



**NRF LOSS PREVENTION**  
CONFERENCE & EXPO

NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012  
EXPO JUNE 20-21, 2012  
[www.nrf.com/LP12](http://www.nrf.com/LP12)

## Effective and Efficient Audits

Bill Lane

**BIRKS&MAYORS**

Tim Manos

**HOT TOPIC**




**NRF LOSS PREVENTION**  
CONFERENCE & EXPO

NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012  
EXPO JUNE 20-21, 2012  
[www.nrf.com/LP12](http://www.nrf.com/LP12)

**BIRKS&MAYORS**  
Store Operational Review  
2012




**BIRKS&MAYORS**

National Retail Federation®  **NRF LOSS PREVENTION CONFERENCE & EXPO** | **NEW ORLEANS**  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
www.nrf.com/LP12


## Objective

To create and execute a loss prevention store operational review for all Birks & Mayors locations. The operational store review is administered to all retail locations to ensure the store is in compliance with standard operating procedure.

National Retail Federation®  **NRF LOSS PREVENTION CONFERENCE & EXPO** | **NEW ORLEANS**  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
www.nrf.com/LP12


## Elements of the Program

- All reviews are unannounced.
- The operational review consists of a scoring system of 0-100%.
- There are 53 items that are covered on a store review.
- Each item is graded on a scale of 1 to 3 total points. This is based on the importance of the item.
- If the store is in compliance with the applicable item they receive the maximum points. Obviously if not in compliance the store receives "0".

 **NRF LOSS PREVENTION CONFERENCE & EXPO** NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
www.nrf.com/LP12

## Elements of the Program

- ❑ All store locations within the Birks & Mayors Inc. Organization will have two reviews performed in their store. This covers one fiscal year. If a store scores under 90%, a third review will be conducted in that location in an attempt to improve and ensure improved compliance.
- ❑ If a store scores under 90%, a verbal warning is given to management to improve performance. If a store scores under 80%, the entire management team receives a written warning that is placed in their employee file.
- ❑ After completing the audit, the Loss Prevention representative reviews all non-compliance issues with management, prior to leaving the store.

 **NRF LOSS PREVENTION CONFERENCE & EXPO** NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
www.nrf.com/LP12

## Elements of the Program

- ❑ Management needs to respond in writing the areas of improvement with any non-compliance points and return to Loss Prevention within 7 calendar days.
- ❑ When the review is completed the results of each review are sent to the CEO, CFO, VP Stores, Human Resources and local management.
- ❑ Store Directors have included in their annual bonus the performance of their store review scores. 10% of their bonus is based on their performance in this area.
- ❑ Our tone from the top is the reason for our success in our store operational review program. Our CEO is our biggest supporter.

NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
www.nrf.com/LP12

## Elements of the Program

- ❑ The top 5 non-compliance issues will be sent three times a year to Senior Management for review.
- ❑ The program reinforces the positive and re-directs the negative. It assists in strengthening the operational infrastructure within the company. The audit program is not designed to “catch” someone doing something wrong.
- ❑ Attached are excerpts from the review. The criteria to receive the maximum amount of points is in brackets. This information allows the auditor and local management to be completely informed of the criteria, so disagreements are minimal.

NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
www.nrf.com/LP12

LOSS PREVENTION			
FY2012(13) MAYORS OPERATIONAL STORE REVIEW			
Review Date:		GDVP:	
Store Number:		Store Director:	
Store Location:		Office Administrator:	
Region:		Reviewed By:	
Audit Areas	Received	Available	%
A. Store Opening	6	6	100.00%
B. Merchandise Security	11	11	100.00%
C. Safe / Vault	9	9	100.00%
D. Count Sheets / Diamond Logs	10	10	100.00%
E. Cycle Counts / Price Testing	6	6	100.00%
F. Refunds	3	3	100.00%
G. Showcases / Sales Presentation	5	5	100.00%
H. Merchandise Receipts / Transfers	9	9	100.00%
I. Deposits / Cash Drawers / Cash Handling	5	5	100.00%
J. Office Forms / Documentation / Licenses	10	10	100.00%
K. Human Resources and Payroll	9	9	100.00%
L. CCTV System	4	4	100.00%
M. Layaways / Special Orders	5	5	100.00%
N. Repairs	8	8	100.00%
<b>Overall Total</b>	<b>100</b>	<b>100</b>	<b>100.00%</b>

	<b>NRF LOSS PREVENTION CONFERENCE &amp; EXPO</b>	<b>NEW ORLEANS</b> <small>CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012                  www.nrf.com/LP12</small>
<b>MAYORS ASSET PROTECTION OPERATIONAL REVIEW</b> <b>Management Response</b>		
Store Number: Review Date: Store Director:		
Below is a list of all Audit areas reviewed. In addition, noted are any issues of non-compliance requiring a response by Management indicating corrective action. Please use the space provided and reference the question number. The response should include both action taken as well as date of implementation.		
1 Upon completion, fax to Internal Audit at 954-590-9304 no later than _____ 2 Retain a copy in the store for your records.		
	<b>Management Response Required</b> Yes      No	<b>Specific Non-Compliance Audit Questions</b>
a. Store Opening	X	
b. Merchandise Security	X	
c. Safe / Vault	X	
d. Count Sheets / Diamond Log	X	
e. Cycle Counts / Price Testing	X	
f. Refunds	X	
g. Showcases / Sales Presentation	X	
h. Merchandise Receipts / Transfers	X	
i. Deposits Logs / Cash Drawer's)	X	
j. Office Forms / Documentation / Licenses	X	
k. Human Resources and Payroll	X	
l. CCTV System	X	
m. Layaways / Special Orders	X	
n. Repairs	X	
Management Response: _____ _____ _____		

	<b>NRF LOSS PREVENTION CONFERENCE &amp; EXPO</b>	<b>NEW ORLEANS</b> <small>CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012                  www.nrf.com/LP12</small>										
<b>ASSET PROTECTION</b> <b>SUMMARY OF FISCAL YEAR 2011/2012 STORE AUDIT RESULTS</b>												
		<b>FISCAL YEAR 2010/2011</b>				<b>FISCAL YEAR 2011/2012</b>						
		<b>LP1st</b>	<b>LP2nd</b>	<b>LP3rd</b>	<b>COMBINED</b>	<b>LOSS PREVENTION AUDIT SCORE</b>				<b>COMBINED</b>		
<b>Store</b>	<b>Location Name</b>	<b>Score</b>	<b>Score</b>	<b>Score</b>	<b>AVERAGE</b>	<b>Date</b>	<b>1st Score</b>	<b>Date</b>	<b>2nd Score</b>	<b>Date</b>	<b>3rd Score</b>	<b>AVERAGE</b>
4105	DADELAND	100	100		100	29-Mar	90	24-Aug	98			94
4114	INTERNATI ONAL	100	100		100	13-Apr	100	13-Sep	97			98.5
4115	AVENTURA	96	100		98	1-Mar	100	23-Aug	100			100
4116	THE FALLS	97	97		97	22-Jun	97	3-Nov	100			98.5
4132	LINCOLN	95	98		96.5	15-Mar	93	31-Aug	95			94
4150	MERRICK PARK	100	94		97	2-Jun	95	12-Oct	97			96
<b>South Florida Region</b>		<b>98</b>	<b>98.17</b>	<b>-</b>	<b>98.08</b>		<b>95.83</b>		<b>97.8</b>		<b>-</b>	<b>96.83</b>
4107	GALLERIA	97	98		97.5	3-May	93	14-Sep	93			93
4112	BROWARD	100	100		100	10-May	97	27-Sep	97			97
4113	BOCA TOWN	100	97		98.5	1-Jun	100	28-Sep	100			100
4121	PGA COMMONS	90	100		95	4-May	97	21-Sep	97			97
4145	WELLINGT ON	99	96		97.5	2-Mar	96	1-Sep	96			96
4155	WESTON	94	100		97	21-Jun	97	11-Oct	100			98.5
4158	THE GARDENS	100	96		98	11-May	92	22-Sep	97			94.5
<b>Company Average</b>		<b>97.48</b>	<b>97.72</b>	<b>-</b>	<b>97.6</b>		<b>96.69</b>		<b>97.4</b>		<b>-</b>	<b>97.04</b>

NRF LOSS PREVENTION CONFERENCE & EXPO NEW ORLEANS CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012 www.nrf.com/LP12

LOSS PREVENTION - FISCAL YEAR 2011/2012

Store#	Location Name	Date	Store Opening	Merchandise Security	Safe / Vault	Count Sheets/Diamond Logs	Cycle/Price test	Human Resources/Payroll	Office Forms/Documents/Licenses	Repairs	Rtns	Safe / Vault	Showcase/ Sales Pres.	Store Opening
4115	Aventura	3/1/2011												
4145	Wellington	3/2/2011												
4132	Lincoln Road	3/15/2011												
4157	St. John's	3/21/2011												
4105	Dadeland	3/29/2011												
4159	Rolex	4/5/2011												
4114	Miami International	4/13/2011												
4128	Brandon	4/25/2011												
4134	Southgate	4/26/2011												
4154	Millenia	4/27/2011												
4122	Altamonte	4/28/2011												


NRF LOSS PREVENTION CONFERENCE & EXPO NEW ORLEANS CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012 www.nrf.com/LP12

LOSS PREVENTION - FISCAL YEAR 2011/2012

Store#	Location Name	Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15a	15b	16	17	18	19	
4115	Aventura	3/1/2011	100%																				
4145	Wellington	3/2/2011	96%				X																
4132	Lincoln Road	3/15/2011	93%																				
4157	St. John's	3/21/2011	99%																				
4105	Dadeland	3/29/2011	90%																				
4159	Rolex	4/5/2011	90%																				
4114	Miami International	4/13/2011	100%																				
4128	Brandon	4/25/2011	95%					X															
4134	Southgate	4/26/2011	99%																				
4154	Millenia	4/27/2011	100%																				
4122	Altamonte	4/28/2011	98%																				

Store Opening    Merchandise Security    Safe / Vault    Count Sheets/Diamond Logs



- CCTV
- Count Sheets/Diamond Logs
- Cycle/Price test
- Deposits/Cash Draw
- Human Resources/Payroll
- Layaway/ SO
- Merchandise Receipts/Trans
- Merchandise Security
- Office Forms/Documents/Licenses
- Repairs
- Rtns
- Safe / Vault
- Showcase/ Sales Pres.
- Store Opening




## NRF LOSS PREVENTION CONFERENCE & EXPO

NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012  
EXPO JUNE 20-21, 2012  
[www.nrf.com/LP12](http://www.nrf.com/LP12)

# Hot Topic Inc. LP Audit Programs



## NRF LOSS PREVENTION CONFERENCE & EXPO

NEW ORLEANS  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
[www.nrf.com/LP12](http://www.nrf.com/LP12)

# Store Audit Dashboard

### HOT TOPIC

### 2012 Loss Prevention Audit

### HOT TOPIC

Store:

DM Name:

RLPM Name:

Audited By:

Audit Type:

Date:

Current Shrink %:

Previous Audit:

High Shrink Store:

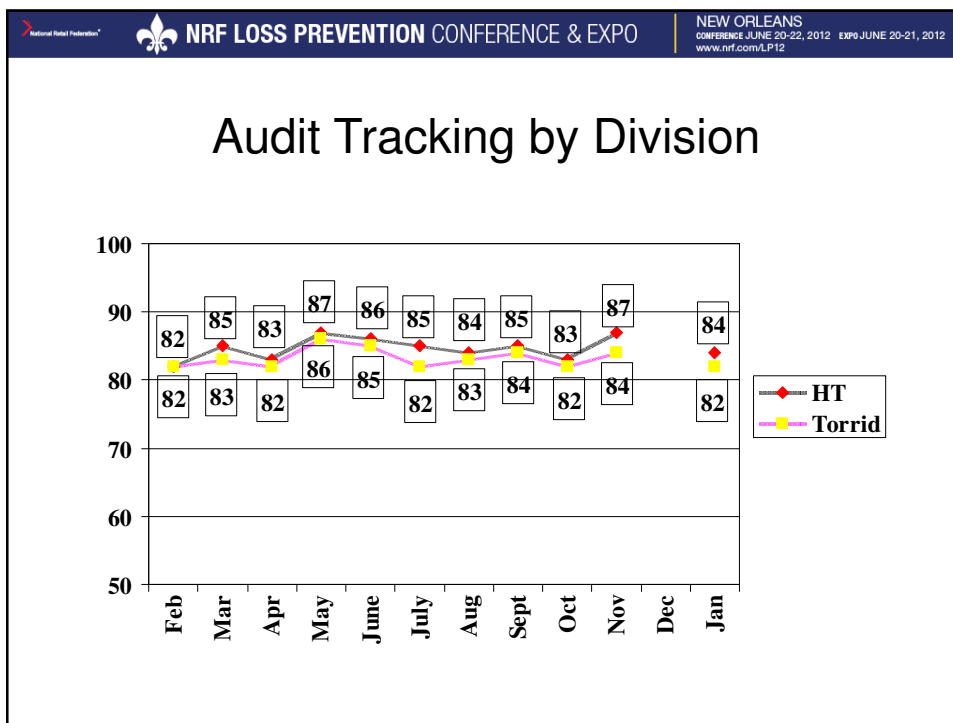
Region:

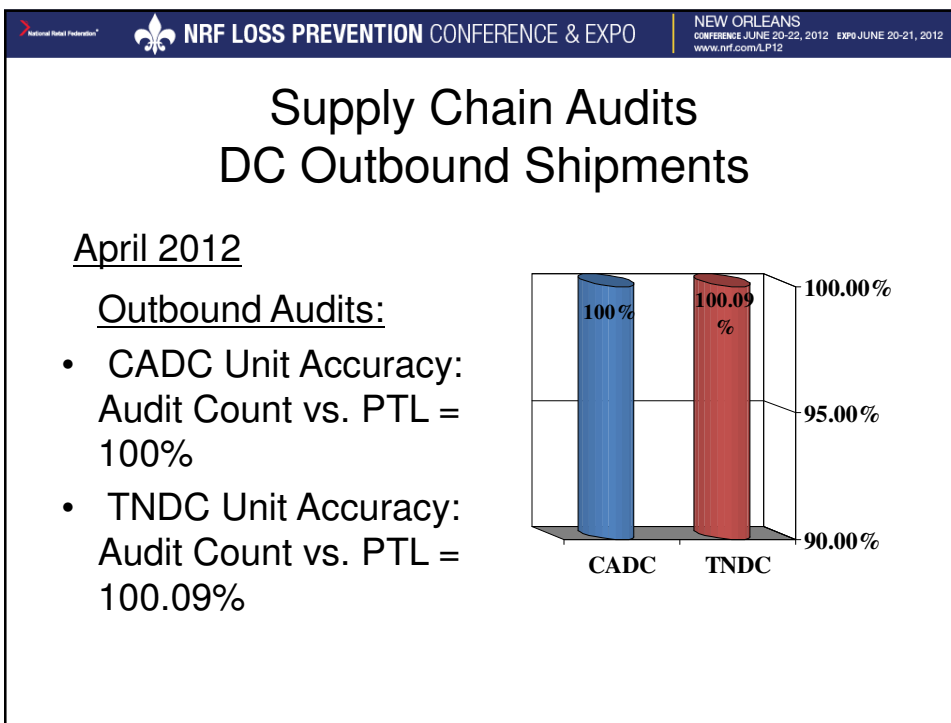
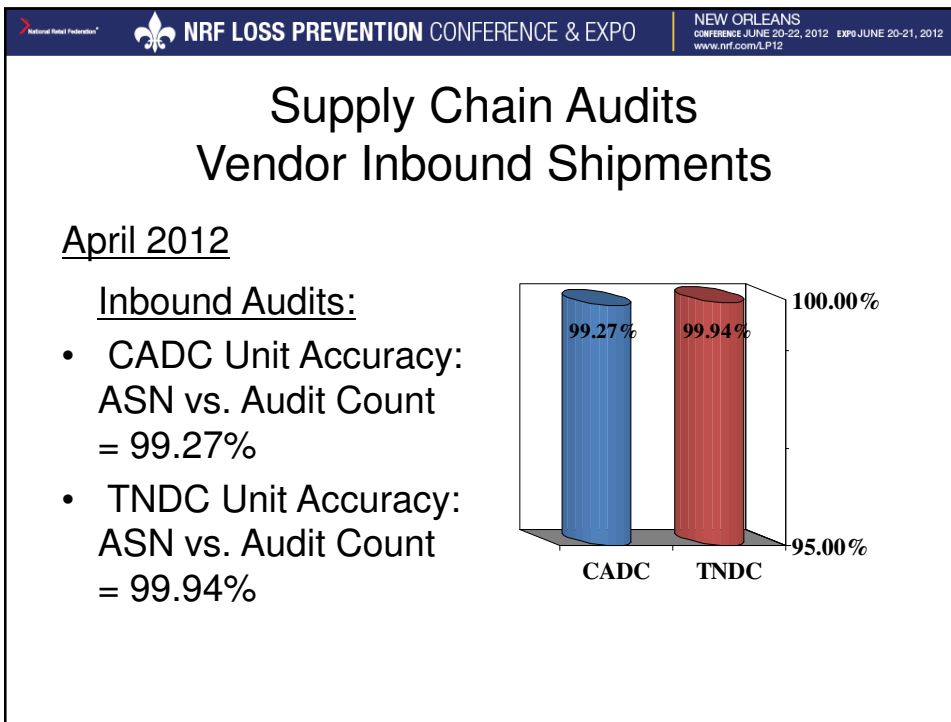
<b>Selling - Customer Service</b>	<b>100%</b>	<div style="background-color: #ccc; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <span style="font-size: 2em; font-weight: bold;">100%</span> </div> <p style="margin: 5px 0;"><b>Final Score</b></p> <p style="font-size: 0.8em; margin: 0;">Note: If audit score is below 80%, an action plan will need to be presented illustrating how we will improve in challenging areas. Follow up audit will be given within 30 days.</p>
<b>Knowledge &amp; Awareness</b>	<b>100%</b>	
<b>Internal</b>	<b>100%</b>	
<b>External</b>	<b>100%</b>	
<b>Cash Handling/Banking Procedures</b>	<b>100%</b>	
<b>Paperwork - Media</b>	<b>100%</b>	
<b>Safety</b>	<b>100%</b>	


National Retail Federation		NRF LOSS PREVENTION CONFERENCE & EXPO					NEW ORLEANS CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012 www.nrf.com/LP12			
<h2>Audit Category Tracking</h2>										
Region	Final Score	Count	Selling - Customer Service	Knowledge & Awareness	Internal	External	Cash Handling	Paperwork - Media	Safety	
Region 1 Average	85%	20	91%	83%	86%	78%	83%	87%	90%	
Region 2 Average	88%	14	88%	86%	86%	89%	86%	89%	91%	
Region 5 Average	88%	15	92%	85%	91%	90%	84%	87%	88%	
Region 6 Average	83%	10	85%	83%	91%	96%	84%	58%	86%	
HT Grand Average	86%	59	89%	84%	89%	88%	84%	80%	89%	

National Retail Federation		NRF LOSS PREVENTION CONFERENCE & EXPO					NEW ORLEANS CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012 www.nrf.com/LP12			
<h2>Tracking by Region/Question</h2>										
HOT TOPIC	FY2011 Compliance by Percent							2011 Loss Prevention Audit		
	# of Audits	1570	269	284	271	268	232	246	Weight	Missed Previous
	Total	R1	R2	R3	R4	R5	R6			
Are all customers greeted within 60 seconds?	92%	81%	94%	99%	98%	91%	88%	5	Y/N	

Safety		Pass	Scope / Points	Findings and Recommendations	Missed Previous	Rating
42	Is the store properly following ADA guidelines? Is required signage properly posted?		(1 Point)			0
43	Is the Fire Extinguisher properly labeled, located, and inspection current?		(1 Point)			0
44	Is the store maintaining a properly stocked First Aid Kit and Bloodborne Pathogen Kit?		(1 Point)			0
45	Is the store current with all required OSHA and Safety Posters?		(1 Point)			0
46	Are ladders being used and stored properly?		(1 Point)			0
47	Are objects (I.E. fixtures, ladders, etc.) that can be a safety hazard to associates and/or customers used properly?		(1 Point)			0
48	Are emergency exits & electrical panel free & clear of obstacles?		(1 Point)			0






 **NRF LOSS PREVENTION CONFERENCE & EXPO** **NEW ORLEANS**  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
[www.nrf.com/LP12](http://www.nrf.com/LP12)

## Audit Accountability

### DM Expectations

- Quarterly audit in each store
- Follow-up audit in 60 days for scores <80%
- Verbal discussion/accountability & Action Plan for scores <80%
- Audits submitted by end of next business day to LP/RD
- District pass rate at 80% or above
- Accountability for results
  - District average score below 80% = performance discussion/verbal warning with action plan. 2nd audit below 80% = written documentation. District roll-up averages are completed/distributed Quarterly.

 **NRF LOSS PREVENTION CONFERENCE & EXPO** **NEW ORLEANS**  
CONFERENCE JUNE 20-22, 2012 EXPO JUNE 20-21, 2012  
[www.nrf.com/LP12](http://www.nrf.com/LP12)

## Audit Accountability

### DM Expectations

- Accountability for results
  - District average score below 80% = performance discussion & verbal warning with action plan
  - 2nd audit below 80% = written documentation
  - District roll-up averages are completed/distributed quarterly

Region	Final Score	Count
Region 1 Average	81%	39
Region 2 Average	91%	25
Region 3 Average	85%	6
Region 4 Average	88%	21
Region 5 Average	80%	32
Region 6 Average	84%	48
HT Grand Average	84%	171

**Thank You!**

<p style="text-align: center;"><b>Bill Lane</b>            Birks &amp; Mayors  <a href="mailto:blane@birksandmayors.com">blane@birksandmayors.com</a>            (954)590-9449</p>	<p style="text-align: center;"><b>Tim Manos</b>            Hot Topic Inc.  <a href="mailto:tmanos@hottopic.com">tmanos@hottopic.com</a>            (626)839-4681</p>
--	--