

What is Loss Prevention?

The Retail Loss Prevention field offers a wide spectrum of career options and a tremendous potential for professional growth that makes this industry one of the hidden treasures of the occupational market place. Many are attracted to the industry by the excitement of investigations while having an active role in executing the company's initiatives and fulfilling its goals. The responsibilities of today's loss prevention professional goes well beyond the expected physical security, internal theft resolution, shoplifting and shrink, to now include safety & risk, organized retail crime, fraud, data protection, crisis management, business continuity, supply chain integrity, mobile technology, e-commerce, and workplace violence to name a few. Today's Loss Prevention professional is both teacher and trainer. One who drives ideas and influences the business while building programs, monitoring compliance and managing the loss prevention function in the ever changing landscape of the retail industry. Today's loss prevention professionals have the ability to impact millions of dollars in bottom line profitability of the world's largest retailers while mentoring, guiding and developing tomorrow's leaders.

Check out the articles in [Loss Prevention Magazine's](#) on current LP issues and trends to see the broad scope and opportunities in this exciting field.

Introduction

While each retail company approaches the mission and purpose of their loss prevention programs based upon the unique needs, structure and culture of the organization, at its core the role of loss prevention is to enhance the profitability of the company – just like every other role in retail. Primarily, that role focuses on the reduction of shrink. Loss prevention departments look at all of the various issues that can potentially lead to losses, devise strategies to minimize those pitfalls within the business, and implement strategies that are practical, actionable, and consistent with the goals of the business.

From a global business perspective, the role of loss prevention and its importance to an individual organization must add shareholder value. "A consistent role definition that transcends industries will increase shareholder and investor understanding of our impact on the bottom line," states Suni K. Shamapande, a seasoned industry veteran, in a recent article on the landscape of loss prevention in LP Magazine. "If investors view companies with strong asset protection or loss prevention programs as more secure and better monitored, with enhanced checks and balances, then we increase the business value." [1]

Often, retail loss prevention departments are recognized as the compliance monitors of their organization's policies and procedures as well as the team responsible for protecting their organization's assets, whether those assets are considered tangible assets, such as merchandise/physical inventories, cash, or facilities, or other valued assets, such as the company's employees, consumer records, or the company's brand.

Additional responsibilities may include safety and risk management; compliance auditing; training and awareness programs; internal and external investigations; business continuity and disaster recovery planning; inventory management; creating a safe working and shopping environment; physical security standards; security system design and integration; and ethics enforcement.[2]

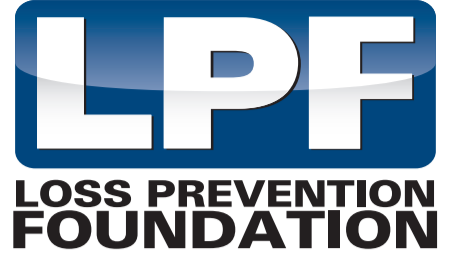
While retail loss prevention presumes activities associated with the trade of retail commerce, there are many similarities between security-, loss prevention-, and asset protection-related functions in other industries including but not limited to the food service, hospitality, and other service-based industries. The heart of a true loss prevention culture focuses on the concept of managing incidents before they happen; instilling a mindset of responsibility, organization and control as a means of supporting the business; mitigating losses; and enhancing profits.

Note: While no two retail companies or loss prevention departments operate in the same manner, with the same structure, or the same philosophies, there are enough similarities that exist as to define the mission of retail loss prevention across the entire industry.[3]

History

For decades, retailers employed security personnel to help protect the investments that they had in their stores and provide a visual deterrent to would-be shoplifters. Uniformed officers would monitor the stores, providing the perception of a secure shopping environment where shoplifting and other criminal offenses would not be tolerated. This highly visible security posture offered an image of authority and enforcement to curtail potential threats to the business. Often perceived as a necessary but unattractive and largely unwanted cost of doing business, the value of such a defense was contrasted by the extent of its potentially negative impact.

Over time, retailers came to recognize that losses extended well beyond the limits of petty shoplifting. The complexity



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of the thief progressed with the development of the retail industry; escalating both the threat and the financial consequences. With theft, fraud, and other criminal acts cutting deep into company profits, retailers were forced to modify their approach to protect their investments and their business.

In response, retailers began to develop teams of employees to protect the stores from the various elements that threatened the business. While still in its infancy, these teams generally became known as “store security” or the “loss prevention team.” Plain-clothed “store detectives” complemented or replaced the uniformed security officers; responding to potential issues, known threats, or specific loss incidents.

There was a learning curve as the groundwork for an industry was established. In the early years of the profession, attention focused on “catching the crook.” Success was measured based on the number of dishonest employees and shoplifters that were apprehended each year, with “improvement” measured by catching more perpetrators than the year before. Many retailers began to utilize additional anti-theft devices to help in this endeavor. Mirrors became more prominent. Hidden observation towers were devised to help monitor activity on the selling floor. Lanyards and locking cases were used to secure more valuable merchandise. Radios were used to improve communication. Alarm systems became more sophisticated and more specialized to improve control and detection.

As incidents mounted and newer and better technology became available, closed-circuit television/camera systems (CCTV) became commonplace in many larger department stores. With CCTV, stores had the ability to build surveillance systems capable of overseeing large areas of the sales floor as a means to detect shoplifting and other criminal activity. Covert (or hidden) camera systems were crafted that could monitor employee activities and identify internal issues. Systems were eventually developed that could capture suspicious activity to video, which could be utilized as evidence when necessary and appropriate.

With these systems available to complement the security teams, shoplifter apprehensions and other security efforts were taken to another level. However, as the business of retail continued to evolve, so too did the sophistication of the criminal element. Investigations became more complicated, as did the approach to the investigative process. Theft, fraud, and other criminal incidents can impact anywhere from the time that it is ordered by the retailer to the time

that it is delivered to the customer. Supply-chain incidents, online shopping concerns, counterfeiting, brand protection, and all types of “organized retail crime” (ORC) issues demand the attention of loss prevention departments as the challenges continue to strike from within the employee base as well as through outside influences. In response, loss prevention teams have become better prepared, better trained, and more inclusive in their perspective and approach to the responsibilities of the department.

While highly effective at identifying and thwarting many criminal incidents within the stores, a reactionary approach to business concerns is not conducive to true retail success. Companies came to realize that profit management required a commitment to controlling losses, with greater focus placed on preventing incidents before they occur. Programs had to develop a more proactive approach that complemented the business without detracting from the customer experience. The scope and mission of loss prevention departments had to become more global to support profit enhancement while mitigating company losses.

Theft deterrence through training and education became more prominent. Awareness programs were created to better engage the sales force and support loss prevention management. Audit programs were designed to strengthen operational compliance and improve store controls. “Electronic article surveillance” (EAS) systems were developed to enhance product protection while maintaining product access. Exception-reporting systems were established to better monitor and investigate point-of-sale activity in the stores. All of these programs and tactics were proactively designed to prevent and detect losses while supporting the culture, mission, and vision of the retail business.

Based on the business needs, many loss prevention departments also became involved in safety programs, incident response, emergency management, documenting and/or investigating workers’ compensation claims, customer accidents, and other general/premises liability claims. As the needs of the retail organization continued to expand, the scope of departmental responsibilities broadened, and the skill sets of the team were strengthened accordingly,

Today, loss prevention departments are considered an integral component of a successful business model, requiring global approaches and flexible strategies to meet the dynamic needs of the retail environment. The loss prevention professional must embrace the role of a

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business partner; sharing perspective and cooperation while accepting the challenges of their evolving responsibilities.

“Gone are the days of LP professionals living their professional lives as crime stoppers. Retail crime remains a significant risk that will require our ongoing attention. But, today there is much more to retail LP than fighting crime. Thanks in part to corporate reorgs and budget constraints, LP professionals have been forced to diversify. Individuals hired years ago to catch shoplifters have taken on additional roles, like safety manager, hazmat specialist, human resource investigator, and auditor,” says Lisa LaBruno, vice president of loss prevention and legal affairs, for the Retail Industry Leaders Association.

However, a clear problem has begun to emerge. People are being pressed for costs despite not being found guilty of any crime. In one case, a young mother whose toddler opened a drink without paying received a bill for £87.50 for “staff and management time, administration and apportioned security costs”. complaints began to stack up on consumer forums, and the BBC’s Watchdog ran a short feature. Oddly, whenever consumers stood their ground, the costs claims rarely seemed to be taken any further. According to Citizens Advice, of the more than 600,000 demands seemingly issued since 2000, only four unpaid demands have ever been successfully pursued in the county court by means of a contested trial.

Citizens Advice began to catalogue a steady stream of cases - no coincidence that they coincided with a rise in self-service checkouts. It soon put together one report, then another, showing that many of these cases were the result of consumer errors, and that many who were guilty had mental health problems and were caught taking extremely low value goods. In one civil recovery case that went to court [4], involving two girls who were caught shoplifting from a high street retailer, the retailer’s assertion that its total losses were almost £137.50 was thrown out. Under cross-examination, a security manager agreed the incident had taken one hour and ten minutes to deal with - at a cost of £17 not the £98.55 claimed. He was carrying out his job, not distracted from a core function of it.

As Denis MacShane MP told Parliament in early 2012, “This is a £15 million racket used by a lot of major companies —corporate groups — such as Boots, TK Maxx, Primark, Debenhams, Superdrug and Tesco.”

Modern Loss Prevention Strategies

CCTV Used In Loss Prevention

As with any department or division within any company, loss prevention teams are built to add value to the organization. In most loss prevention departments, the value added to the organization is measured by the reduction of key financial metrics (i.e. shrinkage and/or safety performance)



in comparison to the budget of the department.[5]

Shrinkage can best be described as the amount of merchandise physically available in a location versus the amount of inventory that location is supposed to have according to its inventory records. In simple terms, it is missing product. There are various issues that can contribute to inventory shrinkage beyond incidents of theft – operational errors, miscounts, inaccurate vendor shipments, poor receiving practices - just to name a few. All inevitably impact the profitability of the organization and must be considered as part of a comprehensive loss prevention initiative. Modern loss prevention departments tend to focus on the root causes of these losses and employ strategies designed to lessen the impact on the company’s bottom line.[6]

Retail loss prevention departments tend to focus on the root causes of these losses and employ strategies designed to lessen the impact of those losses on their company’s bottom line. The Retail Industry Leaders Association (RILA) has focused on driving shrink lower in the industry through root cause analysis. Regarding RILA’s Asset Protection Leadership Council’s process-driven shrink initiative, Lisa LaBruno, vice president of loss prevention & legal affairs, said, “This important industry initiative focuses on the key role operational breakdowns play in explaining the root causes of shrink and the development of sustainable methods for retailers and product manufacturers to collaborate in creating effective shrinkage control practices.”

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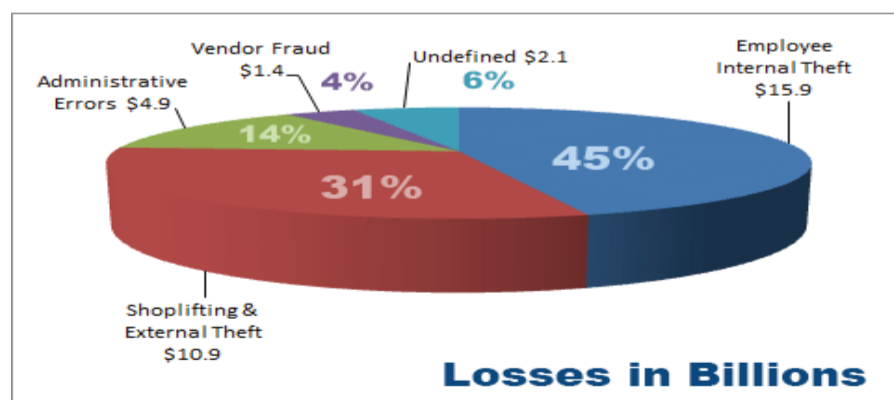
Academic research and practical application of available data also play an important role in today's strategies. In an effort to document the effects of shrinkage in the retail industry and to allow companies to benchmark themselves against peers and emerging trends, the University of Florida annually publishes the National Retail Security Survey (NRSS).

The NRSS is a voluntary collection of data from over a hundred retailers throughout the United States. Dr. Richard Hollinger, Professor of Criminology at the University of Florida, leads the annual NRSS project and solicits collaborative feedback and data from with various industry groups including the National Retail Federation, the Food Marketing Institute, Retail Leaders Industry Association, and the Loss Prevention Research Council.[7]

The 2010 National Retail Security Survey reveals that U.S. retailers lost approximately \$35.28 billion to inventory shrinkage. This accounts for nearly 1.486% of gross sales in 2010. By comparison, retailers lost approximately \$33.5 billion or nearly 1.44% of their annual sales in 2009.[8]

According to Joe LaRocca, senior asset protection adviser at the National Retail Federation, "Increased shoplifting and shrink rates mirror what retailers are seeing with professional and organized crime rings," said LaRocca. "Retailers are continuing to put resources in place to fight these self-serving and unethical criminals who walk out with billions of dollars in unpaid merchandise every year." [9]

The 2010 NRSS further breaks down these \$35.28 billion in losses by suspected causation as reported by retailers and industry partners:



Category	Billions (USD)	Percent of Total Losses
Employee/Internal Theft	\$ 15.9	45%
Shoplifting/External Theft	\$ 10.9	31%
Administrative Errors	\$ 4.9	14%
Vendor Fraud	\$ 1.4	4%
Undefined	\$ 2.1	6%

Note: An average of 18.06% of internal cases involving collusion with an external source.[10]

Modern Loss Prevention Mission

The modern loss prevention mission is much less about undercover investigations and more about proactive measures designed to prevent losses. For example, one of the more important components of a quality loss prevention program is the concept of empowering associates and the value that they add to the program by simply being vigilant in their day-to-day responsibilities. Customer service is the cornerstone of every successful loss prevention program. Greeting every customer, being available for assistance, and paying attention to customer needs drive sales while providing an exceptional customer experience. It instills customer loyalty, and propels company performance. But those same attributes deter theft and dissuade other forms of shrinkage. Organization, control, attentiveness, service and customer courtesy are the greatest weapons against theft and shrinkage. In fact, many loss prevention job postings list "excellent customer service" as a career requirement.[11]

Nearly every program within a loss prevention program is designed around a risk-versus-reward measurement. Physical security resources and personnel budgets are often drafted based upon known losses and the needs of the organization to drive down those losses.[12]

For example, many retailers have both a fine-jewelry department as well as an assortment of costume/fashion jewelry and accessories. Fine jewelry is often protected by glass cases, audible alarms, and CCTV coverage while accessories and costume jewelry are able to be handled openly by any passing customer. Looking at cost versus reward, it simply would not be feasible or cost-effective to attempt to protect fashion jewelry in locked cases. Not only would the cost of the cases cost far outweigh any anticipated losses, but the retailer would need to dedicate staff to lock/unlock cases as each customer wanted to view merchandise. Lacking the ability to handle the product,



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many customers would simply move on, and a sale would be lost. By the same respect, locked cases are critical to protecting fine jewelry. The cases serve to safeguard the product, while the dedicated sales team provides the service and attention necessary to enhance sales performance. Balancing protection, service, and sales performance is a critical aspect of effective loss prevention strategies.

In order to define the budgetary requirements of a loss prevention department, an organization must define what it is trying to accomplish. In *The Art of War*, Sun Tzu advised, "Make your mission focused, swift, adaptable, and unified." Similarly, loss prevention departments need a comprehensive plan. What is the purpose and mission of the department? What resources are needed to be successful, both in human assets and physical security assets? What authority does the department have, and how does its management structure report into the organization? How will success be judged?[13]

Based upon these and many other questions, retail loss prevention departments must create their mission with a sense of purpose to thwart a wide variety of ever changing external and internal threats.

External Threats

Perhaps the most common external threat is shoplifting. Shoplifting goes by many different names when it comes to state statutes; however, at its most elementary, shoplifting is the theft of goods from a retail establishment.[14] It is stealing. It is, "TO GET SOMETHING FOR NOTHING," according to Peter Berlin, the founder of the National Association for Shoplifting Prevention.

Shoplifters come in all shapes and sizes, but initially, they can be defined as either amateur or professional shoplifters. Professional shoplifters, by definition, are usually career criminals who thrive and earn a living through theft and other criminal actions.[15]

One large and growing sect of the professional shoplifting syndicate is the "organized retail theft/crime" (ORC) organizations. Organized retail crime goes beyond traditional shoplifting and refers also to groups who engage in cargo theft and other organized crime occurring in retail environments. These are sophisticated organizations who have the ability to move large quantities of product both into black market channels and through legitimate business channels once the product has been properly laundered. [16]

In 2011, the National Retail Federation published the Organized Retail Crime survey. 129 retail companies participated in this survey with 95% of those participating stating that they had been the victims of organized retail crime in the past year.

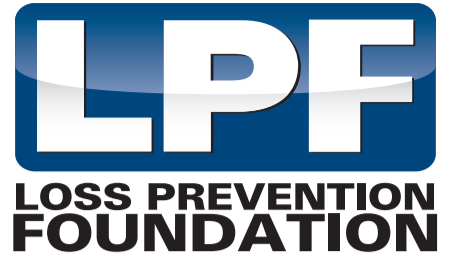
In the 111th Congress, legislation stalled before the U.S. Senate that would have included new criminal provisions for assisting retail loss prevention departments and law enforcement agencies in dealing with this growing problem. H.R. 5932: The Organized Retail Theft Investigation and Prosecution Act of 2010 would have established the Organized Retail Theft Investigation and Prosecution Unit in the Department of Justice.[17]

Amateur shoplifters commit a much higher frequency of these criminal acts, though, and the amateur designation includes a wide variety of behavioral profiles. Some steal because of peer pressure, a specific need, or because of troubling situations in their personal lives. About 1 in 3 shoplifters are believed to be "at risk" of committing future acts of shoplifting.[18]

There is an important partnership between the loss prevention and law enforcement communities. No single organization has the resources to battle losses both internally and externally. Loss prevention professionals rely upon law enforcement agencies in order to prosecute malfeasance, and law enforcement agencies require companies to both investigate and put forth clear evidence so that they can perform their duties.[19][20]

On a national level, the Law Enforcement Retail Partnership Network (LERPnet) seeks to provide both retailers and law enforcement with real-time theft and incident data so that investigators, public and private, can collaborate on loss investigations beyond their jurisdiction or scope of responsibility.[21]

"LERPnet2.0 provides an industry data sharing platform for retailers to report, share and analyze their retail theft and critical incident data. It is designed to be the national standard for sharing retail crime information in a secure and confidential manner. Incident details may be shared with law enforcement while retailers take advantage the many system tools including: automated alerts and recent activity notifications; intelligent link-analysis; investigation collaboration tools; full text search capability; and advanced system reporting. With LERPnet2.0, retailers and law enforcement will be able to fight back against illegal activity including organized retail crime, burglaries, robberies,



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counterfeiting, and online auction fraud.” – www.lerpnet2.com

Other External Threats

Other metrics, as reported by the 2010 National Retail Security Survey:

- **Bad Checks:** Bad check losses account for approximately 0.03% of retailer’s annual sales.
- **Cash Losses:** Cash losses account for approximately 0.91% of a retailer’s annual sales.
- **Credit Card Losses:** Credit card losses account for approximately 0.49% of a retailer’s annual sales. (For more information about what the credit card industry is doing to protect cardholders and companies who transact credit card transactions, see the Payment Card Industry’s Security Standards website at <https://www.pcisecurity.org/>.)
- **Refund Fraud:** Fraudulent refund practices account for approximately 0.09% of a retailer’s annual sales.
- **Internet Fraud Orders:** Internet fraud orders account for 0.01% of retailers’ annual sales.[22]

Internal Threats

As the National Retail Security Survey annually states, employees are the greatest threat to a retailer. They have access to cash, merchandise, and other assets each and every day. The investigative process is fundamental to determining the causes of internal losses no matter where it is believed the source of that loss may originate, or where the results of an investigation might take us. Often, the source of the loss is dishonesty, but there are other potential causes of loss that can have tremendous impact on the success of the business and are no less important to investigate.

While a global and balanced perspective is absolutely essential to building a successful loss prevention career, the ability to investigate remains a skill that sets us apart. The passion to solve a problem, methodically and objectively gathering the pieces and separating fact from conjecture; the analytical process of finding substance in the core of uncertainty; and the intuition to find answers when others can only see questions is initially what draws many into the loss prevention field. However, retail loss prevention investigations shouldn’t simply produce results; they should promote action.

If loss prevention is truly looking to serve the best interests of the business, solutions should reach beyond correction,

and influence improvement. Investigations are often considered reactionary, as they typically occur after a certain event (usually a negative episode) has taken place. However, the results of these investigations can also be used as a proactive means to deter similar issues. Once the root cause(s) has been determined for a particular issue, the results of the investigation can be useful in determining additional controls and corrective measures in order to deter the same type of issues from happening again.

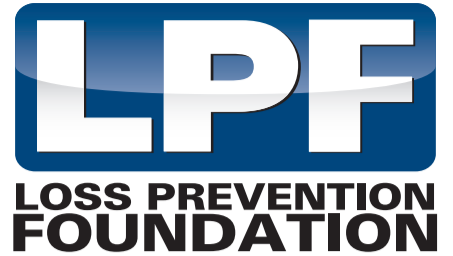
In the retail environment, the majority of internal investigations involve acts of theft. Internal theft, or simply theft involving company employees, causes the most damage to retailers on an annual basis; responsible for the greatest financial loss and a substantial impact on the business. Because employees have greater access to more systems, more products, and more areas of the store than customers, internal theft can affect a business much more quickly and to a significantly greater extent than most external theft incidents. As varied and diverse as individuals can be, so too are the types of theft that employees can become involved in. People have different agendas. Each has their own circumstances, and may have access to merchandise, cash, or company property in different ways, different environments and be presented with different opportunities. While businesses may have particular types of internal theft that are more common based on their specific business model, the creativity of dishonest individuals should never underestimated. The diversity of the incidents that loss prevention may become involved with are only bound by the limits of our imagination and the shortfalls of human integrity. Billions of dollars are lost every year as a direct result of internal theft.

Why do employees steal? According to American criminologist Donald Cressey, three distinct factors exist in nearly every fraud:

1. **Motivation:** The driving force behind the desire to commit the fraud/theft
2. **Rationalization:** The self-justification that helps to validate why it is permissible / acceptable to commit the fraud/theft
3. **Opportunity:** The situation that is created or the ability that exists which allows the act to be possible

These three factors are collectively known as the Fraud Triangle.[23]

Every aspect of the investigative process is important, and requires our attention and due diligence. Frequently,



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this requires that skill sets reach out beyond the numbers, and loss prevention professionals must look to build and support our facts through additional means. In order to successfully close an internal case it is often necessary to obtain a confession from the dishonest associate. Being able to conduct an adequate interview and bring it to a successful conclusion is one of the hallmarks of those who excel in loss prevention.

The effective use of interviewing and interrogation is one of the most productive components of the investigative process. Carefully conducted interviews form the backbone of many investigations. Interviews may have a variety of purposes, but each is designed to obtain or confirm information relating to the investigation. However, the dynamics of a successful interview require specific training and skill development. Most retailers require specialized training in interview and interrogation techniques before permitting their loss prevention team members to conduct interviews.

Safety & Risk Management

Many companies consider safety management a key component of their loss prevention programs. Safety is a very broad topic that covers a wide range of issues, each vital to the overall protection of customers and associates, and each important to the successful operation of the business. Typically, this responsibility is shared with other corporate departments, including, but not limited to, risk management or human resources. Many companies have dedicated safety officers responsible for developing programs and strategies at the corporate level.[24]

In the retail setting there are many factors that require our focused consideration. Diverse environments and competitive modifications keep our stores and our entire organization in a state of constant transition. We must consider all of the different scenarios that can possibly come into play, and then we must add a key variable that sets the retail environment apart from many other workplace settings – the retail customer. We then must assume the responsibility to promote a safe shopping environment as well as a safe working environment, eliminating hazards, and minimizing risks proactively while providing a quality shopping experience.

Loss prevention professionals can become involved in many different aspects of safety and risk management, and are often the first to respond to an accident scene or emergency situation. Other responsibilities may include completing

investigations related to employees workers' compensation claims, general liability claims (customer accidents and claims), and damage claims involving emergencies, natural disasters (fires, weather, etc.), or other crisis situations. All related workplace safety programs are monitored by the Occupational Safety & Health Administration (OSHA), a division of the U.S. Department of Labor. OSHA is responsible for overseeing compliance and conducting investigations related to unsafe working conditions. In 1970 OSHA was created by Congress "to assure the safe and healthful working conditions for working men and women by setting and enforcing standards by providing training, outreach, education, and assistance." [25] Many states also have their own safety administrations as well.

"The goal is to decrease the amount spent on claims, which impacts insurance premium costs, lost wages replacement, and medical costs," states Lisbeth "Libby" Christman, vice president of risk management for Ahold USA. "I don't mean to sound like we're only interested in dollars. Obviously, we don't want customers or associates injured because of the possible pain or suffering that may result. But reducing accidents and the severity of injuries can have a significant financial benefit to the company."

The Centers for Disease Control and Prevention also has a division called The National Institute for Occupational Safety and Health (NIOSH). NIOSH provides companies with programs designed to prevent workplace illnesses and injuries. Where OSHA is concerned with compliance and legal aspects of a safe work environment, NIOSH is concerned with helping businesses to create a safe work environment.[26]

According to the NIOSH, the wholesale and retail trades had a combined workforce of just over 21 million employees in 2008. There were 751,300 employees injured while performing their duties in 2008, and approximately 55% of those injured required time off from work or restrictions on what duties they could perform.[27]

For loss prevention professionals, the driving force behind any safety management program is to provide a safe and healthy working and shopping environment. While no setting is ever truly 100% free from risk, programs are designed to mitigate risk, prevent incidents, and ensure that responsible parties respond appropriately to any accidents or related emergencies that may occur.

Awareness and training programs are vital to the success of any safety management program. Most retail facilities



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have safety committees composed of diverse associates. The safety committee (or safety team) is often tasked with driving the safety culture within their local environment. Additionally, auditing programs may be conducted by members of loss prevention, store operations, store management, and/or the safety team to regularly check for unsafe conditions and compliance with company standards as well as state and federal regulations.

Business Continuity Planning and Disaster Response

Business continuity planning and disaster response (BCP/DR) protocols are designed to provide a step-by-step response to imminent dangers or situations that may affect a store's ability to conduct business. The most common situations involve power outages, severe weather, or natural disasters, but can involve a wide spectrum of other issues. Typically, these programs are corporate-based providing the framework for crisis response as well as how the organization will be able to resume normal business activities post-disaster. Locally, most buildings have an emergency action plan to use in the event of an emergency. [28]

Store personnel are trained in how to respond to various situations based upon the severity of the incident. First, store management, often in conjunction with loss prevention personnel, will take actions designed to protect both employees and customers in an emergency. Second, measures would be taken to secure and protect the property, merchandise, and any other physical assets from damage. Lastly, if business is interrupted, the plan would focus on getting the business back up and running, even if alternative methods of operation are utilized on a short-term basis. [29]

For more information on how businesses large and small can prepare for disasters and recovery, visit the Federal Emergency Management Agency's website (www.ready.gov) or the NIOSH website on Emergency Preparedness & Response (www.cdc.gov/niosh/topics/emergency.html).

Loss Prevention as a Career

Today's loss prevention professional is expected to be multidimensional, open-minded, global thinking, enterprising, and intelligent. The face of retail has changed, and all of the different aspects of the business, including loss prevention, have had to change with it.

Today's opportunities in loss prevention can build the foundation for a great career. Offering many exciting career options, loss prevention is emerging as an industry stocked with quality professionals and diverse opportunities. There are many paths to becoming a loss prevention professional, and within the loss prevention profession itself, there are many different career avenues available to choose from. Today's loss prevention professionals come from a wide array of backgrounds with diverse skill sets. There is no single career or educational path necessary for joining the ranks of the loss prevention community. There is much to offer for those with ambition, energy, and intelligence.

"I think retail is still one of those places where a person with a master's degree and a person with a high school degree can still excel," advises Robert "Bob" Oberosler, group vice president of loss prevention for Rite Aid." [30]

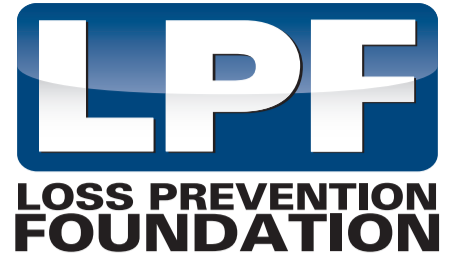
Through the support of industry leadership and the Loss Prevention Foundation, many are finding entry easier than in years past. Participation and completion of the industry certification programs (see below) has assisted many retail loss prevention professionals by engaging in personal and career development programs that seek to develop and retain talent for the industry.

"We are looking for people with diverse backgrounds because the job itself has become more diverse," states Monica Mullins, vice president for asset protection and safety for Walmart Stores U.S. "Give me a person who has great leadership capacity, we can teach them asset protection through LPQ and LPC and on-the-job training." [31]

Programs for Veterans

In support of our veterans, the Loss Prevention Foundation in conjunction with the Military Officers Association of America has developed the "Hire a Vet" program. The program assists honorably discharged veterans, military personnel soon to be separated from active duty, members of the National Guard, and members of the Reserve in gaining employment in the loss prevention/asset protection field. Military candidates make ideal applicants for the thousands of supervision/management positions found in the retail loss prevention industry. To learn more, see http://www.losspreventionfoundation.org/military_team.html.

"The military is a tremendous talent pool for a large variety of skill sets that can contribute to the retail organization," states Brand Elverston, direct of asset protection systems



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and analysis for Walmart and eleven-year U.S. Army officer. [32]

The Loss Prevention Foundation

The Loss Prevention Foundation is a professional 501(c)(6) organization founded by industry-leading professionals to serve the retail loss prevention and asset protection industry. As the preeminent authority on the development of loss prevention talent for the industry, the mission of the Loss Prevention Foundation is to advance the loss prevention profession by providing relevant, convenient, and challenging educational resources. This mission is supposed through two certification programs (LP Qualified and LP Certified), online educational resources, and a professional membership program.

The Loss Prevention Foundation is governed by a Board of Directors primarily composed of senior-level leaders from throughout the retail loss prevention industry. The board is responsible for reviewing all strategic initiatives, budgets, and business plans. In addition to assisting current loss prevention professionals grow and develop in their careers, there is also significant focus on driving more talent to the industry from colleges and universities, law enforcement, and the military.[33]

Industry Certifications

The Loss Prevention Foundation created two unique and independently accredited certification programs: Loss Prevention Qualified (LPQ) and Loss Prevention Certified (LPC). Specifically designed and recognized as college-level courseware, the LPQ and LPC certification programs provide an educational benchmark for those who wish to advance their opportunities in retail loss prevention.

Over 300 loss prevention leaders and subject-matter experts representing more than 130 retailers and business solution providers worked in partnership with the Foundation management to develop, challenge, and review the educational material and exam questions for the certification programs. Professors and other academic leaders from several prominent colleges and universities were also involved in the review and development process.

The certification exams were developed in association with and under the guidance and direction of Knapp & Associates as well as Wonderlic, Inc.; both of which are widely recognized authorities on professional certification standards. While the LPQ and LPC programs were designed

based upon the best practice, strategies, and philosophies of leading organizations within the United States, the Loss Prevention Foundation has also announced its partnership with the Retail Council of Canada (RCC) and now offers certification throughout Canada as well.

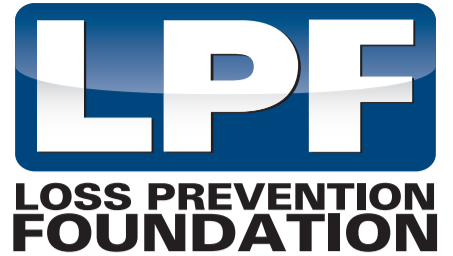
Additionally, the Foundation has partnered with various colleges and universities across the U.S. in order to offer academically accepted credits that apply towards graduation for successful completion of the LPQ (3 credits) and LPC (6 credits) certification programs.

LPQ - The Loss Prevention Qualified (LPQ) certification program is designed to provide a benchmark education for entry-level loss prevention professionals such as LP supervisors and managers, retail store managers, college students, military personnel, law enforcement officers, and select non-exempt professionals who desire a career in retail loss prevention. The LPQ coursework consists of twenty-five subject areas based upon three core modules: The Retail Environment, Becoming a Successful Business Person, and Loss Prevention Basics and Tools.

LPC - The Loss Prevention Certified (LPC) certification program is designed for veteran loss prevention professionals who are interested in furthering their retail career in a senior management or executive capacity. This program is designed for aspiring or current district- or regional-level LP managers, directors of LP, or anyone who aspires to attain such a position and has three-plus years of loss prevention experience or a degree from an institution coupled with the LPQ certification. The LPC coursework consists of thirty-one subject areas based upon six core modules: Leadership Principles, Business Principles, Loss Prevention Operations, Safety and Risk Management, Crisis Management, and Supply-Chain Security.

Other Certifications

ASIS International has set the standards for certification in security for more than 25 years. Certification plays an important role in the security industry by identifying high professional standards. As an indicator of qualifications, certification is documented evidence of expertise and experience. It is an objective means of distinguishing highly competent security practitioners from their less experienced peers. Events of the past decade have led to a fundamental shift in the security landscape, resulting in an ever-increasing demand for heightened security to protect people, facilities, assets and data on a global scale. Today, more than ever before, organizations place a high degree



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of importance on hiring, contracting with, and promoting credentialed security practitioners. The independent Professional Certification Board (PCB) oversees ASIS certifications. ASIS International offers three certifications for the security professional. www.asisonline.org

CPP - The Certified Protection Professional (CPP) designates individuals who have demonstrated competency in all areas constituting security management.

PCI - Holders of the Professional Certified Investigator (PCI) certification have demonstrated education and/or experience in the fields of case management, evidence collection, and case presentation.

PCP - The Physical Security Professional (PSP) designation is the certification for those whose primary responsibility is to conduct threat surveys, design integrated security systems that include equipment, procedures and people, or install, operate, and maintain those systems.

Association of Certified Fraud Examiners (ACFE) is the world's largest anti-fraud organization and premier provider of anti-fraud training and education. Together with more than 60,000 members, the ACFE mission is to reduce business fraud world-wide and inspiring public confidence in the integrity and objectivity within the profession. www.acfe.com

CFE - The Certified Fraud Examiner (CFE) credential denotes proven expertise in fraud prevention, detection, and deterrence. CFEs are trained to identify the warning signs and red flags that indicate evidence of fraud and fraud risk.

Center for Interviewer Standards and Assessment (CISA) was set up to provide standards and principles for comprehensive investigative interviewing in both the private and public sector. The CISA is associated with the newly formed International Association of Interviews. www.certifiedinterviewer.com

CFI - The Certified Forensic Interviewer (CFI) designates a professional with the expertise to conduct a variety of investigative interviews with witnesses, suspects, or other sources to determine the facts regarding suspicions, allegations, or specific incidents in either public or private sector settings. The objective of this certification program is to create comprehensive, universally accepted professional standards combined with an objective measure of an interviewer's knowledge of those standards. The ultimate

goal is that every person and every organization with a stake in interviewing will benefit from the program, as will the reputation and effectiveness of the entire profession.

Possible Careers

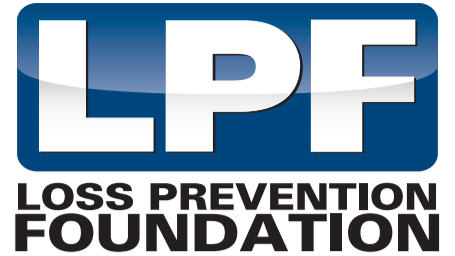
There are many paths available within the loss prevention profession. Below are a listing of some of those career paths:

- Retail Loss Prevention
- Supply Chain Loss Prevention
- Organized Retail Crime Investigations
- Corporate Loss Prevention
- E-commerce & Financial Frauds
- Brand Protection
- Risk Management
- Safety
- Ethics & Compliance
- Internal Audit
- Corporate Investigations

The Future of the Loss Prevention Industry

Loss prevention is a dynamic career field that must continuously evolve in order to meet the progressive needs of the ever-changing retail industry. Unfortunately, theft and other company losses will only continue to grow more complex based upon the vulnerabilities that exist within the particular organization and the ingenuity of the criminal element. However, as organizations persist in the development of their programs and show a commitment to loss prevention and asset protection initiatives, the industry will continue to make strides in the battle against retail losses.

Effective loss prevention strategies cannot merely focus on the reduction of theft and other losses. They must also consider the various needs, ideas, strategies, philosophies, concerns, limitations, and potency of the retail environment. The professional objectives must remain fixed on accomplishing these goals within the context of the business setting. There must be a commitment to establishing effective partnerships with all other areas of the organization. There must be an understanding of how the culture of the company will influence the scope and direction of the overall loss prevention program. There must be a plan for implementing the program that builds ownership and credibility. The depth of the program cannot be limited to what happens in the stores, and must consider every phase and facet of the business. Every aspect of what is done must evolve and remain one step ahead of



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all of the different hurdles that potentially stand in the way.

In summary, the loss prevention department must be dedicated to the vision and mission of the retail organization. It's not simply about investigations and "catching bad guys." It's much more about reducing losses and enhancing profits. The advancement of the industry and the progression of the individual require an open mind and a global perspective, and an ongoing commitment to professional growth and development.

Despite the challenges of the economy, the pressures of the business, and the fierce competition within the retail climate, this multi-trillion dollar industry continues to evolve, innovate, and grow. As a result, the loss prevention industry must keep pace with creative minds and innovative solutions in order to keep businesses profitable and successful. This will only continue to create career opportunities in the loss prevention industry for years to come.

Where To Go For More Information

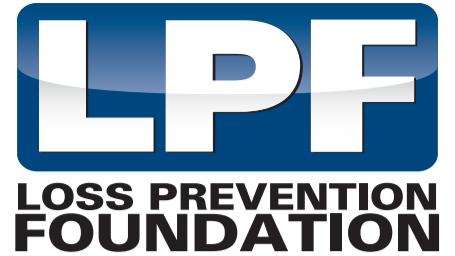
- Association of Certified Fraud Examiners <http://www.acfe.com/>
- ASIS International <http://www.asisonline.org/>
- Center for Interviewer Standards and Assessment <http://www.certifiedinterviewer.com/>
- Federal Emergency Management Agency – Business Emergency Preparedness <http://www.ready.gov/>
- The Food Marketing Institute – Asset Protection <http://www.fmi.org/loss/>
- Law Enforcement Retail Partnership Network (LERPnet) <http://www.lerpnet2.com/>
- The Loss Prevention Foundation <http://www.losspreventionfoundation.org>
- Loss Prevention Magazine <http://www.lpportal.com/>
- Loss Prevention Research Council <http://www.lpresearch.org/>
- National Association for Shoplifting Prevention <http://www.shopliftingprevention.org/main.asp>
- The National Institute for Occupational Safety & Health <http://www.cdc.gov/NIOSH/>
- National Retail Federation <http://www.lpinformation.com>
- Payment Card Industry Security Standards Council <https://www.pcisecuritystandards.org/>
- Retail Industry Leaders Organization <http://www.rila.org/protection/Pages/default.aspx>

See also

- Retail
- Package Pilferage
- Retail Security
- Shoplifting
- Store detective
- Asset Protection
- Tamper resistance

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External links

- HowStuffWorks: How anti-shoplifting devices work <http://electronics.howstuffworks.com/anti-shoplifting-device.htm>
- LP Eye United Kingdom loss prevention information <http://www.lpeye.com/>