



Controls to Help Reduce Theft by Vendors

\$5.00

Dishonest vendors steal in a variety of ways. This "tip sheet" will help you address the most common techniques used by delivery persons. For more comprehensive information and free copies of training materials, see their information at the end of this publication.

"Vendor shrink" is one of the key pathways by which profits are lost. Dishonest delivery people have many, many ways to distract and manipulate store managers and clerks. Store managers who are lax about following proper check-in procedures provide dishonest vendors with an invitation to steal.

Vendor-related theft typically occurs when store managers:

- sign for more merchandise than is delivered.
- sign for merchandise that was never received.
- accept invoices that are not correct.

Dishonest delivery people have a variety of ways to make the above happen. Thus, following proper check-in procedures is the only way to reduce vendor-related shrink.

What You Can Do:

Here are a few suggestions to help keep your shrink low, and your profits high:

- Only the store manager or someone trained to receive deliveries should be allowed to check in merchandise.
- Check in vendors in a neutral area away from where their product is displayed.
- Insist that the entire order be checked in at one time. (Don't allow them to go back and forth to their delivery vehicle once you've started the check-in process.)
- Deliveries should be made only through the front door. Merchandise should be taken directly to the designated, neutral check-in area.
- Insist that delivery people adhere to a schedule of posted hours. (Be sure to avoid delivery times when the store is busy with customers.)
- Allow only one vendor in the store at a time. (Others must wait until it is their turn.)

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Quantum Services

Quantum Services, headquartered in Columbus, Ohio, has performed more than 1,500,000 c-store audits since the firm was founded -- and serves the c-store industry *exclusively*. Quantum's audits and inventories are backed by in-depth knowledge about store level operations to help operators and store managers rapidly improve profits and performance.

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TIP SHEETS!

- Delivery persons should sign a delivery log book.
- Pay close attention to invoices:
 - All invoices must have an item description for the merchandise delivered.
 - All invoices must list unit costs.
 - All invoices must be correctly extended and totalled.
 - All invoices must be kept in the store manager's possession throughout the check-in and after completing the check-in.
 - A completed invoice is to be presented with the merchandise, prior to the count of the merchandise.
 - The store manager must be satisfied that the received invoice equals the invoice amount. Then and only then should the store manager sign the invoice. Be sure to check each copy you sign to make sure that each is the same as the delivery.
 - The original invoice is to be retained by the store until it is mailed to the accounting department. Invoices, credit tickets, and store stamps are to be kept in a secure place.
- The store manager/receiver should check inside all boxes and containers. The delivery person should assist in opening and moving the delivery.
- Do not allow the delivery person to count the merchandise or hold the invoice.
- Merchandise for credit is to be handled separately, but in the same manner as deliveries—and before fresh merchandise is brought into the store.
- If the vendor removes trash or empty boxes from the store, check the trash for merchandise. All trash should go into the store's trash area.
- The best delivery people are professionals and should be treated as such. Deals and favors should not be expected or asked for.
- All price changes and promotions are to be presented in writing from the distributor or wholesaler.
- Variations from the receiving procedure should only be permitted with prior approval.

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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.

Please do not photocopy these materials. They are intended for individual use. Call Quantum Services at 1-800-777-9414 for your personal copy or multiple copies.

Thank you.

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