



## How Microsoft Dynamics RMS Can Help Prevent Inventory Loss

### Keep former employee records

You should keep the records of employees who have left your business, whether by their own choice or by manager dismissal. Many merchants delete the cashier account after an employee has left the store or business. However, this removes all records from the Microsoft Dynamics RMS database and leave merchants with no evidence, in the event former employees seek legal action.

Instead of deleting the cashier account in Microsoft Dynamics RMS, change the cashier's password. This prevents that user from gaining access but maintains all records pertaining to him or her.

In addition, if the employee had a separate Microsoft Windows account, you should inactivate that account, too.

### Create an employee purchase plan

Providing a generous discount, such as selling at cost or slightly above, is good business. Doing so can help deter employee theft, which has been on the rise in recent years and can be more prevalent than customer theft. In addition, a generous staff discount can help compensate for a lower salary.

Here are two ways Store Operations can help you manage an employee purchase plan:

- You can track employee discounts by using Store Operations reporting.
- You can use Store Operations Manager to limit an employee's ability to sell to other employees. To do so, use the **Allowed to sell to employees with discounts** cashier right.

### Maintain a Policies and Procedures manual

Often an employee will cause shrinkage unintentionally due to a lack of knowledge of particular business procedures. Maintaining an up-to-date, easy-to-read manual of all policies and procedures is an easy remedy for this.

Many Microsoft Dynamics RMS partners and users develop an online manual that can be accessed through a custom POS button or by using the Store Operations Manager **Add-Ins** menu (on the **Utilities** menu).

### Track merchandise discounting

Many stores give discounts based on coupons, advertised sales and promotions, customer loyalty, and product markdowns. Monitoring these discounts is good practice.

Using Store Operations configuration options and reporting is imperative for monitoring how discounts are given, who is performing the discounts, and why. Here are a few tips:

- Deny cashiers the ability to change prices at the point of sale by setting the **Allowed to access pricing** cashier right in Store Operations Manager.
- Require cashiers to enter a reason code at the point of sale any time they change a price.
- Add the Price Source column to cashiers' Detailed Sales Reports and review discount information there.

For more information about these techniques, see Store Operations Online Help.

## Monitor cash refunds

Carefully monitoring cash refunds through reporting is another way to deter employee theft. Dishonest employees have been known to ring up a cash refund to cover theft from their tills, allowing their registers to balance at the end of the day.

Cash refund reporting should include customer information—at a minimum, name, address, and phone number—as well as the customer's signature.

Here are two ways Store Operations Manager can help you better track cash refunds:

- Set a return limit for each cashier. This will cause an error to be displayed if the cashier attempts to process a return that exceeds the limit.
- Configure Store Operations to prompt for a reason code for returns and several other transaction types.

For more information on this topic, see "Cashiers Option" and "Creating Reason Codes" in Store Operations Online Help.

## Require a reason for special transactions

Ideally, the cash drawer should be opened only for recording sales. If the drawer must be opened for any other reason, an explanation should be required.

You can configure Microsoft Dynamics RMS to prompt for a reason code for a No Sale, cash drop, cash payout, and several other transaction types. Also, you can limit certain functions—such as generating Z and ZZ reports; performing No Sales, cash drops, and payouts; and selling to employees with discounts—to the appropriate personnel. You can do this in the **Cashier Properties** dialog box in Store Operations Manager. For more information, see "Creating Reason Codes" and "Cashiers Option" in Store Operations Online Help.

## Make customer receipts mandatory

Another way to protect your business from loss is to require employees to give receipts to all customers.

Here's why: A common scam of dishonest employees is to cancel a transaction after receiving the customer's payment and keep the money for themselves. The employee will enter the items into the transaction screen normally, allowing the customer to view the items on the pole display. However, the employee takes the customer's payment without giving a receipt, and then cancels the transaction after the customer leaves. Should a customer request a receipt, the employee can recover by simply completing the sale. A dishonest cashier also can steal from you by using quotes. The cashier can create a quote, which appears to the customer to be a normal transaction, and then provide the quote receipt to the customer. The employee can then pocket the cash paid by the customer.

In addition to requiring receipts at every transaction, here are two ways you can use Microsoft Dynamics RMS to guard against such dishonesty:

- Deny the **Allow to abort transactions** cashier right in Store Operations Manager. For more information, see "Cashiers Options" in Store Operations Online Help.
- Prevent cashiers from substituting quote receipts for real ones by setting security on the **Quotes** function button (CTRL+F1) in Store Operations POS. For more information, see "Setting Up a Security Level" in Store Operations Online Help.

## Safeguard credit card processing

Credit card numbers are an easy target for dishonest employees. Obviously, there are several ways an employee can obtain a customer's credit card number. To help thwart such theft, you should mask the credit

card number on the customer's receipt. Microsoft Dynamics RMS masks credit card numbers in the database.

Many stores include the full credit card number for reference on the signed merchant copy of the transaction receipt. If this is the case for you, it's wise to require employees to store receipts in a locked box or cash drawer to which only the store management has access.

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<http://www.microsoft.com/dynamics/rms/using/preventshrink.aspx>