A Successful Store Controls Shrinkage

By Frequent, Accurate Inventories Followed Up

Letter Number 12

FREQUENT inventories covering *all* departments, carefully taken, actively followed up, removes the only doubtful element in the year's business. You know your sales, your gross, your expense, your estimated net. You do not know your actual net until after you know what your shrinkage is.

Alert managers now refuse to let things drift along until December 31. These men are taking frequent inventories and know also what shrinkage they must expect. Their inventories, carefully taken, point out the shrinkage centers, and their follow-up work eliminates these danger spots as soon as they are pointed out. Their shrinkage is low because they find out what it is from month to month and then *force it down* and *keep it down* and *know it is kept down*. They refuse to "kid themselves or to be kidded." *They know.*

A careless inventory is worse than useless. It tells nothing and teaches bad habits. Insist upon painstaking accuracy and follow up the results. Investigate surrounding counters, refuse to be misled by careless tallying. Take entire squares of counters together. Follow up the inventories and get to the bottom. Then follow up the inventories with other inventories.

The shrinkage in your store must equal the sum of the shrinkage in each department. By keeping each part small, your total must be small. There is no satisfactory excuse for a high shrinkage in any department. *Don't accept any.* Demand results and you will get them. Prove your results with your inventories.

Frequent, accurate inventories followed up will insure an accurate inventory January 1 and a satisfactory showing for the year.