

All Eggs in One Basket

Benefiting from Single-Source
Solutions Providers





The Egg Basket Myth

We have all heard the saying, “Don’t put all your eggs in one basket.” This gem of advice means we should all avoid concentrating all our efforts and resources in one area, as one could lose everything. This is good advice in many instances. Retirement investments, for example, should be well-diversified to prevent entire investment accounts from getting wiped out in the event one particular industry collapses. This Egg/Basket saying is so popular that many Loss Prevention/Asset Protection (LP/AP) executives based their entire LP/AP program on it. They buy their safes from one provider, cameras from someone else, and keys from yet some other solutions provider. Logically, this seems to make sense. It creates a feeling of agility — that the LP/AP executive is nimble and can make sudden changes when needed. But is this advice good for those building and implementing an LP/AP strategy? The answer may be surprising.

THE PERILS OF PARCELING

Although parceling out different commodities to different solutions providers seems to make sense, delving deeper into this decision yields some interesting considerations. Research conducted in preparation for this writing uncovered several interesting stories, one of which proved to be extremely revealing.

A national discount retailer decided to parcel out the equipment and installation of their Closed-Circuit Television (CCTV) systems. This in and of itself is not that unusual. Several retailers may purchase cameras in bulk from one provider and their Digital Video Recorders (DVRs) from a separate source. However, this retailer tried something unique. They approached the vendor who typically runs all of their wiring for cash registers and lighting and hired them to also run the CCTV cabling. The idea was that there would be a labor savings since the installers already had the lift, manpower and tools to do the job, and they were already in the ceiling pulling other cables anyway.

When the CCTV installers arrived to install the cameras and DVRs, the cables were all in place. All they had to do was hang the cameras power them up. At face value, this seems like a brilliant use of resources. The retailer was very successful in saving money using this approach.

Then, the unintended consequence reared its ugly head.

The LP/AP executive states that within the first few weeks of operating many of the new CCTV systems, many cameras in each of the stores began to flicker intermittently. In some cases, cameras stopped working altogether. The LP/AP executive contacted the CCTV installers and they sent several technicians to various stores. What they found was troubling. In several instances, the cable installers who had no experience with CCTV cabling ended up splicing cables whenever they needed to start a new spool of cabling. Although this can be done with the right type of equipment, it is generally not a good idea. In this case, the retailer spent an exorbitant amount of money correcting these issues. In most of the affected stores, it took several days for the CCTV technicians to even locate the splices hidden randomly in various areas of the ceiling.

As frightening as all of this sounds, this retailers' problems didn't end there. As it turns out, many jurisdictions where this retailer has stores have varying Fire Codes pertaining specifically to low-voltage CCTV cabling. Because the cable installer was inexperienced with these types of Fire Codes, the LP/AP executive had to have the CCTV installers rewire dozens of cameras in various stores. Although the initial cable installers agreed to reimburse the retailer for most of the costs, several of the affected newly constructed stores had to delay their planned Grand Opening — which is not something company executives were happy about.

Perhaps it was a situation such as this that inspired Benjamin Franklin to quip, ***"The bitterness of poor quality remains long after the sweetness of low price is forgotten."*** — Benjamin Franklin

BENEFITS OF SINGLE-SOURCING

Some may consider the example above to be a worst-case situation, but that does not make it less true. There are many more examples that can be provided to illustrate how parceling out varying tasks or products to several different companies is a dangerous proposition from a "quality" standpoint. Therefore, it is time to turn to attention to the benefits of partnering with a solutions provider who specializes in all aspects of helping the LP/AP executive implement their strategy.

According to most LP/AP executives, one of the most relished benefits of purchasing more than one solution from the same provider is the ability to negotiate better terms, especially pricing. If an LP/AP strategy calls for card access, key control and smart safes, then purchasing all three of these solutions allows the provider to relax their pricing matrix for the retailer.

Another benefit is the ability to negotiate installation terms. By purchasing multiple solutions from one provider, the LP/AP executive has a better chance of ensuring installation deadlines are met. The ability to integration is also a tremendous advantage to single-sourcing. Because the same provider is installing several different solutions, it provides them with the ability to integrate systems that work well together. For example, a solutions provider who installs

CCTV systems and access control systems can integrate the two solutions so the CCTV system will record at a higher IPS rate (images-per-second) whenever a particular area, such as a retailer's cash office, is entered. This saves the DVR's hard drive space during times no one is in a designated area while also setting up the LP/AP team for success should an investigation be needed.

Perhaps one of the greatest benefits to single-sourcing is customer service and technical support. This is because solutions providers who specialize in multiple profit protection/shrink reducing solutions will also have a comprehensive technical support and customer service team. Calling one number and being able to talk to a representative who is well-versed on all LP/AP solutions is understandably a main reason why many LP/AP executives continue to migrate toward a single-sourcing model.

ABOUT AMPHION

Amphion is a security integrator delivering unmatched service to national restaurant and retail customers across the country. Specializing in loss prevention and security products and services, they are the one-stop-shop to safeguard your business assets.

Amphion manufactures and supplies the highest quality security products available on the market today! Access Control Systems (SFIC keying systems, InstaKey, Biometrics and Aiphone), SOLINK ANALYTICS, CCTV, NVR's, DVR's, Custom Safes (Amsec, Fire King, Tidel, Gunnebo Cash Recycler Systems), Safe Locks (ESL, Securam, LPlocks), Counterfeit Detectors, Exit Control door hardware (Detex, Alarm Lock, Code Locks), and much more.

With its nationally renowned technical support task force, Amphion provides certified technicians on-site within four hours, 7-days a week, 365 days a year. With a California-based, live 24-hour, technical support team and a comprehensive service management model, no one stands behind their products and services like Amphion.

To contact Amphion, call (800) 520-2677, or visit Amphion.biz.

ABOUT CALIBRATION

Calibration Group, LLC is a full-service marketing, communications, and consulting firm specializing in providing relevant, educational content for the loss prevention, asset protection, and safety professions. We are also the leading provider of Loss Prevention Awareness campaigns that successfully modify employee behavior. Calibration has mastered the ability to move beyond simple awareness and communication. We create. We deliver. We inspire.



Amber Bradley, founder of Calibration Group, LLC, is a brand-positioning expert with extensive experience across multiple business disciplines, including marketing and public relations. Amber's proven success in creating multi-tiered, strategic marketing and communication campaigns continues to yield unmatched results for solutions providers, as well as retail loss prevention and operations professionals.



David E. George, CFE, CFI is managing partner of Calibration Group, LLC. Previously, David served as vice president over Asset Protection for Dollar General Stores, a company with more than 15,000 stores in 44 states. While serving Dollar General, David was responsible for the Asset Protection field team, the Asset Protection corporate team, the Shrink Improvement team, and the Shrink Analytics team. David also worked in tandem with Dollar General's Inventory Management team to improve stock-on-hand while simultaneously reducing stockroom inventory.

Prior to Dollar General, David held the vice president of Asset Protection position with Harris Teeter Supermarkets, Inc., a regional chain based out of Matthews, NC. He served Harris Teeter for more than 14 years and has had previous loss prevention leadership roles with Kmart Supercenters.

For more information about Calibration Group, visit www.calibrationgroup.com.



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