CGI in Retail
Loss prevention / shrink (LP)

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Experience the commitment®

What if ...

… you could **identify** and **predict high risk areas** that otherwise may have gone undetected at all levels from vendors to DCs to stores to products

… you could **cluster stores** into meaningful groups to **compare shrink performance** and key metrics . . . and then create specific solutions based on **root causes** and **best predictors** unique to each group

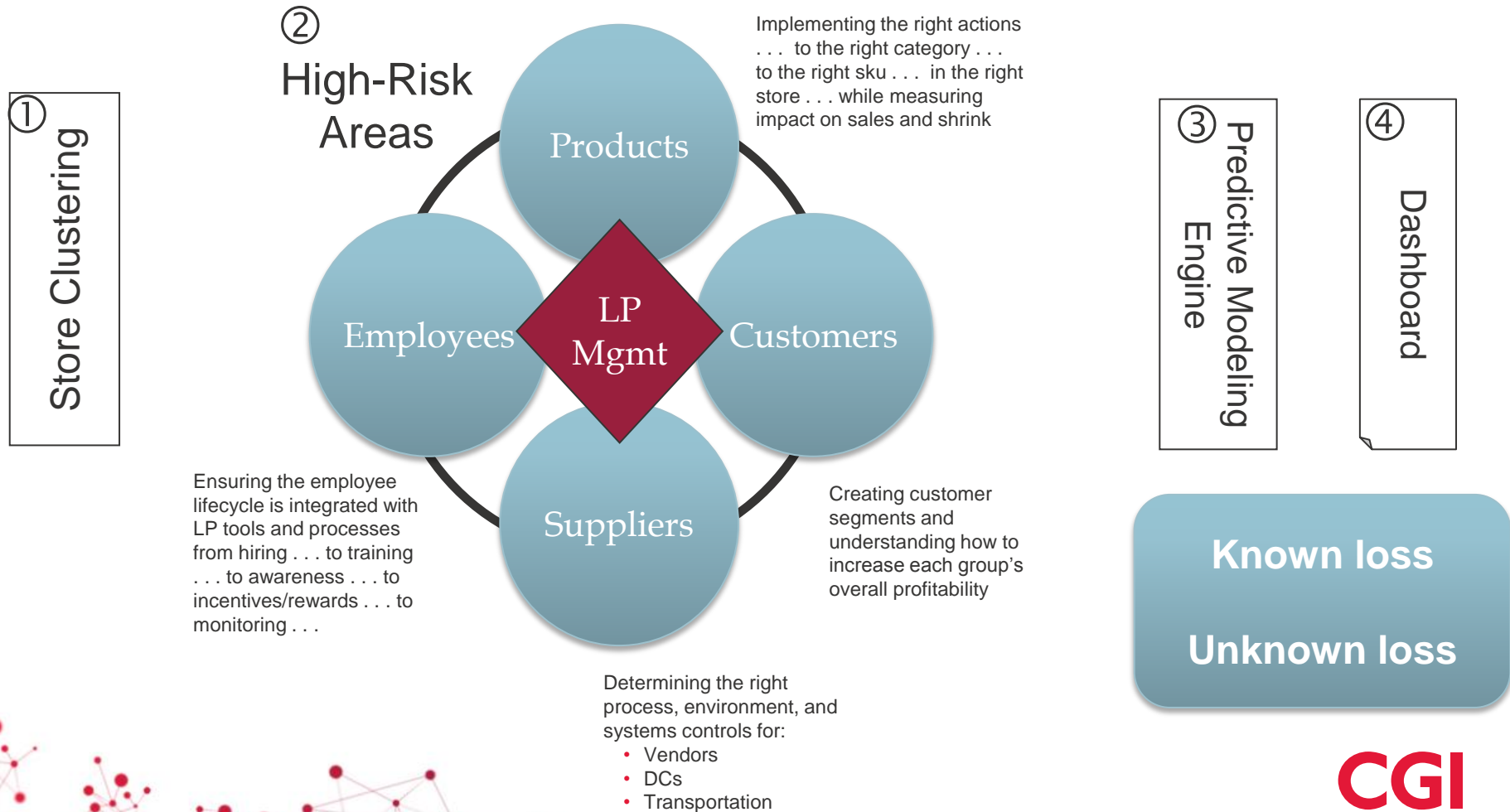… your Store Managers were **alerted real-time** whenever a cashier executed a **suspicious transaction**

… you could **reduce shrink** in your highest risk products by **50%**, while also **improving sales**

… you could **prioritize** field management's focus on shrink based on opportunity $s, while providing **insights on most problematic areas** and **how to resolve** them

… your investment yielded a **5 to 10 times ROI**

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Proven Loss Prevention <u>Methodology</u>

Our holistic and integrated 4 step approach uncovers where greatest opportunities exist in Knowl loss and Unknown loss areas and provides proven actions on how to resolve quickly to maximize profitability and bottom line results.

① Store Clustering

② High-Risk Areas

Implementing the right actions . . . to the right category . . . to the right sku . . . in the right store . . . while measuring impact on sales and shrink

Products

Employees

LP Mgmt

Customers

Suppliers

Ensuring the employee lifecycle is integrated with LP tools and processes from hiring . . . to training . . . to awareness . . . to incentives/rewards . . . to monitoring . . .

Creating customer segments and understanding how to increase each group's overall profitability

Determining the right process, environment, and systems controls for:
- Vendors
- DCs
- Transportation

③ Predictive Modeling Engine

④ Dashboard

Known loss

Unknown loss

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Phased Approach for delivering both near term results and building long term sustainable LP capabilities.

Value Targeting "Find the Value"	Value Delivery "Get the Value"	Sustain Through Processes and Tools "Sustain the Value"

M1	M2	M3	M4	M5	M6	M7	M8	M9	Ongoing

Target the value

- Analyze current LP programs and performance (systems, processes and organization) to determine the starting point in which to build from
- Leverage experience to determine what works and eliminate what does not
- Quantify potential benefits and costs
- Develop implementation approach, timelines, and schedule by establishing individual projects with specific business objectives and key focus areas/activities

Deliver the value

- Focus resources on opportunities areas with greatest ROI
- Identify and implement quick hit opportunities
- Develop Shrink Processes and Tools for chainwide rollout
- Manage project teams to ensure achievement of benefits ("speed to value")
- Incorporate shrink improvement processes and tools in standard operating procedures and future training
- Build sustainable LP practices by collaborating with business owners and a cross-functional team

Sustain the value

- Provide infrastructure to support corporate office and field to ensure value is sustained
- End-to-end processes are incorporated into standard operating procedures

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Approach: Key components - the deter, detect, and control framework to determine key opportunity areas.

1. Deter

Awareness
- LP Dashboard
- Store communications
- …
- …

Human Performance
- Training and coaching
- HR programs
- …
- …

Incentives/Rewards
- LP/Shrink $ targets per store
- …
- …

Integrity
- Pre-employment screening
- Promotion assessment
- …
- …
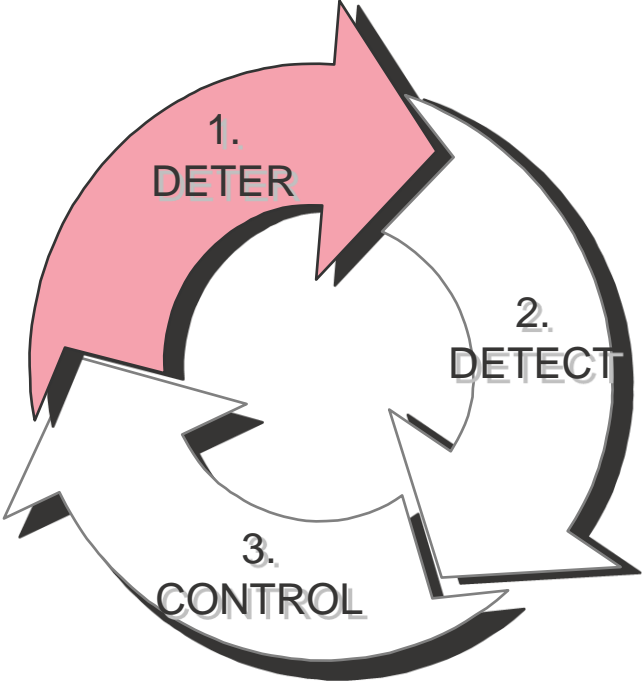
2. Detect

Monitoring Program
- Predictive Modeling
- …
- …

Equipment/Technology
- …

LP Resources
- …

1. DETER
2. DETECT
3. CONTROL

3. Control

Process, Environment, and Systems Controls
- Cash Handling
- …

High-Risk Programs
- …

Financial
- …

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Transforming the business of retail and consumer services

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