



Corrective Education Company

LPRC Research:

Impact of CEC's Program on Cost and Time to Retailers

February 21, 2013



Summary of the LPRC Research Results

Executive Summary

Loss Prevention Research Counsel (LPRC) conduct research in the fall of 2012 to determine the impact of CEC's program on the cost and time that retailers and their agents spend on handling shoplifting cases. Although there can be variability in the total processing and handling time, the results were astounding on the degree of the positive impact that CEC's program can have on the time and cost savings to a retailers LP program.

- **Overall Average Retailer Cost savings¹:** related to time of LP Agent and Witnesses are \$32 - \$225 per shoplifting incident.
- **Overall average Retailer time savings²:** 2 - 9 hours per shoplifting incident of LP Agent time
- **Impact on Apprehensions³:** 20% - 90% increase on number of apprehensions due to "more time on the floor"; this would ultimately impact shrink and "harden" the target for other retail theft.
- **LP Agent View:** Overwhelmingly, the responses from LP agents who used CEC's program was positive. Responses from LP Agent include:

¹ Assumes average LP agent costs are \$8 - \$16 per hour and witness costs are \$6.25 - \$8.25 per hour. These cost savings do not include the restitution that CEC would pay the retailer for all costs associated with inputting information and data into the system. i.e. There would actually be no cost to the retailer for the time associated with CEC's program since they pay the retailer an average \$20 - \$50 per apprehension.

² Processing times can vary depending on LP agent experience and retailer protocols; Times were based on LP agent interviews. LPRC found no statistical difference between CEC's program and Retailer Protocol for processing a person; however, significant time savings were shown when police were contacted. Additionally, CEC's program included additional benefits and steps that added to its processing time, but were not part of the retailer processing time. Those additional items include the offender photograph, fingerprint scanning, photograph of evidence, and real-time address and phone number verification. It is conceded that these steps, if also taken into account with the standard retailer protocol, would statistically impact the amount of time and cost savings, improved civil demand, and efficiency of reporting.

³ This assumes a 10 hours per apprehension rate



"The Connect program is a lot easier to navigate through; you can easily find the questions, whereas with our program, you have to click different pages, etc. to fill out the offender's information."

"I would actually enjoy my job if I had this iPad program! It would make processing a lot easier, and would seem less mundane."

"This is really cool; a lot nicer than our system."

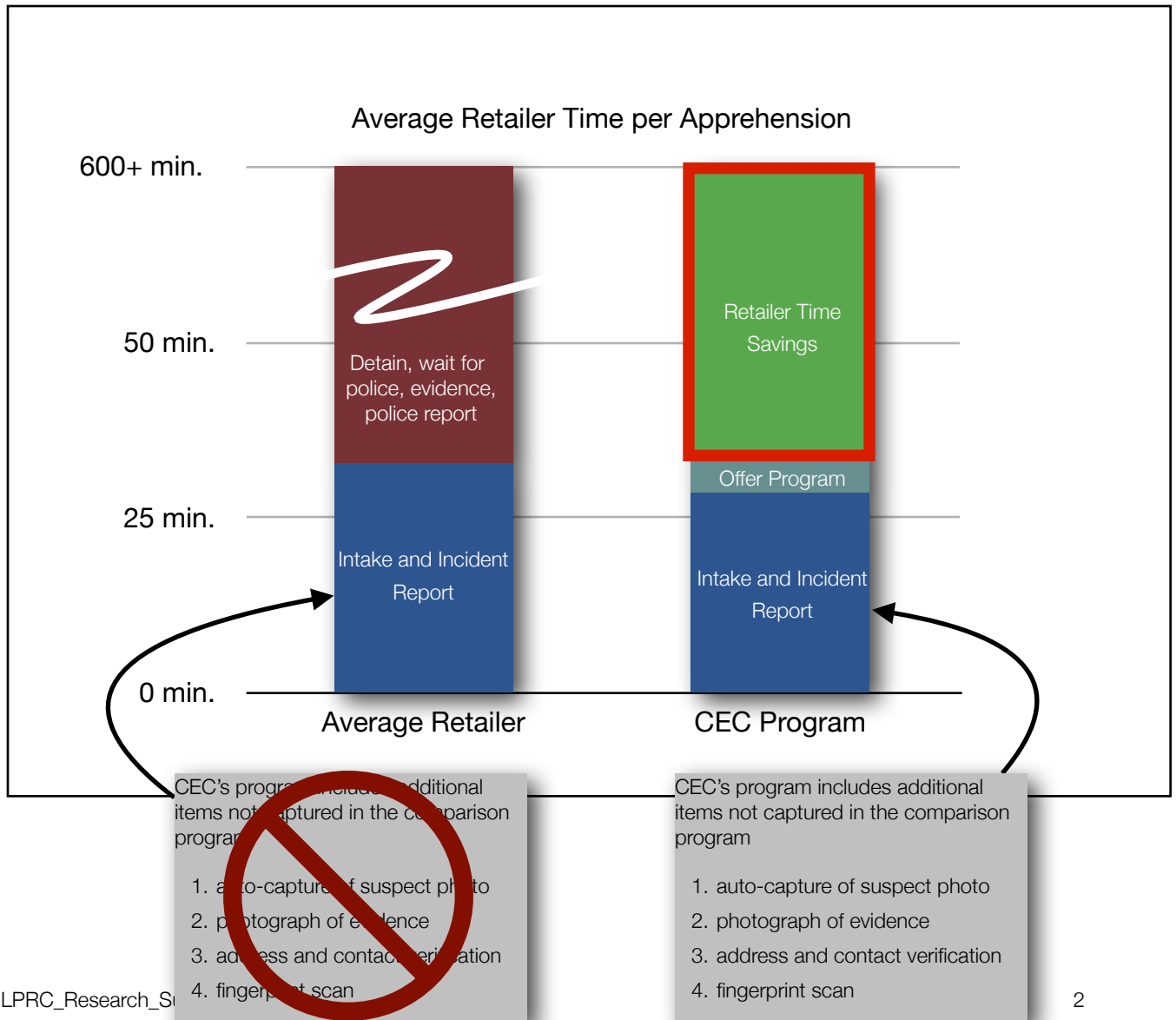
"Nice to be able to take pictures in the program (we take pictures after the fact, individual pictures, and we only have 24 hours to do so)."

"I want it!"

"The fact that we don't have to call the police helps us out a lot, especially with being able to get back to monitoring sales floor activity, etc."

"This will help us cut the time the offender stays in the office with us - our company makes us release the offender if the police don't show up within an hour."

"I love the address verification. It's very rare that an offender will give us the correct address up front."





Detailed Table of time and Cost: CEC's Program vs. Average Retailer

	CEC Average Time	LPA Cost*	Witness Cost*	Retailer Average Time	LPA Cost*	Witness Cost*
Agent's Processing of Incident	13:04 min.	\$1.73 - \$3.46	\$1.35 - \$1.79	12:14 min. (excludes evidence and subject photograph)	\$1.60 - \$3.20	\$1.25 - \$1.65
CEC Process Video Brief	7 min.	\$0.93 - \$1.87	\$.073 - \$0.96	N/A	N/A	N/A
Case follow-up by store agent	5-20 min.	\$0.67 - \$5.33	\$0.52 - \$2.75	5-30 min.	\$0.67 - \$8.00	\$0.52 - \$4.13
Administrative tasks	1-5 min.	\$0.13 - \$1.33	\$0.10 - \$0.69	1-5 min.	\$0.13 - \$1.33	\$0.10 - \$0.69
Total Application Time	26:04 - 45:04 min.	\$6.00- \$12.00	\$4.69 - \$6.19	18:14 - 47:14 min.	\$6.27 - \$12.53	\$4.90 - \$6.46

Police involvement :	N/A (if qualify)	Varies, as indicated below		
Police notification time		3-15 min.	\$0.40 - \$4.00	\$0.31 - \$2.06
Police response time		5 min. - 2+ hrs.	\$0.67 - \$32.00	\$0.52 - \$16.50
Officer briefing on incident		3-15 min.	\$0.40 - \$4.00	\$0.31 - \$2.06
Officer Decision to book and processing		15 min. - 2 hrs.	\$4.00 - \$32.00	\$2.06 - \$16.50
Intake procedures		30 min. - 2 hrs.	\$8.00 - \$32.00	\$4.12 - \$16.50
Fingerprinting		30 min. - 1 hr	\$8.00 - \$16.00	\$4.12 - \$8.25
Misc. procedures		5-30 min.	\$0.67 - \$8.00	\$0.52 - \$4.13



	CEC Average Time	LPA Cost*	Witness Cost*	Retailer Average Time	LPA Cost*	Witness Cost*
Legal process:	NA			Varies by case as indicated below		
Deposition				30 min. - 2 hrs.	\$4.00 - \$32.00	\$4.12 - \$16.50
Testimony				3 - 4+ hrs.	\$24.00 - \$64.00	\$18.75 - \$33.00
Total Time for Processing Offender	26:04 - 45:04 min.	\$6.00 - \$12.00	\$4.69 - \$6.19	~3 hrs - 10 hrs or more	\$24.00 - \$160.00	\$18.75 - \$82.50

* LP agent cost estimate assumes salary range of \$8 - 16/hour. Non-LP witness cost assumes salary range of \$6.25 - \$8.25/hour.

**Processing time may vary, depending on case characteristics, LP officer experience, legal jurisdiction, and state procedures. Times are based on interviews with LP agents and may not reflect police intervention times for all jurisdictions.