# Cargo theft in Brazil: Nature and space-time trends

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# Cargo theft: definition

*"Cargo theft is a subtraction of* **goods for resale** *when they are being* **transported**"
*(Brazilian penal code, 2015)*

# Motivation

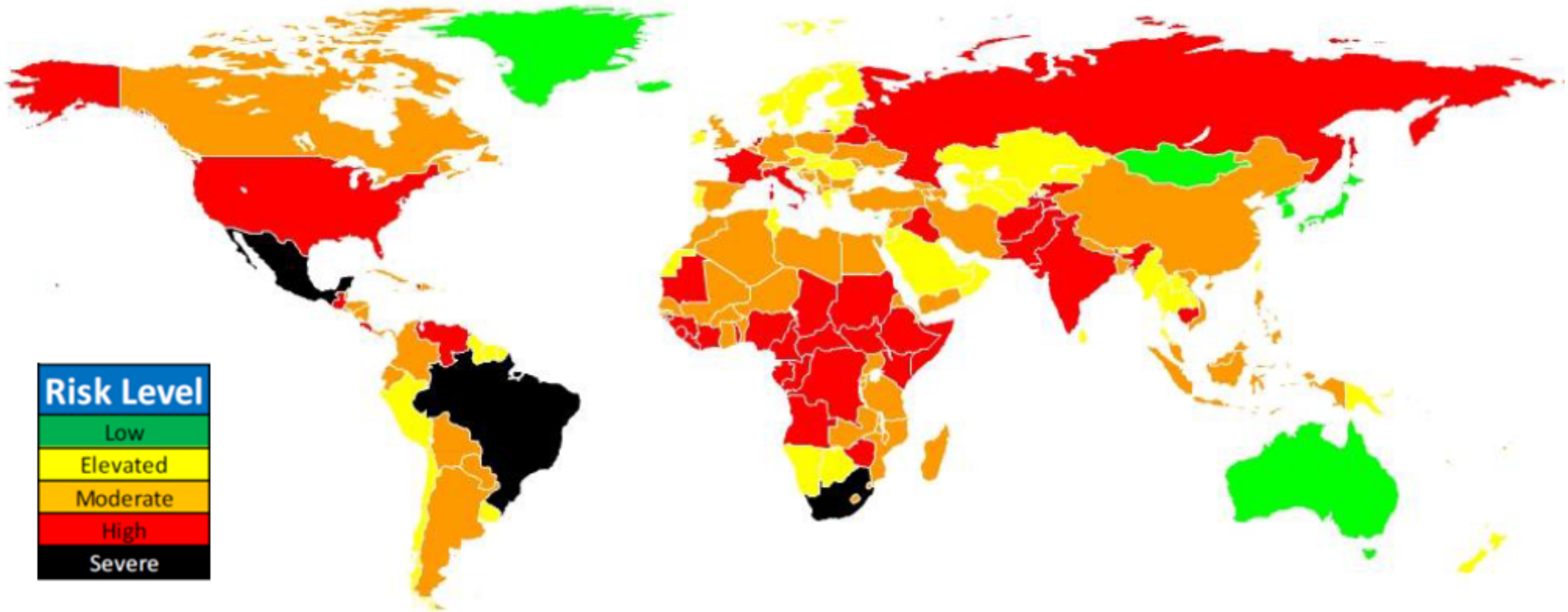


Figure: Global heat map for theft cargo risk
Source: 2013 Global Cargo Theft Threat Assessment

# Motivation

1. Cargo theft is a **big problem** throughout the world.

# Motivation

2. Many countries have shown a **continuously increase** over time in cargo theft.

# Motivation

3. Brazil presents the **highest risk** to cargo security in the world.

# Previous studies

Despite the gravity, **little is reported** about cargo theft in international literature.

# Main objective

The main objective is to analyze the **nature** of cargo theft, and the recent **space-time trends** in São Paulo state.

# Framing the case study

Why the state of São Paulo?

# Framing the case study

1. Cross-section data and long time series are not available for carrying out a nation-wide study.

# Framing the case study

2. There are monthly and quartely time series for state of São Paulo from 2006 to 2016.

# Framing the case study

3. São Paulo is one of the most cargo targeted states of the country.

# Framing the case study

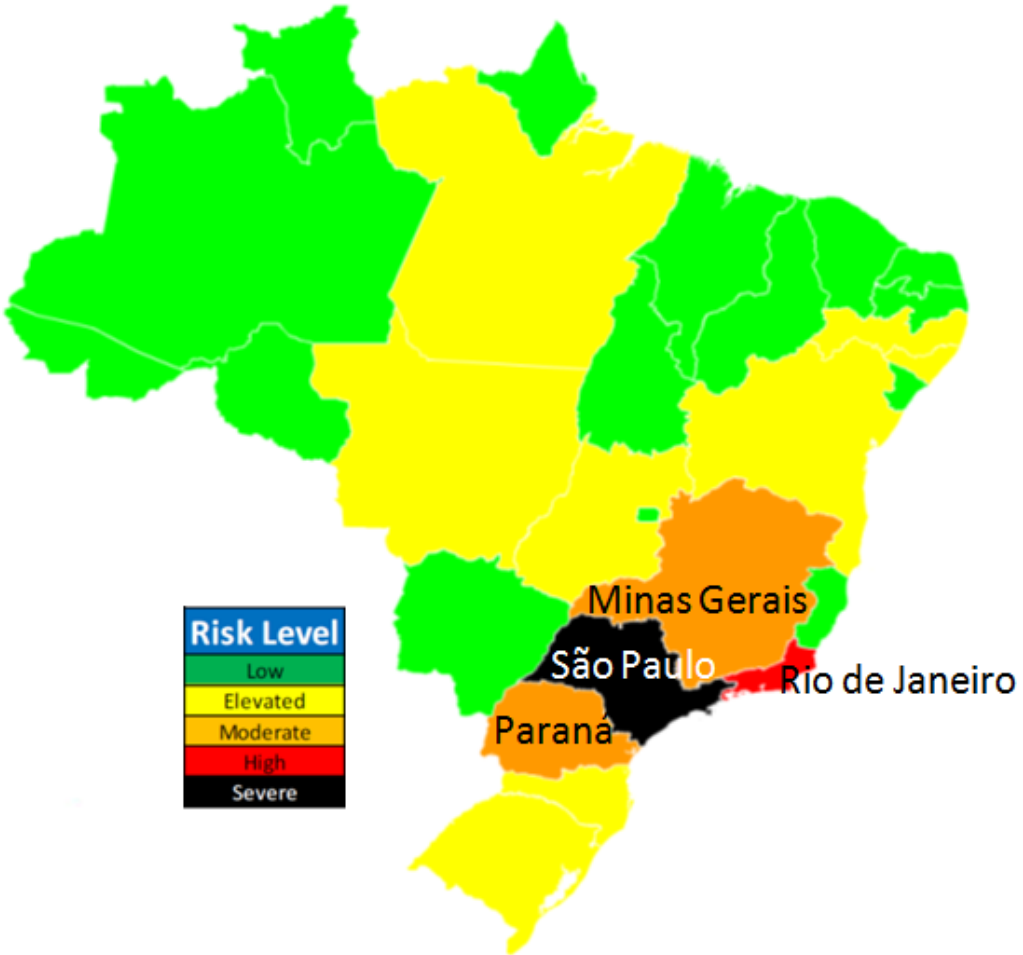


Figure: Brazilian states heat map for theft cargo risk
Source: 2013 Global Cargo Theft Threat Assessment

# Framing the case study

São Paulo is the namesake of a:

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São Paulo is the namesake of a:

- State (645 cities).
- Metropolitan area (**The Greater São Paulo** – 39 cites including the state capital).
- City (the **state capital**).

# The study area

Figure: State of São Paulo (pink), The Greater São Paulo (red) and São Paulo city (green)

# The study area

Figure: São Paulo road map

# The study area

Figure: Dom Pedro I highway, Campinas, SP-Brazil

# The nature of cargo theft

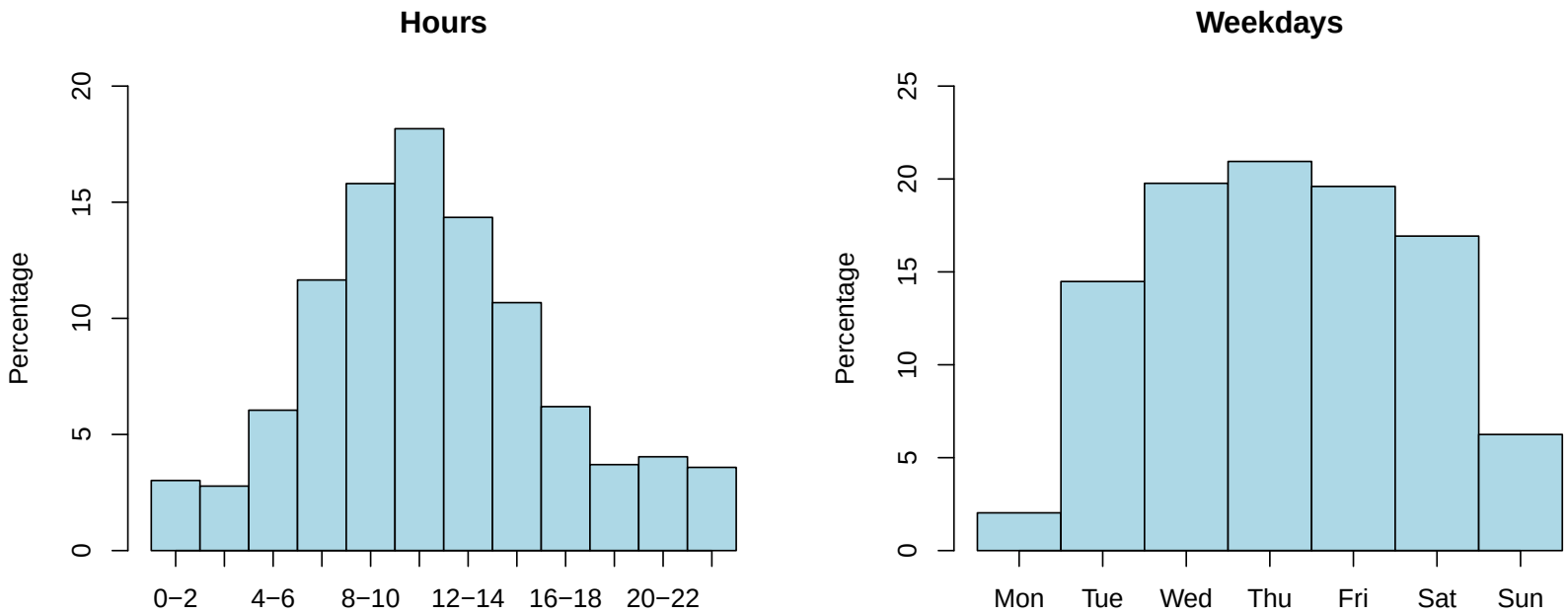


Figure: % of cargo theft in the state of SP, 2006-2011
Source: Prepared by authors from FETCESP data

1. 6 a.m. – 6 p.m. $\approx$ 75%

# The nature of cargo theft

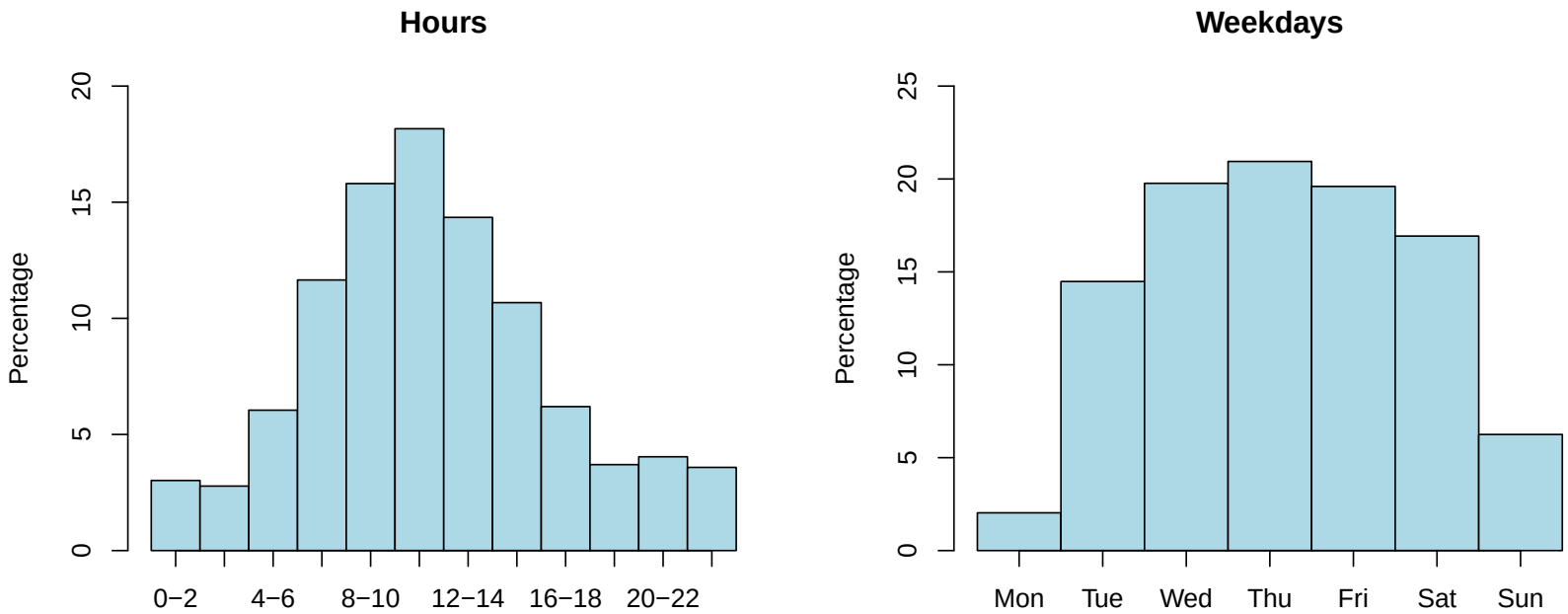


Figure: % of cargo theft in the state of SP, 2006-2011
Source: Prepared by authors from FETCESP data

1. 6 a.m. – 6 p.m. $\approx$ 75%
2. Tuesday – Thursday $\approx$ 60%

# The nature of cargo theft

Targets: "**hot products**" (high-technology goods with a high black market value)

# “Hot products”

# “Hot products”

# “Hot products”

# “Hot products”

# The nature of cargo theft

About 70% of cargo theft results in **express kidnapping** of the driver.

# The nature of cargo theft

Cargo theft are mostly characterized by frequent use of **guns**.

# The nature of cargo theft

Cargo theft are mostly characterized by frequent use of **severe violence**.

# The geography of cargo theft

**17,852** thefts cargo occurred only in 2015.

# The geography of cargo theft

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1. São Paulo = 47.5%.

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1. São Paulo = 47.5%.
2. Rio de Janeiro = 40.5%.

# The geography of cargo theft

**17,852** thefts cargo occurred only in 2015. The top three states were:

1. São Paulo = 47.5%.
2. Rio de Janeiro = 40.5%.
3. Minas Gerais = 3.4%.

# Evidence

About **91%** of cargo thefts occurred in southeast.

# Question

Why is there a cluster in cargo theft arond the southeast region?

# Question

Why is there a cluster in cargo theft arond the southeast region? Why the SP, Rio and Minas Gerais are the top three states?

# Potential causes

1. Southeast is the richest Brazilian region.

# Potential causes

1. Southeast is the richest Brazilian region.
2. The three states are places where the greatest cargo on Brazilian highways circulates.

# Evidence

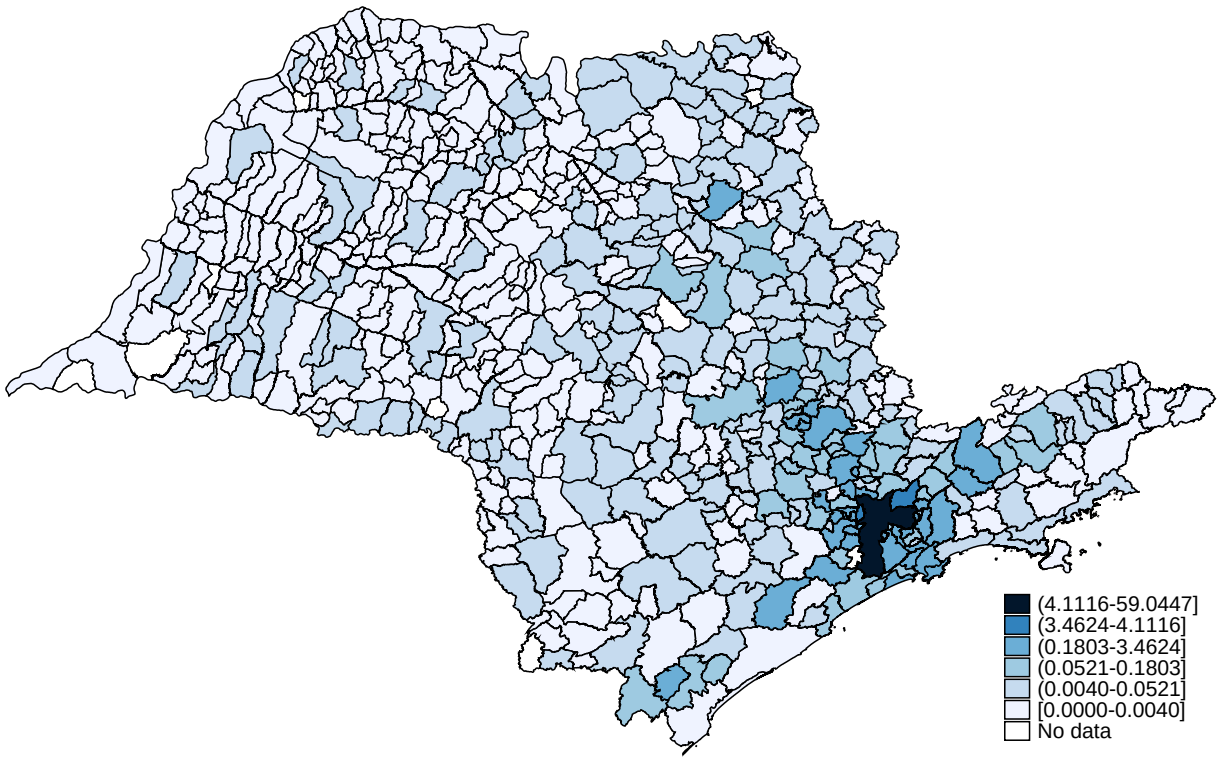



Figure: % of cargo theft in São Paulo, 2013-2015
Source: Prepared used SINESP data

1. **São Paulo city** = 59%

# Evidence

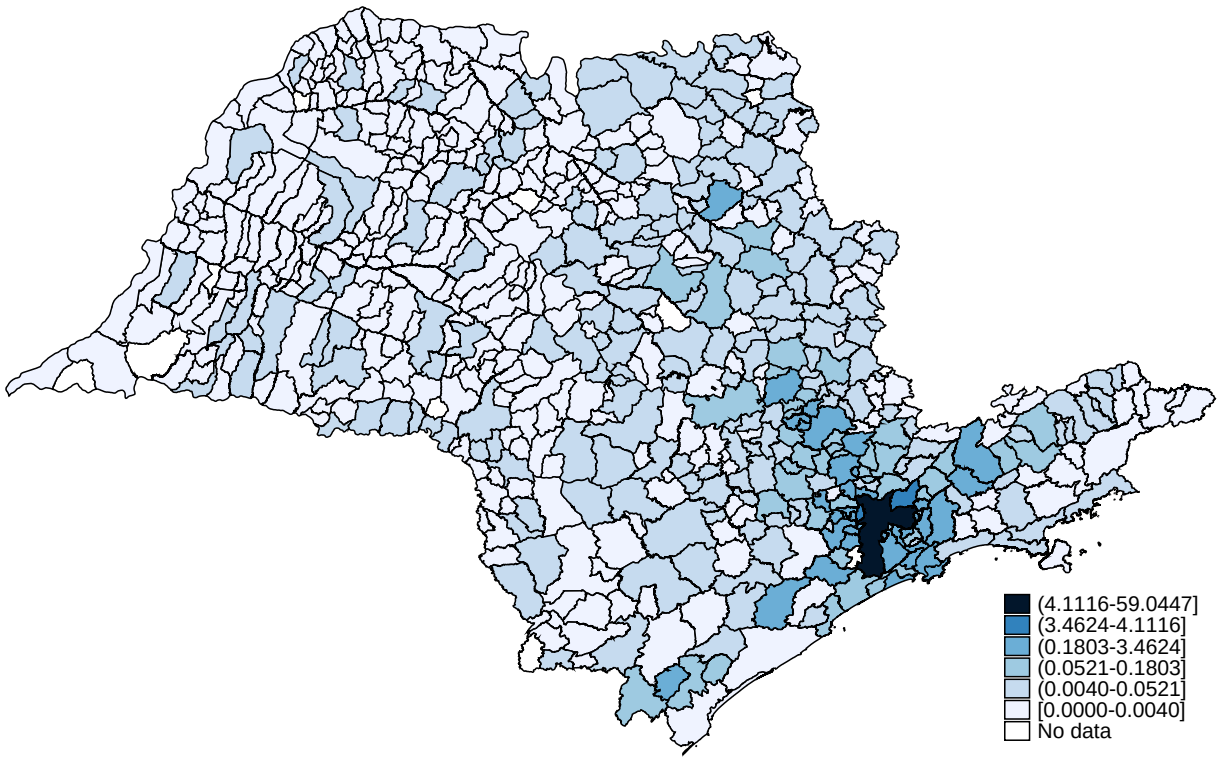



Figure: % of cargo theft in São Paulo, 2013-2015
Source: Prepared used SINESP data

1. **São Paulo city** = 59%
2. **GSP** (including SP city) = 77.4%

# Evidence

There is a **cluster of cargo theft** around the São Paulo city.

# Temporal trends in cargo theft

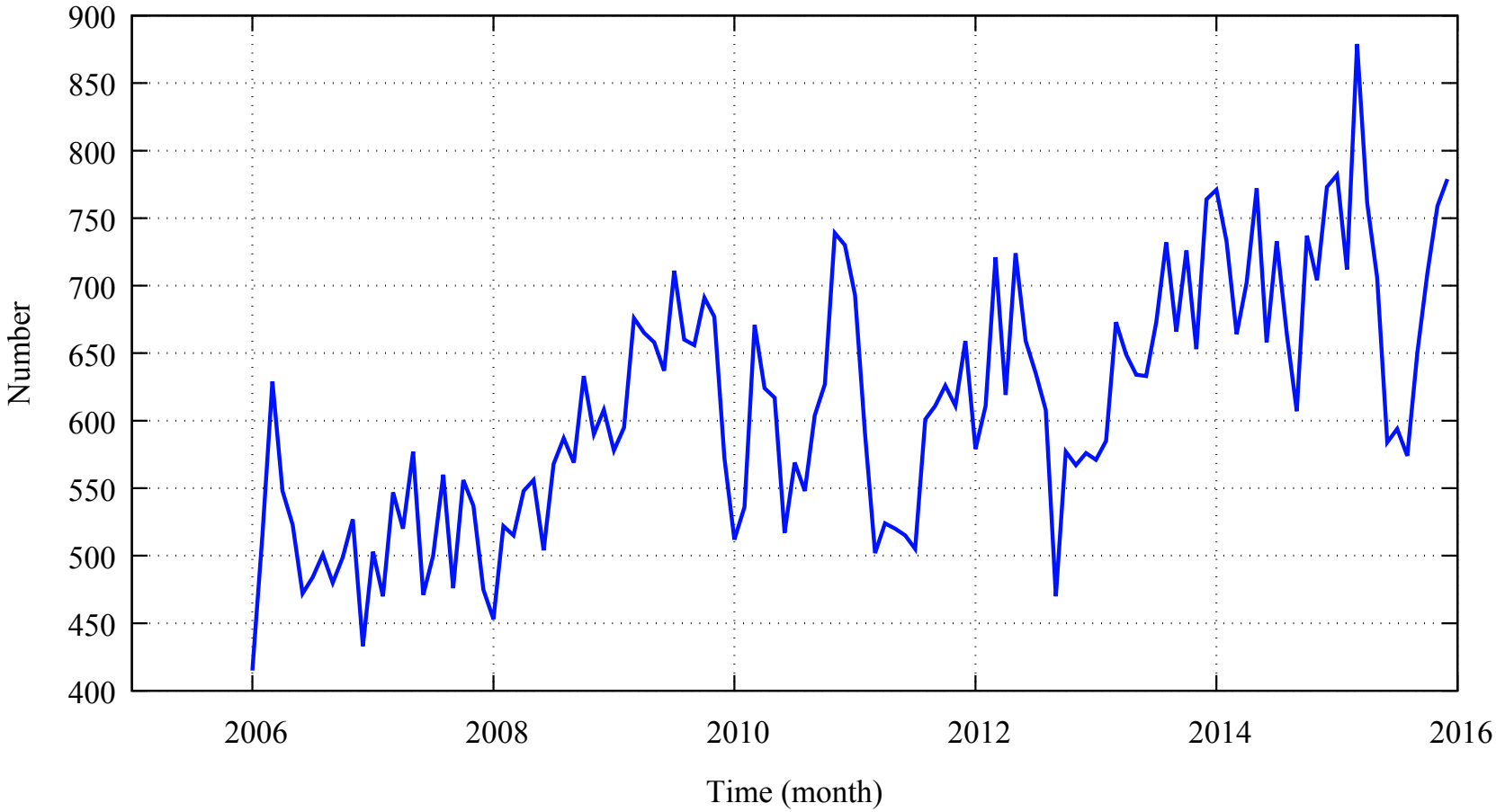



Figure: Number of cargo theft reported in state of São Paulo from 2006-Jan to 2015-Dec

Source: Prepared by authors using data from FETCESP and SSP-SP

# Evidence

1. There is a **seasonal component** in time series of cargo theft (Mar-May and Oct-Dec).

# Evidence

2. Cargo theft falls during the months after Christmas, reflecting the lower demand for goods (**Post-Christmas hypothesis**).

# Evidence

3. There are outliers and structural change between 2006 and 2016.

# Temporal trends in cargo theft

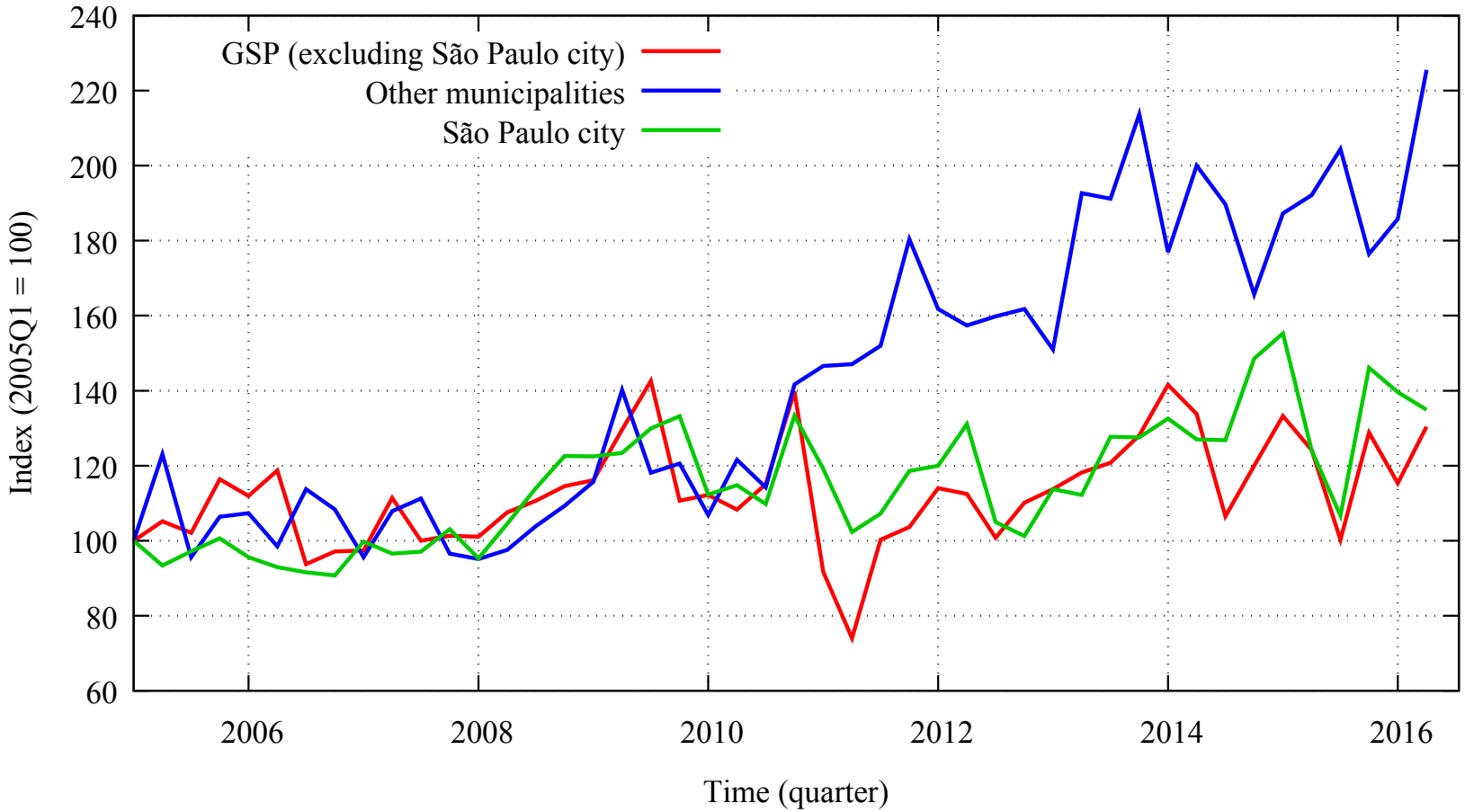



Figure: Index of cargo theft reported in the state of São Paulo from 2005$Q1$ to 2016$Q2$ (2005$Q1 = 100$)

Source: Prepared by authors from SSP-SP data

# Temporal trends in cargo theft

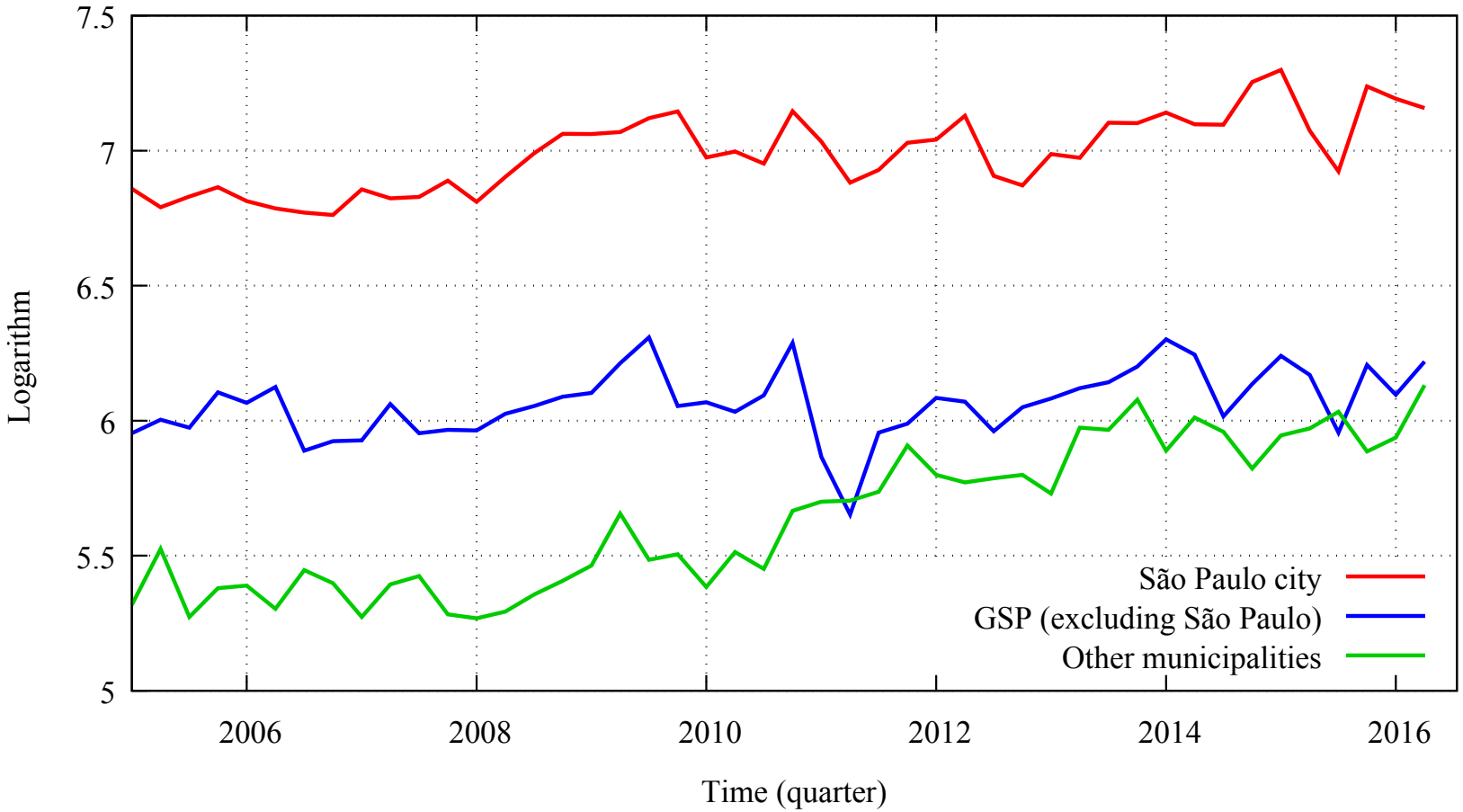



Figure: Logarithm of number of cargo theft reported in the state of São Paulo from 2005$Q1$ to 2016$Q2$

Source: Prepared by authors from SSP-SP data

# Evidence

A **convergence** in the number of cargo theft between metropolitan and non-metropolitan areas in the last years.

# Question

What is the cause/causes of this fact?

# Question

What is the cause/causes of this fact? In others words, why was the growth rate of cargo theft higher in the non-metropolitan areas?

# A first step

Figure: Departments of Judicial Police of São Paulo of the non-metropolitan areas (DEINTER)

Source: Prepared by authors from SSP-SP data

# A first step

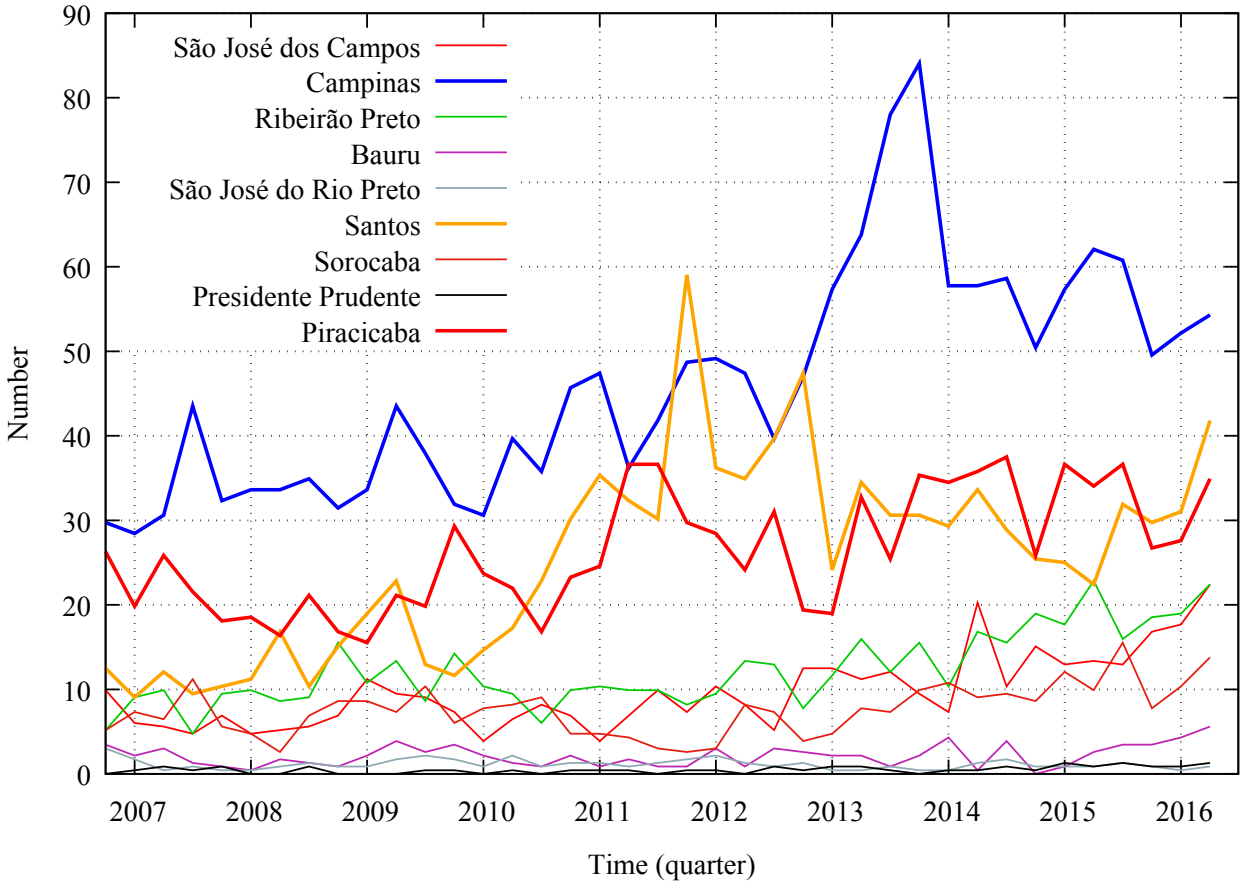
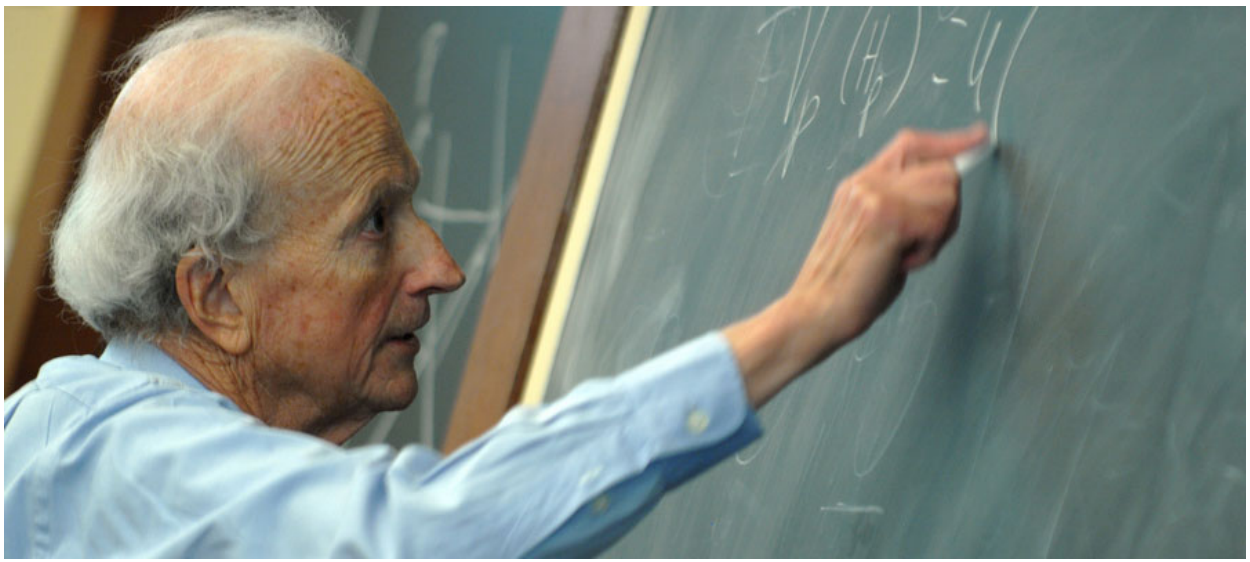



Figure: Number of cargo theft reported in nine police divisions composed of 606 non-metropolitan municipalities from 2006$Q3$ to 2016$Q2$

Source: Prepared by authors from SSP-SP data

# Potential causes of the convergence

The **economic theory** proposed by Gary Becker (1968) can help in providing an answer



# Potential causes of the convergence

The choice of location to commit crime depends on two factors:

# Potential causes of the convergence

The choice of location to commit crime depends on two factors:

1. Monetary return from crime;

# Potential causes of the convergence

The choice of location to commit crime depends on two factors:

1. Monetary return from crime; and
2. risk of failure.

# Potential causes of the convergence

Assuming **perfect mobility** between metropolitan and non-metropolitan areas, we alleged hypotheses:

# Hypotheses

H1. **Less risk** – The risk of failure of theft operations in the GSP increased more than in others areas.

# Hypotheses

H2. **More opportunities** – A higher cargo circulation on the state's highway.

# Hypotheses

H3. **More opportunities** and **less risk** in non-metropolitan areas.

# Looking ahead

Further studies are essential particularly to **empirically test** our hypotheses alleged when more detailed data are available.

# Thank for watching

# Thank for watching

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# Strategies to Prevent Crime and Retail Loss

Walmart Central America

September 2016

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CAM Overview

Crime and Shrink

Developing and AP Framework

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Key Concepts

# CENTRAL AMERICA

A quick overview to our region

Video

# Central America

**5** Countries,

**5** realities

# Quick facts about the region

**42M**

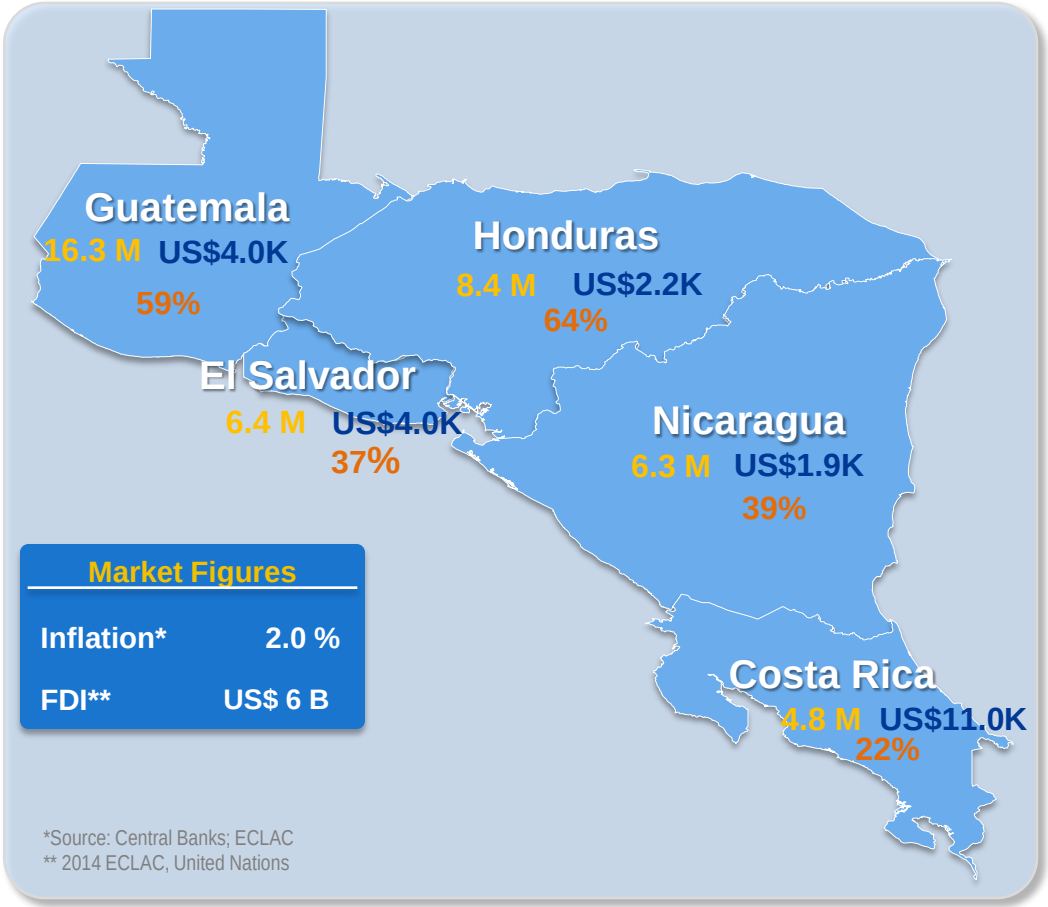
**inhabitants**

**US$ 4.6K**

**GDP per capita***

**44%**

**low-income population****




*Source: Central Banks; ECLAC
** 2014 ECLAC, United Nations

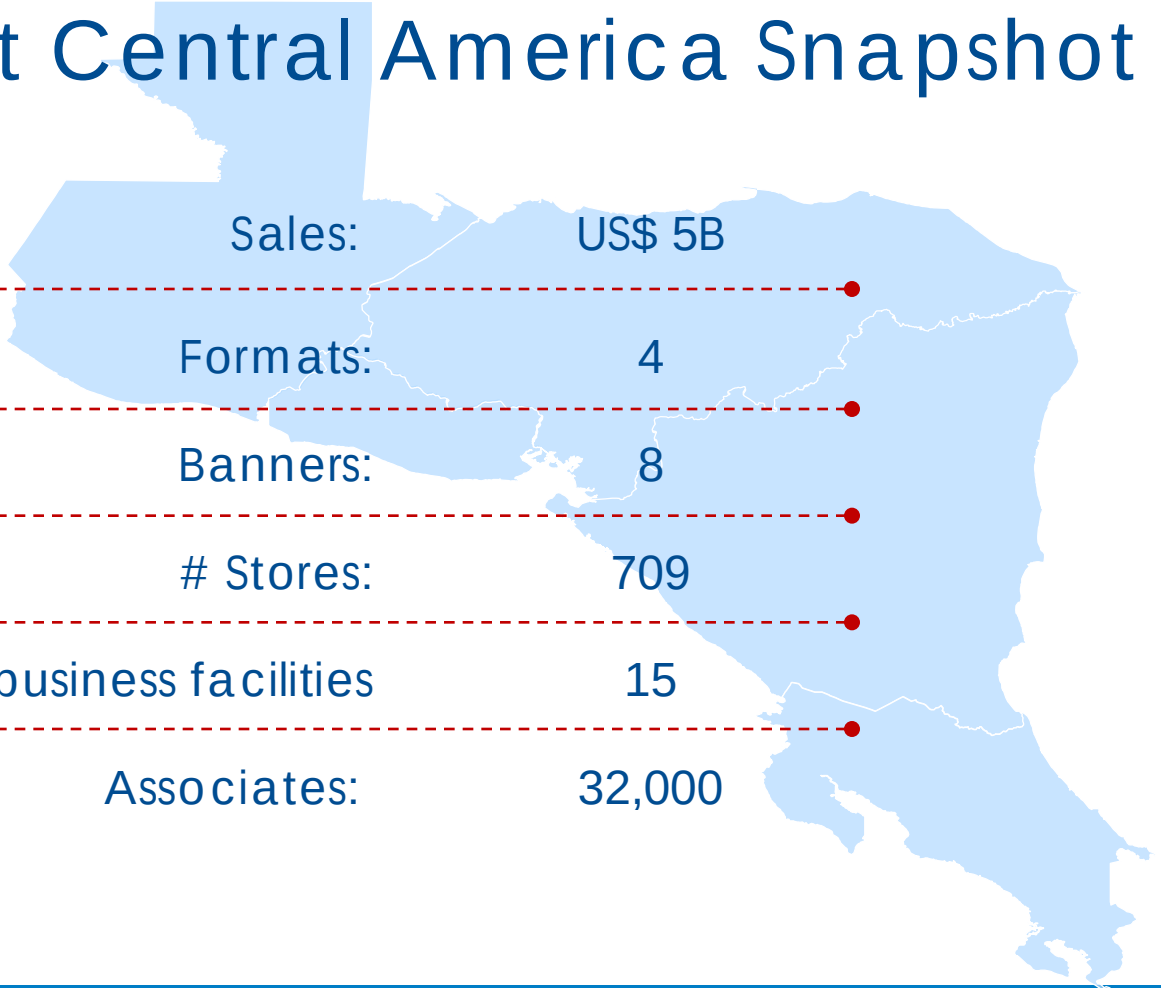
# Challenging context

- 2017-2020
  - A new President every year
  - Short election cycles
  - Fragmented political landscape

- Exposed Region
  - Weak criminal justice institutions
  - Remarkable inequality
  - Water management
  - Natural Disasters
  - Corruption and Governance

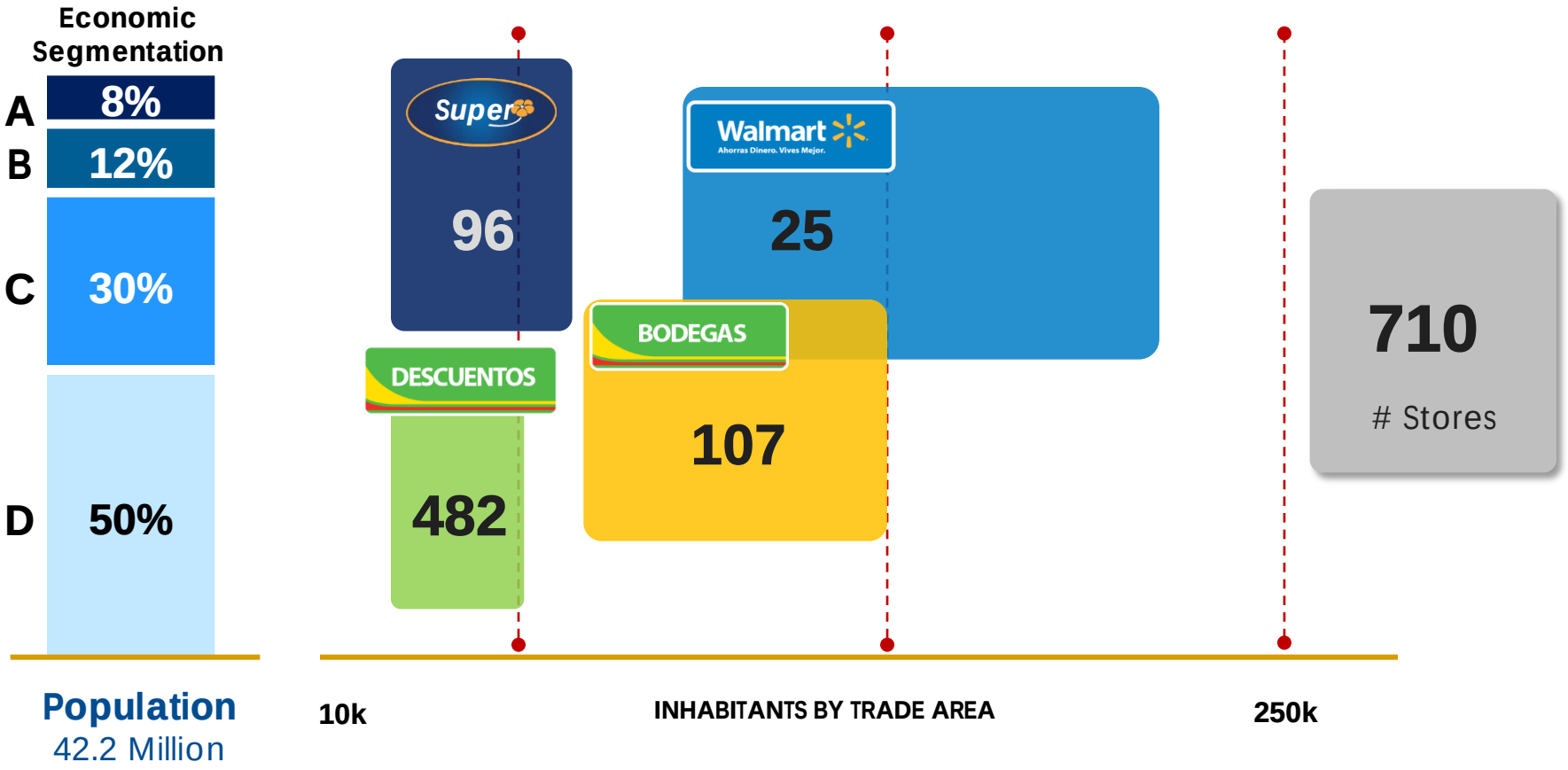
- Security & the cost of doing business
  - Drug Bridge
  - Gangs extortion, drug trafficking, smuggling,

# Walmart Central America Snapshot



| | |
|---|---|
| Sales: | US$ 5B |
| Formats: | 4 |
| Banners: | 8 |
| # Stores: | 709 |
| Agribusiness facilities | 15 |
| Associates: | 32,000 |

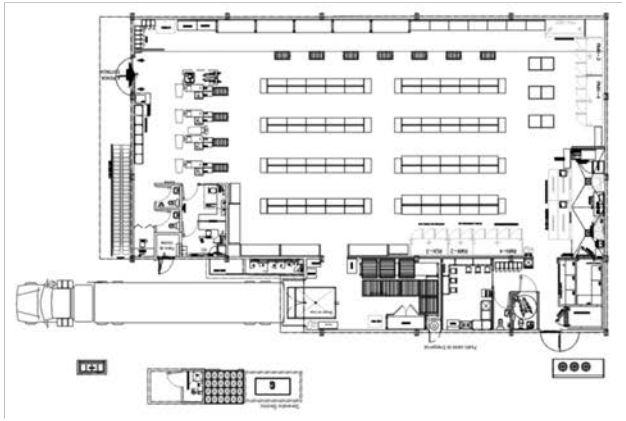
# Multi-Format Strategy






Walmart Centroamérica

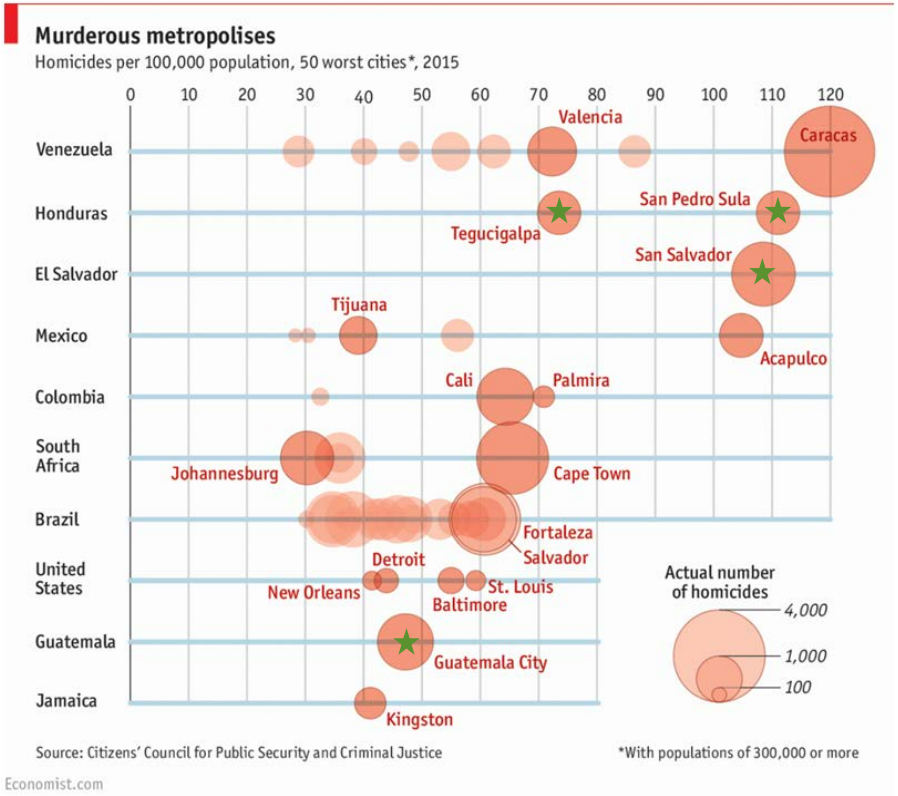
# Walmart Central America Snapshot

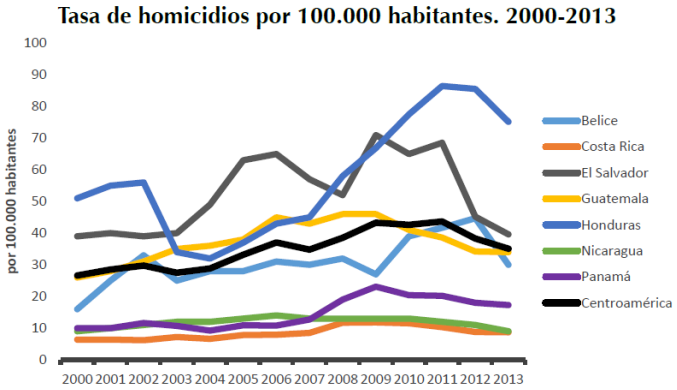


# CRIME & TOTAL LOSS FIGURES

A brief market comparison

# Serving the most murderous cities




Fuente: Organismo encargado de asuntos policiales y/o judiciales en cada país y Banco Mundial.

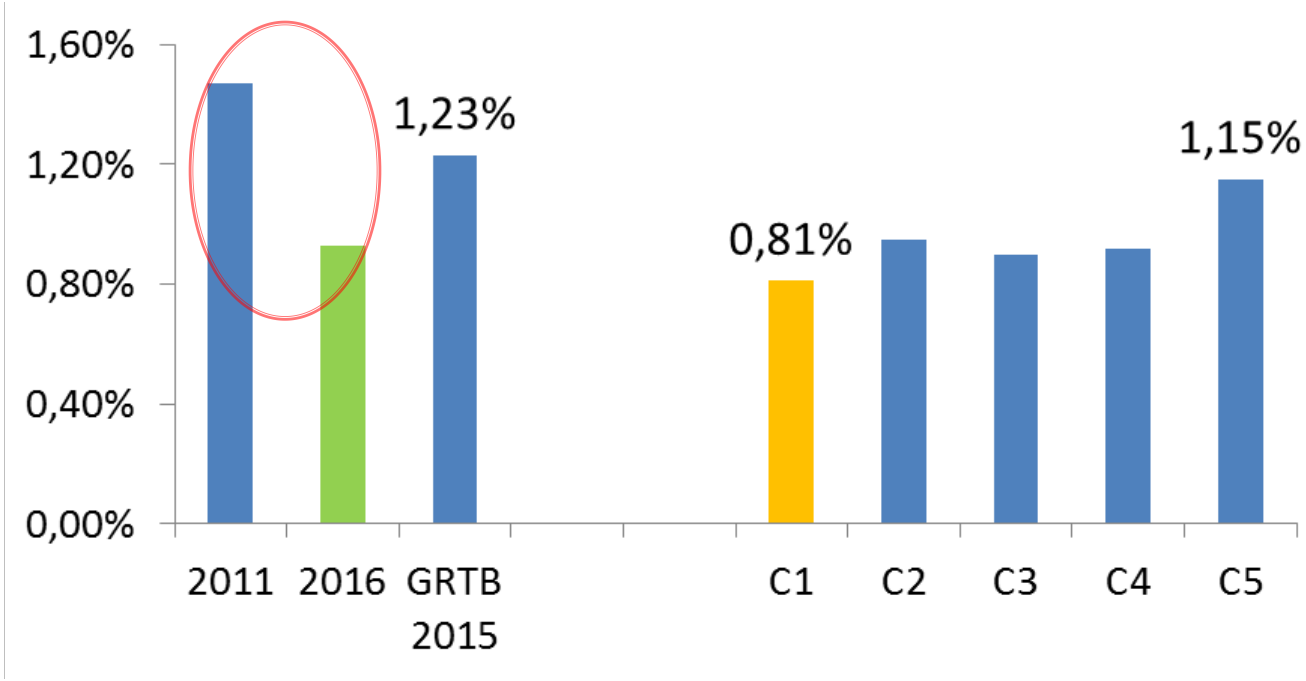
# 5 top problems: criminality and economy

**Evolución de los principales cinco problemas de cada país. 2004-2012**

| País | Año | Problema 1 | Problema 2 | Problema 3 | Problema 4 | Problema 5 |
|---|---|---|---|---|---|---|
| Costa Rica | 2006 | Criminalidad | Economía | Pobreza | Desempleo | Corrupción |
| | 2008 | Criminalidad | Economía | Drogadicción | Corrupción | Desempleo |
| | 2010 | Criminalidad | Economía | Desempleo | Corrupción | Pobreza |
| | 2012 | Criminalidad | Corrupción | Economía | Desempleo | Drogadicción |
| El Salvador | 2004 | Criminalidad | Desempleo | Pobreza | Economía | Pandillas |
| | 2006 | Criminalidad | Economía | Pobreza | Desempleo | Pandillas |
| | 2008 | Economía | Criminalidad | Pobreza | Desempleo | Inflación |
| | 2010 | Criminalidad | Economía | Desempleo | Pobreza | Violencia |
| | 2012 | Criminalidad | Economía | Desempleo | Pobreza | Violencia |
| Guatemala | 2004 | Criminalidad | Economía | Pobreza | Desempleo | Inflación |
| | 2006 | Criminalidad | Pobreza | Desempleo | Economía | Violencia |
| | 2008 | Criminalidad | Violencia | Pobreza | Economía | Desempleo |
| | 2010 | Criminalidad | Economía | Violencia | Pobreza | Desempleo |
| | 2012 | Criminalidad | Economía | Pobreza | Desempleo | Violencia |
| Honduras | 2004 | Pobreza | Economía | Criminalidad | Inflación | Desempleo |
| | 2006 | Criminalidad | Pobreza | Economía | Desempleo | Corrupción |
| | 2008 | Criminalidad | Corrupción | Economía | Pobreza | Desempleo |
| | 2010 | Criminalidad | Desempleo | Corrupción | Economía | Pobreza |
| | 2012 | Corrupción | Criminalidad | Pobreza | Desempleo | Vías en mal estado |
| Nicaragua | 2004 | Desempleo | Economía | Pobreza | Corrupción | Mal gobierno |
| | 2006 | Desempleo | Pobreza | Economía | Corrupción | Los políticos |
| | 2008 | Economía | Desempleo | Pobreza | Inflación | Los políticos |
| | 2010 | Economía | Desempleo | Pobreza | Inflación | Los políticos |
| | 2012 | Economía | Desempleo | Criminalidad | Pobreza | Inflación |
| Panamá | 2004 | Desempleo | Corrupción | Criminalidad | Economía | Pobreza |
| | 2006 | Desempleo | Criminalidad | Corrupción | Economía | Falta de agua |
| | 2008 | Criminalidad | Economía | Desempleo | Inflación | Corrupción |
| | 2010 | Criminalidad | Economía | Desempleo | Inflación | Corrupción |
| | 2012 | Criminalidad | Inflación | Corrupción | Falta de agua | Economía |

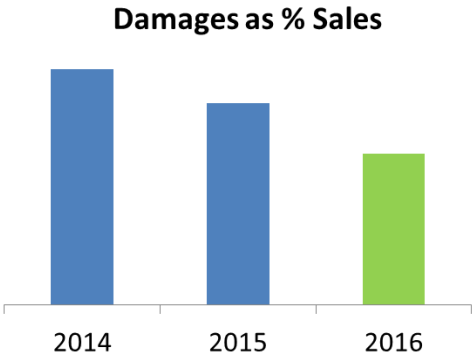
Fuente: elaboración propia con datos del Barómetro de las Américas del Latin American Public Opinion Proyect (LAPOP).

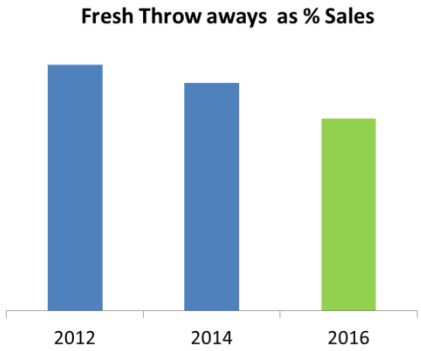
# Great Shrink, High Risk Region




- 54 bps Reduction over 5 years
- High Risk Countries with Excellent results

# Not only Shrink, Total Loss Approach




## Damages

10 bps improvement over 3 year

## Throw away

32 bps improvement over 6 years

## Cash Losses

New

# DEFINING A NEW FRAMEWORK

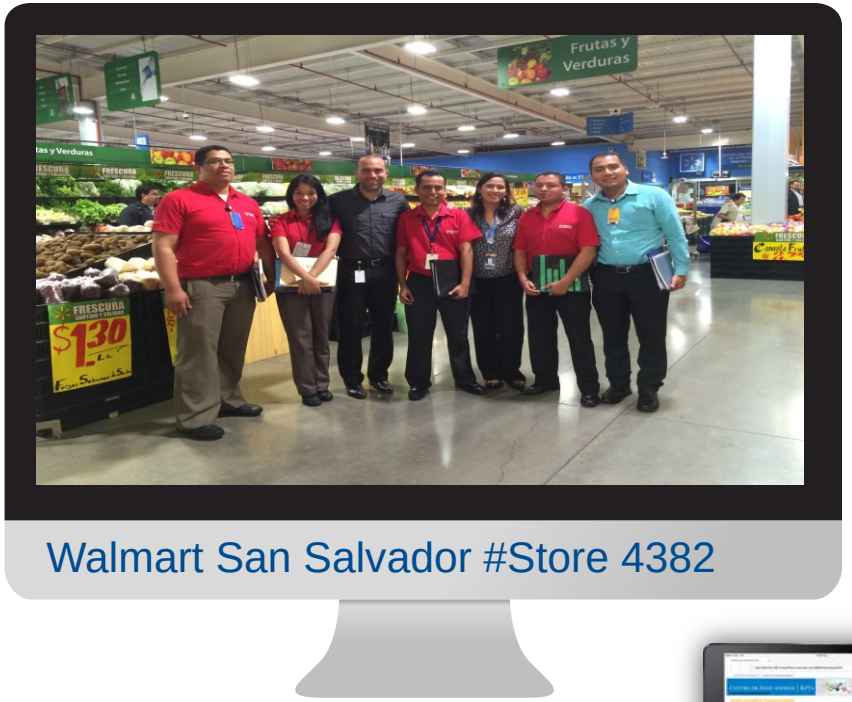
From event driven to process driven

# From an External Theft Driven Organization…

Walmart Centroamérica

# ....To an AP Process Oriented Organization

- Motivated Associates
- Manage their results
- Integrated to day to day ops
- Sustainable Results




Walmart San Salvador #Store 4382

Walmart Centroamérica

# The short term vrs long term

Walmart Centroamérica

# Our set of Priorities

01 Our Associates and Clients

02 Our Inventory and Cash

03 Our Reputation and Information

04 Our Infrastructure

# A shared vision throughout the company

Develop a Culture of Prevention

Total Loss Program

Holistic AP Approach

Innovation
Processes & Technology

Clear and Effective
Accountability

# The Chameleon Effect (In/Visibility)

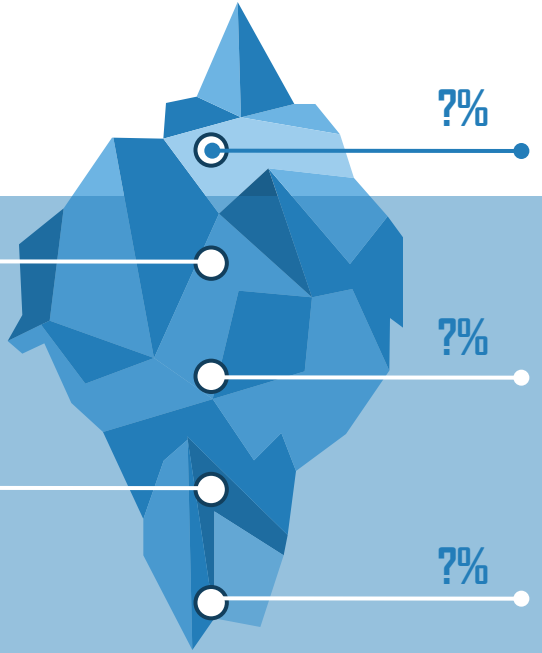
## Invisible to…

- Honest Clients
- Day to day Ops
- Suppliers
- Sales Figures
- Merchants

## Visible to…

- Associates at Stores
- P&L, Margin
- C-Suit
- ORC
- Police
- Community Orgs
- Common Thieves

# Increase Scope at the base



?% **External Theft**
Apprehensions Driven Organization

?% PI Accuracy

?% **Paper Shrink**

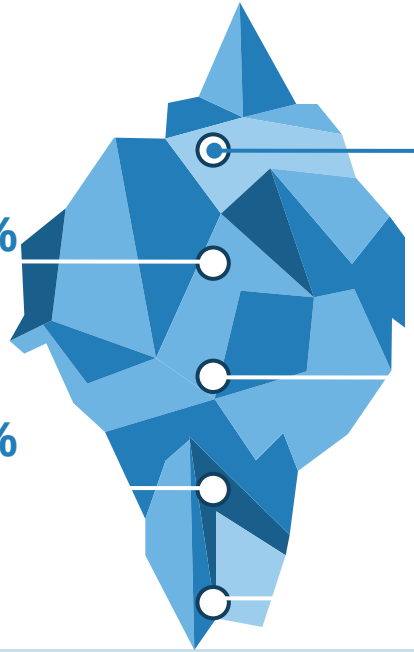
?% Logistics and Vertical Integration

?% **Internal Processes**

# Increase Scope at the base

**PI Accuracy**
PI Accuracy, Inventory processes
Forecast Enabled

**Logistics and Vertical Integration**
Risk at the origin
Damaged at transportation



**External Theft** — 35%
Apprehensions Driven Organization

**Paper Shrink** — 20%
Price Changes, Reverse logistics, supplier related issues

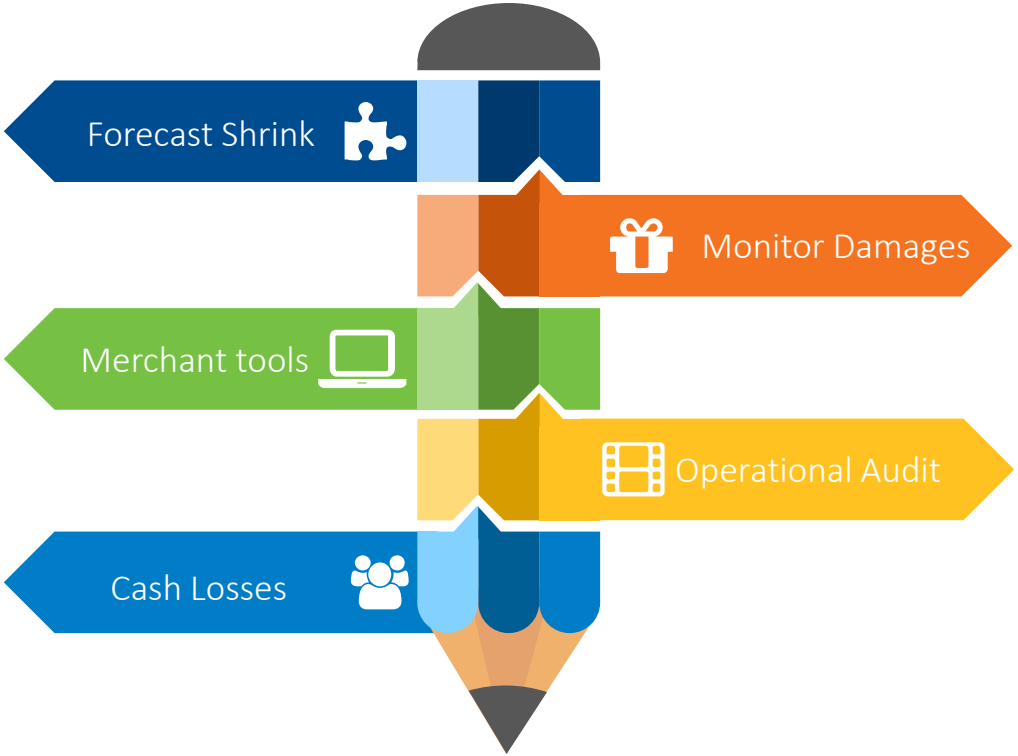
**Internal Processes** — 25%
Back of the store, front end, treasury, cash shorts, claims, returns

10%

10%

Human Safety Food Safety Security Actionable

# Analytics is nothing without simplicity



# Our Discount Format (68% of our Stores )

Walmart Centroamérica

# Our Bodega Format

Walmart Centroamérica

# Innovating for low cost format

## Low cost CCTV

Can it be voice enabled?
Can it been seen from just 1 country?
Can it reduce security personnel needs?

## Security Personnel third party

Can it be shared with other companies?
Can it be Mobile?
Replace lack of law enforcement?
No image related issues?

## Signal Integration

Intrusion, Robbery,
Cash Management, Cash Alerts,
Fire alarms, Equipment alarms
Emergency calls, GPS, IP Radio
Fraud Alerts Front End

## Monetize the use of technology

How make it attractive to suppliers?
Can it deliver customer analytics?

## Lay out design & Operational Efficiencies

Sites risk rates, Prototype development
ROI understanding
Routines and processes

## Reaction response

How to eliminate threats to reaction personnel?
Change fear for protection at the stores
Fast Reaction on heavy transit
Decrease critical eventos

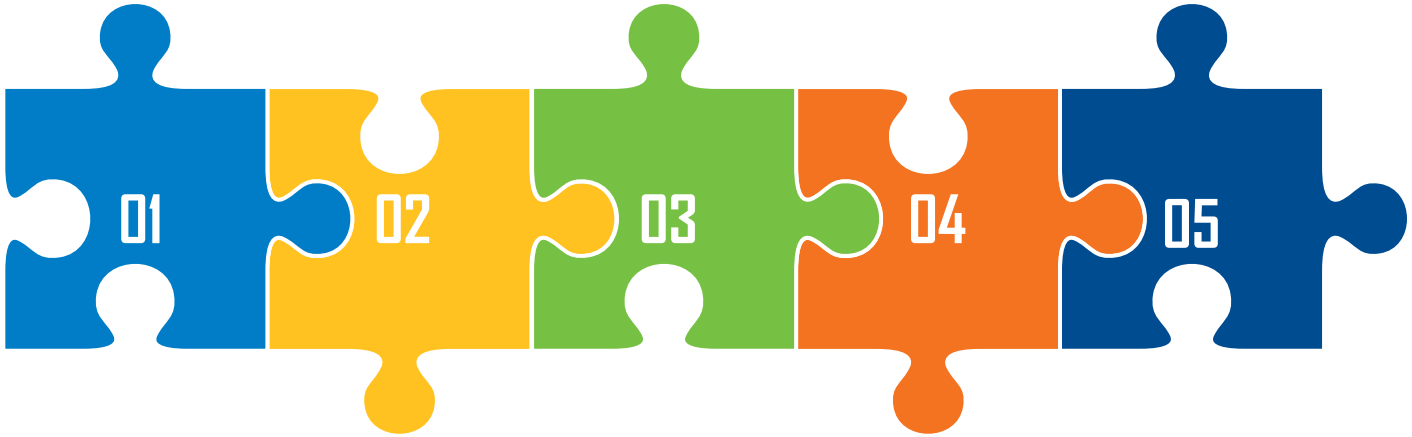
**Create a Sense of a Controlled Environment**
**At a reasonable cost/investment**

# Not only focus on the stores

**Vendors**
In some cases PYMES
Agribusiness Entrepreneurs

**Distribution Centers and Production Plants**
AP Function enabled

**Stores**
Last phase




**Transportation from vendors**
Not seen true risk

**Transportation to Stores**
Managed fleet and transportation risk related issues

# Main ideas| Central America Experience

- A high risk environment it is not a lost battle
- Don´t wait for results, get ahead  and build them
- Do not sacrifice processes for events
- A Continued Good Strategy is better than a perfect one

# Discussion

# Citycon, Kista Galleria

Head of Security

Per Sandberg

CITYCON

# Kista Galleria

CITYCON

# Facts about Kista Galleria

- The leasable area is about 89 400 sqm of which about 56 700 sqm is the shopping centre, about 9 200 sqm of office space, about 4 600 sqm warehouse, about 10 000 sqm student apartments. 8 100 m2 hotel and approximately 800 sqm other areas. Including parking garage covers the managed property total about 133 000 sqm.



CITYCON

# Kista Galleria, a shopping center or a small city?

**About Kista Galleria**

- In Kista Galleria you'll find a little bit more of everything.
- Over 180 stores and restaurants, movie theatres, coffee shops, and O´learys Bowling & Go-cart. In addition to this there is an extensive range of services by post office, children healthcare, health center, dentist, and much more in the Mall.
- You will also find Sweden's longest opening hours from 10 am-21, seven days a week, 359 days with over 19 million visitors last year.

So again, is large shopping centers “just” shopping centers today or is it more like a small city?



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# ”Fore Checking”

Efforts to combat serious and organized crime in Kista Galleria

# The problem has many faces

•Where serious organized crime is buying businesses in the mall will quickly become known by all.

• Other forms of serious crime such as blackmail, threats, drugs etc comes together with that.

• Increased risk for customers and visitors.

• Decreased value for the owners.



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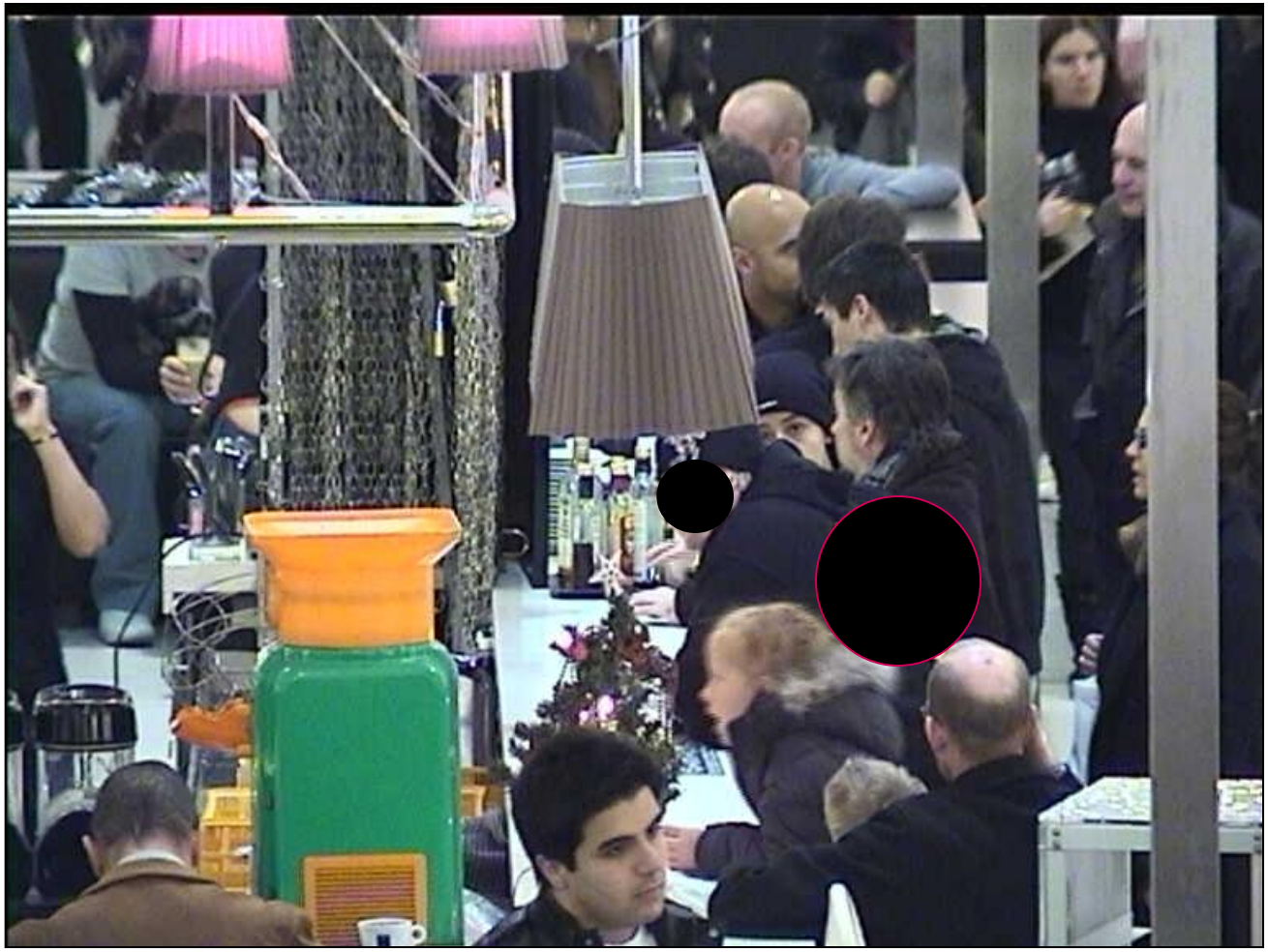
# The warning to the owner?





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# ”Fore Checking” - Goal

- **To prevent organized crime taking root in the property.**
- **Must be known to all that the Mall does not accept criminal activity.**

# The Mission described in the business plan

Create security for all stakeholders

- Customers/visitors
- Tenants
- Employees
- Authorities
- Owners

Defend and increase the value for property owners and tenants

# Security Reports 2013-2016

Notified crimes within the category of **"violent crime":** assault, robbery (shop + person), threats, violence against security or police.

| Centre | 2013 | 2014 | 2015 | 2016 (until today) |
|---|---|---|---|---|
| Kista Galleria | 21 | 42 | 36 | 23 |
| | 9 | 14 | 38 | 11 |
| | 24 | 33 | 22 | 13 |
| | 8 | 8 | 15 | 11 |
| | 42 | 36 | 35 | 26 |



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# New Security Problems 2015-2016

- Cars that driving in to stores in our shopping centers.
- Motorcycles that drive in to our shopping centers for smash and grabs.
- In 90% of this cases the robbers is armed with fire arms.

# How to solve the problems with cars?

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# How to solve the problem with smash and grabs?

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# What we do today in Security

| Preparations | Training | System | Recovery |
| --- | --- | --- | --- |
| • Crisis plan<br>• Crisis bags<br>• Background screenings | • Crisis training<br>• Media training<br>• Police cooperation<br>• International cooperation | • Control room<br>• CCTV<br>• Alarm systems | • Prepared DRP (Disaster recovery plan)<br>• Insurance<br>• In-house resources<br>• External Crisis Management |



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# Next step

## Early Warning System

- 24/7 Monitoring of disatsters, social disorder and violence
- Personal  and travel Security

## Mobile Alert System

- Better Intellegince
- Tenants and visitor takes an active part in security.
- Authorities can take part of the information in real time.

## First Responder Team

- Dedicated resource from Security company
- Handpicked members
- First responder training
  - Awarness
  - Medical
  - Mental
  - Fire
  - Operative management



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# Citycon Security Concept 2017-2018

**P**rivet Sector

**A**wareness

**R**isks

**G**lobal Thinking

**U**nusual Behavior

**S**mart System



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# VISION

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ELGIGANTEN

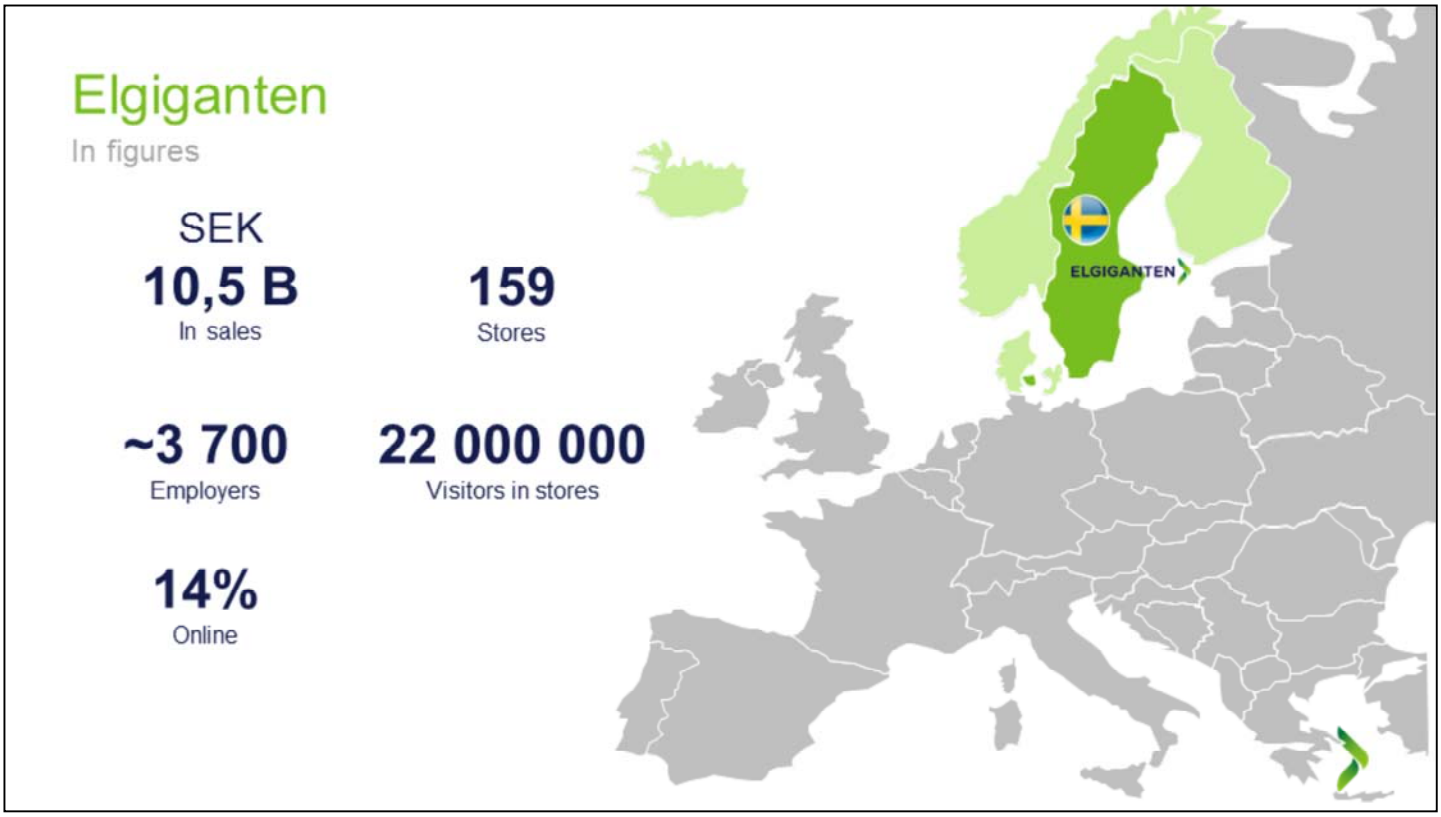
# Elgiganten AB – Knowledge of retail crime

KTH 15 september 2016

## Security & Losspreven tion

- Businesspresentation
- Development of sales and losses
- Knowledge of loss
- Knowledge of criminal activity
- Successfactors

2



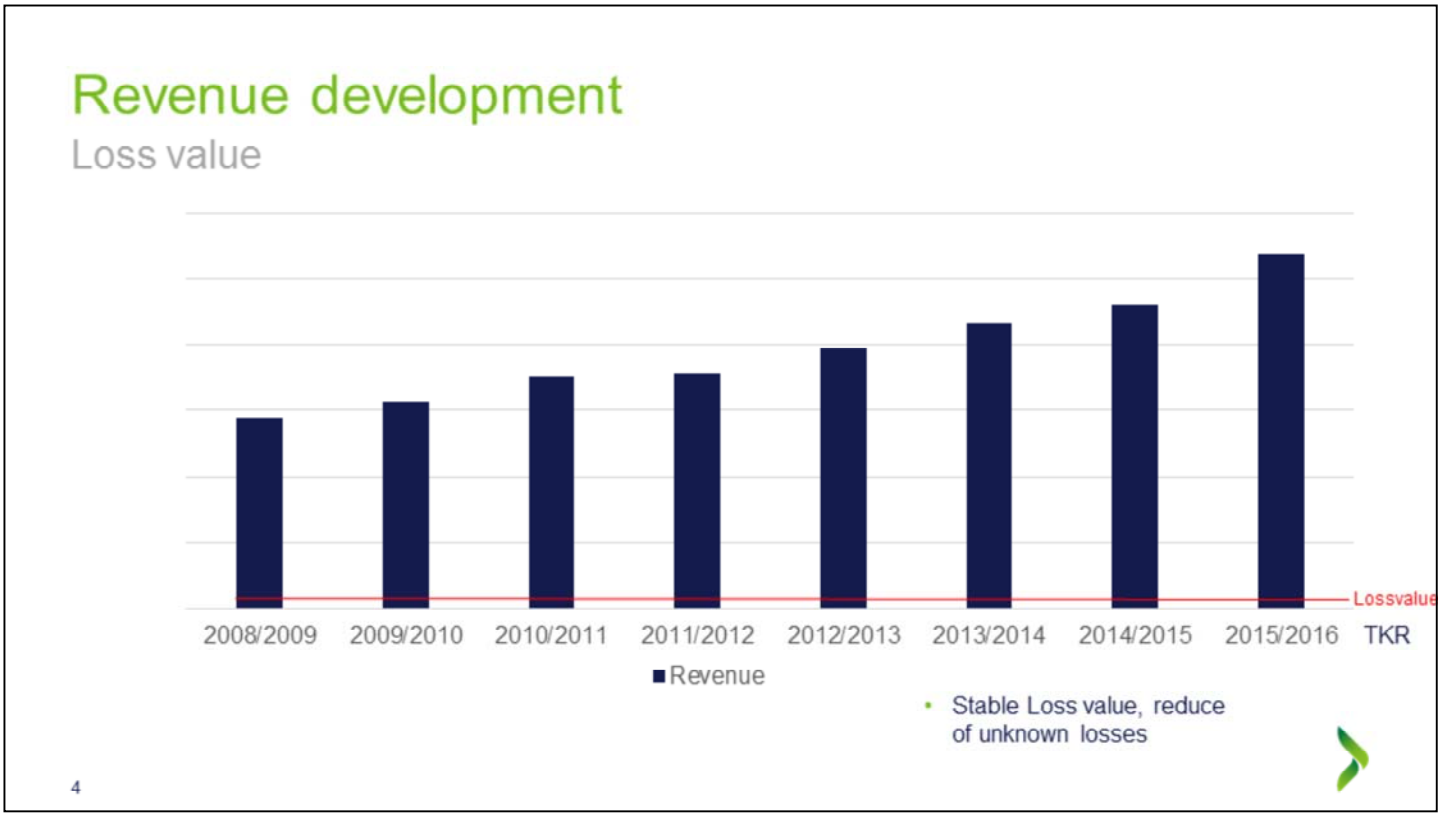

- Elgiganen is a part of the Elkjop group with ~500 stores over the Nordics sales just over 30 B SEK

- We are owned since 1999 by Dixons Carphone plc listed on the main market of the London Stock Exchange, in total 2 200 stores over Europe.

Not presenting:

62 Miljon visitors in total, retail, e-commerce and call centre

| | |
|---|---|
| 18 Megastores of more than 3000sqm | 9-10 000 facings |
| 29 Superstores of 1500-3000 SQM | 6-9 000 facings |
| 33 Franchisestores of 500-1500 SQM | 2-6 000 facings |
| 79 Phonehouse Small stores for telecom | Up to 1 000 facings |



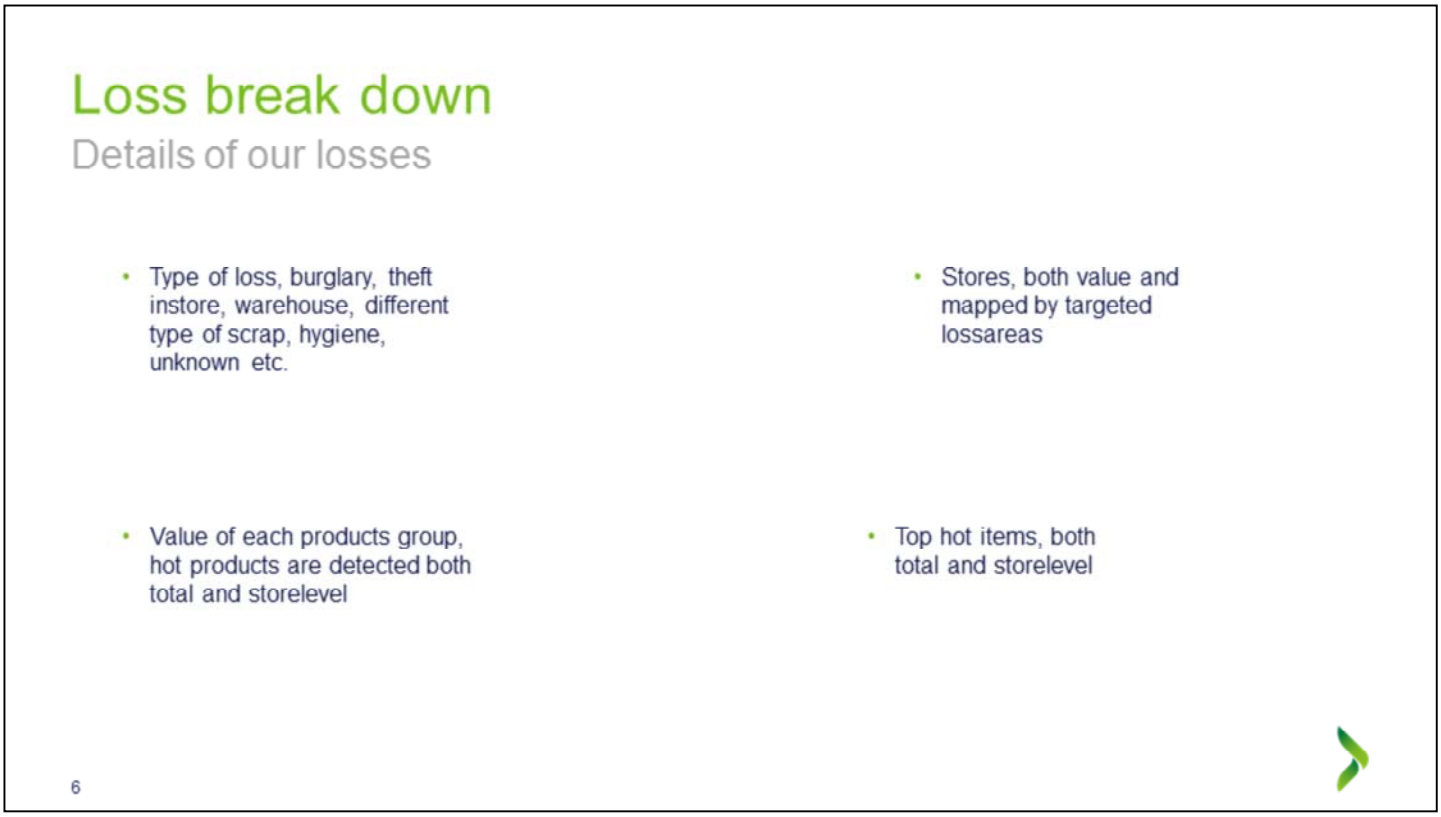

- Sales developed double up in last 10 years, this have happened thanks to a development of the concept with a massive increase of the high value products on display

- Value of the losses from crime and unknown losses during these 10 years have been stable around X MSEK, variations up and down because of burglaries.

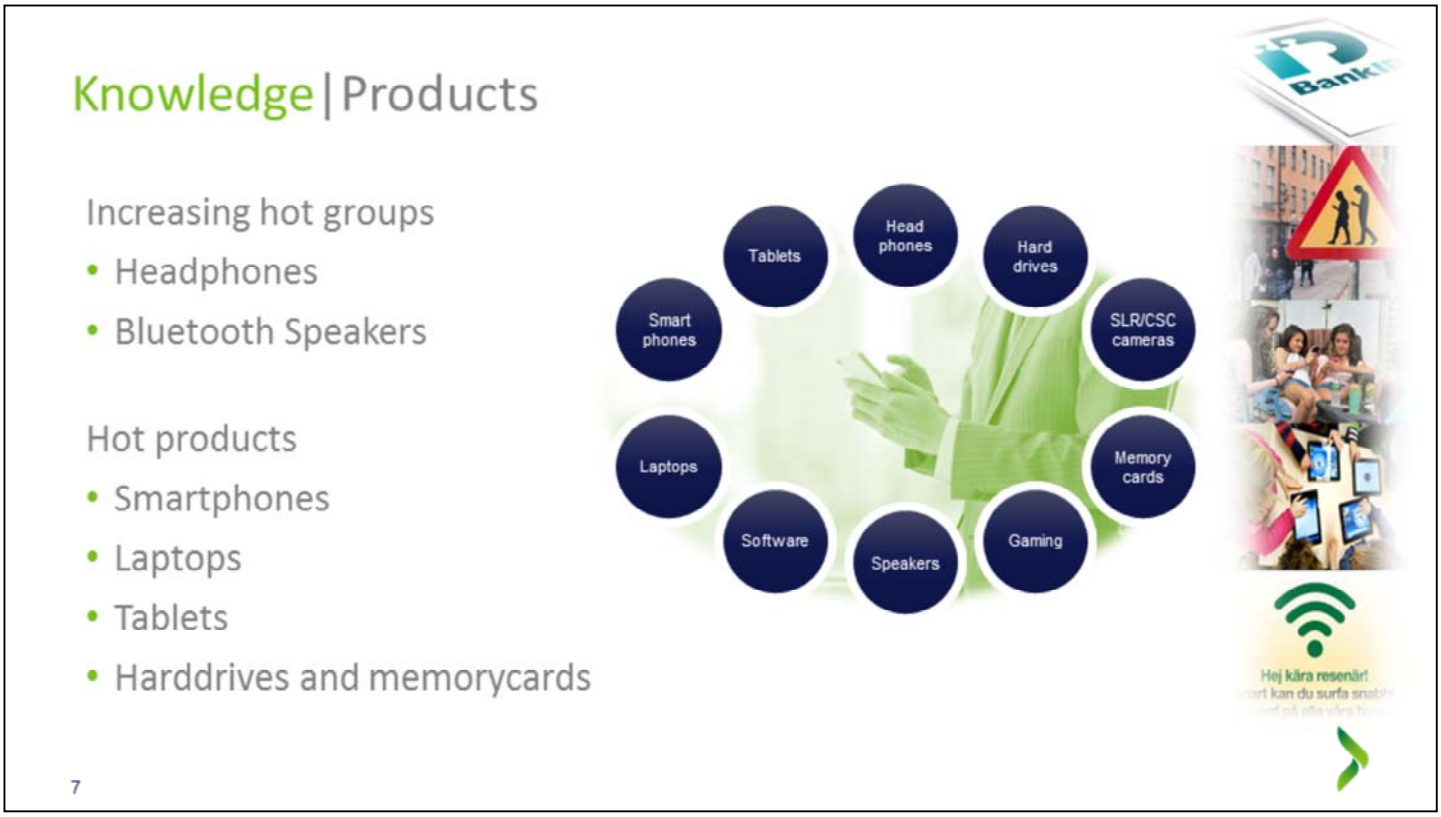
- The most distinguishing is that our unknown losses have had a stable decreased, and are now half of 2006, just because of our effords to get knowledge of our losses

- COS% level have had a steady decrease over these years

# Knowledge of Loss data




1. Ten years there where a bunch of losses, but almost everyting was unknown and it was counted once or twice a year. Take control of the losses, start divide it into type of loss, categorys of products, detect the items and also differences of the stores.
2. Frequent inventory of hot products and only according to the accountancy for most of the products, cold ones
3. We are using this result and having result of losses of categorys, product groups down to itemlevel and analyze and adjusting our work, changing the inventory plans and protection actions ongoing during the year
4. Country losses are not always the same as the local stores,. All major stores are analyzing the lossvalues of different products and also mapping the stores to understand where they have the hot products and hot spots of the stores




## 1.New hot products

- One common thing around all of our hottest product is the most vuneralble, normally price is a common side of these products, but for example headphones, Apples cheap original headphones are one of the most stolen items in our stores. Of course also the exclusive ones from Bose, Beats etc are stolne, but they are protected.
- Extreme range of new small and expensive bluetooth speakers giving us new challanges,we normally protect all items over 2000SEK but it has to expand thos to small units with a known brand.
- We are trying to predict the risks for losses of new products, it is following the trends in the market, i have an example we didnt predict during this summer, the extreme increase of losses of Powerbanks during the Pokemon Go launch. Extreme needs of power during the peak of the game, gave us a massive sale and losses for a few weeks.

## 2. Normal hot products

- Smartphones, a pocket size product for 10 000SEK, needs to be proctected both day and night. Also protected for internal thefts, restricted areas
- Laptops are popular by traveling thives, and in store burglary
- Tablets are polpular, mostly Ipads from burglary in warehouse and store
- Harddrives and memory sticks are mostly local thieves selling to locals, we

found them in the local markets and on swedish E-bay Blocket.

## Knowledge | Protecting the right things

- Productgroups calculated on
  - Cost of sales and margin
  - Number of units sold and in stock
  - Cost of security equipment
  - Staffcost for security equipment
- Divided all productgroups into pricelevels
- Risk assessment included
  - Theft in store
  - Burglary
  - Robbery
  - Internal theft
  - Fraud

| | 0 - 500 | 500 - 700 | 700 - 1000 | 1000 - 1500 | 1500 - 2000 | 2000 - 10000 |
|---|---|---|---|---|---|---|
| Stock Loss Amount | -467 776 kr | -214 930 kr | -287 036 kr | -386 007 kr | -190 316 kr | -400 351 kr |
| Stock Loss Qty | -3 711 | -903 | -499 | -469 | -162 | -346 |
| Stock Qty | 40 916 | 7 001 | 5 614 | 8 618 | 2 846 | 6 132 |
| GM | 18 834 206 kr | 2 427 706 kr | 2 409 106 kr | 3 766 166 kr | 2 220 663 kr | 7 747 344 kr |
| Part of GM in loss | 2% | 9% | 12% | 10% | 9% | 5% |
| Qty Sold | 524 912 | 25 477 | 23 038 | 24 762 | 17 101 | 28 960 |
| Revenue | 36 668 677 kr | 12 029 627 kr | 10 173 247 kr | 24 290 139 kr | 23 109 603 kr | 52 774 983 kr |
| Revenue split | 31% | 7% | 8% | 13% | 12% | 29% |
| Personalkostnad sticker | 102 248 kr | 8 625 kr | 7 257 kr | 7 800 kr | 5 388 kr | 9 125 kr |
| Personalkostnad safer | 261 180 kr | 20 636 kr | 18 061 kr | 20 057 kr | 13 855 kr | 23 464 kr |
| Etiketter /safers(1/100) | 64982,6 | 5095,4 | 4607,6 | 4952,4 | 3421 | 5793,6 |

Product security specification

| CG NR | Productgroups/ model | Inserted tags from (in all) | Safers or (Spiders) from | Not Livestock | Display product alarm |
|---|---|---|---|---|---|
| 4-87-20 | Mobile Handsfree | € 100 | € 100 | - | - |
| 4-87-60 | Tele Memorycards | € 50 | € 50 | - | - |
| 5-31 | Computers Desktop | € 100 | € 700 | - | yes |
| 5-33 | Computers Laptop | All | € 200 | € 700 | yes |
| 5-34 | Computers Netpad | All | € 100 | € 500 | yes |
| 5-36 | Monitors | € 200 | € 500 | - | - |
| 5-41 | Communication Network | € 50 | € 150 | - | Magnetholder |
| 5-43 | Storage Hard Drives | € 50 | € 70 | - | - |
| 5-44 | Plug In Storage Memory | € 50 | € 50 | - | - |
| 5-45 | Consumables | All | - | - | - |
| 5-50- | Gaming Console Stationary | € 100 | € 100 | - | - |
| 5-50- | Gaming Console Portable | All | € 50 | - | yes |

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Ranomdized protection routines are not accurate when you have our range and volume of products we have calculated all our hot products and detected thoose who need protection

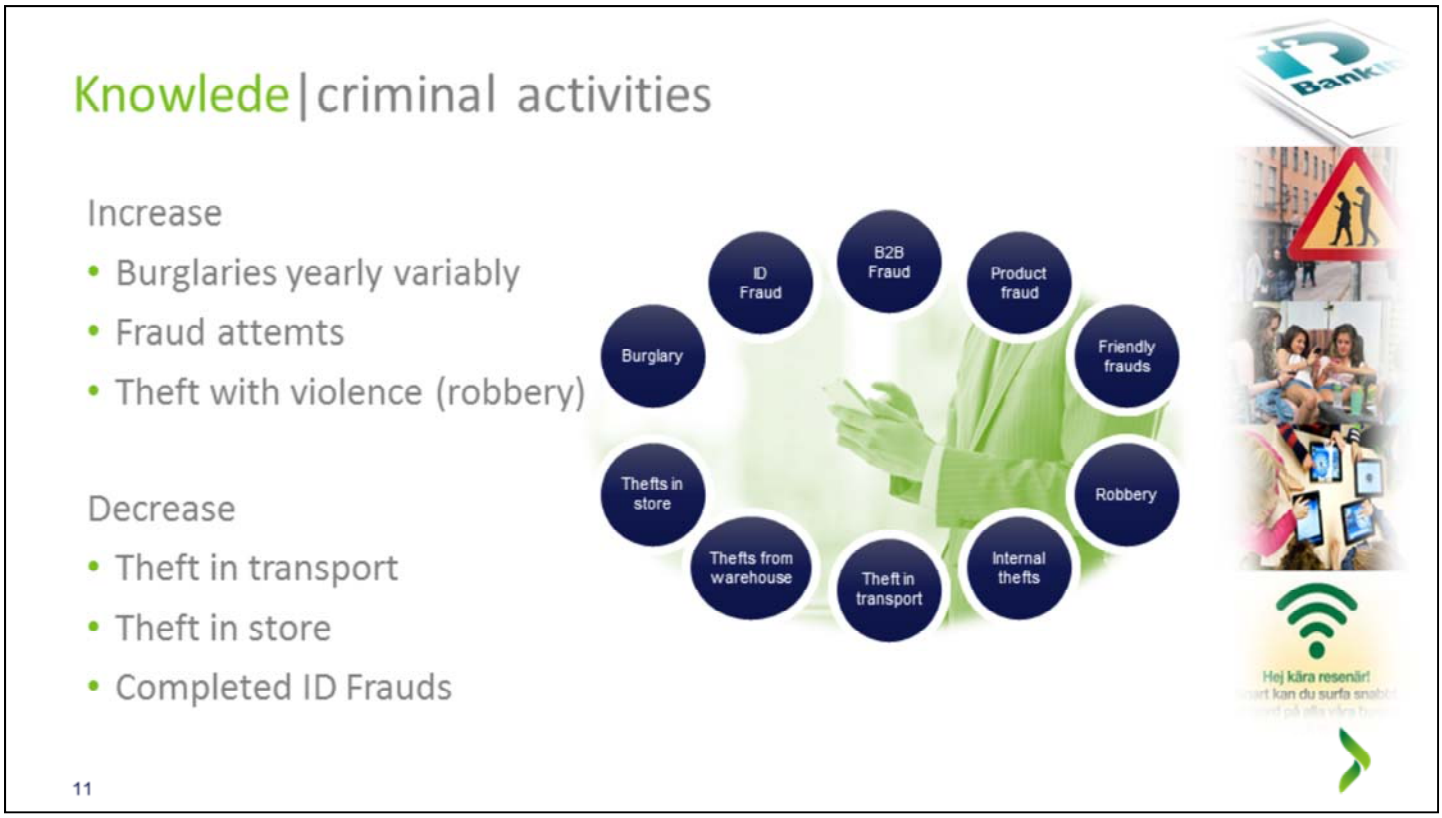
1. -Total Revenue, Grossmargin and Number of units, lossvalue of each productgroup
   -Cost of staff handling on and off security equipment
   -Cost of the security equipment (tags and safers/spiders)
   -By the end we divide all groups into different priceleves and make a calculation for each group and pricelevel and take a decision of the need and benefit of protection
2. We see a lot of different effects, when we protect more expansive, but not the cheap, thefts of the cheap ones often increase immidietly, therefor the calculation is being done regularly during the year and productprotectionmatrix updated.

## Knowledge of incidents

- As we collect information from the losses of products, we also need to identify the way of working by the criminals

- We are collecting all information around incidents leads to a policereport. If you havce internal incident system you can get it more validated.

- To get a picture of all different stores, we need to have incidents registered and statistics available. If needed we have the police reports available at the sharepoint servers.




**Increase:**

- Burglaries yearly variably, we have had an extreme year, with XX burglaries and attemts, I will give you some details
- Attemts of fraud have increased during the last 4-5 years, but we have solid routines both at e-commerce and the stores
- Threat of violence after a  failedtheft has increased three times last couple of years

**Decrease**

- Theft in transport, I will give you some more information of our efforts to reduce these
- Theft in store have a stable development and I will give you a short update on our problems
- Frauds completed is decreaeed during the last couple of years

## Crime| Burglary

- Value of goods
  - Products of more than 300 000 SEK concentrated
  - Multiple of the same items
- Time to enter and exit site
  - 5 minutes is maximum to success
  - Exit roating, multiple and high speed roads
- Level of security
  - Solid buildings, increase extent of damage
  - Multipel protectionlayers, working as prevention

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- We have had a lot of burglaries, suffering from 5-6 different criminals gangs local and travelling thieves
- Local gangs operating in stockholm, Gothenburg using veihcles such as pickups, forklifts, catepillars and regular cars
- We had a romanian gang from roof climbing down stealing display from telecom and computing.

- Main target in all burglaries, are products of a specifik brand, Apple, Iphones, Ipads and Macbooks are stolen

## Crime | Theft in store

### Examples of methods

- Hit and run
- Destroy of packages
- Using of magnets to open protection
- Using of boosterbags override EAS

### Prevention

- Value of goods displayed
  - Distance to enter/exit
  - Staff availability
  - Number of customers
- Value of stock, in the store
  - Value of items
  - Brand and popularity

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**Incidents:**

- We have almost no or very few teenagers and unproffesional thieves anymore , but are suffering from a lot of semi and proffesional thieves traveling around stealing products in all of our stores in the Nordics.
- Using the method in one store, they can probably succéed with the same in next store traveling along the high ways around the country. Sometimes they have adresslists in car, when arriving to Sweden.
- Swedish regulation of CCTV and personal data giving us problems to share information between the stores

**Prevention:**

- How we built the stores is not easy to affect, but our work with the productprotectionmatrix give us a strong advantage
- Apple products needs to be protected, lot of them into secured cabinets

## Crime | Theft in transport

- Change of distribution
  - Local Companies
  - Local drivers
  - Drivers only with local wage agrement
- Change of control of transportation
  - Planning of the routes
  - Control of the routes
  - Requirement of safe parking
  - Regulated securityroutines in agrement

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- 2008-2014 we where using a global firm of all our transports in the nordics, using hauliers with drivers from eastern europé, during these years we have been suffering from a lot of burglaries and lack of products at arrival in store.
- The transports in sweden was made by more local drivers because of cabotage regulation and we had much lower rate of crime to these stores

In 2014 we changed to new contracts

- We have collected and analyze of all these incidents and took a decision to change
- Incidents still happends, but more of individual misstakes and randomized criminals

## Crime | Fraud

- Knowledge of methods
  - 90% lives more than 100km away from store
  - More than 50% are Apple products
  - More than 50 % are more than 12 000 SEK
- Completet frauds decreased last four years
  - Training of staff
  - Use of the knowledge
  - Control routines developped
  - Technical equipment combined

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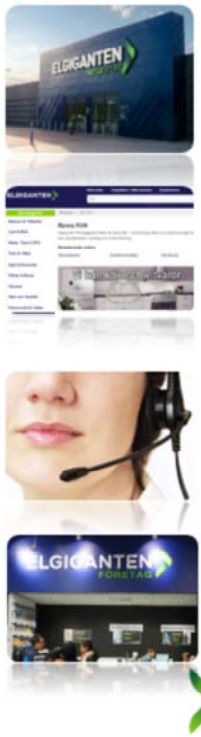
- 2010-2012 we have increasing number of frauds using false ID, first in store and later in e-com. First we just added controls wit UV lamps
- We collected and detected common characteristic from almost all ID frauds, we started to use the information and created a policy to reach Zero frauds, adjusted control routines, trained all staff selling subscriptions and finance services.
- 90% decrease of the fraudlosses in 4 years
- Since we started this process quality of false ID was improved, UV hologram was included, we had to adjust and improve our routines of control

Successfactors

## Success | Loss prevention

- Take advantage of the sale initiatives
  - Active salestaff are loss prevention
  - React and respond are my keywords
- Staff and manager training
  - Loss prevention and salestraining
- Correct stockvalues at all times
  - 72 hour rule to overhaul deviations
- Don't rely on technical equipment or guards
  - Combined with staff

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- We have a saledriven organisation, I have early recognized that best way to succed with lossprevention in store is to take advantage of all connected touchpoints. Activity by all employee in store is effective, especially when they know about Hot products and cold areas

- React and respond is central for all member of staff

- Loss prevention training are mandatory and given frequently together with sales training

- Most effective regulation is 72 hour rule, no one is allowed to take decision to have wrong stockvalue

- Technical equipment needs to be used by staff, or not worth paying for

- Questions anyone?