

UPDATE FOR
“UNSOLDS CHALLENGE”
July 2008 on
SHRINK PROJECT
May 2003

'SHRINK' PROJECT BACKGROUND

WAKE UP! (Shrink remitted to JIG LDE Group Oct 02)

- Semi structured discussion and brainstorm
- Concerns, issues, possible causes etc



AGREE ON PROCESS (Nov)

- Definition
- Principles
- Method
- First cut prioritising of jigsaw pieces .. reference points for analysis



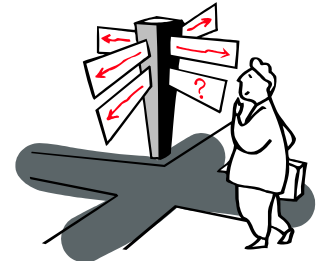
DEVELOP THE PROCESS (Jan-March)

- Systematic Approach.... Leading to
- Identify points of focus (Hot Spots)... and
- Quick Win areas
- Giving a structure for action
- Based on an overall picture of what, why & priorities



NEXT STEPS

- From “ideas” to “action”



DEFINITION, PRINCIPLES & MODUS OPERANDI

Definition

(working definition for the group)

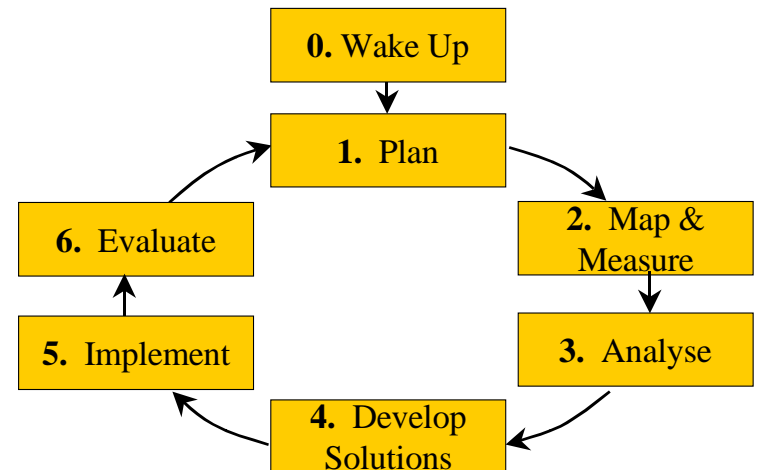
“Any product that as been supplied and paid for, but that has not been either subsequently measured as - sold or credited”.

Principles

The group is committed to the following principles:

- This is an industry challenge that largely manifests itself at retail.
- The group will focus on retail shrink, recognising that symptoms experienced in retail are, in some cases, affected by actions elsewhere
- The intention is to solve the problem, not shift it .. to add value not costs.

The ECR ‘Blue Book Road Map’



GENERAL RESEARCH

Contacts with ECR Europe + Library trawl

Relevant articles and research – generic as opposed to News Trade.

We are not alone..... Shrink is far from unique.

Recognising the issue is one thing....

..... Doing something constructive about it is more limited.

The Goal = Enhanced Sales and Availability

Key Areas To Address = Supplier Processes and In Store Process

“Good stock loss results follow good managers”

- Policies, procedures and communication within the store, and throughout the supply chain
- Existing approaches are largely reactive and crisis driven
- There is a lot of misinformation and subjective unproven statements.

GENERAL RESEARCH

Average retail shrink 1.75% + ... UK Grocery 2.00%+ ... manufacturer 0.56%

Unknown losses outweigh know losses 60:40

Malicious events (theft) dominate 73% +.....

.....temptation, motivation, opportunity, risk, opportunism

.....external and internal (generally understated)

(Control Study .. 74% reduction from making the issue known to staff)

Non malicious events (process and design) ... 27% -

..... largely a legacy of the complexity of offer and systems

Products at risk from theft ... High cost, compact, tradable

... Some impact for us

Products at risk from process failure ... Short shelf life and price variable

... Certainly applies to us



GENERAL RESEARCH

Need for data synchronisation ... Pricing file accuracy mechanics

Promoted products have higher shrink ... volatility + multi location + price file

Control the number of products on the shelf ... avoid crowding

Stockroom layout and management ... have a systematic approach

Management attention to correct in store process is critical

Weekends ... higher exposure

The poorest trained and lowest paid staff operate the last 50 yards

Hot Products and Hot Stores (8% of items equate to 30% of loss)

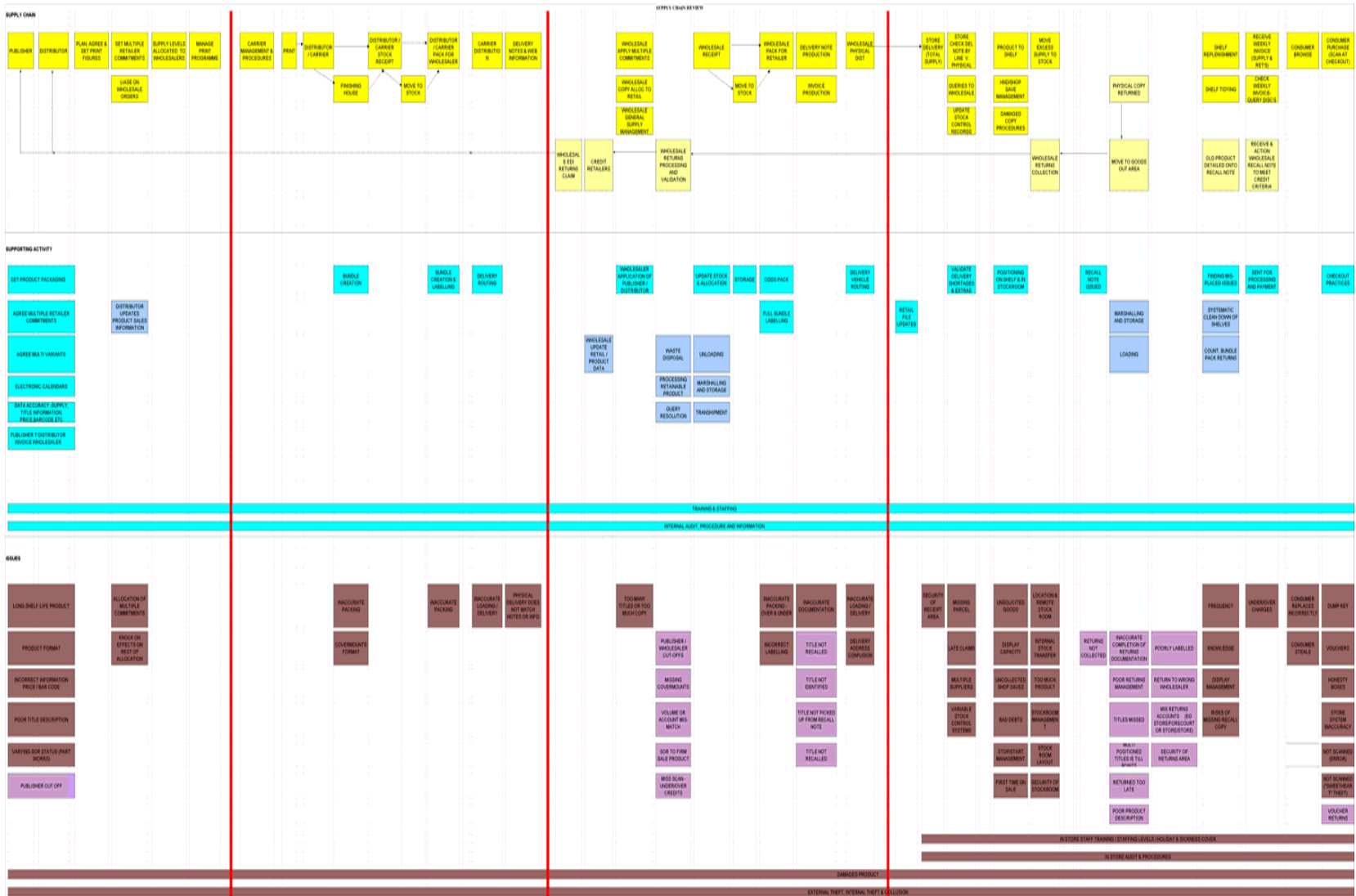
.... Major progress does not require everything, everywhere to be addressed

The greater the focus on people, communications, procedures, security & audit the less the shrink

... Simple things can have a major benefit

PROCESS MAPPING

The first stage of The Roadmap .. Identify :- Key steps, Supporting activities, Issues
 Gives a reference point from which to identify ‘Points of Failure’
 then shift to fleshing these ‘points of failure’ out into ‘Cause and Effect’.



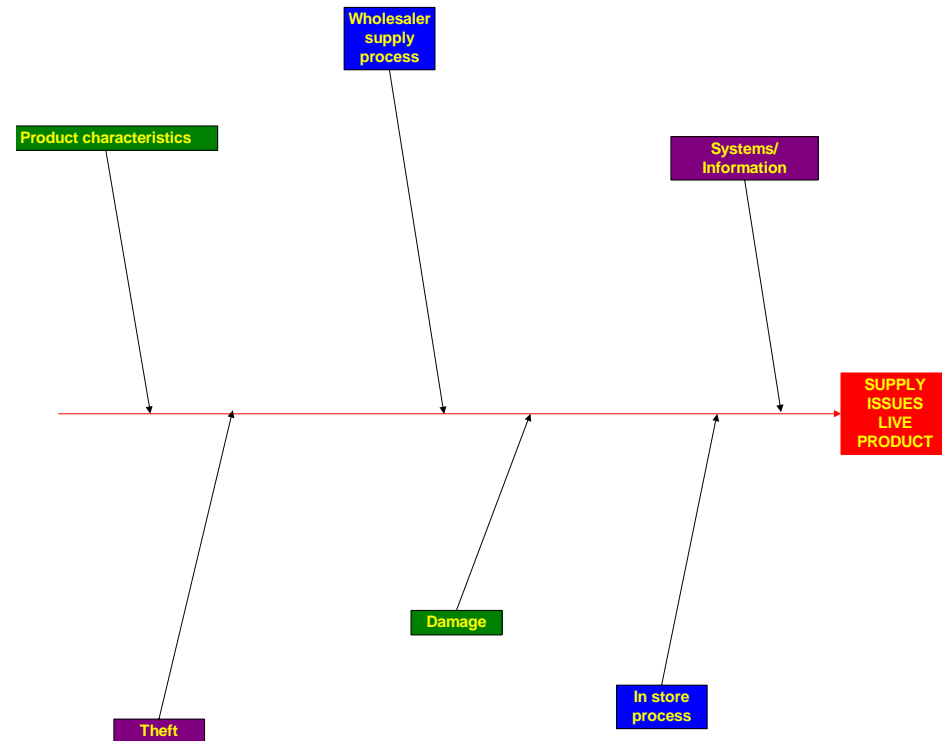
FROM PROCESS FLOW TO POINTS OF FAILURE

Use Process Flow as a prompt to record possible failure points

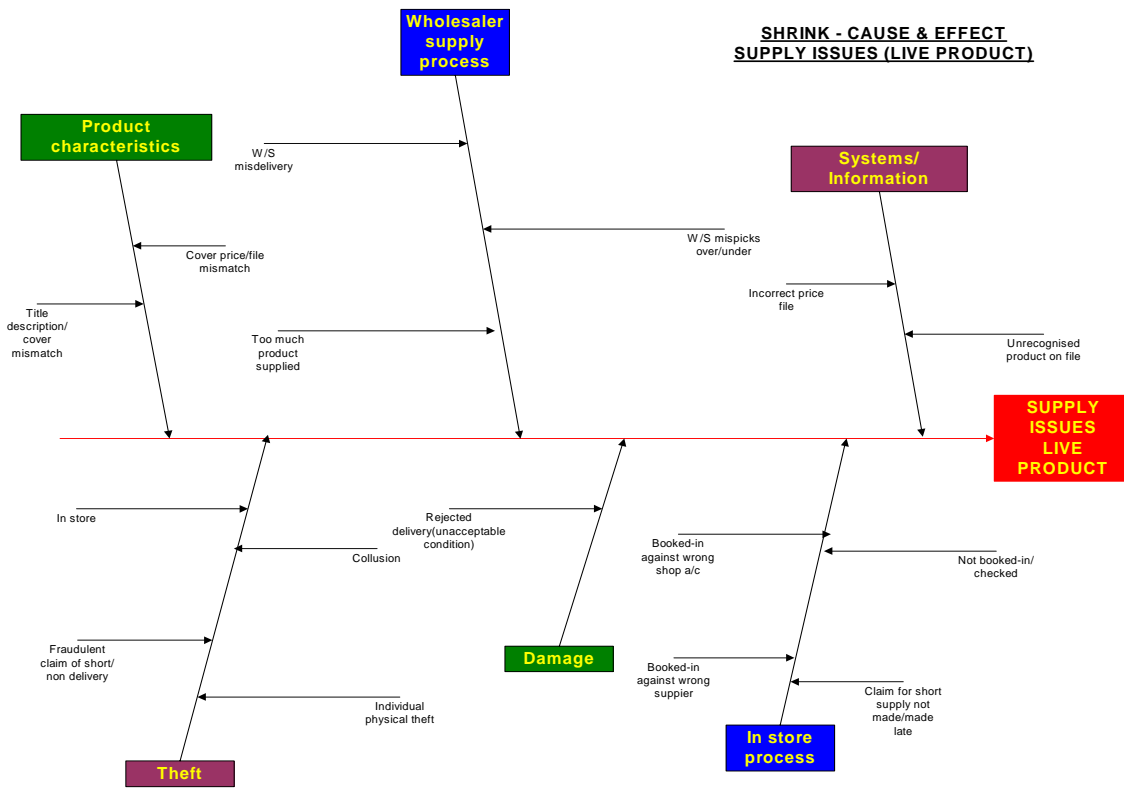
- Need a structure to group these ...
ECR recommend Fishbone diagrams
- 1 chart for On Sale Live outbound ..
and 1 for Off Sale Returns

Main Bone Headings

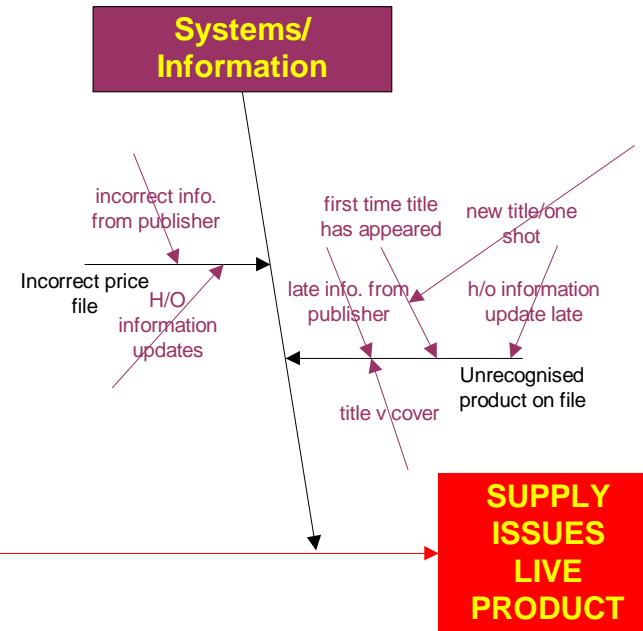
- Systems / Information
- Supply (Returns) Process
- Product Characteristics
- Theft
- Damage
- In store Process



FAILURE ISSUES – Level 2/3 – Live product



Cause and Effect Detail



CREATING FOCUS

Next stage is to identify where Focus is required.

ECR recommend use of FMEA analysis for this (Failure Mode and Effects Analysis)

Assess relative measure of 'Severity' and 'Probability'

Score	Severity of Failure (S)	Probability of Occurance (P)
5	Major Loss Impact	Daily / Inevitable
4	Some Loss Impact	Weekly / Repetitive
3	Individual Item Loss	Every few weeks / Occasional
2	Possible / Uncertain Loss	Every few months / Rare
1	Little Impact	Rare & Irregular

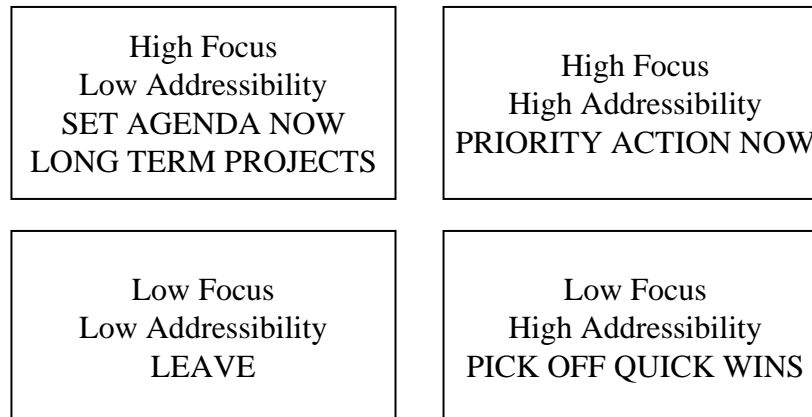
Severity x Probability = Focus Factor

Score	Time / Effort to Address (A)
5	Can do easiliy & cheaply / Weeks
4	Needs some effort but little cost / Quarter
3	Minor systems & protocol effort
2	Requires development over months
1	Major systems & Commercial issues

Focus Factor x Addressability = Quick Win Factor

SYSTEMATIC ANALYSIS

- Log and “relatively score” each item
- Produces logical “hot spot” and “quick win” pointers
- **A systematic, total supply chain view within the context of all of the issues**
- Roadmap to address the right things, in the right sequence and for the right reasons, with horizon on expectations for delivery.
- Aimed at long term sustainable benefit to Sales and Availability, not just Shrink.



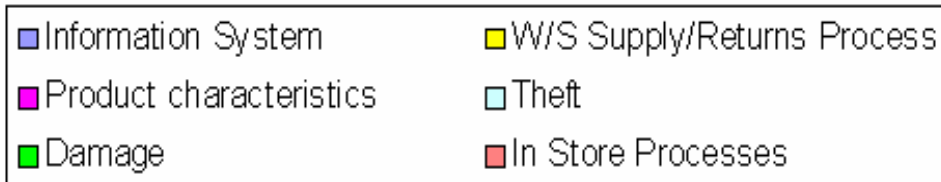
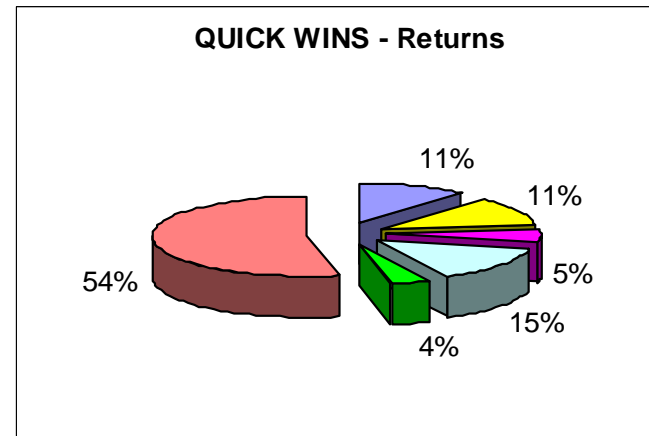
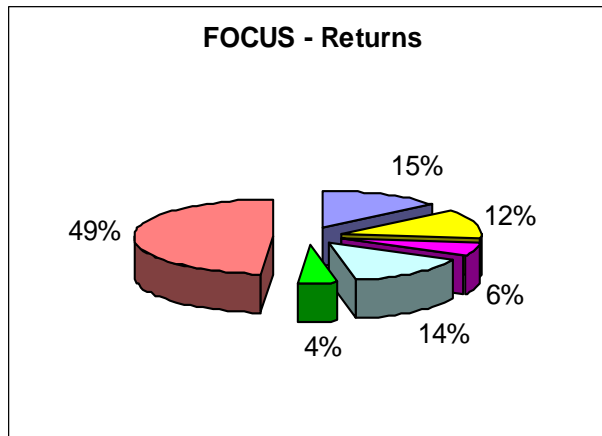
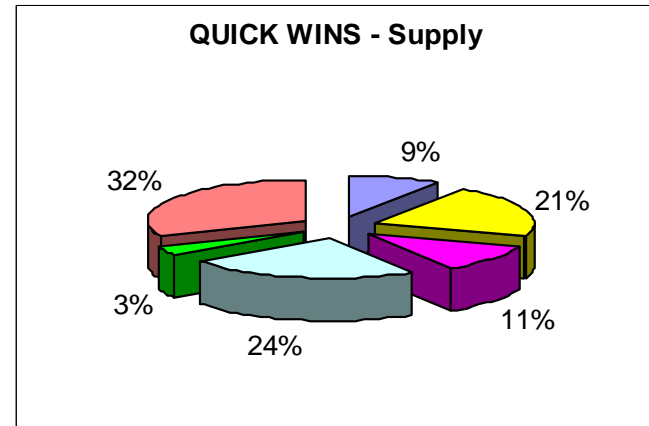
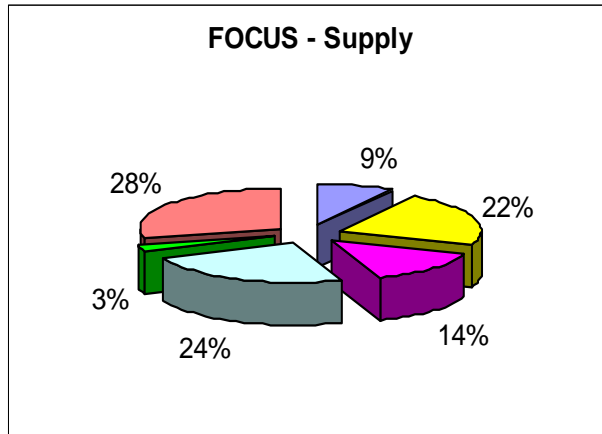
MAGAZINES SUPPLY ANALYSIS

SUPPLY ISSUES (LIVE PRODUCT)									
Process Issue	Sub Issue	Failure Mode	Potential Causes / Concerns	Severity	Probability	Focus	Addressability Issues	Addressability	Quick
				AVERAGE	AVERAGE	Factor		AVERAGE	Win
						1 - 25			1 - 125
Systems / Info	Incorrect price file	Retail HO Info update	Retail systems protocols	4	3	12	Retail systems	3	36
		Info from Publisher wrong	Publisher systems protocols	4	3	12	Publisher accuracy	3	36
	Unrecognised product on file	Retail HO Info Update late	Retail systems protocols	4	3	12	Retail protocol	3	36
		Info from Publisher late	Publisher systems protocols	4	3	12	Publisher protocol	4	48
		First time title has appeared	New titles; 1 shots	4	3	12	Response capability	4	48
W/S supply process	Too much supplied	Unauthorised titles	Protocol mismatch with W/S	3	3	9	W/S Compliance	3	27
		Excess copy	Supply management & multiple commitments	3	4	12	Complex dynamics retail/publisher	3	36
		Local shop v HO range mismatch	Retail communications; multiple commitments	3	4	12	Retail communications	3	36
		Single delivery stock problem	Shelf space; Stock control in store; W/S delivery protocol	3.8	4.8	18.24	W/S cost & systems	2	36.48
	Mispicks	Publisher bundle wrong	Wrongly counted or pilfered from	3	4	12	Minimal	3	36
		Pick wrong title	Poor product presentation & control	4	3	12	Minimal	3	36
		W/S miscount	Human error, pick method	3	3	9	Minimal	3	27
		W/S misplace	Human error, pick method	4	3	12	Minimal	3	36
		W/S mislabel	Human error	4	3	12	Minimal	3	36
		W/S poor accountability	No measures or censure	4	2	8	Largely in place	4	32
	Misdelivery	W/S poorly label	Print & identify not clear	5	2	10	W/S format	3	30
		Poor van lighting	Hard to read	4	2	8	W/S method	4	32
		Poor accountability	No measures or censure	4	2	8	Partly in place, enhance with systems	3	24
		Confusion over related sites	Forecourts related to supermarkets	4	2	8	Procedure & format	4	32
Product characteristics	Title v Cover mismatch	Misleading title	"The Mag" or "Mag"	4	4	16	Agree protocols	2	32
		Poor title positioning	Surrogate title more obvious	3.8	4	15.2	Agree protocols	3	45.6
		Other "live" product attached	Supplement bar code visible	3	3	9	Agree protocols	3	27
		Price variants with same bar code	DVD version priced as CD version; regional variants	4	3	12	Agree protocols	3	36
	Cover price v file mismatch	Printing error; bar code or price	Bar code or price	4	3.8	15.2	Publisher attention	3	45.6
		Wrong info on file	Slow updates or only 1 look up file	4	3.8	15.2	Retail systems	3	45.6
	Shape & size non standard	Display & handling problems	Fit to shelf; non standard positioning; damage risk	3	4	12	Publisher creative rights	1	12
Theft	Individual physical theft	En route Publisher to W/S	Pilferage by publisher / carrier driver	3	2	6	Minimal	4	24
		In depot	Pilferage by W/S or publisher staff	3	2	6	Minimal	4	24
		En route W/S to retail	Pilferage by W/S driver	3	2	6	Minimal	4	24
		Parcel theft by another	Opportunist theft by another agent; security of area; delivery timing	4	2	8	Security and timing	4	32
	Collusion	W/S driver with other outlet	Planned theft & poor accountability	5	2	10	W/S audit and sanctions	4	40
		Driver with retail back door staff	Planned / opportunist / poor security	4	2	8	Minimal	4	32
		Checkout sweethearting	Disaffected employees; opportunism	4	3	12	Retail training, procedures & security	4	48
	In Store	At back door	Disaffected employees; opportunism; insecure area; delivery early	4	2	8	Retail training, procedures & security	3	24
		From stockroom	Disaffected employees; opportunism; stock positioning	5	3	15	Retail training, procedures & security	2.8	42
		From display	Consumer theft; employees; opportunism; display positioning	5	5	25	Retail training, procedures & security	2	50
		Honesty box	Don't pay; under pay; positioning	3	5	15	Retail training, procedures & security	2.8	42
		Of cover mount	Damages product	3	3	9	Address consumer behaviour	3	27
	Fraudulent claim	Office / shop floor collusion	Enhance profits or cover internal losses	4	2	8	Retail training, procedures & security	3	24
	Lack of audit	Absence of procedure or censure	No focus encourages adverse action	5	4	20	Retail training, procedures & security	3	60
	Robbery	Poor security	More likely to be small scale opportunist than major planned	3	3	9	Consumer behaviour & security	2	18
Damage	Rejected at delivery	Bad packaging; obvious damage	Poor packaging and breakable product	3	2	6	Agree protocols	4	24
	Product not returned	Product not returned	Assumed no point, or given away; unaware of credit procedure	4	3	12	Retail training & procedures	4	48
In Store Processes	Not booked in	Poor W/S documentation	Layout, familiarity & training	3	3	9	W/S format	2	18
		Difficult to check	Descriptions & bundle contents	4	4	16	W/S format & systems	2	32
		Lack of procedure or accountability	Procedures; training	5	4	20	Retail training & procedures	3.6	72
		Task split in time or over people	Procedures; shift planning; training	4	4	16	Retail training & procedures	4	64
		No stock system	Lack of system encourages poor accountability	5	4	20	Retail systems & protocol	2	40
	Booked in on wrong account	Mix with forecourt or shop save	Procedures; training; clarity of account details	3	3	9	Retail training, procedures; W/S format	4	36
	Booked in from wrong supplier	Dual W/S supply	Procedures; training; clarity of supplier details	3	2	6	Retail training, procedures; W/S format	4	24
	Short supply claim late	Lack of procedure or accountability	Procedures; training; need to be timeous	3	3	9	Retail training & procedures	4	36
	Special accounts	Home delivery & shop saves	Poor holiday or stop / start adjustments; bad debts; non collection	4	4	16	Retail training & procedures	4	64
	Scanning inaccuracy	Use of Dump key	Bar code problem; sweethearting; training	2.8	4	11.2	Retail training, procedures; W/S format	4	44.8
		Missed product	Procedures; training	3	4	12	Retail training & procedures	4	48
		Inherent error rate	Equipment, labour & system efficiency	3	4	12	Retail systems & protocol	3	36
	Staff coverage	Lack of informed continuity	Shift handover; weekends; holidays; sickness	5	4	20	Retail training & procedures	4	80
	Lack of audit	Lack of procedure or facts	No focus reduces accountability	5	4	20	Retail training, procedures & security	4	80

MAGAZINES RETURNS ANALYSIS

RETURNS ISSUES (OFF SALE PRODUCT)										
Process Issue	Sub Issue	Failure Mode	Potential Causes / Concerns	Severity	Probability	Focus	Addressability Issues	Addressability	Quick	
				AVERAGE	AVERAGE	Factor		AVERAGE	Wn	
				1 - 5	1 - 5	1 - 25		1 - 5	1 - 125	
Systems / Info	WIS not recall title	WIS systems error	WIS systems protocols	4	2	8	WIS systems	3	24	
		Publisher systems error	Publisher systems protocols	4	2	8	Publisher systems / accuracy	3	24	
	Validation rejects credit	Too many returned	Mix of accounts e.g. forecourt; shop save, internal shop transfers	3	3	9	Retail protocol & procedures: WIS systems	3	27	
		Firm sale title	Product changes status; part works	4.8	3.8	18.24	Publisher protocol & retail procedures	2.8	51.072	
		Cover mount missing on part work	Damage; theft; poorly attached	3	4	12	Security & publisher specification	2	24	
		WIS did not supply	Dual WIS supplier	3	3	9	Publisher contracts & retail procedures	1	9	
		Too late	Tight/varying time window; WIS too slow, unidentified parcel, local weeklies as dailies	5	4.8	24	Publisher cut off; retail procedures	3	72	
	Stickers	Manual count	Singles / part boxes	3	4	12	Complex product	3	36	
WIS returns process	Not collected from retail	Not left out or not found by driver	Not left out (on time), stolen, left in wrong place, missed collection	4	3	12	Security and timing; retail procedures; minimal	4	48	
	Frequency of retail collection	Not left out or WIS frequency	Increased "at risk" time in shop; reduces WIS process time	4	3	12	WIS & retail procedures	3	36	
	Bundles lost in transit	Retail poorly label	Poor print or poor attaching	4	3	12	Retail procedures	3	36	
		Poor WIS driver accountability	No measures or censure	4	3	12	Partly in place; enhance with systems	3	36	
	Bundle unidentified at scan	No label	Poorly secured by retailer	4.8	3	14.4	Retail procedures	3	43.2	
		Loose product	Poorly secured by retailer	4	3	12	Retail procedures	4	48	
	Copy level over / under scan	Operator error	Human error; product format, efficiency of scanner, operator procedure	3	3	9	Minimal	3	27	
Product characteristics	Full bundle quantity was short	Publisher pack error	Assumed correct until each copy scanned at WIS	3	3	9	Minimal	3	27	
	Bar code problems	Publisher controls & printing error	Old code, multi-regional variant; identify wrong issue (price); wont read	4	3	12	Publisher attention	3	36	
		Co-wrapped products	Two codes showing	3	3	9	Agree protocols	4	36	
	Stickers	Singles; small; theft attractive	Part boxes; bar code incompatibility; manual count	3	4	12	Complex product; agree protocols	2	24	
	Shape & size non standard	Makes physical return difficult	Damage or loss of bar code; discourages returning	2	2	4	Publisher creative rights	1	4	
Theft	From made up returns parcel	In retail stock room	Pirferage by staff; cover mounts	3.8	3.8	14.44	Retail training; procedures & security	4	57.76	
		At retail back door	Staff or driver theft; opportunist theft; security of area; delivery timing	4	3	12	Retail training; procedures & security	4	48	
		En route retail to WIS	Pirferage by WIS driver	4	2	8	Minimal	4	32	
		At WIS pre processing	Pirferage by WIS staff	4	2	8	Minimal	4	32	
	Collusion	WIS driver with other outlet	Planned theft & poor accountability	4	1	4	WIS audit and sanctions	3	12	
		Driver with retail back door staff	Planned / opportunist / poor security	4	1	4	Minimal	3	12	
		From stockroom	Disaffected employees; opportunism; stock positioning	4	2	8	Retail training; procedures & security	4	32	
	Fraudulent claim	Office / shop floor collusion	Enhance profits or cover internal losses	3	2	6	Retail training; procedures & security	3	18	
	Lack of audit	Absence of procedure or censure	No focus encourages adverse action	5	4	20	Retail training; procedures & security	3	60	
		Poor security	More likely to be small scale opportunist than major planned	4.6	3	13.6	Retail training; procedures & security	3	41.4	
Damage	Opt not to return	No return means no credit	Lack of staff procedure or awareness	3.6	2.8	10.08	Retail training & procedures	3.8	38.304	
	No cover mount	May disallow premium part works	Poorly attached;	3	3	9	Publisher specification	3	27	
	Cover / bar code damage	May not scan	Poor handling; poor packaging	3	3	9	Minimal	3	27	
In Store Processes	Returns note inaction	Not received by stock room	WIS document format; retail internal communications; procedures; training	4	2	8	Retail training & procedures; WIS format	4	32	
		Not actioned by stock room	Procedures; training	4	3	12	Retail training & procedures; WIS format	4	48	
	Returns not properly returned	Booked out to wrong account	Sub retail; mix; forecourt or second box; internal shop transfers; procedures; training	4	3	12	Retail training & procedures; WIS systems	4	48	
		Booked out to wrong WIS	Dual supply; procedures; training; clarity of supplier details	4	3	12	Publisher contracts & retail procedures	4	48	
		Prepared but lost in store / not actioned	Procedures; training; staff issues; move from known to unknown loss	4	2	8	Retail training; procedures & security	4	32	
	Product not returned	Customer misplaced on display	Procedures; training; clarity of supplier details	2.8	4.8	13.44	Retail training & procedures	3.2	43.008	
		Off site / remote stock room	Gets lost; too late or dump	4	4	16	Retail training & procedures	4	64	
		Crowded display	Miss identifying for return	4	4.8	19.2	Retail training & procedures; supply management	3	57.6	
		Poor shelf fill management	Initial/replenishment; put in wrong place; bundles under display; copy tall behind display	4	4	16	Retail training & procedures	4	64	
		Poor procedures and awareness	Lack of recall procedure; training; failure to sweep shelves; lack of firm sale awareness	4	4	16	Retail training & procedures	4	64	
		Discounting / give away to clear	Lack of procedure; move from known to unknown loss	3	3	9	Retail training; procedures & security	4	36	
		Unaware of off sale / recall date	Procedures; training; need to be timeous; staff coverage	3	4	12	Retail training & procedures; publisher attention	3	36	
		Lack of procedure or accountability	Procedures; training; need to be timeous	5	5	25	Retail training & procedures	4	100	
	Multi display locations	In store - promotional points	Sweeping down all areas; procedures; training	4.8	4	19.2	Retail training & procedures	4	76.8	
		Stock room or other replenishment areas	Sweeping down all areas; procedures; training	4	4	16	Retail training & procedures; WIS format	4	64	
		Staff copy / staff room / freebies	Procedures; dumping	3	3	9	Retail training; procedures & security	4	36	
	Returns notes completion error: Miscounts		Procedures; training; staff quality	3	4	12	Retail training & procedures	4	48	
		Completed by several people / different times	Procedures; training; staff quality	4	4	16	Retail training & procedures	4	64	
		Poor title ID	Publisher systems protocols; layout	3.8	4	15.2	Publisher attention	3	45.6	
		Absence of procedure	Procedures; training	5	4	20	Retail training & procedures	4	80	
	Staff coverage / quality	Returns procedure failure	Weekends; holidays; sickness; hand overs; several people sharing tasks	5	4	20	Retail training & procedures	4	80	
	Voucher returns	Not properly returned	Insecure; to wrong WIS; from wrong account; too late; procedures; training	4	4	16	Retail training & procedures	4	64	
	Lack of audit	Lack of procedure or facts	No focus reduces accountability	5	4	20	Retail training; procedures & security	3	60	

Cause and Effect Issue Summary – Magazines



FOCUS & QUICK WINS – Magazines Supply

SUPPLY ISSUES (LIVE PRODUCT)						
Process Issue	Sub Issue	Failure Mode	Potential Causes / Concerns	Focus Factor	Addressibility Issues	Quick Win
Systems / Info	Unrecognised product on file	Info from Publisher late	Publisher systems protocols	Yellow	Publisher protocol	Orange
Systems / Info	Unrecognised product on file	First time title has appeared	New titles; 1 shots	Yellow	Response capability	Orange
W/S supply process	Too much supplied	Single delivery stock problem	Shelf space; Stock control in store; W/S delivery protocol	Orange	W/S cost & systems	Yellow
Product characteristics	Title v Cover mismatch	Misleading title	"The Mag" or "Mag"	Orange	Agree protocols	Yellow
Product characteristics	Title v Cover mismatch	Poor title positioning	Surrogate title more obvious	Orange	Agree protocols	Yellow
Product characteristics	Cover price v file mismatch	Printing error, bar code or price	Bar code or price	Orange	Publisher attention	Yellow
Product characteristics	Cover price v file mismatch	Wrong info on file	Slow updates or only 1 look up file	Orange	Retail systems	Yellow
Theft	Collusion	Checkout sweethearting	Disaffected employees; opportunism	Yellow	Retail training, procedures & security	Orange
Theft	In Store	From stockroom	Disaffected employees; opportunism; stock positioning	Orange	Retail training, procedures & security	Yellow
Theft	In Store	From display	Consumer theft, employees; opportunism; display positioning	Orange	Retail training, procedures & security	Orange
Theft	In Store	Honesty box	Don't pay; under pay; positioning	Orange	Retail training, procedures & security	Yellow
Theft	Lack of audit	Absence of procedure or censure	No focus encourages adverse action	Orange	Retail training, procedures & security	Orange
Damage	Product not returned	Product not returned	Assumed no point, or given away; unaware of credit procedure	Yellow	Retail training & procedures	Orange
In Store Processes	Not booked in	Difficult to check	Descriptions & bundle contents	Orange	W/S format & systems	Yellow
In Store Processes	Not booked in	Lack of procedure or accountability	Procedures; training	Orange	Retail training & procedures	Orange
In Store Processes	Not booked in	Task split in time or over people	Procedures, shift planning; training	Orange	Retail training & procedures	Orange
In Store Processes	Not booked in	No stock system	Lack of system encourages poor accountability	Orange	Retail systems & protocol	Yellow
In Store Processes	Special accounts	Home delivery & shop saves	Poor holiday or stop / start adjustments; bad debts; non collection	Orange	Retail training & procedures	Orange
In Store Processes	Scanning inaccuracy	Missed product	Procedures; training	Yellow	Retail training & procedures	Orange
In Store Processes	Staff coverage	Lack of informed continuity	Shift handover: weekends; holidays; sickness	Orange	Retail training & procedures	Orange
In Store Processes	Lack of audit	Lack of procedure or facts	No focus reduces accountability	Orange	Retail training, procedures & security	Orange

‘IDEAS’ into ‘ACTION’

The ‘Hot Spots’ largely can be grouped as:

- Late Returns / Credit Claim Period
- Product File / Identification ‘Technicalities’
- Supply Management / Replenishment
- In Store – Process, Procedures and Training

PROPOSITIONS

Drive these 4 key areas

Late returns / credit claim period

- Researched, debated and progress to extend & standardise in hand

Product File / Identification technicalities

- Joint Info group have started to pick up

Supply Management

- Continue focus on practical Replenishment activity

In Store

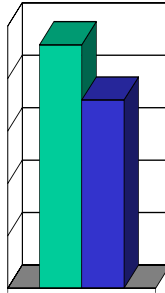
- The generally 'intangible' but possibly largest payback area Addressing sales and availability, as well as shrink
- Education, training
- Mutual initiatives & simplification

Achievements - Credit Claims & Product File

New 'synchronised' claim period

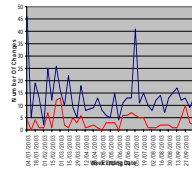
Reducing lost credit

- Benefit ~ £2m p.a. to Retail from July 2003 .. -23%
- Audited ... Hard wired ... Sustainable Step Change



Product File Errors

- Measuring, reporting
- Name & Shame



Web based 'National Title File'

www.nationaltitlefile.co.uk

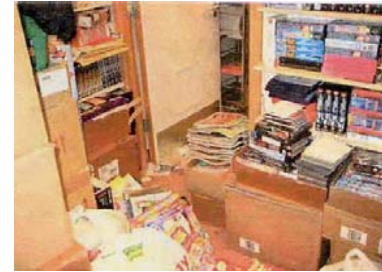
- 1 Source details for all publications



Achievements – Data Supply Management & In Store

Sales Based Replenishment

- Stock room and ‘to shelf’ issues
- Modelling & pilots lead to Best Practice Guide
- Menzies ‘Beta Test’ 6 depots, 218 customers, 100 titles
- Benefit .. Sales +2.6 %, returns -51%



In Store Best Practice

- Simple guide produced to benefit all retailers
- 3 Areas where Shrink eats away your profits
- If you do nothing else .. Do This
- ‘Golden Copies’

SHRINK
Managing your magazine business

This feature presents the findings of a 9-month research project into shrinkage by a joint industry team taken from all sectors of the newspaper and magazine supply chain.

Tackling shrink

Shrink is a universal problem affecting everyone and all products in the supply chain, including retailers and publishers. It costs British retailers millions of pounds every year, leaving a big hole in profit margins. Recognising the problem is one thing, doing something about it is quite another. Luckily tackling shrink in-store can be easy, just follow these simple steps and you'll soon be minimising losses – and maximising profit.

THERE IS A LOT OF HOT AIR and hear say about shrink. In reality, it affects all products across the whole supply chain, and the solution is often common sense. If you take the time to address the problem, identify the risks and take action you can successfully reduce shrink – and enhance your profit.

Shrink affecting publishers and wholesalers is beyond your control, but more than half of all shrinkage takes place within stores. At best, shrink accounts for a 2% loss of sales value, and at worst it can be close to 20% – a loss that will have a major impact on your profit margin.

It is easy to assume that all the problems lie somewhere else but if failure in your store can turn a hot copy, which you have paid trade price for, into a cold copy that has no worth for the margin of a normal sale. Even if the copies do not sell, having hot copies into returned copies is worth the margin on three sales.