Loss Mitigation Strategies with POS Integration

Use POS Integration to Get More From Your Surveillance System

Integrated POS management software allows your security system to support and strengthen your current loss prevention procedures in a retail environment. Use the transaction data, cross-referenced with security video, to spot employee errors, trends, and monitor suspected theft. The examples below illustrate loss mitigation strategies using integrated POS software with an OpenEye DVR security solution. Grocery outlets installing OpenEye’s POS integration solution, and following the below strategies, have seen losses due to employee theft reduced by up to 90%.

Oversages and Shortages

One of the primary uses of the POS search functions for a retail store can be to support the bookkeepers. The bookkeepers balance the cashier’s cash register tray usually the day following their shift. When the drawer is found to over or short by $10 or more, the bookkeeper fills out a request and e-mails it to the Loss Prevention (LP) Department for review. The LP agent uses the POS search to locate and identify the overage or shortage, and provides the bookkeeper and front-end manager resolution with supporting video documentation of the transaction mistake. These in turn provide feedback for future training and disciplinary actions.

The request, when completed, is logged into the bookkeeping requests tracker, which documents the findings, the cashier’s operator number, and the time needed to resolve the over / short.

Oversages will normally be caused by the cashier failing to give change on a transaction. Those types of transactions are: a check written for over the amount, or cash back on a debit transaction. These can easily be located by either scrolling down through the specified POS item list, looking for debit transactions indicating change for the transaction and double-clicking on the amount of change and reviewing the corresponding video footage to confirm or deny the change given to the customer. An alternate means of narrowing the search is by typing in the specific amount over in the “Find Item” box.

There are several ways shortages can occur; currently the most common error is when the cashier tenders a credit transaction as cash. The means to verify this error is when reviewing the video footage the customer swipes their credit card in the card reader, the cash drawer automatically opens and the cashier does not receive cash from the customer. The register drawer will not open on a credit transaction for the exact amount. A signal for this type of error, when scrolling through the item and price data, is the listing of a cash transaction that does not show any change; otherwise the customer has tendered the exact cash amount.

A shortage can occur when a cashier inadvertently enters an incorrect amount received from the customer, then re-enters the correct amount without deleting the incorrect entry. The actual drawer amount will be short on the daily total by the incorrectly entered amount due to the change given over by that amount.

In the example on the left, the register computes $30.00 – $19.94 = $10.06. The cashier only received $20.00 not $30.00 and is now $10.00 short after this transaction.
Price Switching

Price switching occurs when a label from one item is either placed on top of, or replaces the original label of another item. The lower price can then be scanned at the register without the cashier’s knowledge. The product type does not have to be of a like item, merely the price changed. The customer in the photo was suspected of Price Switching; to verify this suspicion, the Loss Prevention specialist viewed the POS mining data at a remote location as the item was scanned. The meat and cheese tray the customer was suspected of switching prices on scanned as deviled eggs. She was then detained and cited by the local authorities for retail theft.

Monitor Correct Pricing

With the constant fluctuation of market sales, product prices are being changed and updated. A simplistic means of monitoring and checking prices is through the use of the POS data mining software. Any member of the management team or the loss prevention specialist with access to the Radius remote management system can monitor, and verify the selling price of a particular product merely by entering the product name, UPC, or PLU code into the search parameters. The UPC (bar code) is usually not a pricing problem as they are set by the manufacturer. The Price Look Up (PLU) code is locally generated and associated with in-house specific items such as fresh bakery products; these prices are often updated.

Products Rung To The Correct Department

For sales predictions and inventory purposes, specialty items such as sushi are monitored to ensure they are being rung to the correct department. After the price or a specific product name is entered into the “Find Item” box and the required date / time entered, the results will be displayed on the right-side of the search screen.
Loss Mitigation Strategies with POS Integration

Customer Complaints of Double-scanned Items

When a customer registers a complaint of an item being double scanned, a quick means of confirming this is through use of the POS search parameters. If the customer has their receipt the date, time, and terminal number can be entered into the system and video of the transaction can confirm or deny the double-scan. When a receipt is not available the item name, price, terminal, and approximate time of the sale can also be used to review video.

Verifying Large Quantity Sales

High-end products are routinely monitored and a visual inventory made, by the department manager, loss prevention specialist, and the associates assigned to the department. When a particular product has been noticed to have quickly depleted, an immediate means to verify the sale of that product is through a search using the POS data mining software.

Identifying Associates Who Are “Sweethearting”

It is policy in most stores for cashiers to avoid checking out family, friends, any person residing in the same household or themselves; this in an effort to protect the cashier and the store. Associates are not allowed to price their own purchases. This includes weighed or sticker priced products in the perishable departments; only department managers can authorize reduced or discounted prices. Any unauthorized discount prices for friends or family is considered theft by policy. All of these can be remotely monitored through the use of the POS data mining software; either live or through search of the stored data on the DVR.

Grocery outlets installing OpenEye’s POS Integration solution have seen losses due to employee theft reduced by up to 90%.

ii Food Marketing Institute, 8.

Get more from your surveillance system and make it work harder for you. OpenEye POS integration software can help you spot employee errors, trends, and monitor suspected theft. If you want to see what OpenEye software can do for your business, visit our web site at openeye.net or contact a sales representative at (888) 542-1103.