Rethinking Woolworths NZ's approach to loss and safety

Woolworths NZ is one of New Zealand's largest retailers - a leading full-service supermarket chain under the 'Countdown' brand that has over 30% market share.

But Woolworths NZ had a problem. Store stock loss figures were too high and staff safety was being impacted by increasing incidents of conflict and aggression.

Woolworths needed to help stores with ways to deter such incidents and in doing so improve their loss reporting and ensure a safer experience in stores for their staff and customers.

This case study walks through Woolworths NZ's loss and safety journey and how they went about rethinking their approach.

Woolworths NZ partnered with Auror to improve their loss reporting and improve overall visibility

Woolworths identified that they had limited data on what was happening in stores (other than through stock takes and counts). There was no easy way of collecting information in real-time from stores or to know who the repeat offenders were.

The first step was to improve store reporting, gain visibility, and understand what was going on with malicious loss. Woolworths partnered with Auror to roll out a new crime intelligence platform,

making it fast and easy for stores to report and could automatically connect the dots on repeat offenders and organized retail crime groups.

Woolworths could now capture and share data across their store network and have real-time insights into the problems they were facing. This allowed the team to begin implementing its "Prevention First" Strategy.

> *The platform allows us to build relationships, and provides our store teams with something that helps them deal with crime*

Jenny Price
National Loss Prevention Manager

Visibility, collaboration and insights have empowered the store teams to drive results

Reducing the time taken to report and deal with incidents

Saving 45 minutes per incident meant that staff could spend more time on the floor to help genuine customers or prevent even more loss. Woolworths actually found that by making it fast and easy to report incidents, they captured 3x as much data than their old system.
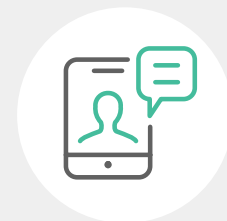
Providing access to store teams to see who their top offenders are and receive real-time alerts from nearby stores.

This allowed staff to be proactive, focusing on the right people rather than individual incidents, and providing these people with great 'customer service' that led to easy preventions. Woolworths also provided conflict training to ensure staff kept safe and could de-escalate potentially dangerous situations.

Using this new data across loss prevention leadership to make the right investment decisions.

They could prioritize the right stores and make other technology, store process, and resourcing decisions to help.

Using the Crime Intelligence Platform to build stronger relationships and collaborate with law enforcement

This resulted in significantly better outcomes and service levels from local police and elevated conversations using data with the national police service.

Through a prevention first strategy, Woolworths NZ has seen a 20% reduction in loss across their stores

By being proactive and data-led, Woolworths was able to focus on a prevention first strategy that resulted in a reduction of external loss, better relationships with police, targeting prolific offenders and ORC, and fostering a safer, better environment for customers and staff alike.

As a result, Woolworths NZ saw:

- ✓ A reduction of shrink by 20% over the past two years.

- ✓ 60% of high-profile offenders stopped offending in their stores.

Not only are offenders getting away with less—they're also staying away from Woolworths stores in general. Based on analysis of the prolific offenders arrested by New Zealand Police, nearly 60% have not offended again after their initial arrest, either because they've been remanded in custody or because they know they simply won't get away with offending at their stores anymore

Promoting staff engagement was important in inspiring other stores to do their part

We couldn't live without Auror

When Doug Rawson, Profit Protection Specialist, North Island, joined the Loss Prevention team, he first set to work on encouraging stores to report more and providing a feedback loop on what his team and police were doing with the data and reports stores were sharing. "Before long, stores started seeing positive feedback and results.

"We got a few good wins early on with some serious offenders, and I think that really provided good motivation for the team to keep going," Doug says.

He was sure to promote those successes across the team, so stores could see when a significant result or arrest had been achieved. That inspired other stores to do their part too, contributing more and better incident reports that they could use to identify offenders and target ORC groups.
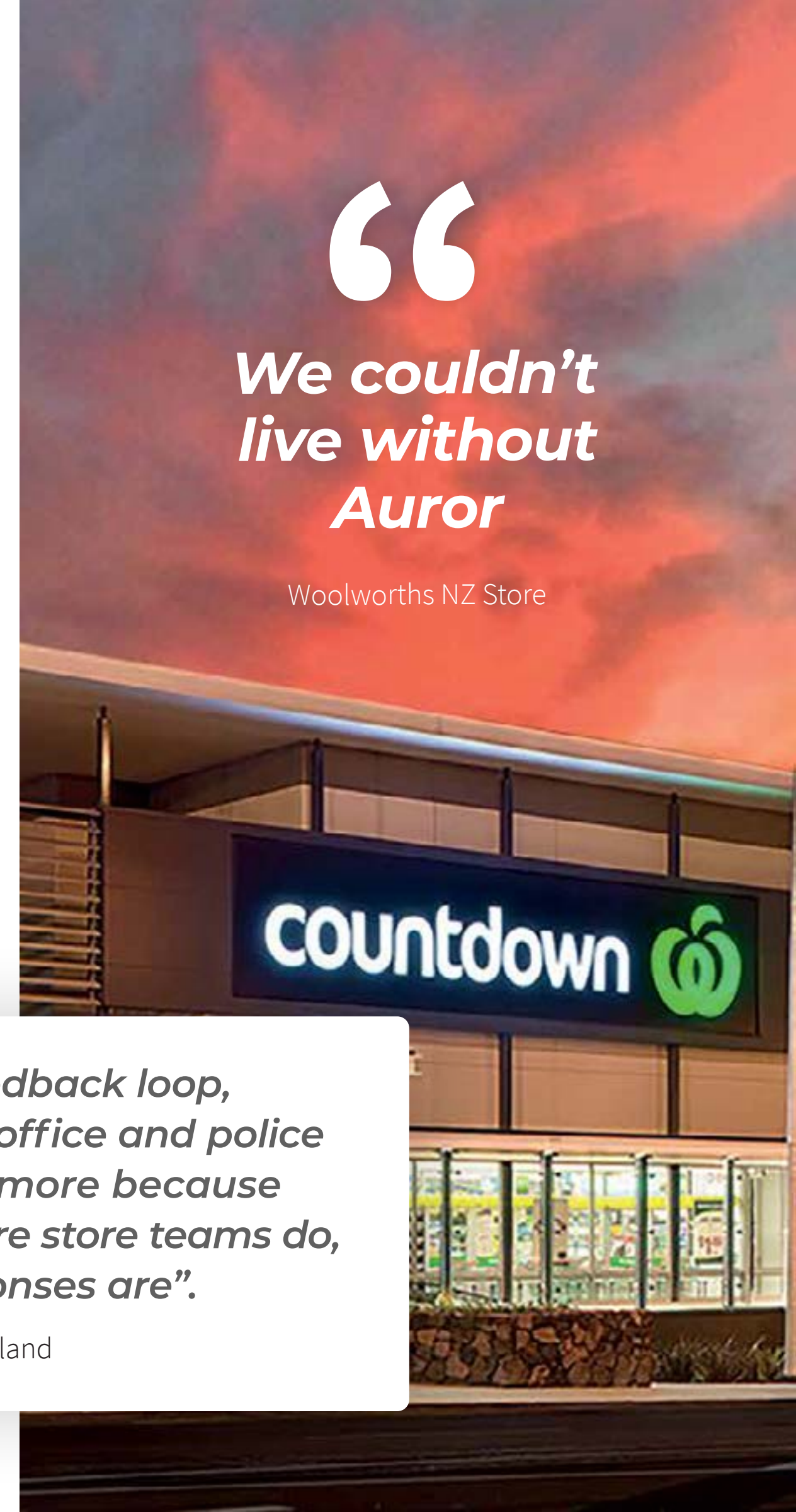
"Now it's very much a closed feedback loop, where the feedback from head office and police makes store teams want to do more because they see the results. And the more store teams do, the better our actions and responses are".

Doug Rawson, Profit Protection Specialist, North Island

Rethinking Woolworths NZ's approach to safety

With the prevention focus ingrained, Woolworths NZ shifted their attention towards further improving safety in stores. There were ongoing concerns about the safety and wellbeing of store team members and the millions of customers that shop there every week, with increasing incidents of conflict being reported. Offenders that targeted their stores were becoming increasingly violent, creating unsafe situations, and harassing team members and shoppers.

In 2020, Covid-19 had a huge impact not only on store operations, but also on offending patterns which led to a 600% increase in aggressive events. Having this data to hand allowed the LP team to work closely with management and stores to roll out additional training and a "Safety Week".

Despite the increase in aggression, through using Auror and capturing the right intelligence, Woolworths NZ were able to ensure that there were no rises in assaults or other serious events impacting people in their stores.

The focus on using intelligence to improve safety has led to only six serious safety incidents occurring across their entire store network in the last 16-months. Jenny says "Auror allows our teams to do something to keep them safe. End-to-end collaboration has been the key to our success".

Now team members don't feel like they have to chase offenders out of their stores. They're either preventing them at the front door, or reporting them with the knowledge that something will actually be done about it. This has really changed the game.

"While there was a horrendous increase in aggression, we have thankfully not seen that translate to assaults and violence against our team."

Jenny Price, National Loss Prevention Manager

The Woolworths NZ results have led to all supermarkets in Australia adopting the platform

The Woolworths NZ Loss Prevention programme is performing ahead of the shrink benchmarks set by its parent company, and has reduced loss significantly in the last two years. "Our stock loss figures are tracking well down year on year and we're even under our targets," Doug adds.

After Woolworths Australia (Woolworths NZ's parent company) were unable to deliver the same loss prevention and safety results over the same period of time, they turned to NZ for help. This led to Woolworths Australia undertaking a national rollout of Auror to it's 1,000+ supermarkets in late 2020.

"We've made huge progress, the team feel safer, and Auror has helped us do that. We've never had communication and visibility like this, and it's making all the difference," Jenny says.