

IDEAS

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INDEPENDENT RETAIL | BY TED ESCHLIMAN

KEEPING EMPLOYEES HONEST

We like to encourage all employees to be familiar with our wares. We do this through product literature, sales training and store time allotted to online research. We also offer generous employee discounts on what we sell. It's crucial for them to, whenever affordable, enjoy personally through ownership, or, if nothing else, be intimately aware of the life-enriching benefit of what we sell. There's no substitute for hands-on access.

That said, we need to enlist concrete controls on trial privileges and/or purchases, and clear up the blurred line between employee "borrowing" and outright theft.

If you've been around retail long, you're probably acquainted with the lore and legend of employee theft. You may have witnessed it first hand: workers hiding merchandise under the guise of taking out the trash, only to return after hours to pick up carefully planted stolen goods. Or it could even be a clerk giving a pal a wink at the register that results in an unauthorized discount. It's a lot harder to get



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away with under 21st century point of purchase register technology, but let's address stealing that's far more subtle and common.

REMOVE ALL DOUBT

Music retail generally doesn't pay well, but the trade off is working around gear and people that make us happy. Unfortu-

nately, that combination also bakes up a recipe for employee entitlement. "I don't make that much, and I deserve the extra (unpaid) set of strings I'm slipping into my case." Or similarly, "That demo mic I took to show my bandmates sold a lot of other microphones. I deserve to keep this for free, and then the store doesn't have to pay me an extra commission."

Rationalize all they want, it's still theft. It's often honest folks who distort reality and justify this behavior. That's why we need store protocols to prevent it.

First rule — nothing leaves the store without a receipt. Written documentation needs to preclude anything going out the door. We need to track everything that leaves the perimeter. Honest folks forget, memories blur and if time gets by, it's easy to disregard store ownership. We are very serious about this protocol as a condition of employment, and if it goes unheeded, it is grounds for termination.

Pilfering can also happen on the sales floor. You probably have some kind of customer "hold" box or layaway section, and our folks need to realize if they've

physically put their own "wishes" in these areas, they diminish profit potential and store cash flow. Even there, some kind of store documentation is necessary. These areas need to be surveyed (and purged) regularly, too.

Periodic inventory checks are necessary to correct internal counts, but discrepancies must be accounted for by a handful of trusted individuals assigned to take the time to sort out the root cause of these errors.

Don't let staff ring up the sale of personal goods. Frankly, they shouldn't even get pop machine change for themselves. Hands in the register demand accountable witnesses.

This also includes the time clock. No one should be allowed to punch in another employee. Time is money, including personal trips to the car and errands on company time. This is not something every employee automatically understands.

As author Arnold Glasow said, "Temptation usually comes in through a door that has been deliberately left open." **MI**

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