

BLUE LINE

SECURITY CONSULTING GROUP, LLC

Service Focus: Asset Protection Consulting Program

Title: Old School Meets New

Situation: Store Manager Looking to Reduce Loss

Background: Retail Environment – Below facts are real; names have been changed to protect company privacy.

Sam has been the manager of a small retail family owned furniture & appliance store for over 15 years. He's a good manager and has been a valued asset to the small business receiving annual bonuses for his keen management of the stores personnel and assets. Recently however, his annual bonus has taken a hit. Poor performance? No. Is it the economy? Not so much. After discussing the issue with the owner, Sam found himself on a mission to try to identify the loss sources. In fact one morning while picking up a coffee before heading into the store, Sam ran into a friend who was not only a former FBI investigator, he was a Certified Public Accountant as well. Who better to have look at the company books? After explaining the situation, Sam convinced his friend to do a quick look at the books to see if anything was suspicious.

Within minutes of examining the financial records of the company, the investigator concluded that the shortcomings were not a result of someone cooking the books or doing some other nefarious action within the company's accounting department. In fact, what was found was a lack of a "formal" process within the company that had an ability to track, retain, and audit anything with ease.

So, what next? The investigator asked Sam a few operating questions and realized that in addition to old school bookkeeping, there was a physical security problem, hiring practice problem, and an inventory tracking problem to name a few things. All of these vulnerabilities led to an estimated loss of \$35k/year in assets. During an interview with the owner, he sheepishly said it's been like this for a while. After discussing options with the owner, the owner hired the investigator who happened to be a senior consultant with BLUELINE Security Consulting Group.

BLUELINE Action Steps:

- Background checks done on all employees – Ten (10) employees were found to have felony convictions; two never returned to work after hearing about background checks.



- Physical Security Audit – The audit investigation found that an old security system (CCTV & Alarm) had been compromised allowing access to the warehouse after hours where merchandise was taken and probably sold via the black market or Internet.
- Automated Inventory Control System – Past inventory control practices were based on the honor system and relied solely on human control.
- Policies & Procedures – Again, based on past practices with nothing in writing. With high employee turnover in the delivery and warehouse, new employees need firm policies and procedures.
- Employee Training – Past training was mostly focused on tasks related to job function (OJT) with no component on protecting company assets.

Results & Value:

BLUELINE's Asset Protection Program is designed for the small to medium sized business. The store owner utilized this program to establish a new operating baseline which resolved all five issues above. Certainly the changes did not occur overnight; however, immediate results were found by performing the new employee background checks and establishing a new physical security plan to control access. Based on an ongoing partnership with our Asset Protection Program, this small business is a phone call away from having Board Certified Protection Professionals, Certified Public Accountants, Board Certified Professional Investigators, and Certified Crime Prevention Specialists. So what did this all cost? Well below the estimated \$35,000 yearly loss.

Testimonial:

"BLUELINE, you really did it, and everyone in our company is grateful. Losing inventory and the dollars it cost was constantly reducing our bottom line. A down economy made it worse. Soon after we called BLUELINE, your physical security audit showed me the weaknesses in our operation. Now we're acting on BLUELINE's specific recommendations, and in the process, we'll bring our family owned business into the 21st century. Wish we called you a long time ago"! Thanks very much, Jack