



by **Walter Palmer , CFI, CPP, CFE**

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The World Is Flat? Not Yet.

In Thomas Friedman's best-selling book, *The World Is Flat*, he puts forth the idea that the convergence of technology and web-based capabilities combined with global supply chains and the emergence of India and China in the worldwide economy has created a "flatter" world where the traditional barriers that have isolated countries and regions from each other have started to fall away. His book certainly deserves a read and much of his thesis is correct.

However, my experience in traveling the globe over the past six years and meeting with retail security and loss prevention practitioners suggests our industry is just now on the cusp of this transformation and, as a result, most organizations are trying to figure out how to cope with changes being thrust upon them through either the expansion of their retail operations or by the extended supply chains they now have to source their products.

A Continental Gap

In 2002 I made my first trip abroad to try and determine how the challenges, strategies, and attitudes towards shrinkage, security, and loss prevention differed from the commonly held views and tactics in the U.S. retail market. For several reasons I decided on England as my first destination figuring that our historical pedigree and a (relatively) common language would make for an appropriate starting point. Immediately, I was confronted with the fact that, despite the shared heritage we enjoy, there seemed to be an absolute separation between the U.S. and England relative to any involvement, knowledge, or appreciation for what the other was doing or shrink.

While I knew a significant proportion of loss prevention executives in companies throughout North America, I knew hardly a soul on the other side of the Atlantic. As I started to inquire of colleagues, I found that almost none of them had any knowledge of or contacts with their counterparts in the U.K.

Fortunately, I had met Mark Gray, vice president of loss prevention for TK Maxx, which is part of the TJX Companies that include Marshalls and T.J. Maxx in the U.S. and Winners in Canada, at one of the National Retail Federation LP conferences. Being a part of an American-based corporation, Gray was one of the few individuals who had bridged the gap that I was encountering and was generous enough to offer his assistance to me.

With his help we were able to convene a roundtable meeting of senior loss prevention executives from a variety of U.K. retailers in a conference room at the British Retail Consortium's offices in London. In addition to Gray, we had representation from Sainsbury's, John Lewis Partnership, Gap Europe, Borders Book Stores, Signet Jewelers, HMV, and several other major retailers.

It was apparent at that meeting that these professionals knew the U.K. retail loss prevention industry very well and some of them had some insight into mainland Europe, but they had very little knowledge or contact with the U.S. or other international markets.

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Bridging the Gap

As I have traveled around the world since then, I have found this to be the case most places I go, but there are signs the situation is changing. More and more sharing is going on; while more and more companies are expanding their operations into new regions and countries and sourcing product from China, India, Bangladesh, Mexico, and other developing regions.

Now, when I attend a retail loss prevention conference in London, I meet not only Brits and Americans, but also Finns, Germans, Swedes, French, and South Africans. I hear presentations on the challenges of opening in new markets such as Estonia, Latvia, or Romania. We learn about issues of corruption in Russia or Kazakhstan or the challenges of supply-chain security in China. It is fascinating stuff and the need to learn about other countries and cultures may only be eclipsed by the benefit of *learning from them*, as well.

This first issue of *LossPrevention* magazine centered on international loss prevention issues is a step in the right direction. In future issues, I hope to share with you some of my learnings from my visits with other loss prevention professionals around the globe. I would also appreciate hearing about your experience dealing with international LP issues. ■