

Keeping Retail Losses Low: BREAKING THE LOSS PREVENTION LIFECYCLE

The retail sector is constantly evolving making retail losses a challenge that requires new approaches, ideas, and skill sets. These levels of losses can be described in the ‘retail loss prevention life cycle’ where categorically high and low losses may be experienced at times.



Downward Trajectory

A decrease in retail loss means the problem has been identified through a measurable value, receiving new focus, commitment, energy, leadership, and resources; effectively managing and reducing the impact on business profitability.

Upward Trajectory

Increasing losses generally signal external economic pressures that lead a business to cut resources, shroud focuses, and induce complacency. New priorities may be emerging or changes in personnel from within

Why is Maintaining Low Losses Difficult?

- Retail businesses think that the problem is solved and is no longer a priority to focus attention or additional resources on.
- Organizational Amnesia – Businesses forget why particular approaches, policies, and best practices are in place.
- Other priorities can emerge, compromising core loss control activities.

Solution: Loss Prevention Pyramid

Of the 11 factors, two are particularly important:
Organizational Ownership of the problem of retail loss
Loss prevention team must operate within a whole cross-organizational repose to help other functions recognize the role they play in controlling retail losses.

Embedding of Responsibility

Ensuring that all functions of the business pro-actively and permanently embed loss prevention as a responsibility within their duties and KPI's – Establishing accountability.
Losses are inevitable and it's not just a priority of reducing losses but keeping lower levels over time.

