



## Data-Mining Isn't Kid Stuff

The Children's Place chooses system that enhances training, speeds audits

**W**ith 715 stores spanning 47 states, Canada and Puerto Rico, The Children's Place was quick to recognize the need for an exception-based reporting system that would help the fast-growing clothing and accessories retailer stay ahead of loss prevention problems.

But the system chosen, Aspect's Elite LossPREVENTION, has become an invaluable tool for providing the human resource and operations departments with key insights into the effectiveness of employee training programs and in-store procedures. And for the company's loss prevention department, ready access to data mining results allows for speedy, more focused store audits.

"The software becomes a barometer for us in identifying areas of compliance and non-compliance," says Joe Gibney, director of loss prevention for the Secaucus, N.J.-based retailer. "With this system we can quickly see if transactions are being conducted properly. It's an efficient way for us to measure training com-

### EXCEPTION REPORTING

pliance and determine if an associate didn't understand a procedure."

Gibney also is enthusiastic about the ease-of-access to POS patterns it provides to his six regional LP managers. "They connect to our server using their laptops and use the software to conduct their audits. It's a time saver that adds efficiency to the process," he says.

The Children's Place had been using an exception-based reporting system from another provider. When Aspect acquired that company, the retailer considered several other options before choosing Aspect.

Elite LossPREVENTION "is very customizable," Gibney says. "It gives us the ability to create ad hoc reports and write queries that are very specific to certain kinds of POS areas, which was something we didn't have with our previous software. In the past, most of these were limited to canned reports and canned queries. We also found that this system is a good fit with our current POS software."

### Bells and whistles

Elite LossPREVENTION was developed by Fujitsu and, with a database capable of handling large volumes, was originally designed with the biggest retail clients in mind, says Cheryl Blake, vice president of loss prevention services for Bloomington, Minn.-based Aspect Loss Prevention.

"We made our system platform and database independent, so it doesn't

matter what platform the retailer uses,” Blake says, noting that Aspect markets two brands for retailers with differing needs based on the volume of data being stored and analyzed. Aspect also offers three different system options to its retail clients: the traditional client server approach; a remote application service provider system; and a web-based system.

Using the client server approach, the customer’s transaction log comes into the office nightly and is reformatted. Data remains on the customer’s server, through which it is accessed. All are connected through a VPN.

With the ASP system, the customer rents the service from Aspect, rather than purchasing the vendor’s software. The transaction log is transmitted to and hosted on Aspect’s server. Data is analyzed, and the customer is alerted to potential issues.

The web option is a browser-based system, with a more limited selection of reports. Retailers that select this thin-client solution do so primarily for their field staff, who won’t have to connect through the corporate server. Managers in corporate headquarters will have full functionality.

Aspect also offers a lengthy menu of additional services and support programs to its retail clients.

AutoMIND allows retailers to pre-define the reports they want to run, and can automatically notify them when an exception occurs. If, for instance, a company wants store man-

## SYSTEM OPTIONS

**Client server** Transaction log comes into the office and is reformatted; data remains on the customer’s server, through which it is accessed; everyone is connected.

**ASP** The transaction log is transmitted to and hosted on Aspect’s server; data is analyzed; the customer is alerted to potential issues.

**Web-browser based** Primarily for field staff, who won’t have to connect through the corporate server; corporate managers have full functionality.

agers and district managers to know when there is a refund without a receipt for more than \$200, they will be notified, and the follow-up is specific. It also can compile simple directions, or copy portions of the training and policy manuals and send them to the appropriate manager.

Blake says she was one of the innovators in developing “integrity interviews,” which has allowed Aspect to offer this expertise to clients, either directly or through training programs for in-house loss prevention staffers.

“More and more retailers are finding that when dealing with dishonest employees, even with good evidence, they are doing these interviews over the telephone,” she says. The interviews may deal with theft, operational

mistakes or sexual harassment. “You build a rapport with the person and end up with an admission of wrongdoing, which could lead to prosecution or restitution.”

Examples of other customized features run the gamut from capturing data and creating reports based on ZIP codes to video game retailers that offer trade-ins.

### The retailer’s view

Indeed, Gibney identifies AutoMIND as an important tool.

“You can write your queries and make them specific to a particular type of event or store or region,” he says. “Then you get an e-mail . . . if this type of event has been identified. It’s a huge time-saver and helps point us in the right direction while also minimizing the amount of time that could be spent on a fishing expedition.”

Commenting on the importance of “integrity interviews,” Gibney says the Aspect solution “helps us build solid enough cases that we can take advantage of doing a telephone interview and avoid the extensive travel that could be involved.”

The Web Tracker feature allows managers to pose questions and receive rapid e-mail responses. “You can go to the web and see the responses.”

The Children’s Place installed the Aspect system in December 2003. “The day we moved over to the new system we identified two cases,” Gibney says.

— *Michael Hartnett*

