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Three Steps to Low Shrink

Sometimes it seems that trying to get your shrink lower is like rocket science. No matter how hard you try, you just can't seem to get it right. Just when you think you are making headway, you suddenly find that you have an entire shelf of clothes missing, or you come across an employee who has been stealing thousands of dollars. The truth is that reducing shrink is not really as difficult as it may seem.

Lowering shrink is not about security devices. It is not about doing more audits. It is not about scaring employees into behaving. It is not about controlling people. Lowering shrink is all about what you do in each store/location on a daily basis. It is all about your people and getting them to work for you. It is all about being a good manager.

To get people to work for you, you have to stay focused on what is important. You also must build a solid foundation to work on. If you do these three things well, it is a certainty that you will have low shrink.

1. **Hire the right people.** This is the first step to low shrink. You have to hire the right people before you do anything else. All it takes is one bad apple to make your shrink go through the roof. It is crucial that you take extra time to insure that you are bringing good people into you organization. Utilize steps such as interviewing more than once, checking references, running background checks, and using pre-employment screening services to help in making the right employment decisions. Good people tend to be good employees, which relates to lower internal theft and lower turnover.
2. **Train your people properly.** Training is so important, and is one of the most neglected areas. You must make sure that you are training people properly for whatever job function they are performing. That training time will vary depending on the job function and depending on the learning ability if the individual employee. Whatever the amount of time necessary, make sure you use it to insure employees are trained well. When employees are trained properly, they will not make mistakes that cause shrinkage and, more importantly, they are more likely to enjoy their job and be happy at work.
3. **Keep your employees happy.** This is the most important step of all. Happy employees are productive employees. Happy employees tend not to steal. Unhappy employees are the ones who make your life miserable and use up all your time to deal with various problems and issues. Unhappy employees are much more likely to steal from you. If you keep your employees happy, you will be solving 50% of all your problems.

All it takes is doing these three steps and you will have low shrink. Think about it. If you hire the right people, you have good employees to start. If you train them right, those good employees become productive employees because they know what they are doing. And, if you keep them happy, they remain productive. These are people who care about the wellbeing of the store and will work to help you. They will go the extra mile and not feel that they are being taken advantage of.

Now, of course it is not as easy as just going out and doing it. It takes a lot of effort to make this happen. It takes strong management skills and it may require you get additional training so you can make this a reality. However, if you take the necessary steps to make these three things happen in your company, you will have low shrink. There is no doubt about it.

For more information, please visit www.plsolutions.net or contact P&L Solutions at (760) 887-4800.

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