

What Is a Sensible Fee for Your Shrink "Insurance?"

\$5.00

Think of audit frequency as a form of insurance against shrink. Here's a quick way to determine the cost/benefits of "shrink insurance."

SAMPLE STORE

YOUR STORE

Gross Sales/Year

\$1 million

\$ _____

Shrink

1.5% = \$15,000

_____ % = \$ _____

Monthly Audit Cost

(multiplied x 12 months)

\$200/month = \$2400

\$ _____/month = \$ _____

If you change frequency to every other month, the sample audit cost savings = \$1200/year

YOUR sample audit cost savings for bi-monthly audits = \$ _____
(your audit cost divided in half)

If shrink increases 10% to 1.65% = \$16,500.
 Net total cost related to audit frequency change is \$300/year.
(\$1500 increase in shrink minus \$1200 savings in audit costs = \$300 increase in cost.)

YOUR shrink increases _____% to _____% = \$ _____.
 Net total savings/loss related to audit frequency change is \$ _____.

In the sample, if shrink rises 10%, there is a net loss of \$300.

Thus, your "shrink insurance" policy was not effective.

INSIGHTS!

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Quantum Services

Quantum Services, headquartered in Columbus, Ohio, has performed more than 1,500,000 c-store audits since the firm was founded -- and serves the c-store industry *exclusively*. Quantum's audits and inventories are backed by in-depth knowledge about store level operations to help operators and store managers rapidly improve profits and performance.

Quantum develops industry **ALERTS!, INSIGHTS!, REPORTS!, TIP SHEETS!** and **TRAINING** materials with the goal of helping operators increase their profits and performance.

Quantum is the largest company of its type in the world providing audit/inventory services *exclusively* for convenience and petroleum stores.

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Thank you.