

SHRINKAGE - Quick Facts:

- Where inventory shrinkage happens:
 - Employee Theft 44.5%
 - Shoplifting 32.7%
 - Administrative Error 17.5%
 - Vendor Fraud 5.1%
- The amount of financial loss caused by the typical dishonest employee theft is \$1,023.00.
- A dishonest employee typically works for his or her employer an average of nine months.
- According to a new report by the Josephson Institute of Ethics - *Kids Today Are More Likely To Cheat, Steal and Lie Than Kids 10 Years Ago:*
 - Theft increased from 31% to 38%
 - Cheating rose from 61% to 74%
 - Willing to lie to get a good job jumped to 39%



SHRINKAGE – Cost & ROI Calculator

Department	(Sample)	(Company or Department)	Line
Number of Employees	100		1
Number Stealing @ 31%	31		2
Annual Shrinkage @ \$1023 per Stealing 'EE	\$31,713		3
Reduction In Number of 'EEs Stealing @ 50%	16		4
Annual Shrinkage Savings	\$15,856		5
Integrity Screening System Costs	\$10 per Interview		
Estimated Costs @ 25 New Hires per Year	\$4,000		6
ROI Estimated	396%		7

Instructions:

1. Enter number of employees in company or specific department
2. Multiply “number of employees”(Line 1) by .31
3. Multiply “number stealing” (Line2) by \$1023 - **This estimate is Shrinkage hard cost only!**
4. Multiply “number stealing” (Line2) by .50
5. Multiply “Reduction...” (Line 4) by \$1023
6. Estimate annual number of candidate interviews to hire replacements, multiply by \$10
7. Divide Line 5 by Line 6, multiply result by 100 - **This is estimated Return On Investment!**

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