



From Information to Business



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Ask an Information Officer

As a retail business owner, what can I do to protect my business against shoplifting?

Jaime Wombolt

Losses from shoplifting can seriously affect retailers through reduced profits. This can have an impact on employees as their hours and wages may have to be reduced. It can also affect consumers as prices may have to be increased to cover these losses.

Train your employees to be alert to the shoplifters' early warning signals. They should be on the lookout for concealment devices. Pay particular attention to people with large coats, shopping bags, oversized purses, baby carriages, umbrellas, and newspapers. Bags placed on the floor can be used to drop items into.

Watch for shoppers who are walking with short unnatural steps, lingering in one area, loitering near stock rooms or other restricted areas, wandering aimlessly through the store, or customers who continuously shop during hours when staff is low. Also, be aware of customers who are making eye contact with you. If a customer is watching where you and other employees are in the store, he or she is likely up to something. The ones who actually plan to pay for something will be looking at the products while someone thinking about stealing is looking around at people. Pay closer attention to two shoppers together, as one may be used as a distraction. Children may see shoplifting as a game, so beware of large groups lingering around counters with small items.

Ask > page 2

Business Article

Preventing Internal Theft

Jaelyn Poole

Employee theft and embezzlement can cost a business a great deal of money. Although you may not be able to eliminate all theft, there are steps you can take to keep it to a minimum.

Steps to Prevent Employee Embezzlement & Theft

- The first and one of the most important things an owner-manager should do is set a good example. Your employees watch what you do and are prone to imitate your habits - good or bad.
- Check the background of prospective employees. Making a few reference checks will allow you to make choices with greater confidence.
- Know your employees to the extent that you may be able to detect signs of financial or other personal problems. Build up rapport so that they feel free to discuss such things with you in confidence.
- See that no one is placed on the payroll without authorization from you or a responsible official of the company.
- Either personally prepare the daily cash deposits or compare the deposits made by employees with the record of cash and cheques received. Make it a habit to go to the

bank and make the daily deposit yourself as often as you can.

- Personally examine all cancelled checks and endorsements to see if there is anything unusual. This also applies to payroll checks.
- Make sure that an employee in a position to handle funds is adequately bonded. Let employees know that fidelity coverage is a matter of company policy rather than a feeling of mistrust on your part.
- Spot check your accounting records and assets to satisfy yourself that all is well and that your plan of internal control is being carried out.

Business > page 2

Contents

Business Article 1

Ask an Information Officer 1

Featured Web Site..... 3

Hot Topics 3



Ask an Information Officer

Plan the store layout with deterrence in mind. Maintain adequate lighting in all areas of the store; keep end displays low for better visibility. Keep small items of high value behind the counter or in a locked case with a sales clerk on duty. Also attach noise alarms to unlocked exits, and close/block off unused checkout aisles. Don't give a thief a hiding spot. Arrange your cash and aisles to facilitate clear sightlines for your sales associates.

The proper use of mirrors should open up isolated areas, and two-way mirrors can also be used. Cameras can also be used to deter theft. If appropriate, you can post signage indicating that shoplifters will be reported to the police, and make sure that this is actually done.

The most important part of theft prevention is having employees that are aware of all customers coming into the store. Greeting your customers and offering your assistance let's them know your employees are attentive. This sends the message to potential shoplifters that they are being watched. New employees should be trained on the steps to prevention and on the procedure for dealing with shoplifters. Staff meetings can be held regularly to make sure all employees are informed.

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Business Article

- Personally approve unusual discounts and bad debt write-offs. Approve or spot check credit memos and other documentation for sales returns and allowances.
- Don't delegate the signing of cheques and approval of cash disbursements unless absolutely necessary and never approve any payment without sufficient documentation or prior knowledge of the transaction.
- Examine all invoices and supporting data before signing cheques. Make sure that all merchandise was actually received and the price seems reasonable.
- Personally cancel all invoices at the time you sign the cheques to prevent double payment through error or otherwise.
- Don't sign blank cheques. Don't leave a supply of signed blank cheques when you go on vacation.
- Inspect all prenumbered chequebooks and the prenumbered forms from time to time to insure that cheques or forms from the backs of the books have not been removed and possibly used in a fraudulent scheme.
- Have the preparation of the payroll and the actual paying of employees handled by different persons, especially when cash is involved.
- Pay special attention to the sales person who is visited by too many personal friends. Keep a sharp eye for signals such as: nods, winks, etc. between cashiers and customers.
- Pay special attention to cashiers when they are surrounded by clusters of people. Watch for items bypassed when ringing up sales.
- Prohibit employees from parking near receiving doors or docks. Keep the receiving door locked when not in use. A receiving door should be opened only by a supervisor who remains in the area until it is locked.
- Employees who are caught stealing will be prosecuted. Settling for restitution and an apology is inviting theft to continue.

Business > page 3

From Information to Business is a monthly publication of the Canada/Nova Scotia Business Service Centre.

Our Mission

To improve the start-up, survival and growth rates of small- and medium-sized enterprises by giving business people in every part of Nova Scotia access to accurate, timely and relevant information and referrals

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Business Article

- Rotate security guards to reduce fraternizing with other employees and to prevent monotony which can result in reduced alertness of the guards.

For more ways to protect your business, visit *Crime Prevention in your Business* at: <http://www.gov.ns.ca/enla/healthandsafety/docs/CrimePrevention.pdf> or contact the Canada/Nova Scotia Business Service Centre at 1-800-668-1010 or by email at halifax@cbsc.ic.gc.ca.

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Hot Picks

The following books are available from the Canada/Nova Scotia Business Service Centre Library. These books may also be available in our resource centres, located throughout the province.

The Canadian Small Business Legal Advisor

Douglas Gray

Multitudes of issues confront the small business owner every day. And virtually every choice you make, each conclusion you formulate and all decisions you reach have legal implications that you need to consider for you and your business.

Packed full of street-smart tips, tactics and strategies to help you avoid the most common pitfalls, this comprehensive guide is written in clear, jargon-free language. Author Douglas Gray covers it all – from complying with regulations, zoning and licensing to negotiating leases and real estate sales, from hiring and firing staff to credit, collection and credit proofing, and from deciding on a business structure to organizing for tax savings and planning your estate.

To get the edge on your competition, you need to know when to turn to a lawyer and how to use a lawyer's services efficiently and effectively. Gray gives you the tools to select the right lawyer for your small business and shows you how to make the most of the time you spend in meetings with your lawyer.

The Canadian Small Business Legal Advisor – It's like having a lawyer in your back pocket.

Fraud 101 – Second Edition: Techniques and Strategies for

Featured Website

Identity Theft – Business Identity Theft Kit

Anthony Pouw

Identity theft is the fastest growing crime targeting consumers and your business can be a victim too. With "inside jobs" on the rise, the reputation of your business is on the line with every client interaction. Thieves are increasingly stealing clients' personal information from within organizations. With careful planning and the implementation of policies protecting your clients' personal information, you can avoid financial and long-term damages.

Privacy legislation requires that all businesses take necessary steps to ensure that client information is secure, gathered with consent, and used for its disclosed purpose. The *Personal Information Protection and Electronic Documents Act* applies to all businesses operating in Nova Scotia. In recognition of the growing threat of identity theft, the Consumer Measures Committee (CMC) has produced a kit for businesses that provides information on: creating a plan to secure your clients' information; and, steps to take when their information has been compromised. The Business Identity Theft Kit is available online through the CMC Web site at <http://cmcweb.ca/epic/internet/incmc-cmc.nsf/en/fe00084e.html> and includes:

- Business Identity Theft Checklist
- Identity Theft: a Consumer Issue for Business
- Tips for Reducing the Risk
- What to do When a Thief Strikes
- Tools: What and How to Tell Customers About a Breach

For more information on your responsibilities in protecting your clients' personal information, visit the CMC Web site or contact the Office

Hot Picks

Detection

Howard Silverstone and Howard R. Davia

Based on Howard Davia's groundbreaking work, *Fraud 101, Second Edition* offers step-by-step guidelines to fraud detection and prevention, complete with the tools you need to stop fraud in its tracks before it even starts. Reflecting the latest techniques and standards, this Second Edition:

- Provides unique insights into the nature of fraud and the mind-set needed to combat it
- Discusses the latest legislation and other pronouncements
- Provides proven solutions showing how to expose different types of fraud
- Includes numerous case studies illustrating how easy it can be to commit fraud, and how difficult it can be to prosecute the crime

Root out fraud before it happens with the invaluable, hands-on approach found in *Fraud 101, Second Edition*.

Internet Law: A Practical Guide for Legal and Business Professionals

Alan M. Gahtan

Internet Law provides business and legal professionals with a comprehensive approach to legal and practical issues governing the Internet.

This book features:

- Regulation of the Internet
- Obtaining and protecting domain names
- Drafting and negotiating Internet-related agreements
- Protection of intellectual property on the Internet
- Online contract formation
- Privacy

- Taxation
- Electronic commerce
- Information security including cryptography and digital signatures
- Web site liability
- Jurisdiction and the territorial application of the laws
- E-mail privacy and monitoring issues

La sécurité

Gouvernement du Québec

Cet ouvrage s'inscrit dans une collection de guides de gestion destinés à la jeune entreprise. Dans chacun de ceux-ci, nous vous proposons des idées, des techniques et des solutions applicables immédiatement. Nous savons que votre temps est précieux ; aussi avons-nous évité les grandes théories et fait en sorte que vous trouviez facilement l'information dont vous avez besoin.

Dans *La sécurité*, on parle principalement de vol et de fraude. La rentabilité de votre entreprise peut en être grandement touchée si de bonnes habitudes ne sont pas prises rapidement. En effet, il existe de nombreux moyens de prévenir le vol commis par vos propres employés le vol à l'étalage et le vol par effraction. Après avoir lu ce guide, vous saurez tout sur :

- les diverses formes de fraudes qui peuvent être commises à votre insu ;
- l'extorsion ;
- le bris et le vandalisme ;
- la publicité sympathique ;
- la fausse monnaie ;
- la vengeance.

Ce n'est pas tout ! Nous vous offrons aussi une série de grilles de travail qui vous serviront à mettre en pratique l'essentiel de la matière offerte.

Featured Website

of Consumer Affairs by telephone at 613-946-2576 or email at consumer.information@ic.gc.ca.

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