

Lumberyard Controls

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Lumberyards and other outdoor areas in which lumber, other building materials, rental equipment or other product is on public display for sale or rental present a unique set of challenges. It is important that these challenges be acknowledged and dealt with in a manner which protects the investment, while accommodating normal sales activity. While customary controls are in place within a store for protecting product - everything from walls and doors to cashiers positioned at the entrance/exit - this is often not the case in exterior display areas. Following are best practices designed to provide optimum protection, with minimal impact on customer service.

PHYSICAL SECURITY

- **FENCING** should be installed to completely enclose the perimeter and prohibit unrestricted access both during and after business hours. Fencing should be at least six feet high with angled out barbed or razor wire topping (if permitted by your local building code). The customary fencing material is chain link, although a steel post fence or any other type of fencing will work as long as it is sturdy and prevents a thief from easily going over, under or through it. Fencing must be checked at least weekly for evidence of damage, breaching etc.
- **GATES** must be of the same or comparable material and be hung and maintained in a manner that, when closed, do not provide an opening of sufficient width between the gate and adjacent fencing to allow entry.
- **LOCKS** and (when necessary) **CHAINS** used to secure the gate must be of sufficient size/strength to provide optimal protection against cutting. Padlocks should be high security, commercial grade, ideally with a hidden shackle and the feature that prevents the key from being removed when the padlock is open. This feature, called *key retaining* or *non-removable key*, will require that the padlock be locked in place, rather than left hanging open during the day, and thus prevent switching or theft.
- **BUILDINGS WITHIN THE AREA** must be secured to protect their contents both during and after business hours. If the area is manned *at all times* during business hours, these buildings need not be locked during the day. If, however, the area is not manned at all times, these buildings should remain locked, particularly if they contain high value items such as water heaters, HVAC units, motorized lawn care equipment, etc. Like the gates, locks of sufficient size and strength should be used to secure these doors. The hasp/staple assembly should be of comparable strength, and mounted in such a manner that the securing screws are not exposed. Ideally, the hasp/staple assembly should be secured to the door and frame with bolts through the door/frame with retaining nuts.
- **WINDOWS** should be either barred or covered with plywood to deter forced entry.
- **COMPANY VEHICLES** should be secured at all times, including during business hours and when parked within the enclosed area overnight. Keys to company vehicles should be secured in a lockable key box inside the store when not in use.
- **SECURITY LIGHTING** is essential to deny thieves the advantage of using darkness to hide their activities. There should be sufficient

Announcements & Upcoming Events

Resources:

- **CCTV/EAS:**
ADT/Sensormatic
Mike Rosman (414) 940-1489
mjrosman@adt.com

Training:

- Beginning in May, RLP webinars will be available to all retailers at no fee.
- Join RLP at the Denver Convention for a full-day owner/manager workshop!

Do you want to invite a RLP expert to speak at your next retailer group meeting? We can!

Call RLP directly, visit the RLP website, or visit the Retail Training Page on ACENET for more information on training dates, topics and registration!

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lighting to permit passing police and honest citizens to see movement during nighttime hours - and to provide sufficient illumination for installed CCTV cameras to clearly record images of persons and vehicles. Pole mounted lights with metal halide, halogen, or equivalent bulbs provide excellent lighting at reasonable costs. It is advisable and worthwhile to have a professional lighting company provide recommendations and quotes for the appropriate lighting system for the area.

- CLOSED CIRCUIT TELEVISION (CCTV) coverage of the area, *particularly the gates*, is strongly recommended. Cameras should be in environmental housings and located at points that maximize their value - that is, the fence line, vehicle entry and exit points (with one camera focused to provide clear images of license tag numbers), company delivery vehicle loading areas, perimeter door(s) of the store that are contiguous to the area, etc.

- Consider extending your store's ALARM SYSTEM to this area. Systems should include alarm points on gates and doors of buildings, infrared and/or motion detection devices. Contact your alarm company for a recommended design and quote.

- PRODUCT SHOULD NOT BE POSITIONED OR STACKED NEAR THE FENCE. It is recommended that a distance of 10 feet be maintained between the fence and stacked building materials. Product stacked closer than 10 feet provides a handy platform for both entry and exit over the fence.

- GRASS, BRUSH AND WEEDS adjacent to the exterior side of the fence should be kept cleared. This will deny cover for stolen merchandise that may be thrown over the fence by associates or customers, as well as denying burglars cover during attempts to surreptitiously enter the property during nighttime hours.

- SIGNAGE is important. It informs customers and others of your policies, as well as your commitment to the protection of your property and product. NO TRESPASSING signs should be posted every 50 feet on the exterior side of perimeter fencing and on all gates. You may also want to consider a sign at the entrance to your lumber or building materials yard that states something to the effect that A SALES RECEIPT IS REQUIRED FOR ENTRY

INTO THE LUMBERYARD. Lastly, if there is a perimeter door in your store that exits directly into the lumberyard, we suggest you place a sign at that door informing customers that UNPAID MERCHANDISE MAY NOT BE TAKEN INTO THE LUMBERYARD.

ACCESS CONTROL

- GATES are only effective during business hours if passage through them is controlled. An open, uncontrolled gate is an invitation to **STEAL FROM ME** and should be avoided if at all possible. If the enclosed area has more than one gate, all but one of them should be closed and locked - only the gate that is closest to the store, easy to observe and control should be used by customers. If there is a rear or side gate that must be used by commercial delivery vehicles (or company delivery vehicles), it should remain closed and locked when not in actual use.

- PADLOCK KEYS should, of course, be very closely controlled. Since padlock keys are easily duplicated, it is important to take actions, whenever possible, to eliminate any advantage an associate would have by making an unauthorized key duplication. In this case, one such action would be to utilize a DAY LOCK - NIGHT LOCK system on perimeter gates that are used during business hours. This system involves the use of a heavy duty padlock for nighttime control (to which only opening/closing managers have the key); and the use of a second padlock (of lesser quality) for securing that gate during business hours. The day lock can be locked in place (on the gate) overnight. Once the night lock is opened in the morning (and locked in place on the gate), the day lock is opened and used to secure the gate during the day. This arrangement is particularly advisable for a gate that is not controlled by a guard and which is locked during operating hours when not in actual use.

- WHEN IS IT APPROPRIATE AND COST-EFFECTIVE TO USE A GATE GUARD? There is no standard formula for determining when the employment of gate guards is appropriate. However, if a significant segment of your sales (e.g., 50% or more) is product from exterior lumber/building materials area, it would, indeed, be appropriate to utilize gate guards. Or if repeated inventories of building materials confirm that shrinkage is excessive, that would also be valid justification for utilizing gate

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guards. Once the decision is made, a guard shack should be constructed (or purchased). The ideal location of the guard shack would be in the middle of the gate opening, thus allowing the guard easy access to both entering and exiting vehicles.

The guard should be present at all times when the gate is open. For example, if the gate is opened at 7 AM and the store opens at 8 AM, the guard's shift should begin at 7 AM. Further, this person should report to, and take direction only from, the store manager (not the lumberyard manager). This avoids any potential conflict of interest situations. Additionally, the guard's duties should be restricted to gate control and not include other duties that would take that person away from the gate for any length of time, no matter how short that period of time.

- THE GATE GUARD MUST BE FAMILIAR WITH ALL BUILDING MATERIALS, to include the various types and grades of lumber. To this extent, consideration should be given to distinctively marking the different grades of identical lumber products to make it easier for lumberyard workers and gate guards to quickly identify them (e.g., spray painting different colors on the ends of the lumber



products. You should also consider, if not already doing so, marking the lumber/building material storage locations with the SKU/description of the product (see examples below).

- WHEN A PRODUCT IS SOLD THAT WILL BE LOADED BY AN ASSOCIATE, it is prudent to provide the customer with two copies of a receipt or invoice; one for the customer's retention and one to be surrendered to the associate who will be loading the product or to a gate guard.

When the product is loaded, the associate initials the store copy and turns it in - or it is surrendered to the gate guard upon exiting the lumberyard. This process does three things - first, it identifies the associate who loaded the product; second, it tends to make the associate more careful during the loading process because his/her identity is being documented; and third, it prevents a dishonest customer from returning later and having the same product loaded a second time.

If a multi-copy, store-specific form/invoice for recording the sale of building materials is not available, a ready-made LOADING TICKET feature is available within the Activant POS system (see Option #160).

This feature, once set up, prints a second POS terminal receipt (a "Loading Ticket") that contains only those items that are to be loaded by an associate. If this feature is used, it would be the Loading Ticket that would be required for entry into the lumberyard and would be surrendered to the gate guard upon exit.

- A large **STOP** sign should be posted at the gate that can be seen by both entering and exiting vehicle drivers.

- ENTRY TO LUMBERYARDS SHOULD BE CONTROLLED JUST LIKE EXITS. Only customers with *two copies* of a sales receipt/invoice (or Loading Ticket) should be allowed to enter the lumberyard.

NOTE: If deemed absolutely necessary, special customers (i.e., contractors and other customers who make frequent building materials purchases) may be allowed to circumvent the established policy and enter without a sales receipt/invoice; HOWEVER, special attention should be paid to these customers when they exit, to include being on the lookout for store product inside the passenger compartment of their vehicles. Should store product be seen, proof of payment should be requested.

- IF THE ENTERING VEHICLE ALREADY HAS BUILDING MATERIALS IN ITS BED and those materials are identical to product displayed/sold from within the area, it is recommended that the gate guard annotate a summary of those items on the reverse side of the gate guard copy of the sales receipt/invoice. This will be of value when conducting the exit load check.

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- All exiting loads must be verified by the guard, to include product on Company vehicles. The load check process should be LOAD TO INVOICE. That is to say that the guard should start directly behind the driver, identify the product type and quantity at that location, locate it on the invoice and check it off; then proceed around the rear of the vehicle to the passenger door and, if required, climb onto the bed of the truck to confirm that there is no product in the middle of the bed that could not be seen from the ground, identifying each new product and quantity seen, then locating it on the invoice and checking it off.

This method (as opposed to the INVOICE TO LOAD method) will ensure that any product that has been loaded, but not invoiced, will be found.

The customer must be required to surrender the gate guard's copy of the invoice when exiting. The gate guard should initial that copy and record the license tag number of the customer's vehicle on it. If errors are discovered (e.g., wrong grade of material, incorrect quantities, etc.), the guard should direct the customer back into the yard and radio (if possible) the yard supervisor that an error was discovered, what it was, and the fact that the customer is returning to have the error corrected.

- The GATE GUARD DAILY ERROR REPORT should be used to record all errors discovered during load checks. This form can be downloaded at www.ancelossprevention.com. This form should be turned in weekly to the store manager for necessary actions. Consider an incentive program for both lumberyard associates and the gate guard that is based on accuracy of loads. For example, pay an incentive to the gate guard for every error he detects (a percentage of the value of the error), and a flat rate incentive to lumberyard associates who load a specified number of customer vehicles without an error (e.g., \$10 for every 100 vehicles loaded without an error).

- The invoice copy that is used by lumberyard associates for loading outgoing deliveries should contain blocks for INITIALS OF THE LOADER, THE CHECKER AND THE DRIVER, all attesting to the accuracy of the load. That copy should be reviewed for accuracy and completeness by a supervisor, filed for an appropriate period of time, and then destroyed. The gate guard is the "fail safe" and is in addition to the checks made at the time of loading.

NOTE: Keep in mind that regardless of the accuracy of the load at the time it was loaded, it is always possible that additional product could be surreptitiously loaded prior to the truck leaving the lumberyard.

- An OUTGOING DELIVERIES FORM should be maintained at the guard shack to record all outgoing deliveries. Minimum data to be recorded on this form would be date, time, truck number, driver ID, invoice number, and odometer reading.

- It is recommended that a GPS SERVICE be employed to track delivery vehicles. There are many such services available with reasonable pricing. The costs associated with such services are typically offset through savings in driver man-hours and vehicle fuel costs.

- FUEL CONSUMPTION SHOULD BE CLOSELY MONITORED. This is particularly appropriate if delivery drivers have use of a Company credit card or signature authority at a designated gas station for fuel purchases.

- A HOLD HARMLESS DELIVERY AGREEMENT form should be considered, particularly if delivery vehicles are heavy duty or tandem dual axled. A sample form is available and can be downloaded from www.ancelossprevention.com.

If there is a unique situation at your store that is not adequately addressed here, please contact Retail Loss Prevention and discuss your concerns with one of our loss prevention professionals. Call 630-972-2670 or e-mail info@ancelossprevention.com.

Visit Retail Loss Prevention online at www.ancelossprevention.com