

High shrinkage level at Magasin du Nord

StoreVision solution diminished the Magasin's shrinkage level – of an average of 1.2% of the annual sales turnover.

BUSINESS CHALLENGE

Magasin Du Nord (known simply as Magasin) is the biggest chain of department stores in Denmark. Magasin has stores in Kongens Nytorv and Fields (in Copenhagen), Lyngby, Rødovre, Odense and Aarhus.

The group has more than 1.200 full-time employees, approximately 20.000.000 transactions annually and had the financial year 09/10 revenues of 1.9 Billion kroner.

Back in 2006 Magasin was registering high shrinkage numbers which the Security Department wanted to take action upon right away.

STOREVISION SOLUTION

Magasin needed a solution that would enable its Security team to work more efficiently and succeed in registering a decrease in shrinkage overall its stores.

Magasin has started implementing StoreCtrl in June 2006 in its biggest store (Kongens Nytorv) and by November 2006 all the other stores were using StoreVision system. StoreVision system becomes a part of the tools used by Magasin to minimize shrinkage (beside Security Guards, EAS, CCTV and Auditing).

StoreCtrl helps Magasin's management to recognize and rectify the occurrence of transaction losses since 2006.

StoreVision is an advanced data mining system combining POS data and CCTV video surveillance. StoreCtrl's unique quality is that it can target the analysis of the data by means of numerous sorting filters. This enables the auditors to focus on transactions which, based on experience, represent the highest risk of fraud.

Magasin

Customer: Magasin Du Nord.

Country: Denmark.

Business: Department Stores (total of 6).

Issue: High shrinkage level and inexplicit clerk and store procedure.

StoreVision Solution: StoreCtrl + Viewlog

“By implementing StoreCtrl, we have been able to free resources normally used on internal fraud and let our audit-team focus on other areas”, says Lasse L. Mohrsen, Internal Auditor at Magasin.

“I now handle all the cases by myself due to the fact that StoreVision finds the cases, prepare them and deliver useful documentation for the police and further actions. Some of the cases that I receive I can close right away, many of them will result in warnings or change of procedures and then of course we end up with some fired staff members”.

“Our past experience has shown that the StoreVision system not only serves as a shrinkage reduction solution for Magasin. Besides the solved cases, the system also has a preventive effect, while it also helps to improve working processes, increase cash register output, and quality management in general.”

TAILOR-MADE FILTERS

The StoreCtrl system had originally 29 standard filters, which could be combined to make the search more effective. In co-operation with Magasin, some advanced filters have been created, for example a filter to identify time of purchase for a refunded item. All in all, about 20 advanced filters have been created based on requests from Magasin.

“The system is highly flexible when it comes to creating new filters, and the only limitations are the features registered in the POS system”, says Lasse L. Mohrsen, Internal Auditor at Magasin.

“I find it very useful that programming of new filters adjusted for our stores is done as soon as we find new types of fraud. This ongoing development of the search filters is very important to us. We truly benefit from their ability to adjust and develop new filters within days from our request.”

“We also use and refer to StoreVision whenever possible. Staff is always informed about solved cases and the fact that StoreVision found the dishonest staff members. Training programs for our staff members contains material from StoreVision and we use StoreVision cases to correct misunderstood procedures all the time.”

RESULTS

The StoreVision system proved to be the most appropriate solution on the market to solve Magasin's challenge. It's most important benefits are:

- Clear clerk & store procedure.
- Disclosure of credit card abuse.
- Disclosure of theft and fraud.
- Prevention of future dishonesty by employees.
- Relieving honest employees.
- Clearing up customer complains.
- Full proof cases – can be used in employee confrontation and/or court appearance.
- Capability of interfacing with all legacy POS system and compatible with all analogue cameras and most IP cameras.