

LESSONS LEARNED | BY GERSON ROSENBLOOM

Secure Your Store

How hard do you work at what you do? If you're like most people in the music products industry, you go home pretty drained at the end of the day. Your devotion to your business and the energy you put into it are a large part of the life force that drives it forward day after day, year after year. The profits that remain at the end of any given accounting period are often the direct result of the blood, sweat and tears poured into your business.



When there's a security breach at your company, any losses realized directly attack your bottom line. And that, to me, is the most personal affront you will ever endure in business.

Sadly, I have a series of psychic scars from a number of losses during my retail career. These were difficult lessons learned indeed. The worst part is how obvious these scenarios seem after the fact. It's like having someone fly a plane into a tall building. Afterwards, you wonder why you didn't think of it before.

Here are some examples and theft-prevention pointers based on my real-life experiences. If even one of these saves you from a loss, I've accomplished my mission.

THE QUICK-CHANGE ARTIST

If you haven't already, someday you'll experience an amazing feat of fancy deception. It goes like this. You're at the point of sale with a customer, likely for a fairly small cash sale. The customer will give you more than is due. As you're counting out change, he'll say, "Wait. Let me give you this, and you give me that back."

Quick-change artists are masters at what they do, and they go from store to store doing it. In the end, if you play their game, you or your people will get short-changed.

The only defense against quick-change artists is to cut them off immediately and not play their game. If what they're asking you to do is not immediately obvious or even slightly confusing, you're about to be scammed.

SHIPPING FRAUD

Shipping fraud tends to be set up well ahead of time. An out-of-town customer makes a couple of purchases by credit card, typically over a period of a couple of weeks. He does enough business that there is actually the appearance of a developing relationship. Then comes the "gotcha."

On his third or fourth transaction, he requests shipment to an alternate address. Don't let your guard down. If this address is not an authorized alternate address on his credit card, you've got a good chance of seeing one of those dreaded chargebacks from your bank. And you'll have absolutely no recourse.

EMPLOYEE THEFT

At worst, you have a blatant crook working for you, stealing cash, inventory or records. But in its more insidious form, employee theft happens when staff treat themselves to "fringe benefits" at your expense.

Pay attention to what your employees buy from you or, more importantly, what they don't buy. If guitarists don't buy strings or if drummers don't buy sticks, you may have a problem. How do you solve it? Awareness is the key, so ask them where they buy their supplies. The greatest deterrent is employees' knowledge that you're tuned in to what they're doing.

The most common types of theft and how to prevent them

INDEPENDENT CONTRACTOR THEFT

Are your teachers or repair people independent contractors? These folks, even though they aren't your employees, often get the same access as your most trusted people.

Think of this scenario, which actually happened to me. I had a guitar teacher for many years who arrived every day with his guitar case. I assumed he brought his guitar to play along with his students. Instead, he was using it as a means to carry out effects pedals and microphones.

We ultimately solved the issue by finding items we knew were missing offered for sale in a local newspaper. (These days, Craigslist would be a good place to check.)

RUBBISH THEFT

Trash bags are a notoriously convenient way for dishonest people to steal. All kinds of stuff can leave the store masked by candy wrappers, office papers and coffee cups. A would-be robber throws that Les Paul in the dumpster and returns after hours to retrieve it.

The solution? Only one person should handle the trash, and periodic inspections should be routine.

CUSTOMER THEFT

People out to do no good are a constant threat. I can't tell you how many amplifier knobs, tremolo arms and fuse caps I lost to people ripping them off for sport. More unscrupulous villains would steal much more

significant items. Here again, the best defense is awareness. When customers enter your store, you have to make them aware that you're paying attention. That sends an immediate message that they're being watched.

Also, make sure to secure valuable, small items. And when large groups of people come in all at once, be aware that this could be an attempt to create a distraction to take the attention off the person who will do the dirty deed.

FIRE CODE RISKS

Many jurisdictions have fire codes dictating that doors be left unlocked or easy to open for rapid egress during a fire emergency. Sadly, these same rules also provide an easy way

out for would-be thieves, particularly with doors in concealed and less trafficked areas. It's an additional expense, but be certain that all affected doors can be heard throughout the store when they're opened.

Sadly, the list goes on and on. The common denominators in deterring theft are awareness and forethought. In addition, for internal problems, building a culture of mutual trust and a strong team atmosphere helps — but doesn't solve — these matters.

Let's keep your hard-earned money in the till, where it belongs! **MI**

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