

# The Same 2 Things That Sunk the Titanic Will Sink Your Loss Prevention Program



Two things contributed to the sinking of the Titanic and the extraordinary loss of life:

**“The 90% factor” and “An assumption”.**

These same things could sink your shrink control program and create your own disaster.

## 1. The 90% Factor

Think back to your high school science class. Do you remember learning that a full 90% of an iceberg lies below the water line and out of sight? Sure you do. This fact sealed the fate of the Titanic because by the time the crew noticed the 10% it was too late to react. The 90% below the water crushed one side and buckled the hull, causing it to fill with water.

**So what's the parallel to controlling shrink?**

- **Not all information is visible.** You need to dive deep to get it.
- **Not all information is equal.** The mass and most valuable information lies below the waterline. When we refer to the 90% in regards to shrink we are talking about information beyond the “obvious”.
- **The tip of the iceberg usually includes warning signs we choose to ignore.** The 90% is the information that doesn't jump out at you. It lies below the surface and you can't see it because you are not taking the time to look. Or, because we are too busy that we violate the sacred rule: **“Inspect what you expect”**.
- **It takes vigilance and questions bring issues to the surface.** When we don't question refunds, voids, cash variations (both overages and shortages), doors left open, keys loaned to unauthorized personnel, surveillance tapes not reviewed, vendors not checked in according to policy and more. We are setting ourselves for disaster.

The 90% takes work to expose (in terms of planning, preparation, thinking, listening and analysis) which is why much of it remains undisclosed. Within the 90% lies a source of improved sales and profits. Left uncovered, it is the stuff that will sink otherwise sound loss prevention programs. Sure, there are sorts of tools available, but we have to use them!

***Are you overlooking the 90%? What might you be missing, and how might you approach loss prevention more effectively in the coming months. Remember, for some people, the holiday season "tis the season" to steal.***

## 2. An Assumption

Assumptions lead to actions. In the case of the Titanic, the assumption that she was unsinkable led to a deadly action - she was equipped with lifeboats to hold only one third of the full passenger capacity. What about your business? Do you assume your cashiers won't steal because you have camera systems with sophisticated POS interface?

We all make assumptions based on our perspectives, experience and context. As managers we make assumptions regarding the 10% that we do see (or would see if we took the time to). It's like my daughters used to say when they were little and I was too busy doing something else, "Look with your eyes!"

If we don't even keep an eye out for the icebergs we are certain to miss the 90% that will eventually cost your business thousands of dollars. We could fill a book with similar stories, all of which started with an assumption and ended with unexpected and disastrous losses.

### When we make assumptions:

- We fail to follow or enforce the policies and procedures designed to prevent losses.
- We fail to ask open ended questions that make it easy for an employee to answer yes or no or don't press for more information.
- We accept information that doesn't seem plausible but fits preconceived notions about a person's integrity.
- We focus our limited time and energy on the all the things we need to grow sales, and overlook what we need to do to protect the sales we are generating.
- What assumptions do you make? What are they costing you in terms of your time, energy and profits?

***Shift from a place of "knowing" to a place of "curiosity" so that you don't send your sales and profits to the bottom of the ocean. Don't make a promise to start next year...start today, right now.***



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