

Westec Case Study

National Retail Sales & Shrink Test



The Test

Westec recently concluded a 9-month test for a Fortune 500 national discount chain
The test was aimed at increasing sales and reducing shrink

The test consisted of the following:

3 random sites (considered as A, B, & C level risk sites)

16 camera systems in all locations - video and audio surveillance

Interactive Services: Rapid Response, 12 Tours/week (50 per mo.)

Rapid Response focused on shoplifting -- Tours focused on cash register activity

Cost: \$8,350 equipment cost and \$569/mo. (\$295 Westec 360, \$149 Rapid Response, \$125 Tours)

9 months of sales and shrink immediately prior to test annualized as a base line

Sales and shrink measured at test conclusion and annualized to compare to base line

Test Results

Sales Results:

Store	Annual Sales (Pre-Test)	Annual Sales (During Test)	Improvement	% of Improvement
7986	\$1,580,114	\$1,781,105	\$200,991	12.7%
4400	\$1,139,994	\$1,184,226	\$44,232	3.9%
1221	\$1,189,946	\$1,336,190	\$146,244	12.3%
Totals	\$3,910,054	\$4,301,521	\$391,467	10.0%

Shrink Results

Store	Annual Shrink (Pre-Test) (% of Sales)	Annual Shrink (During Test) (% of Sales)	Gross Improvement
7986	3.16%	2.98%	0.18%
4400	8.34%	5.13%	3.21%
1221	6.36%	5.05%	1.31%

Store	Annual Sales (Pre-Test)	2007 Shrink	Annual Sales (During Test)	Annual Shrink Improvement During Test	% of Improvement
7986	\$1,580,114	\$49,932	\$1,781,105	\$3,206	6.4%
4400	\$1,139,994	\$95,075	\$1,184,226	\$38,014	40.0%
1221	\$1,189,946	\$75,681	\$1,336,190	\$17,504	23.1%
Totals	\$3,910,054	\$220,688	\$4,301,521	\$58,724	26.6%

TEST HIGHLIGHTS:

10.0% Increase in Revenue Across All Three Stores

26.6% Reduction in Shrink Across All Three Stores

\$450,000 Cash Savings v. a \$45,500 Expense - nearly a 10.X Return