

Defining Your Core Competency

Is Your Internal Audit Program As Good As Your Customer Service?

\$5.00

Internal audit departments, by their very nature and by the dynamics of most C-store organizations, frequently struggle to find the right balance. With the hassles of juggling staff and allocating resource support, it is a huge challenge to maintain a first class internal audit program.

Sure, these are pretty strong words. So consider the following:

- When auditors are recruited from outside the organization it is difficult to find people with experience who will fit with the culture and job expectations. The internal audit department may be competing with store operations for the same pool of qualified candidates.
- It is hard enough to find good auditors, but often harder to keep them. Sharp auditors frequently are plucked from their positions by operations personnel who cannot resist making them store managers or supervisors.
- Assuming the worst performers leave the organization (one way or another), the result can be a mediocre audit program.

This happens everywhere, whether a company has 20 stores or 2000 stores. So ask yourself . . .



*What do any of these actions have to do with serving customers? . . .
But, isn't this what virtually every C-store organization says it does best?*

So . . . why would you want to create an organizational hierarchy outside of that core expertise?!

Here are a few more issues to mull over:

1. When was the last time you considered or ran a pilot project to test outsourcing?
2. Are you currently operating on old business models in an industry that is changing?
3. Was the service you tried unable or unwilling to provide additional services and value beyond simple merchandise counts?
4. Did the service you tried understand the convenience store business and your unique expectations or needs?

INSIGHTS!

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The Added Value Of Internal Auditors Becomes Diluted

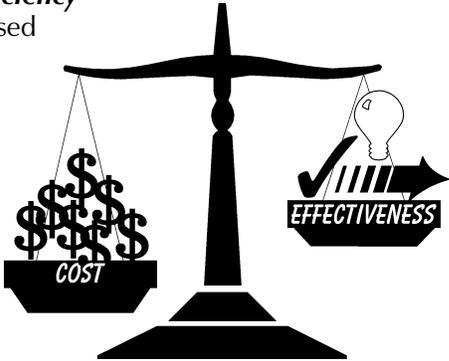
Internal auditors often cite schedule flexibility, task flexibility, assured quality, and accountability as value-adds. Unfortunately, costs for those value-adds are huge - but often hidden. Two examples:

- **Less Focus = Increased Cost**

Internal auditors cost you more money because they are asked to do everything from train store managers to help Accounting. This "mission creep" means loss of focus and quality.

- **Less Accountability = Less Efficiency**

Accountability becomes compromised when audit departments lose focus and take on operational and accounting responsibilities. Lack of clear accountability decreases efficiency and increases costs.



We Practice What We Preach!

Quantum Services strongly believes in outsourcing non-core tasks we *could* perform in house. Specialized training and development programs, management of a fleet of more than 70 company cars, forms production and supply, marketing, public relations and some accounting – ALL are handled for us by outside firms that specialize in those areas. Why? Because those functions are not part of Quantum Services' core competency.

The Bottom Line

If you want total control, if you want to be able to assign any task to any auditor at any time, and you don't care about cost or quality, then there is a single choice – stay with your internal audit program. Outsourcing, however, increases quality audits, ensures accountability, reduces overall cost, and enables you to focus on your profit-making core competency – serving C-store customers.

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Quantum Services

Quantum develops industry **ALERTS!, INSIGHTS!, REPORTS!, TIP SHEETS!** and **TRAINING** materials with the goal of helping operators increase their profits and performance.

Quantum is the largest company of its type in the world providing audit/inventory services *exclusively* for convenience and petroleum stores.

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Thank you.