

# 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

### **Loss Prevention Team Purpose and Guiding Principles**

### <u>Purpose</u>

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

Low



Likelihood

# 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

#### Adhoc

- Project Till MS Excel spreadsheet manually logging till shorts and cashiers
- •14 separate front end performance reports

#### AFDF

- · Epos data only
- •Corporate level 20 investigators
- •Rule refinement & learning
- Payback over £1M in Year 1
- Exposed knowledge gaps in investigators & need for training to standard level

#### Cashboard

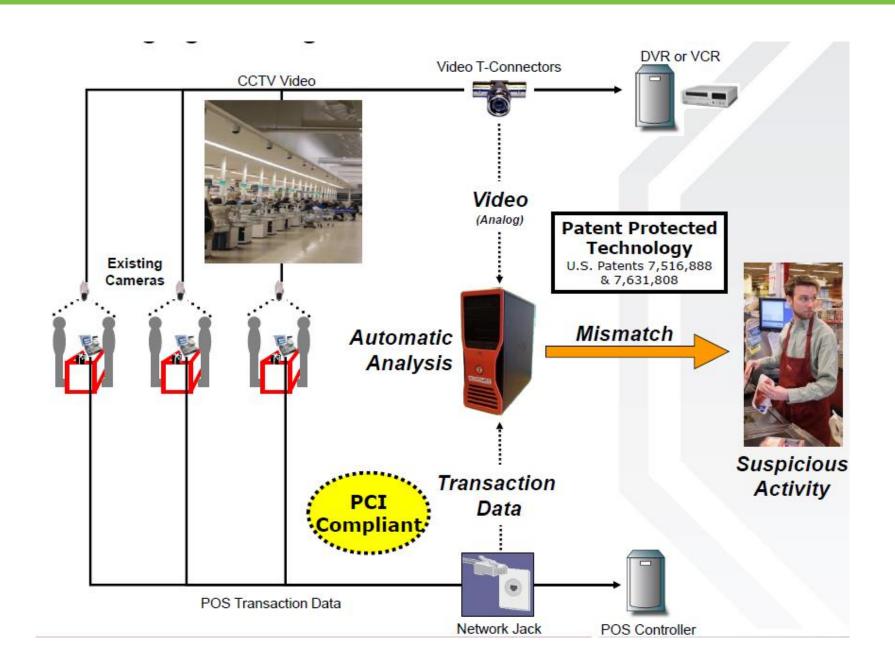
- Epos data only
- •Store level 1000 investigators
- •Weekly 'To Do' list based on key measures
- Prioritised cashier coaching conversations
- · 'Halo' effect across front end

# Scan avoidance

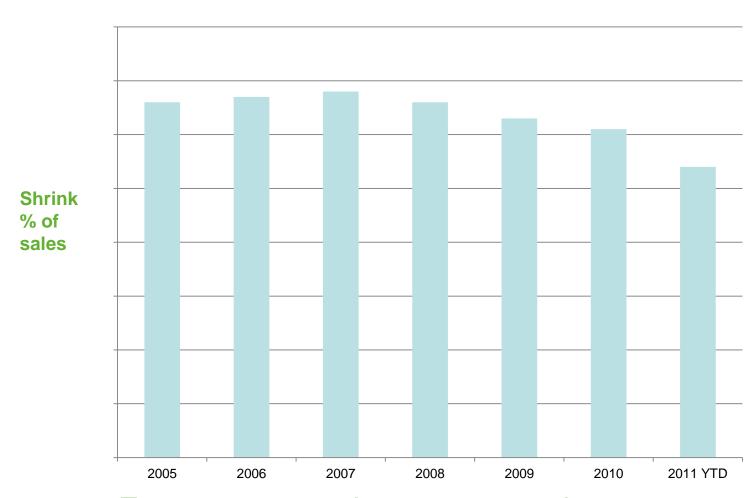
- •Identifies what the Epos data doesn't show collusion
- •Q1 trial in 2 stores potential sample stores, high risk or chain
- •Learning suggests 80-90% process, 10-20% malicious abuse/theft



# **Scan avoidance overview**

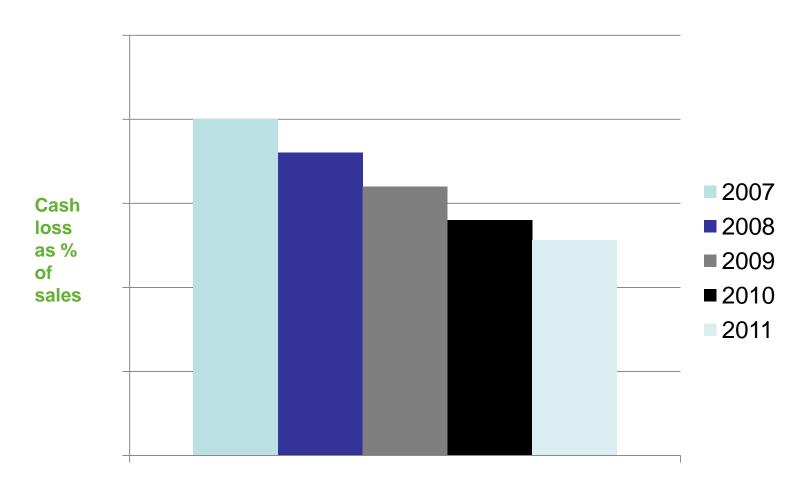


## **Shrink trend**



Equates to 21% improvement since 2007

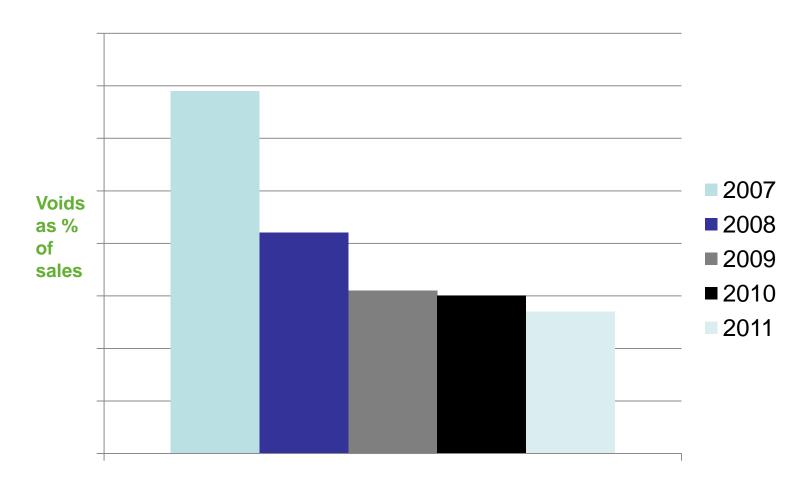
## **Cash loss trend**



Equates to 36% improvement since 2007



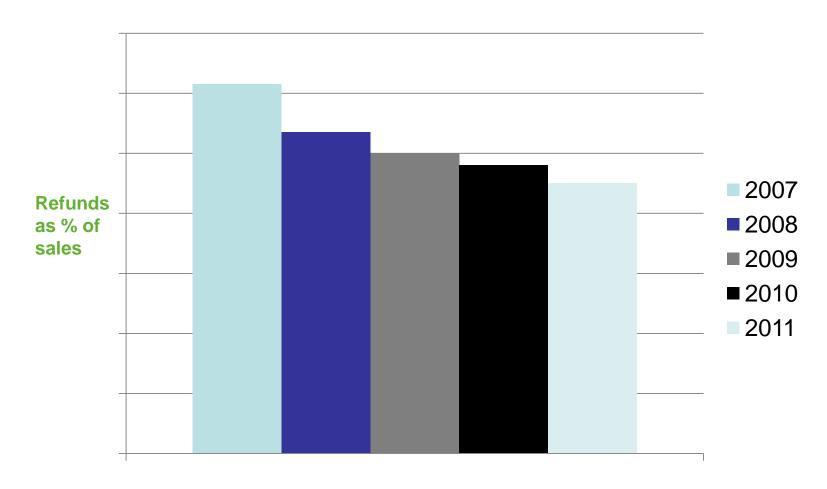
## **Voided transaction trend**



Equates to 61% improvement since 2007



## **Refunded transactions trend**



Equates to 61% improvement since 2007



## **Asda Loss Prevention**

Questions?

