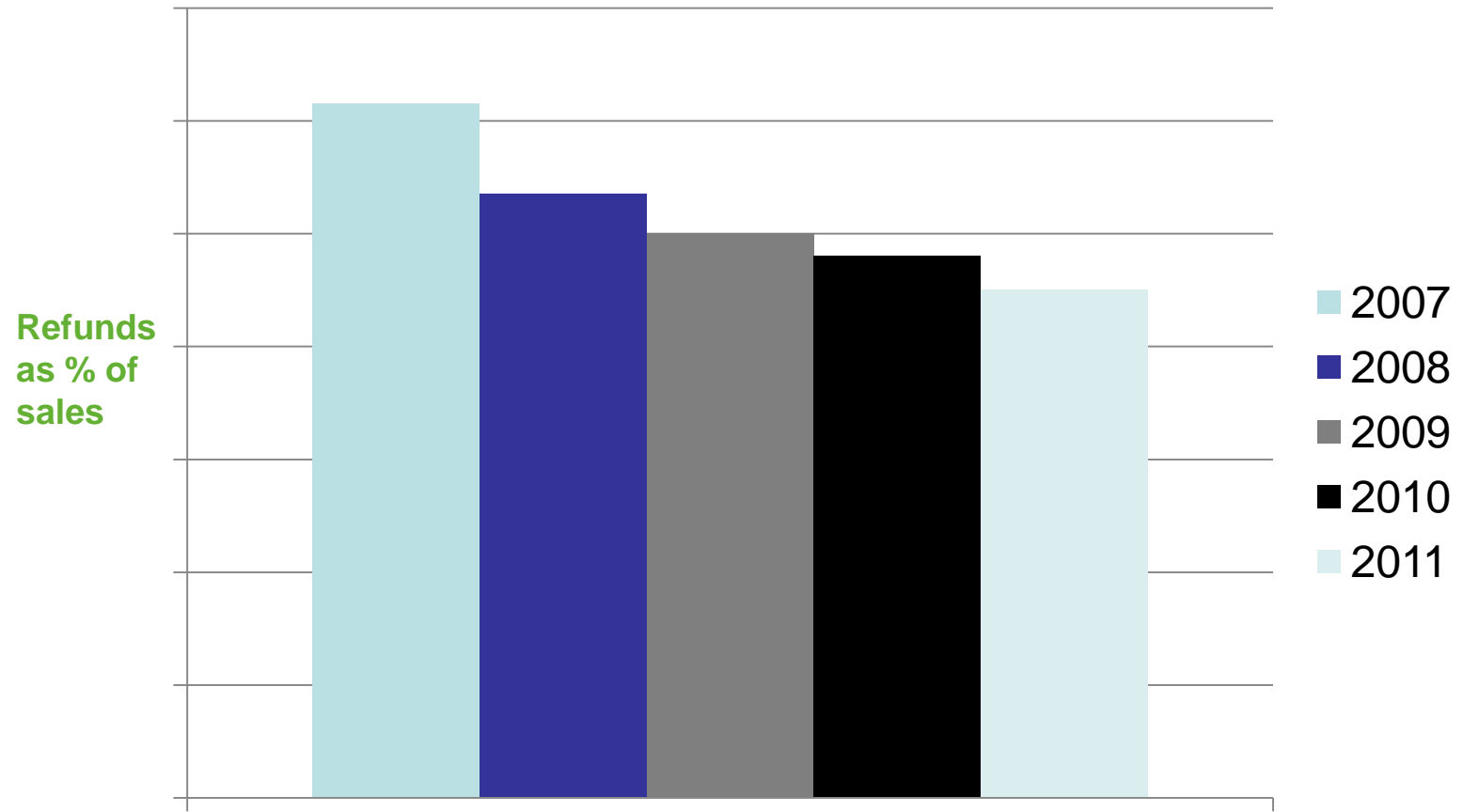
Equates to 36% improvement since 2007

Voided transaction trend



Equates to 61% improvement since 2007

Refunded transactions trend



Equates to 61% improvement since 2007

Questions?