

By Lynne Larsen

Retail Risk 2008

Retail Risk 2008, a retail security conference jointly hosted by The Consumer Goods Council (CGC) South Africa and Technews Publishing, takes place in Cape Town on 26 February, in Durban on 28 February and in Johannesburg on 4 March.



The speakers at the conference come from a variety of companies that service the retail sector, and bring with them a wealth of expertise and market knowledge. Their presentations will provide attendees with real knowledge they can immediately apply in their organisations.

Retail Risk 2008 will provide delegates with a strategic overview of retail risk trends globally and in South Africa. It will also cover global best practices in dealing practically with retail risk and security, while examining a real-world implementation of security technologies, solutions and services.

Hi-Tech Security Solutions caught up with Michael Broughton, director of the CGC Crime Prevention Programme, and Keith Alexander, risk manager of retail operations at Spar Group SA, to get their views on threats to the retail industry and also to find out what those attending Retail Risk 2008 can expect...

"One of the problems that we face in our game is security, and my goal for 2008 is to move away from security to risk and loss prevention," says Broughton. "We also need to understand the difference between safety and security. Safety is the fact that my daughter in London can get on the underground at 11pm and go home not worried about anything happening to her because she is safe. I can get in my bulletproof car, drive home into my gated suburb behind high walls with electric fencing and burglar proofing and I am secure.

"Technology plays a huge role in loss prevention and less of a role currently in security. Security is preventing armed robbers coming in and we can't actually prevent them coming in.

"The main target of robberies in the retail sector is cash and we are looking at various ways and technologies to take the cash out of the equation. If people had a proper safe and they processed their cash properly, the money would be in a safe, where it is not accessible, so they can reduce the chance getting robbed. I am not saying they won't.

"The ultimate solution, of course, would be to just go 'plastic', for stores to stop using cash, but we are a cash society so it is not a feasible dream but we do use technology to get rid of the cash as a preventive measure for our problems.

"There are other technologies that look at making a target harder, such as spikes in the road and booms. CCTV is no longer the preventive measure it was, because there is a very low level of prosecutions based on CCTV footage. It does help in the investigations but it is not really a very effective preventive measure.

"Where technology does come in to play a huge role is in risk and loss prevention and loss of product, so we are using technology and we are investigating a lot of technologies to protect high value products. These technologies include electronic article surveillance (EAS) for items like clothing and CDs. Another technology we are investigating here at the CGC is RFID technology. Its major drive is in an electronic product barcode that doesn't require line of sight to be read, the item can just be swiped past the reader and the chip will be picked up. The industry is looking at it from a logistics efficiency point of view, but it is a huge technology for crime prevention because now each tin of cool drink or packet of cigarettes or bottle of water or box of soap can be identified because each one will have a unique number. So when the customer gets to the till it is going to ring up everything that passes the reader. Once an item has been read, it will be taken off the shop's stock list and because the number is unique, it cannot be read again or it will be read as 'bought', or 'not from this stock' if the item had been purchased from another dealer.

"Giving every single item a different barcode is a massive project and this technology won't be seen in action in the near future, but it is in the pipeline.

"Our message, and why we are doing this conference, is to go out there and say, 'Hang on. There are things you can

do about shoplifting, about shrinkage, about theft, about robbery, about cash loss. There are processes that you can do, you don't have to spend massive amounts of money.'

"We took a store in the Northern Suburbs of Johannesburg that was robbed three times in six weeks and all we did, we went there after the second time and we changed his processes. He didn't have time to implement the new processes and got robbed again. After the third robbery he changed the way the processes worked – sweeping the tills, taking the cash out, putting it in a safe. Changing his business processes, using a bit of technology, for instance paying his staff electronically as opposed to keeping the cash and giving it to them every Friday afternoon, or paying his suppliers electronically instead of when they bring the bread or they bring the vegetables in giving them cash because staff know, people know that the money is kept in a bank bag or as you open the safe to take money out to pay for the bread delivery you turn around and it is not the bread delivery man there but some guy with an AK47...

"So even in that small way technology can play a role and that is what we are really trying to say, 'Look, this is the 21st century. You have to look at how you do business and how you did business in the 1950s needs to change. Change your processes, change your approach. Yes, put CCTV in but just don't put up one huge camera, nowadays you get small spy cameras and they are cheap and they work.'

"We want to communicate to people, we want to go out and educate our stakeholders, our audience, as to what they can do in their business because that is what it is all about. We want the Retail Risk 2008 attendees to walk away with at least four or five or six or seven things that he or she can go and do in their business. Whether it is screening their staff properly or psychometric testing their staff or learning about cash management and safes and things like

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that. It will be a one-day training course on what can I do about crime in my business as opposed to a conference or seminar on specific products."

Alexander sees the greatest threat to the retail industry as violent crime. "It overshadows everything. We are very concerned about the fact that our retailers are extremely exposed, and in fact with the Spar Group in particular, where we are very reliant on our independent retailers out there, most of our stores are owner-managed, and often when a store is hit by crime the owners leave the industry, and go elsewhere. We basically are distributors, so we would be placed in a very difficult position if we didn't have competent retailers to run our stores.

"In 2000, Shoprite Checkers CEO Whitey Basson realised that unless the retail industry stood together and did something about crime in general, and violent crime in particular, eventually we would all be out of business. So after a number of meetings with the CEOs, he got them together and they put together a Memorandum of Understanding, and part of that was that each group, each retail group, had to appoint a champion to serve at the Consumer Goods Council, and to provide continuity and to put preventive strategies in place. Part of the initial mandate was to establish the Incident Management System, which is a national system, at the Consumer Goods Council, and then also the Employers Reference Side (ERS) to ensure that the right people are in place because most robberies in particular, are orchestrated from within, it's always inside information, you know it is not opportunistic stuff, these guys don't arrive at 30 at a time and just take the store apart, they are well versed in what's going down. They have intimate knowledge of the store systems and procedures, especially in terms of cash management.

"Once those things were in place and we started accumulating data etc, it became quite clear that the repeat robberies, and specifically armed robberies, were as a result of poor cash management. The retailers generally, and even the big corporates, were not placing enough emphasis on cash management in their businesses. We found that large volumes of cash were being allowed to accumulate in the stores, they weren't using their drop safes, our independent retailers, in a lot of cases, were actually moving their own cash to the banks, especially in the smaller towns, and this was creating an opportunity which the robbers were taking advantage of.

"Five years ago the average Spar robbery would net anything from a R150 000 to R200 000, today if they go into one of our smaller stores, you'll find that if they get away with R10 000 it is a lot, and even that is too much, so store owners have learnt the hard way that you in fact need to manage your cash very effectively.

"The Consumer Goods Council took that up, because we don't want to go the route of fighting fire with fire, you cannot win, you find that these groups are extremely well organised, they are heavily armed, so if you are going to fight fire with fire, you are going to lose.

"So, our preachings around the country and the policy that we've adopted at the CGC in particular, is that we ensure that our cash is very, very well managed, and there we have to bring top technology into play to do so. For example, there are systems by which the cash is dropped into a safe facility, normally a drop safe, and from there the retailer gets immediate value in the bank, so he is able to benefit from that, cash flow is greatly improved and white collar crime, fraud and shortages are reduced.

"In 2005/2006 there was a 73%, from a Spar perspective, decrease in the number of violent attacks on the stores. And that was a direct result of the Spar group taking a very plain, a very active role, in encouraging our retailers to manage their cash.

"As far as the customers are concerned, we know we have to offer a very accessible shopping experience, but by the same token the main mission statement of our programme at the CGC is to create a safer shopping environment. We're very aware of that, and one of the things that we are doing is working together with the Shopping Centre Council and various other role players, because we find that in lot of cases, the shopping malls are not safe shopping environments. One of the things that we need to deal with is the 'brooming' of cash across trading floor during trading hours. It mustn't be done!

"The other thing that is hugely important in terms of technology is CCTV, but we are talking high quality, high resolution CCTV with cameras appropriately placed and what we do is, we encourage people to install covert cameras in their entrances at face height, so as to get proper facial recognition of people, you need the highest possible quality inputs as evidence in order to do effective investigations in cases of criminal activity.

"Numberplate recognition systems

also help to identify perpetrators. The CGC has given undertakings and provided funding so that this technology can be more widely deployed at shopping malls. A pilot project is currently underway at Melrose Arch.

"The aim of Retail Risk 2008 is to educate the retailers on what's available by way of technologies and expertise, to assist them in creating a safer, more secure shopping environment."

A Frost & Sullivan report carried out in February last year on North American IP video surveillance storage markets predicted that the IP video surveillance market will grow at a compounded annual growth rate (CAGR) of 47% to \$2.07 billion in 2009. And the American retail market is said to be seeing the value of network security and intelligent video surveillance systems and reaping the benefits of such systems, not only in the prevention of loss from theft, fraud and shrinkage, but much more as a result of new developments in network security and moves to intelligent video. They are also realising that the benefits far outweigh the challenges and costs of implementation and adoption of IP network security.

These systems can now be seen as tools to maximise efficiency. An intelligent video management platform that harnesses sophisticated analytic capabilities can help an organisation increase operational efficiency while still preventing losses and securing assets and safety across the facilities.

Advanced analytics applications such as people counting, queue management and traffic flow analysis add to the benefits retailers can experience from the technology.

Konrad Weinert, Roy Alves and Kevin Monk are among the speakers at Retail Risk 2008 who will be looking at the role of IP video solutions in the retail environment to assist in the improvement of security, customer experiences, staff productivity, sales and profits.

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For details:
www.retailrisk.co.za



Retail Risk 2008 speakers

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Michael Broughton

Michael obtained an MBA from Edinburgh Business School, focusing on Strategic Planning and Change. It was with this in mind that he was asked to develop and facilitate the FMCG industry's Crime Prevention Programme.

The CGC Crime Prevention Programme now has over 1950 members (from a zero base in 2001), and in the capacity of Director of this programme, Michael participates in a number of Private and Public Sector Crime and Corruption initiatives.

Susan Potgieter

Susan Potgieter holds a B.Proc, LLB, LLM in Corporate Law, Diploma in Advanced Banking and Certificate in Money Laundering Control, and heads the Commercial Crime Office at the South African Banking Information Centre, a non-profit company formed by the major banks in South Africa to support them in the combating of bank related crime. SABRIC is the custodian of interbank crime information and represents the industry on crime related matters.

Jenni Irish Qhobosheane

Jenni Irish Qhobosheane studied at the University of Natal Durban where she completed her BA in social science before going on to study law. In August 2006 Jenni was appointed the National Project Manager of the South Centre Security Initiative. The initiative is based at Business Against Crime South Africa and is a partnership between BAC, the South African Council of Shopping Centres, the South African Property Owners Association and the Consumer Goods Council of South Africa.

Richard Phillips

Richard Phillips is a graduate of the South African Institute of Security and has been a security professional for over 30 years. He has specialised in cash logistics and security management for the past 18 years, having retired in 2004 from the post of sales director of Fidelity Cash Management Services. In November 2006 Richard was appointed managing director of Cash Connect Management Solutions, a subsidiary of Transaction Capital Payment Services.

Kirsten Halcrow

Kirsten Halcrow is the managing director of EMPS, a company that specialises in 'Workforce Integrity Solutions' and has been with the company for six years. Kirsten consults extensively to leading retailers. Kirsten comes from a recruitment background, spending time in both corporate HR and the recruitment environment.

Kirsten has her BA degree, majoring in Psychology and Sociology, her Honours in Psychology from RAU, an HR diploma from UNISA and has completed her psychometric internship.

Bryan McDermott

After graduating from Stellenbosch University, Bryan served in the military for 15 years reaching the rank of colonel before joining Deloitte & Touche where he worked for five years as a planning manager.

He then spent 20 years with Sensormatic, involved in providing loss prevention solutions to retail businesses, and is currently the business development manager of the retail division of i to i technologies providing business intelligence solutions for retailers.

Gary Jones

Gary Jones, managing director of Ideco Biometric Security Solutions (IBSS), graduated from Wits in 1997 with a BSc Eng (Elec), after which he joined a project team developing technologies for SA's Integrated Justice System.

He formed i-Cubed in 2001 and was appointed by Sagem, France to supply technical resources for an Automated Fingerprint Identification System for the SAPS.

Gary joined the Ideco Group in 2003 to establish IBSS and focus on commercial biometric applications.

Konrad Weinert

Konrad Weinert's experience includes four years in environmental management and law enforcement, both in the governmental and private sector, as well as 13 years in the South African Security Industry. His expertise ranges from integrated security systems design, education and sales, to security manpower management and project management. Konrad is a graduate member of the South African Institute of

Security and heads up the sales of the manufacturing division of video and access products of Honeywell Security in sub-Saharan Africa.

Roy Alves

Roy Alves is the country manager for Axis Communications South Africa and is responsible for its sales and marketing activities in the region. He has held the position as country manager since May 2006, which was preceded by his role as managing director of SCS Distribution, the first company to introduce network cameras to the South African market. A mechanical engineer by trade, Roy completed his RPG AS400 programming qualification with IBM.

Kevin Monk

Kevin Monk started his career in the electronic security industry with Technisec in 1994, whereafter he joined Fidelity Services Group where he was general manager of the Electronics Security Division. Kevin then joined ArmorGroup Africa (Formerly Technisec) as MD in 2000. In 2004 Kevin led an MBO and bought the company back from ArmorGroup UK and renamed it Technisec Security Specialists. Kevin has over 13 years experience in the South African electronic security industry.

Michael Brett

Michael Brett is the New Business Manager at Elvey Security Technologies and has been involved in the electronic security industry since 1990. Michael specialises in application based security solutions as well as advanced monitoring for all market sectors which offers companies a higher level of security and millions of rands of savings.

Keith Alexander

Keith Alexander is the risk manager of retail operations at Spar Group SA. Keith has 20 years police and military service with substantive commissioned rank, and 20 years manufacturing and retail experience in a risk management environment. Keith studied Security Risk Management at UNISA, is a graduate of SAIS and an individual member of SASA.