

Module 2 - Business Principles

1. Building An Effective Program

- A. Historical Perspective (Trends)
 - 1) Company
 - 2) Industry (Current Studies)
 - 3) Understanding Your Business Trends/Changes
 - a) Company Initiatives That Impact Shrink
 - 4) Demographics
 - 5) Current Trends
 - 6) Analysis
- B. Developing Partnerships
 - 1) Management Buy-In
 - a) All Levels Of Management
 - 2) Associate Buy-In
 - 3) Vendors
- C. Resources
 - 1) Technology
 - 2) People
 - 3) Delivery Methods
 - a) Communication
 - 4) Internal vs. Outsourcing
- D. Partnerships in Education
 - 1) The Masses (All Levels)
 - 2) Awareness Programs (All Levels)
 - 3) Training
 - 4) Enhanced Focus
 - a) Based Of Shrink Trends
 - b) Based On Shrink Locations
- E. Vision And Accountability
 - 1) Sustainability
 - 2) Measurement
 - 3) Incentives/Rewards
 - 4) Continuous Process QA

2. Financial Analysis & Accounting – *The Tools*

- A. Financial Statements
 - 1) Balance Sheet
 - 2) Income Statement / P&L
 - 3) Cash Flow Statement
- B. Accounting Concepts
 - 1) Generally Accepted Accounting Principles (GAAP)
 - 2) Accrual vs. Cash Accounting
 - 3) Depreciation
 - 4) Accounting For Leases

- 5) Forecasting
 - 6) Capital
 - a) ROI (Various Measurement Methods)
 - 7) Expense
 - B. Inventory Accounting Principles
 - 1) Based on industry
 - 2) Retail / Cost
 - 3) Gross Margin
 - a) Allowances (Various Types)
 - 4) Markdowns
- 3. Building Operating Plans (A.K.A. Budgets)**
- A. The Budgeting Process
 - B. Budget Functions
 - 1) Planning/Forecasting
 - 2) Coordinating
 - 3) Communicating
 - 4) Contingency Planning
 - 5) Monitoring/Scheduled Reviews/Adjustments
 - C. Types Of Budgets (Definition)
 - 1) Short Term vs. Long Term
 - 2) Rolling vs. Fixed
 - 3) Payroll / Non-payroll Expense
 - 4) Expense
 - 5) Capital
 - 6) Corporate vs. Store Line – (High Level)
 - D. Capital Investment (Selling ROI)
 - 1) Planning & Process
 - E. Expense
 - 2) Planning & Process
- 4. Supply Chain Management**
- A. Self Managed
 - B. Vendor Managed
 - C. Distribution Methods
 - 1) Warehouse Delivery
 - 2) Direct Delivery
 - a) Components
 - b) Performance And Value
 - c) Bottom-Line Impact
 - i. Profitability
 - ii. Productivity
 - d) In-House Vs. Outsourcing
 - i. Vendors
 - 3) Reverse logistics

4) International

5. Managing Vendor Resources

A. The Role of Vendors (Consultants, Contractors)

- 1) Services/Support
 - a) Recurring (Necessary Tools)
 - b) Expert
- 2) Technology /Hardware
 - a) (Facilitate Vendor-IT Relationships)

B. Managing Relationships

- 1) Professional
- 2) Conflicts of Interest
- 3) Metrics for Measuring Vendors
 - a) Accountability
 - b) Documentation

C. Procurement

- 1) Identifying The Need
- 2) Finding The Right Solution
 - a) Testing (Does It Fit)
 - b) Trade Shows
 - c) Peers
- 3) Educating the Vendor
- 4) Request For Proposal (RFP) Process
 - a) Specifications (Clarification-Involve SME)
 - b) Due Diligence
 - c) Reverse Auctions
- 5) Contracts
 - a) Set Expectations
 - b) Legal Coordination/Considerations

6. Protection of Critical Data & Privacy

A. The Need for a Data Security Policy

- 1) Good Practices in Daily Activities

B. Physical Security

- 1) Access Control
- 2) Data Centers
 - i. Physical Controls
- 3) Document Retention & Destruction

C. Data Security

- 1) Network Security
 - i. Internal/External
 - ii. Wired/Wireless
- 2) Loss of Data via Espionage

D. Safeguards

- 1) Regulations

- 2) Implementing Best Practices
 - 3) Auditing/Testing
 - E. Privacy
 - 1) Health Insurance Portability & Accountability Act (1996)
 - a) Protection Of Medical Information
 - 2) Consumer information
 - a) PCI (storage of credit card number or personal information)
 - 3) Employee Records
-