



# The End-of-Sale Process in the Retail Supply Chain: A Security Perspective

## Strengthening Retail Store Security in the Final Stages of the Supply Chain

In the advancing retail industry, the final stage of the supply chain process, getting products off trucks and into stores, is full of security challenges. Retailers face rising threats, such as theft, shoplifting, internal fraud, vandalism and even violence, intensified by self-checkout systems and the complexities of post-pandemic retail environments. With organized retail crime (ORC) and shrinkage on the rise, effective security measures are essential to reducing losses.

The end-of-sale process with the goal of getting products onto shelves and to customers is causing retailers to rethink their security

strategies. This whitepaper focuses on the critical importance of end-of-sale supply chain logistics and security for retail stores, highlighting proactive solutions such as combining physical security personnel and cutting-edge technology to secure supply chain operations. We'll provide insight into additional security measures including mobile patrols, surveillance systems and integrated alarm verification systems.

Whether managing day-to-day retail operations or responding to disasters and large-scale events, retailers must be prepared for the unexpected. Protos Security offers scalable

solutions to meet these challenges head-on, enabling retail businesses to enhance security, reduce losses and maintain operational integrity during the end-of-sale process.

THE RETAIL ENVIRONMENT - INCREASE IN LOSS PREVENTION CHALLENGES DURING INVENTORY TRANSFER

[The National Retail Federation \(NRF\)](#) estimates that U.S. retailers lose \$100 billion annually to ORC, with incidents occurring most frequently during high-traffic periods, such as product restocking, unloading and at the point of sale. When goods move from delivery trucks to shelves, a prime opportunity is presented for organized crime groups to target products.

When goods arrive at stores after a long journey on trucks or supply chain routes, multiple issues arise that can contribute to loss. Some of the most common challenges include:

- **Inaccurate Inventory Management:** Once products are delivered to the store, any inaccuracies in the store’s inventory management system can result in shrinkage. These inaccuracies can occur due to system issues, incorrect inventory logging or stock misplacement.
- **Unsecured Receiving Areas:** Many retailers overlook the security of receiving docks or stockrooms. An unsecured receiving area can lead to employees or vendors taking advantage of unsecured receiving areas to steal goods. This also leads to uncontrolled access to receiving docks can also allow external theft.
- **Operational Inefficiencies:** Staff often struggle to process deliveries efficiently, leading to operational slowdowns that can affect loss prevention. Some common issues include a lack of security training,

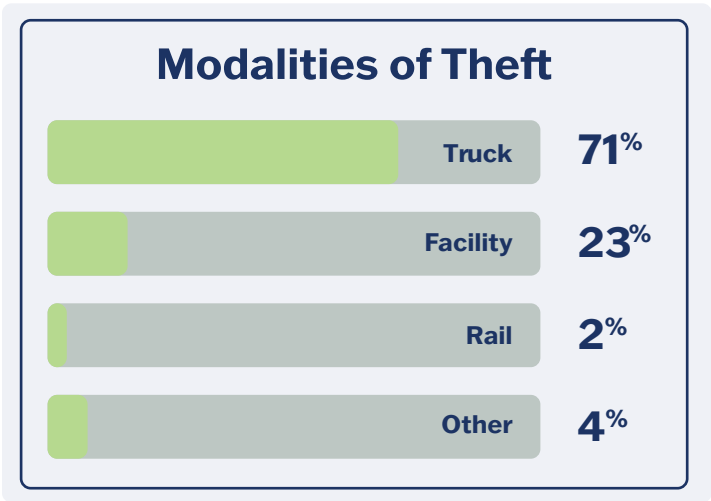
insufficient security staffing or outdated technology.

- **Damage and Spoilage:** Improper handling of goods, especially perishables, can lead to loss. Products can be damaged during transit, but the problems often escalate once the goods arrive at the store.

THEFT DURING UNLOADING AND RESTOCKING

ORC groups often exploit the vulnerabilities that arise during the unloading of trucks and the transfer of goods to storage or sales floors. Inadequate security measures, such as unmanned loading docks or lack of proper surveillance, make it easier for these groups to steal large quantities of merchandise quickly. This type of theft frequently targets high-value items like electronics, fashion accessories and pharmaceuticals.

A common tactic includes cargo theft, which is when criminals intercept delivery trucks or steal from them when parked at unsecured loading bays. According to the [2023 Cargo Theft Report by BSI and TT Club](#), 71% of thefts occurred at rest stops, parking lots and unsecured facilities



Source: The 2023 Cargo Theft Report by BSI and TT Club

during the unloading process.

ORC’S FINANCIAL AND OPERATIONAL IMPACT ON RETAILERS

The financial losses caused by ORC extend far beyond the direct cost of stolen merchandise. Retailers must also account for a wide range of factors that affect their profit margins.

- **Increased Security Costs:** Constant incidents of theft lead to higher expenditures on security personnel, especially if a retailer is hiring security personnel directly instead of working with a security provider.
- **Legal and Insurance Costs:** Frequent theft and vandalism lead to higher insurance premiums, and the risk of legal action from employees or customers injured during theft incidents adds to operational costs.

- **Supply Chain Disruptions:** When organized theft groups target high-value goods, it creates supply chain disruptions, particularly if they succeed in intercepting cargo at key points, such as during the unloading process. These disruptions can delay stock replenishment, damage relationships with suppliers and hurt overall sales.

According to a [survey performed by Interos](#), supply chain-related disruptions that occurred in 2023 led to an average of \$82 million in annual losses per organization in key industries, including financial services, aerospace, defense, healthcare and energy. Their research also found that increased prevention measures and response to supply chain disruptions saved organizations an average of \$37 million annually. These issues negatively impact a brand’s image and reputation, causing customers to stay away from stores that are known to have higher rates of crime.

TOP RETAIL RISKS AND THREATS	2023 (MORE OF A PRIORITY VS. ONE YEAR AGO)	2022 (MORE OF A PRIORITY VS. FIVE YEARS AGO)
ORGANIZED RETAIL CRIME	78.1%	70.7%
VIOLENCE DURING A CRIMINAL ACT	72.3%	N/A
HOMELESSNESS CONCERNS	72.3%	N/A
EXTERNAL THEFT (NON-ORC RELATED)	68.8%	74.1%
MASS VIOLENCE / ACTIVE ASSAILANT EVENT	65.6%	57.9%
GUEST-ON-ASSOCIATE VIOLENCE	65.2%	77.6%
ECOMMERCE FRAUD / LOSS	57.8%	N/A
INTERNAL (EMPLOYEE) THEFT	48.5%	56.9%
LOYALTY PROGRAM FRAUD	48.3%	49.1%

Source: The 2023 National Retail Security Survey by the National Retail Federation

## DANGER IN THE STORES AND SELF-CHECKOUT

According to an [article by Forbes](#), 90% of retailers nationwide have experienced theft at their stores and 83% said they believe retail theft is a major issue. The introduction of self-checkout systems has contributed to this increase. While self-checkout systems provide convenience to customers, they also create new vulnerabilities for retailers.

### Self-Checkout Theft Statistics



Two-Thirds of retailers believe that self-checkout theft is becoming more of an issue

**15%** of self-checkout users report having stolen an item

Retailers that offer self-checkout options have **DOUBLE** the loss rate of those that don't



Source: [Reports from NYT, Lending Tree and ERC Retail Loss](#)

### Consequences of Violence & Crime

The current landscape of theft and violence across retail has an impact on both associates and consumers. The inability to hire and retain associates, the inability to maintain inventory stolen on a daily basis, and environments prone to violence cause concern over associate and consumer safety.

Retailers were asked if they took any specific actions across their location(s) due to retail crime, social and/or physical disorder, or violence.

- 45.3% reduced specific store(s) operating hours
- 29.7% reduced or altered in-store product selection(s)
- 28.1% of respondents reported closing a specific store location(s)

Source: *The 2023 National Retail Security Survey by the National Retail Federation*

Theft at self-checkout kiosks is on the rise, with tactics ranging from skipping item scans to barcode manipulation. Retailers estimate that self-checkout systems account for as much as 23% of their total unknown store losses, with 48% of those losses being intentional theft ([International Security Journal](#)). There are also greater risks of violence and crime in these situations.

These challenges can be addressed by deploying camera systems and real-time monitoring to oversee self-checkout areas. Security personnel, including off-duty law enforcement, are trained to respond quickly to incidents, preventing theft before it escalates into larger losses. Additionally, officers placed through high-risk areas like self-checkouts act as a visible deterrent to would-be thieves.



## POST COVID-19 ERA – THE NEW SECURITY LANDSCAPE

According to the [U.S. Census Bureau's Small Business Pulse Survey](#), the COVID-19 pandemic took a significant toll on the United States economy, with nearly 39% of small businesses reporting supply chain delays.

Additionally, a [recent survey performed by the NRF](#) found that COVID-19 created more challenges for retailers. Almost 90% of respondents said the pandemic increased the overall risk for their organization, with 71% citing increased organized retail crime and employee theft as a result of the pandemic. The study found that labor shortages, employee retention and hiring challenges during the pandemic also contributed to the rise in crime incidents year-over-year.

We are also seeing a negative impact on the supply chain industry due to port strikes. A port

strike can have significant ripple effects on the supply chain, especially for essential goods. When dockworkers or shipping-related staff go on strike, it disrupts the flow of imports and exports. This can lead to bottlenecks, with cargo ships sitting idle at ports or being rerouted, which delays the arrival of goods to stores. Essential goods, often shipped in bulk from overseas, may not reach distributors in time, creating empty shelves and panic buying. As demand spikes and supply dwindles, retailers can struggle to restock, further exacerbating the problem.

If a strike is prolonged, it could affect a wide range of industries, from electronics and food products to household essentials, increasing prices and potentially leading to long-term shortages. The overall impact would depend on the duration of the strike and how quickly businesses can adapt by finding alternative transport routes or suppliers.

## TOP SUPPLY CHAIN CHALLENGES

The top 5 issues rated very or extremely challenging by supply chain professionals



**57%**

hiring or retaining  
qualified workers



**56%**

talent shortage



**54%**

supply chain  
disruptions  
or shortages



**52%**

out-of-stock  
situations



**52%**

customer demands  
for customization

Source: [The 2023 MHI Annual Industry Report](#)

## PROPER DOCUMENTATION AND ACCOUNTABILITY

Proper documentation is essential for proving security protocols are being followed and that incidents are being managed professionally. This is especially important in post-incident investigations and for demonstrating compliance with insurance and legal requirements.

## DAY-TO-DAY OPERATIONS AND DISASTER RESPONSE – BEING PREPARED FOR THE UNEXPECTED

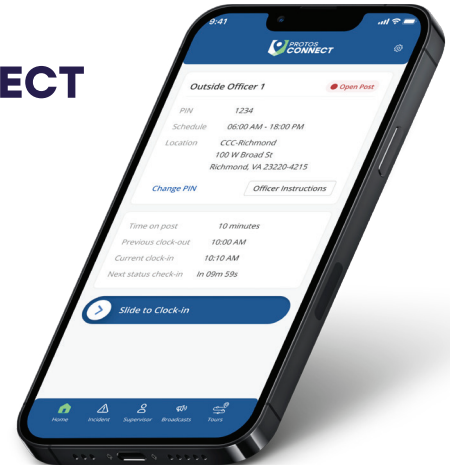
Retailers must prepare for the unexpected, whether it's large crowds during holiday shopping seasons or natural disasters. Disaster response and crowd management are critical components of any security plan, as emergencies can escalate quickly without proper management. An effective disaster response plan is important to ensure a business has their back covered in case of an emergency. However, only [54% of organizations](#) report having a documented, company-wide emergency plan in place (Security Magazine).

Working with a security provider like Protos offers scalable solutions, from managing day-to-day store operations to preparing for major events or disasters, ensuring that retailers are ready for any scenario.

Experienced security providers can help retailers receive strategic consulting on how to adjust their security protocols and manage risk during periods of heightened activity.

## PROTOS CONNECT

Protos' proprietary mobile application, [Protos Connect](#), offers an integrated solution for real-time incident monitoring, enabling security officers on-site to provide protection for loss prevention and crowd control during peak



shopping seasons. In the ever-evolving retail landscape, ensuring customers' and employees' safety and security is paramount. By equipping security guards with real-time communication tools and streamlined reporting capabilities, Protos Connect fosters a proactive approach to security management.

Protos Connect strengthens retail security by facilitating the broadcast of important and urgent messages to guards, enabling swift responses to incidents and effective threat mitigation. The app has an intuitive interface that transforms documentation easily, empowering guards to effortlessly log activities, incidents and safety checks, which not only boosts operational efficiency but also crafts a vital audit trail for compliance and risk management.

Furthermore, Protos Connect advocates for data-driven decision-making, shedding light on security trends through its comprehensive analytics. Retailers can leverage this wealth of information to identify vulnerabilities, enhance security protocols and allocate resources effectively. By promoting a culture of safety and vigilance, Protos Connect empowers organizations to safeguard their assets, improve customer experiences and ultimately drive growth. Adopting this technology goes beyond basic risk management; it signifies a commitment to advancing security standards within the sector.

## RAPID SECURITY RESPONSE AND SOLUTIONS

### Off-Duty Law Enforcement – An Effective Solution

[Off-duty law enforcement](#) officers play an increasingly important role in retail security. Their ability to intervene in thefts, deter violent acts and offer expertise makes them invaluable to retail environments, particularly at the critical end-of-sale stage.

Off-duty law enforcement officers provide several benefits:

- **Law Enforcement Authority:** Like on-duty law enforcement officers, off-duty law enforcement officers are responsible for enforcing laws and regulations. This includes making arrests, using firearms, issuing citations, ensuring compliance with legal statutes and more.
- **De-escalation Expertise:** Their training enables them to manage tense situations calmly and effectively, preventing potential escalation into violence or major incidents.
- **Visible Deterrence:** The mere presence of law enforcement in high-risk areas, such as self-checkouts or loading docks, acts as a significant deterrent to theft. Knowing that trained law enforcement personnel are present, potential offenders may think twice before engaging in unlawful behavior. Criminals are less likely to target locations with a visible law enforcement presence, creating a safer environment for everyone.
- **Protecting Public Safety:** Off-duty law enforcement officers are required to intervene in situations where public safety is at risk. They are empowered to protect citizens and property when they witness crimes or respond to emergencies.

Their presence is a powerful deterrent for both

opportunistic shoplifters and professional crime groups. Having off-duty law enforcement as part of a security plan not only enhances the overall safety of the store but also reassures customers and employees that threats will be managed by professionals with the expertise to respond immediately.

Protos offers a robust solution by integrating off-duty law enforcement into its services, ensuring that retailers can rely on highly skilled professionals to protect their assets and maintain a secure environment. The combination of off-duty law enforcement officers with other security measures like mobile patrols, surveillance systems and alarm verification systems create a multi-layered approach to security.

### SECURITY OFFICERS

[Security officers](#) provide a wide range of benefits for retailers seeking to strengthen their loss prevention strategies. With a visible presence and vigilance, they deter shoplifters, especially in high-risk areas such as self-checkout stations, entrances and exits. Their patrols extend beyond the point of sale (POS) to crucial areas like loading docks, where theft or unauthorized access to inventory can occur,



and to sections of the store where high-value items are displayed, reducing the likelihood of internal and external theft.

Security officers are trained to identify suspicious behavior early, particularly in areas prone to internal theft, such as storage rooms and employee-only zones. They also monitor high-traffic spots, ensuring the safety of both customers and employees during busy periods, like sales events or emergencies.

Protos has the largest network of security officers in the industry, with experience in verifying alarm systems, overseeing guard tours and conducting investigations into suspicious activities. Security officers provide a proactive, hands-on approach to securing retail environments. Additionally, they help retailers maintain professionalism and compliance with safety protocols, enhancing customer trust and overall store operations.

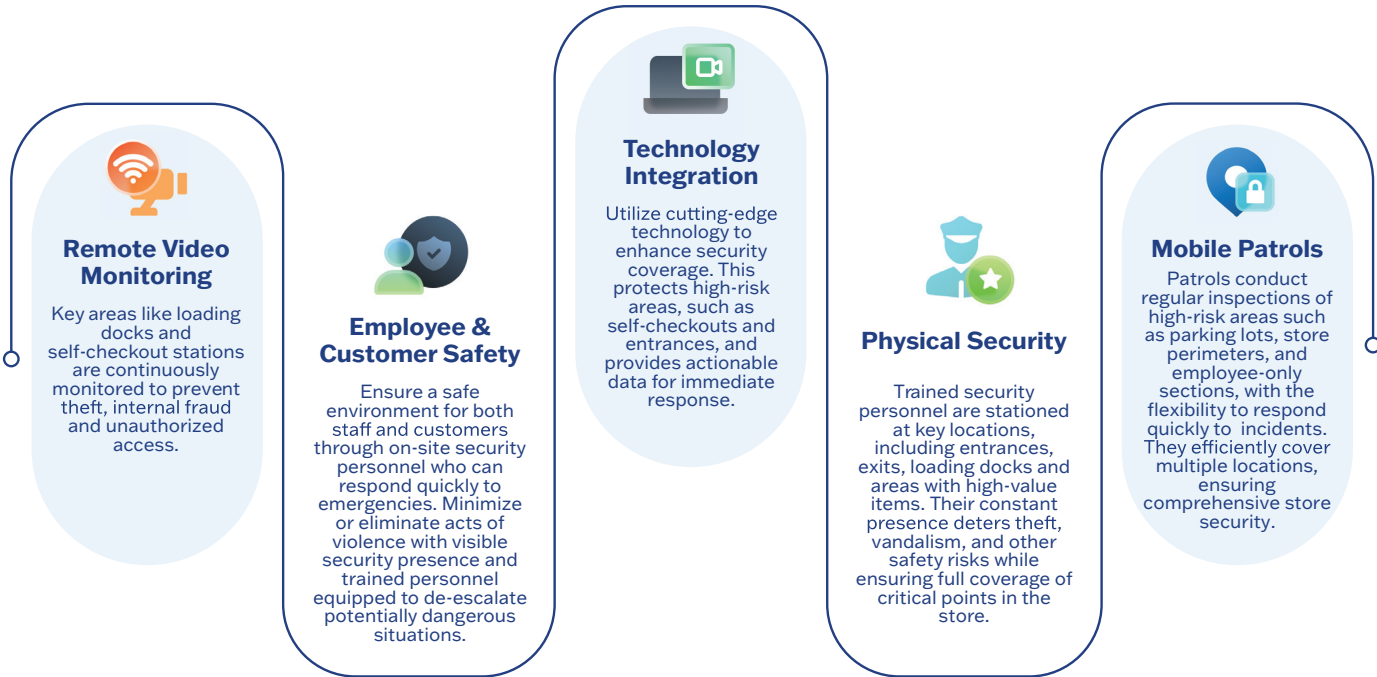
MOBILE PATROLS, ROVING PATROLS AND CAMERA SYSTEMS

Mobile patrols, roving patrols and camera systems provide an integrated approach to retail security, significantly reducing the risk of theft and unauthorized access. Mobile patrols allow security personnel to cover large areas and monitor different parts of the property efficiently by using different types of vehicles, making it harder for criminals to identify vulnerabilities. Roving patrols enhance this by maintaining a visible and unpredictable presence by having security officers monitor the premises, which acts as a powerful deterrent.

Mobile patrols are especially useful in larger retail environments, allowing officers to cover more ground and monitor multiple store zones. These patrols can also provide added protection during vulnerable periods such as inventory restocking or unloading of goods, where the risk of theft spikes.

COMPREHENSIVE RETAIL SECURITY FOR A SAFER SHOPPING EXPERIENCE

Protos Security: Leading the Way in Retail Protection through Innovation and Expertise







Camera systems equipped with alarm verification provide an additional layer of security by ensuring that any triggered alarms are immediately reviewed and validated by security personnel, allowing for quick and appropriate responses. This combination of human presence and advanced technology minimizes false alarms and ensures that genuine threats are addressed swiftly. Together, these tools enable retailers to safeguard their assets while providing real-time surveillance and rapid response capabilities.

## REMOTE VIDEO MONITORING

A comprehensive security program integrates security officers, off-duty law enforcement and advanced remote services to maximize effectiveness. Partnering with a provider that offers 24/7 video monitoring and remote access to recorded footage adds a critical layer of protection. By using security technology, you can enhance your security program scalability through features like real-time reporting and cloud-based solutions. This flexibility allows you to easily expand your security operations as needed.

Real-time monitoring ensures immediate

response to any security incidents, while cloud-based video surveillance securely stores footage off-site. This not only protects data from on-site equipment damage or theft but also ensures easy access and reliability.

Retailers often face the challenge of securing their stores after closing. Remote video monitoring offers constant surveillance, especially during off-hours when stores are more vulnerable to break-ins or vandalism. A retail store with high foot traffic can leverage remote video guarding to continuously monitor key areas like entrances, exits and high-value product sections. Self-checkout stations present a unique challenge, as they can be hotspots for theft and fraud. Remote video monitoring allows for real-time observation of these areas, ensuring that any suspicious behavior, such as customers failing to scan items or attempting to manipulate the system, is detected early.

If suspicious behavior, such as someone concealing items or employees handling cash inappropriately, is detected, remote guards can respond in real-time. They can alert on-site security officers or local law enforcement, ensuring immediate action. Recorded footage

from cloud-based video surveillance also provides evidence if needed.

## GUARD TOURING AND ADVANCED TECHNOLOGY

The integration of guard touring into security measures is essential for protecting valuable assets and ensuring operational continuity. Companies can significantly enhance their security posture by implementing systematic patrols across facilities, warehouses and transit points. Guard touring not only deters potential threats but also promotes accountability and transparency in security operations.

One of the primary benefits of guard touring



is the heightened visibility it provides. Regular patrols create a strong security presence, which can deter criminal activity. Knowing that security personnel are consistently monitoring the premises makes it less likely for potential threats to materialize. This vigilance is particularly important in environments where valuable goods are stored or transported, as it fosters a sense of safety among employees and stakeholders alike.

Protos' Guard Touring technology elevates this strategy by providing a platform that empowers security personnel to efficiently monitor and manage their patrols. The ability to create detailed checkpoints and task lists

ensures that guards can systematically cover critical areas, minimizing the risk of oversight. Furthermore, guards can upload images within each checkpoint, enhancing transparency and allowing for real-time verification of their activities. This feature is beneficial for retailers, where visual evidence can confirm compliance with security protocols and operational standards.

This is a two-part series, be sure to check out the first whitepaper on our supply chain and logistics [here](#). This whitepaper focuses on before-store logistics, and security risks that retailers face when transporting goods from manufacturing facilities to their stores, providing comprehensive security solutions to safeguard high-value items along the supply chain route.

## ABOUT PROTOS SECURITY

Protos Security is a premier software-enabled security services provider offering guarding services, specialized services, off-duty services and remote services for a diverse customer base across North America. Through a unique managed services model, clients gain access to a vast and agile provider network for security service delivery. Protos' unwavering commitment to innovation and software excellence paired with real-time security program data insights ensures that Protos is a relentless advocate for clients and their people.



For more information on Protos Security, please visit [www.protossecurity.com](http://www.protossecurity.com).