

## REDUCING FRAUD THROUGH EXCEPTION-BASED REPORTING

As we have discussed in other issues, cashier theft and fraud costs retail companies billions of dollars every year, but what many retail workers don't realize is that much of the theft that previously went undetected is now being revealed through the use of technology. In order to reduce these significant financial losses, retail companies have been employing secret shoppers, cameras and other security devices, but there's one tool that's proven itself to be the most effective of all: exception based reporting software.

Most contemporary point-of-sale platforms (POS) are really nothing more than sophisticated databases which are designed to store large amounts of information. Exception-based reporting software—or what is also referred to as data-mining—is tied in with your company's POS system, and it enables

its users to retain and access vast amounts of transaction data. However, its value doesn't stop there; once the data has been stored within the EBR framework, investigations personnel can then use various filters in order to search for strange and potentially fraudulent transactions.

For example, loss prevention personnel can use the software to determine the exact numbers of voids, no sales, discounts, refunds, etc. that are occurring throughout the entire company, or even down to a specific cashier. In addition to exceptions, the software allows its users to prepare specific reports which can then be disseminated throughout the company. Often, these reports are used as a guide to determine whether specific employees are in need of re-training, or, worse, whether they might be

engaging in POS theft.

Perhaps one of the greatest myths within the retail world is that EBR software will not detect when a cashier isn't ringing up items and keeping the cash that customers provide. In fact, this is often one of the easiest ways in which to determine if theft is occurring. As any experienced operator of EBR software will tell you, cashier productivity is the single greatest indicator of POS theft and fraud.

Although cameras and other security measures have their uses, EBR software allows investigators to take the guesswork out of finding the "bad guys." In fact, according to recent retail studies, EBR software has been so effective that cashier theft and fraud has been reduced by over 70% in many test companies.



- Exception-based reporting software (EBR) enables loss prevention personnel to quickly and easily uncover dishonesty or training issues that occur at point-of-sale.
- EBR allows its users to uncover and view every void, refund, discount, no sale, etc. that occurs within the company.
- Cashier productivity is perhaps the single greatest indicator of POS theft and fraud.
- EBR software helps loss prevention personnel to take the guesswork out of finding the "bad guys."
- EBR software has been so effective that cashier theft has been reduced by over 70% in many test companies.