



Five ways to reduce shrinkage and boost profits

Practical advice for retailers on strategies to minimize shrinkage using technology solutions.



The retail industry's battle against shrinkage has intensified. As theft gets more sophisticated and retail gets more complex, profit margins are coming under intense pressure. Recent reports indicate that retailers lost over [**\\$121.6 billion**](#) to theft in 2023, with global figures expected to surpass \$150 billion by 2026. While the cost of living remains high and transactional processes become increasingly automated, theft in its various forms is not showing signs of diminishing anytime soon. Retailers must adopt innovative strategies to combat this growing problem.

In this article, we explore five practical ways for your business to leverage technology to reduce retail shrinkage, enhance operational efficiency, and protect your bottom line.



01 Implement comprehensive monitoring systems

Traditional monitoring methods are no longer sufficient to combat sophisticated theft and fraud. A comprehensive system that integrates transaction data with video surveillance provides a holistic view of store activities, enabling precise detection of discrepancies and suspicious behaviors.

Solution spotlight

Fujitsu's **profit protection** for monitoring integrates transaction data with video sequences, providing a synchronized view of each transaction.



Profit protection's key benefits

- Synchronizes transaction data with video footage for clear, indisputable records.
- Dramatically reduces fraud detection time from over 60 days to less than 5 days.
- Allows for precise pinpointing of discrepancies and suspicious activities.

02 Utilize real-time alerts and analytics

Swift detection and response to suspicious activities are vital for avoiding stock loss. Profit protection for monitoring offers real-time alerts, powered by advanced analytics, providing retailers with the tools necessary to mitigate risks and prevent losses effectively.

Key features

- AI and machine learning analyze transaction data and surveillance footage continuously.
- Immediate identification of irregularities and anomalies.
- Insights into patterns and behaviors for informed decision-making.



Implementation tip

Focus on identifying key indicators of fraudulent behavior such as unusual transaction voids, excessive returns, or anomalies in self-checkout processes.





03 Optimize self-checkout systems

While self-checkout systems streamline operations and reduce labor costs, they also present unique vulnerabilities. Optimizing these systems is crucial for effective loss prevention.

Solution spotlight

Fujitsu's **profit protection for self-checkout** monitors customer scanning behavior in real-time, alerting customers to errors immediately and prompting correction on the spot. This not only improves customer experience through self-correction but also allows the retailer to make targeted savings when replacing traditional cash registers with self-checkouts.



Common issues

- Customers not scanning all items.
- Deliberately scanning cheaper items instead of more expensive ones.
- Manipulating bar codes.

04 Leverage detailed reporting for better decision-making

Comprehensive reporting provides deeper insights into store operations, allowing retailers to identify patterns, understand trends, and develop targeted strategies to minimize shrinkage. Profit protection offers advanced reporting capabilities that transform raw data into actionable intelligence.



How detailed reporting improves decision-making

Use case	Description
Trend analysis	Identify recurring issues and patterns contributing to shrinkage.
Anomaly detection	Highlight irregularities that might not be apparent through real-time monitoring alone.
Strategic planning	Develop long-term loss prevention strategies and allocate resources effectively.

The system's ability to integrate data from various sources—including POS systems, inventory management, and video surveillance—provides a comprehensive set of reporting metrics, enabling more informed and effective decision-making.

05 Integrate customizable management controls

It's crucial to have a strong system in place for controlling access to confidential information and maintaining the security infrastructure to guard against internal breaches.

Key features of profit protection's customizable management controls

Feature	Description
Access control	Set up detailed permissions to control who can view, modify, or interact with sensitive data.
Audit trails	Log all user activities for a clear record of data access and modifications.
Role-based permissions	Assign specific permissions based on job functions to minimize data exposure.
Compliance	Ensure data handling meets all local data privacy requirements, maintaining global compliance.
Continuous monitoring	Track user activities in real-time across all systems.

Implementing these controls not only enhances security but also streamlines operations. For instance, profit protection offers an intuitive user interface that simplifies training for new users, while allowing for autonomous configuration of customer-specific rules.



Protecting your profits: the next steps

To reduce retail shrinkage, it's important to use a mixed approach that combines advanced technology solutions with strategic implementation. By adopting these five recommendations, your organization can significantly mitigate shrinkage, enhance operational efficiency, and safeguard profits.

To explore how you can apply these strategies to protect your retail operations, we invite you to speak with our retail experts about Fujitsu's profit protection solutions. Retailers using profit protection typically **achieve return on investment within four months**. Learn how our comprehensive tools can help you create a more secure and efficient retail environment.

Contact us today to start your journey towards reduced shrinkage and increased profitability.



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