

1:30 PM

Generally speaking, some examples of theft investigations commonly handled by prevention departments would include but are not limited to:

- **Merchandise Theft** – The theft of merchandise, or loss related directly to products is the most common type of theft that we see in the retail industry. Shoplifting is certainly an important factor in merchandise theft, but internal theft commonly occurs when employees remove product from the store without paying for it.



This video demonstrates how associates may steal merchandise on the sales floor. Associates have a much greater opportunity to steal than just some of the reasons why internal theft can have a much greater impact on a company financially than external theft.

Three Years in the Making LP Certification Is Now Reality

By Jack Trlica, Editor and Publisher

In March 2006 readers of this magazine were introduced to the concept for a loss prevention certification program. Now, along with a new year, a new decade, and representing a major step forward for the professionalization of the loss prevention industry, the centerpiece of that effort is a reality.

The Loss Prevention Certified (LPC) designation is now available to experienced LP professionals who want to show their peers and, more importantly, their current and future employers that they possess the experience, skills, and knowledge considered necessary by the industry to succeed and flourish as LP managers and directors.

“The LPC certification advances the loss prevention profession into the 21st century, providing the necessary education to those who will further advance the business,” says Millie Kresevich, senior regional LP manager at Luxottica Retail. “The certification now places loss prevention on an entirely new playing field and enhances the fundamental competencies of the LP practitioner.”



“I would have to give the LPC course an A+ for content. The coursework covers all of the areas of responsibility a senior LP leader should be familiar with to excel and provide top-notch performance to his employer. If I didn’t know what to do before, I will definitely learn it by completing this course.”

**Paul Roussel, CPP
Director of LP Services
Goodwill Industries of North Louisiana**

A Total Industry Effort

Over the past three years, the LP industry came together in an unprecedented way to determine the breadth of knowledge necessary for success in LP management, develop a course that educates and reinforces the learnings of experienced LP professionals, and compile a comprehensive, accredited examination for testing the applicant’s core competencies.

This effort was managed by the non-profit Loss Prevention Foundation under the hands-on direction of a board of directors made up of an impressive group of retail LP executives (see page 28) who dedicated their time and energies to creating an LP-specific certification program that exemplifies the highest standards of our industry.

Guiding the Foundation throughout this process was Knapp & Associates International, a leading firm specializing in development of professional certification programs. Knapp consultants not only helped the board develop the strategy and process for developing the course, they directed the committees who put together the LPC examination.

But the real work of developing the LPC came from the working practitioners who live and breathe loss prevention in their everyday jobs in department stores, supermarkets, strip centers, warehouse clubs, drug stores, and every other retail format employing loss prevention professionals.

More than 300 individuals, representing 130 leading retailers and solution providers throughout the country, took part in planning and working meetings to pull this enormous undertaking together. These individuals participated in multiple committees that were focused on different aspects of the program. Some determined the necessary areas of expertise, others developed the educational content, others including representatives of the academic committee reviewed the content, and still others wrote exam questions that will appear on the LPC certification exam.

“Throughout my career, my managers have helped me to succeed. At this point in my career, I participated in developing the LPC certification because I wanted to send the elevator back down to help younger LP professionals as they are the future of this industry,” says Nicole Accardi, LP director at J. Crew. “Every profession requires a degree or certification, and loss prevention should be no different.”

“In the 30-plus years I’ve been involved in the LP industry, I’ve never witnessed the type of effort that went into developing this program,” says Gene Smith, president of the Loss Prevention Foundation. “I think the fact that so many companies representing every segment of the retail market asked their LP associates to give of their time and energy for this cause, speaks to the importance and value that certification brings to our industry.”

Body of Knowledge

The core of the LPC program is the educational course, which represents the first concerted effort to bring together a body of knowledge accepted across the industry. This body of knowledge was drawn not only from the collective experience of hundreds of individuals, but also the education and training developed over the years by various retail organizations.

“The coursework is extremely detail-orientated with a concentration in real-life scenarios,” says Steven Palumbo, LPQ, CFI, director of corporate protection services for Tiffany. “The program will give students a solid understanding of what a loss prevention executive deals with on a daily basis.”

While individual companies may have different ways of handling different situations, the committees developing the coursework strived to capture the essence of a particular subject that was most common across the industry. The result does not represent an exhaustive treatise of any one subject, but rather the basic, core knowledge necessary for a competent LP manager.

continued on page 24

LPC Coursework Outline

Module 1—Leadership Principles

- People Leadership
- Ethical Standards
- Personal Development
- Building and Leveraging Partnerships
- Specialty Management

Module 2—Business Principles

- Building an Effective Program
- Financial Analysis and Accounting Tools
- Building Operating Plans and Budgets
- Managing Vendor Resources
- Protection of Critical Data and Privacy
- Dealing with Labor Unions
- Principles of Regulatory Guidelines

Module 3—Loss Prevention Operations

- Building an LP Program
- Investigations
- Data Analysis
- Operational and Shrink Controls
- Organized Retail Crime
- Pharmacy
- Advanced Interviewing Techniques

Module 4—Safety and Risk Management

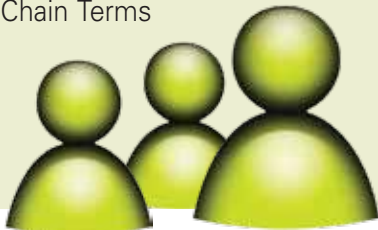
- Safety
- Risk Management

Module 5—Crisis Management

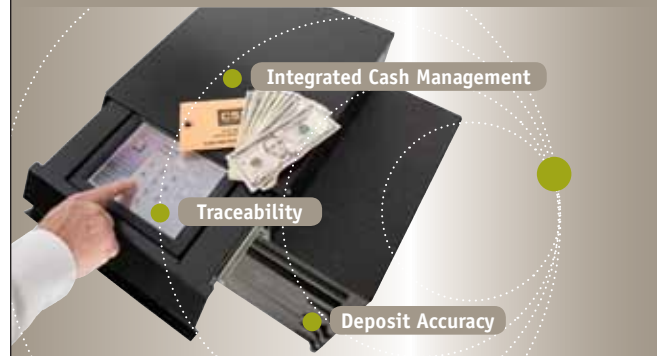
- Preparedness
- Response to an Incident
- Business Continuity and Crisis Recovery
- After Action Reports
- Resources and Relationships

Module 6—Supply-Chain Security

- The Flow of Merchandise
- In-Transit Opportunities for Loss and Security Measures
- DC Opportunities for Loss and Security Measures
- Compliance
- Glossary of Supply-Chain Terms



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LP CERTIFICATION

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The resulting course is comprehensive and quality enough to qualify LPC-certified professionals for six undergraduate credits at Fairleigh Dickinson University (FDU) and toward three Master's credits at Eastern Kentucky University (EKU).

"FDU found the Foundation's certifications to be an outstanding representation of quality educational content," said Thomas Swanzy, associate dean, Petrocelli College of Continuing Studies at Fairleigh Dickinson. Dr. Thomas Schneid of EKU offered similar praise saying, "The LPC is an excellent on-line course that complements our Master's in safety, security, and emergency management in an excellent manner."

The final course consists of more than 1,200 pages arranged in six modules covering more than thirty topics (see box page 23 for a complete list of topics). The first half of the course addresses personal and general business topics required of any loss prevention manager.

- **Leadership.** The coursework begins with personal leadership principles that focus on individual attributes of a professional manager, such as ethics and personal development.
- **Business Principles.** The coursework then moves into business-related topics necessary for working in a retail

organization, including understanding retail finance, building budgets, and managing vendors.

- **LP Operations.** The third module focuses on loss prevention-specific topics, including designing programs, implementing shrink-control measures, and using data analysis as a management tool.

The second half of the course explores topics that may not be within the direct responsibility of every LP manager, but are important to understand because of their overall impact on loss prevention, the retail organization as a whole, and the student's future career opportunities.

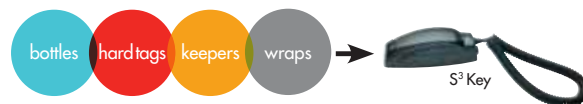
- **Risk Management.** Module four addresses the broad area of safety and risk management, including such diverse issues as OSHA, fire protection, claims management, and litigation.
- **Crisis Management.** The fifth module focuses on the critical area of crisis management, including preparedness, response, and recovery, plus other topics related to ensuring business continuity during and following crisis events.
- **Supply-Chain.** The coursework concludes with a look at the flow of merchandise in the retail supply chain and related security issues, such as opportunities for loss, distribution center shrinkage, and compliance.

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“The LPC course content has proven to be very informative and educational. I feel that this certification program will definitely equip me with the knowledge, tools, and resources necessary to help me become a more credible leader and better loss prevention manager.”

Tim Hatten, LP Manager, Lowe’s

On-line Multimedia Coursework

The LPC course can be accessed via most all web browsers on PCs running Windows or Linux as well as Apple computers. It can also be accessed with the Apple iPhone and iTouch to give users access from almost anywhere, any time.

The educational material is delivered in a multimedia format through detailed readings along with photos, charts, and graphic images as well as video scenarios that illustrate the text and provide a deeper understanding to help increase comprehension and retention.

Side notes are included throughout the coursework that feature anecdotes and quotes from many top loss prevention executives. These side notes present their thoughts and comments on the various topics to give the student a better understanding of why the information is important to LP managers from the perspective of experienced retail executives. Students can even add their own comments that, after review, could be included in side notes in the future.

One of the other unique learning features is the “Study Gopher,” which is an interactive question guide that allows students to answer questions and take notes as they

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complete the coursework. All of this material can be printed at the conclusion of the course and is designed to enhance the learning experience.

The course is designed to work logically through each section of each module at the student's own pace. Each section goes into significant depth to ensure that the student gets a comprehensive overview of the subject with detailed explanations and demonstrations. For example, in the second section of the Business Principles module, the topic "Financial Analysis and Accounting—the Tools" addresses the following subject matter:

- **Financial Statements** covers how to read and understand a balance sheet; income, profit & loss, and cash-flow statements; and annual reports.
- **Accounting Concepts** addresses generally accepted accounting principles (GAAP); accrual versus cash accounting and why each method matters; depreciation; accounting for multiple types of leases; quantitative and qualitative forecasting; capital expenditures and return-on-investment calculations; and expense categories and management.
- **Inventory Accounting Principles** looks at physical inventory, including periodic and perpetual systems and cycle counts, and inventory reconciliation; retail and cost inventory accounting; and markdown optimization and capturing markdowns.

At the end of each section, the on-line system provides review questions to test the student's comprehension. Section review exams can be taken as many times as necessary, with different questions or answers each time, to allow the student to make sure he or she is completely comfortable with the subject matter in that section before moving to the next.

While the questions in the review sections do not represent the exact questions found on the LPC certification exam, they do act as an excellent tool to prepare the student for taking the certification exam.

Once the entire LPC coursework is completed, a final review consisting of a variable, random selection of 100 questions from the course material can be taken. At this point the student should be fully prepared to pass the certification examination.

"The course content is extensive and does an excellent job of covering topics that are relevant to today's loss prevention professional," says David Arnold, Ph.D., J.D., general counsel at Wonderlic, who participated on the exam-development committee. "As an industrial psychologist with extensive experience in developing surveys and assessments to address LP issues, I thought my background would be useful in making a contribution to developing a high-quality certification assessment."

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LPQualified Certification

The Loss Prevention Qualified (LPQ) certification program is intended as benchmark education for entry-level loss prevention associates, including LP managers or supervisors, store managers, college students, and anyone starting new in the industry. It also serves as an excellent refresher course for district LP managers or others early in their LP career.

The LPQ course is composed of three modules with twenty-five sections designed to introduce the student to the retail and LP industry.

- **Retail Environment.** The first module describes the evolution of LP in the retail industry; basic retail operations; the causes of shrink along with loss-control tactics; and workplace safety.
- **Becoming a Successful Business Person.** Module two addresses professionalism on the job; ethics and integrity; job expectations; career growth; communications skills; building relationships; diversity; harassment awareness; and conflict resolution.
- **LP Basics and Tools.** The final module introduces the student to retail and LP terminology; external theft, apprehension techniques, and report writing; internal theft opportunities and countermeasures; basic interviewing; civil recovery and restitution; courtroom procedures; physical security; crisis management; auditing; and employment screening.

Like the LPC course, the LPQ is an on-line multimedia presentation with review questions and a practice exam at the end of the course. It is priced at \$495. The LPQ exam costs \$250. Scholarships are available for interested students.

For more information about the LPQ, visit the Foundation web site at www.LossPreventionFoundation.org.



Earning Certification

LPC designation can only be earned by passing a proctored examination administered throughout the country by the test facilitation company, Comira. To be eligible to take the examination, the applicant must have a minimum of three years loss prevention experience, or

- Have three years of other business experience with successful completion of the Loss Prevention Qualified (LPQ) exam, or
- Hold a Bachelor's or Master's degree with successful completion of the LPQ exam. (For more information on the LPQ, see the sidebar on page 26.)

Persons convicted of a felony and certain misdemeanors involving moral turpitude as well as military personnel convicted by a general court martial are excluded from taking the exam.

It is important to note that the Foundation board of directors decided that to protect the integrity of the LPC certification, absolutely no exemptions to the eligibility requirements will be granted. Board members themselves, many of whom have thirty-plus years of LP experience, must still take and pass the LPC examination to earn certification.

Completion of the LPC course is not required to take the examination. However, most of the experienced LP professionals who helped compile the course or helped write questions for the examination believe that most LP practitioners will have a difficult time passing the examination without the benefit of going through the educational materials. For experienced LP professionals, the course will act as a review of their personal knowledge as well as likely provide new information on many subjects that may be unfamiliar to even the most experienced executive.

Loss Prevention Foundation Board of Directors

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Chester Young	Divisional VP Audit & Loss Prevention	Walgreen Co.

“The LPC coursework is an in-depth, collegiate-level program that will positively challenge those early in their careers and is a welcome refresher for the established LP professionals,” says Chris Batson, CFI, manager of investigations and DC analytics, Gap Inc.

For someone who takes the examination, but does not receive a passing grade, they will be allowed to retest up to two times within a 180-day period. If that person has not already completed the coursework, they must also purchase the course prior to retesting.

Once an applicant passes the exam and receives their LPC designation, the certification is valid for three years. The recertification process requirements will be published soon and will include how to earn continuing education credits similar to other professional certifications. An LPC professional can also simply retake and pass the exam in order to maintain their certification.

Costs and Scholarships

Like all educational and certification programs, both time and financial commitments are required to achieve these worthy goals. Certification is an investment in yourself and demonstrates you are a true professional dedicated to your career and to the industry.

“The LPC course will require study and dedication like other credentials,” says J. Crew’s Accardi. “It is not a handout

and should not be, as LPC certification will help prepare LP professionals for the real work—leading the LP industry into the future.”

The LPC course is priced at \$1,195, which is competitive with other certification programs and continuing-education courses. With the launching of the LPC certification, the course can be purchased for a limited time for \$795. Purchasing the course grants the user a one-year license, giving the student twelve months to complete the coursework or until they pass the exam.

For someone who has difficulty paying for the course, scholarships are available through many retailers as well as several leading solutions providers, including ADT, IBM, KPMG, LexisNexis, and Vector Security. LP professionals interested in either nominating someone for a scholarship or applying for themselves should visit the Foundation web site.

The LPC exam is priced at \$300 and will be available starting in April 2010.

For more information about the LPC or to sign up for the course, visit the Foundation web site at www.LossPreventionFoundation.org or call 866-433-5545. The web site will also advertise free webinars that will offer previews of the course. ■

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