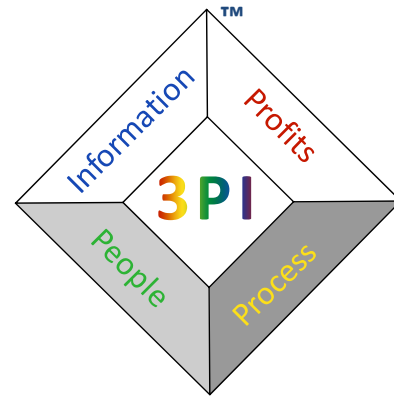


What Can They Steal Here?

A TriPoint Interactive Publication

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My uncle was a great storyteller and when I assess the loss potential of a facility, I especially remember his tales from the time he was a union shop representative for the local auto glass factory. Despite around the clock security, automobile windshields were disappearing from the factory at a rate that came to the attention of the General Manager. When a formal investigation didn't lead anywhere; the GM made unofficial inquiries around the plant which revealed that men were picking up a windshield, one at each end, and walking the windshield past security at the shift changes. In this case the fix wasn't all that difficult, pull the security staff out of their room and station them in the midst of the flow at shift changes.

If the GM was under any illusions of his ongoing theft problem, they were dashed by a sign he saw in one of the local gas stations - "Glass Factory Gloves for Sale Here" - so obviously gloves were stolen in case quantities. This led to a complete change in his attitude to security; it wasn't just a security guard responsibility, it was everyone's responsibility. He brought all employees together and concentrated on changing attitudes. He showed that product thefts led to delivery failures that put all their jobs at risk, and the theft of low value items could lead to those items not being available to workers when they needed them. My uncle said knowledge of these thefts and others was widespread; but until everyone heard how damaging the results were to them, their attitudes ranged from indifference to admiration at the daring of the perpetrators.

I am sharing this because I want to make the point that pilferage is a possible issue whether you are handling commodities or high value goods. Value, like beauty, is often in the eye of the beholder. Whatever you're level of security, someone can find a way around it. These stories are definitely from the "good old days" but less you think they no longer apply, I spoke to a friend not long ago that was complaining bitterly about trying to get his professional life back. My friend's life changed after someone crawled through a poorly secured

window to get at the contents of a freight forwarder's crossdock and, when the alarms went off, the thief grabbed a laptop off a desk as the consolation prize. The company IT department was trying to restore my friend's emails, but every day he discovered something that was critical to his business that was on the missing laptop and not backed up.

My intent is not to recommend a single set of solutions, but to highlight the need for a change in thinking about security by operations management. The best ways to prevent loss are situational, and highly dependent on your particular circumstances. Whether your facility has the latest in alarms, cameras and 24/7 security; or facility protection is limited to just lockable doors, it is a good idea to look at your operation from a completely different perspective.

As part of a facility security evaluation that any manager can undertake, think of facility security from the perspectives of "Mr. Outside" and "Mr. Inside."

To capture the Mr. Outside perspective, just stand outside of your facility and look over the operation.

- What do the exterior signs and activity tell you about your facility? Is the facility obviously protected by alarms, cameras and monitored remotely? Visible security measures mark the facility as a higher risk target.
- Is it obvious that valuable product is moving in and out of the facility? What is worth the thief's effort and risk of being caught? If your facility shows little evidence of high value product and the facility appears well protected, the thief may search for a more attractive target that is less secure.
- Are the access points protected or are weaknesses visible that a determined thief can take advantage of?
- Who has access to the facility? Do suppliers, construction workers, drivers, cleaning personnel and other visitors seem to move in and out of the facility freely, some of them carrying buckets, tool boxes or briefcases?
- Do smokers congregate in a certain outside areas, and leave access doors blocked open?
- Are dock doors open with product close by?
- Is security on site?
- Do employees and temps show or scan ID's when entering the facility?
- Who responds if alarms are tripped?
- What if alarms are tripped multiple times? Especially after hours, does someone still respond at the third and fourth time?

- How many shifts operate, when is the facility deserted?
- How quickly can a nimble thief get in and get out with something of value?
- Does the thief need help (lookouts, truck to carry product away, someone to help carry the booty) or can I handle this place by myself and not share with anyone?

The perspective of “Mr. Inside” is also easy to grasp; walk through your facility keeping your mind open.

- How are visitors handled? Do visitors sign in and show a form of identification? Could someone pose as a visitor and walk through the facility unescorted?
- Is access controlled between the office and operations areas where product is stored?
- How frequently are locks, alarms, cameras and remote monitoring systems tested to ensure they work as planned?
- Do office people routinely pull product from the operations area and bring it back to their desks?
- Does the operation use temporaries? If so, how many, what do they have access to and how do you know they came from your agency? (Have the agency email or daily fax a list of everyone from their company authorized to work at your facility.)
- What of value is lying in the open, unsecured?
- Is the facility monitored by cameras? If yes, where is the data kept, can you get in, remove product, and take the camera data with you when you leave?
- Who has access to product and how can the product be moved out of the building without authorization?
- Do employees park within a few feet of the facility, with easy access to vehicles on breaks?
- What do you really know about the people that work here? How many have felony convictions, perhaps under a different name and in a different state or are heavy drug users?
- Is it possible to enter an order in the system, have the order shipped to a friendly address and then wipe the order from the system?
- Can paperwork be created outside of any control system to ship an order and then throw the paperwork away to eliminate any record of the transaction?

You might be surprised what conclusions the Mr. Outside and Mr. Inside analysis leads you to. Here are some general rules to consider for protecting your facility, just remember that you have to review your particular situation and implement the practices that make sense for you.

Safe Product practices

- Well placed cameras and remote alarm monitoring are very good ideas providing you don't rely on them to the exclusion of common sense to protect the facility. Test occasionally to ensure they provide the information you require to either prevent thefts or help identify perpetrators. (Nothing is worse than looking at poorly defined images and discovering your camera system doesn't provide the required resolution to identify anyone.)
- Keep product well away from doors and other access points where an impulsive thief could toss an item outside and pick it up later. (A single theft now and then may not be of high importance, but think of the psychology of potential thieves. If it is easy to steal a box, they will feel more temptation to steal a carton, a pallet and, maybe, a truckload.)
- Keep the dock door locked where the dumpster is located. If you can, only dispose of scrap corrugated into the dumpster at certain times, say end of shift, when everyone cleans up their work area.
- Keep product out of the office area. (The warehouse has the controls in place to store product, not the office. In fact, it is often far easier to remove product from the office than it is from the warehouse.)
- Watch out for product with perceived "no value" such as customer returns, damaged product, overstocks and obsolete product; process it quickly to prevent build up and store securely while in your care.
- Protect your entire product, not just the "high value" items.
- Control inventory and monitor the inventory accuracy rate. The temptation to steal is higher if the thief believes the inventory is in such disarray that the items will not be missed.
- Either through professional associations or your personal network, stay in touch with others in your area and be attuned to security challenges they are facing.

Some years ago, while managing a service parts distribution center, the front lobby security guard notified me that someone was stealing empty beverage cans from the charitable giving container the company maintained there. The security guard observed the charity container for most of the day, and the lobby doors were locked after hours. This was embarrassing as the company had installed cameras throughout the facility and they were monitored from the same front lobby security location. Somehow low value material was being stolen from almost under the noses of our security guard and the high tech loss

prevention equipment we had installed to protect service parts. We put the lobby under 24 hour observation and discovered that a third shift warehouse employee on break would exit through the office and front lobby. He was observed to take all of the empty cans and leave the building. Security followed him to an all night supermarket, where he turned the cans in for \$28 in refunds. We terminated his employment the next day and everyone involved with the case wondered why a long term employee would risk his job for \$28. Later we discovered a number of losses in the office, with the "soda can bandit" as the likely culprit. We also heard he had threatened several other employees to keep them quiet about his activities. Rumors ran through the building as to why this long term employee started stealing; but the reasons don't matter, we had major holes in our protection envelope and he took advantage of them.

Stay prepared: put yourself mentally into the shoes of a potential thief, don't assume only high value product is at risk, and take the basic kinds of actions to protect your facility and your livelihood.