

Preventing employee theft in Fast Food Franchises.

Any time you have a cash driven business, there is a higher probability of employee theft. Many franchisee owners now accept credit/debit card transactions with no minimum buy requirement – this reduces the cash but also increases the chance of an employee stealing that card information.

So how do you protect your business AND your clients? Monitor and Control.

First you need to be aware of the HOW:

- Smart phones easily take pictures of credit cards. Remove phones from the working areas will slow down the thieves, but it won't stop it. There is always pen and paper. The best way to avoid this is to have a no tolerance rule, with strict repercussions if an employee is caught. As in they are terminated immediately.
- Too many phone breaks. Beyond stealing ID's too many phone breaks mean your employees are not paying attention to your customers. Unhappy customers result in lower revenues.
- Shorting the cash sale. This is an old trick sell a \$5 drink, ring it in as a \$2 drink and keep the change. Have cameras and monitor them. PLUS let your staff know that you are monitoring them. Always monitor inventory against sales always.
- **Flat out stealing.** Why not grab some meat out of the freezer or give away free meals to your friends? Always lock the freezer and if your establishment serves alcohol lock that as well. Only let key management have access. Again, with the cameras and the inventory control do it.

In the end, it's all about implanting a solid security plan and training your staff on the rules and lay of the land. Next you have to monitor it and them – constantly! Lastly put in the controls – such as cameras, new POS systems to better track sales and spot checking done by leadership to ensure everyone is on the up and up.

Restaurants are prime picking for employee theft, and yes there are expert thieves out there who make a darn good living at it. Be aware, be smart and please make sure you have ample crime coverage and employment practice liability insurance on your business insurance policy!!

Dave ViVenzio
Partner – ViVenzio Insurance