Shrink Disciplines

Sam's Club Asset Protection

Backroom

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Backroom Organization UPDATED

Shrink Disciplines - Backroom

Shrink Risk: If we are not organized in the backroom, we run the risk of losing merchandise through the back door by mis shipments.

Impact: Replenishment issues, shrink if unresolved timely.

Back to Disciplines

Video

Who does this? Backroom Associates

- Maintain designated areas for record retention, oversized/bulky merchandise that is loaded out the back door, and extra steel
- Hazwaste area must be unblocked, clean, and to standard daily. Extra PPE stocked and available
- Labeled steel locations for Claims Return Center, Liquidation, RTV's, Online Returns/Code 2 merchandise
- 5S supply area neat, clean, labeled, and in stock. Merchandise from the sales floor must have club use labels attached
- Receiving office/claims areas clean and free of clutter, daily paperwork stored in retention boxes, only 1 two drawer file cabinet containing Environmental Compliance & Fresh Reports should be used in the receiving office
- Merchandise physically located in the claims area should either be in the claims on hand or is pending processing by the backroom associates. No other merchandise should be staged or stored in the claims area
- Damaged items awaiting pick up from the local vendors should be kept in a designated area, free of leaking items
- Ensure anytime local vendors deliver to the club that credit memos are completed in the backroom app and the product is taken by the vendor. This can be multiple times a week, or at very minimum, weekly.

Who leads and owns this? Merchandise Manager

- Inspect the area daily and conduct detailed tours weekly
- Review basic organizational standards listed as well as sanitation/cleanliness expectations
- Follow up with other leaders to ensure compliance with standards and expectations
- Address concerns with the club manager when needed
- Ensure that credit memos are completed with urgency and the designated area is clean and organized for anything awaiting pick up
- Questions to ask while touring:
    - What is happening with these items/pallets/carts? (Have additional conversations if it leads to identifying that people are leaving things in the backroom for others to clean up.)
    - Inspecting the vendor credit area, based on the items present, ask when the most recent and/or next delivery is for the applicable vendors.
        - Ask how the associate would process the credit memo.

Need more details? Try these helpful links:

Club Hub
Hazardous Waste Management
Environmental Drawer Job Aid

How's my Club doing? Check out:

the AP CORE Category & Item Shrink

Physical Controls

Shrink Disciplines - Backroom

Shrink Risk: Not controlling our physical controls can lead to loss of merchandise through the backdoor, compactor etc.

Impact: Unauthorized access to our buildings/offices, safety opportunities and shrink.

Back to Disciplines

Video

Who does this? Backroom Associates

- Receiving roll up doors must be secured when not in use
- The compactor must be locked when not in use. While in use, authorized key carrier or manager must remain in the immediate area to monitor what is being disposed. All merchandise being disposed, must first be damaged out through the Backroom App or OYI. If unable to damage out through the app, the merchandise must be logged on the damage log, which should be located next to the compactor door
- The Receiving office, Truckers Lounge doors, and Claims cage must be locked when not in use.
- When an authorized key carrier unlocks an exterior door or roll-up door, they are required to stand in the immediate area and monitor merchandise entering or leaving through the door
- All delivery drivers must enter and exit the club through the controlled doors
- All CPU orders, bulk purchases, and outbound merchandise must be verified by a backroom associate or manager/lead

Who leads and owns this? Merchandise Manager

- Tour the backroom to validate proper behaviors and controls are in place. CCTV review should also be used in order to identify potential issues
- Address concerns with associates when a breakdown has been identified
- After opening an exterior door or compactor, remain in the immediate area to monitor merchandise entering or exiting the club
- Questions to ask while touring:
  - How do you validate damages done via the backroom app?
  - How do you validate damages done via the OYI app?
  - Walk me through your process for validating damages.
  - Over the past week reviewing CCTV, how many times did you find the doors unsecured?

Need more details? Try these helpful links:

[AP 05 Policy]

[Damage Log]

How's my Club doing? Check out:

the AP CORE

Category & Item Shrink
Adjustments by Code
OH Change History

Direct and Local Delivery Receiving Processes

Shrink Disciplines - Backroom

Shrink Risk: If we do not receive product correctly, we will have on hand issues

Back to Disciplines

Impact: Shrink, Replenishment issues, POD Chargebacks, Nil picks, member satisfaction

Who does this? Backroom Associates

- Must receive all freight through the backroom, except for USPS, tires/auto batteries, and pharmacy
- Understand and perform all receiving processes for all merchandise types
- Do not key in merchandise based on the BOL, visually validate quantities and if needed, use the pallet calculator in the app to aid in verification
- For ASN receiving, perform audits when prompted to do so
- For deliveries using digital manifests, sign the digital manifest on driver's device, obtain the shipping label/invoice, and attach to the receiving detail report, once the PO has been finalized
- Once PO's have been finalized, collect the receiving detail report from the receiving printer, balance due should be $0. If not, there may be a discrepancy between items received and invoiced (Note: deliveries with an open PO will show a balance due). Research will need to be conducted to identify and correct the discrepancy
- Work the overdue PO's tile. Any PO that has been physically delivered to the club, but not finalized in the app, will result in a chargeback to the club
- Do not remove overdue POs from the tile that require research.
- Only receive POs from the overdue PO tile where we have confirmed the merchandise is in the club
- Chargeback disputes received via email must be investigated and responded to within 5 days
- For overages/shortages found during receiving, follow the claims process linked below

Who leads this? Merchandise Manager

- During backroom tours, validate paperwork and app to ensure proper protocol is being followed
- Ensure all backroom associates are well trained, and that there is an adequate number of cross-trained associates to support the club
- Work with associates on following up to overdue PO's and overage/shortage claims, addressing any concerns
- Partner with other managers to ensure deliveries not handled by the backroom team, are being received properly
- In the event of a chargeback dispute, work with the backroom associate to obtain necessary evidence to submit within 5 days. Follow up to process breakdowns that led to the dispute

Who owns this? Merchandise Manager

- Tour backroom weekly to validate process execution
- Monitor chargebacks on the P&L and support in addressing the areas of opportunity
- Questions to ask while touring:
  - How many POs are listed?
  - What are the overdue PO vendors/items?
  - What are the dates for the overdue PO's?
  - Have you validated the items on the overdue PO's?

Need more details? Try these helpful links:

[Club Hub Receiving Process]
[Shipment Issue Resources]
[Jewelry and Electronics OSD Procedures]

How's my Club doing? Check out:

Category & Item Shrink
OH Change History
Adjustments by Code

Feedback on this discipline? Share it HERE.

FDD Receiving Processes

Shrink Disciplines - Backroom

Shrink Risk: If we do not receive product correctly, we will have on hand issues

Impact: Shrink, Replenishment issues, POD Chargebacks, Nil picks, member satisfaction

Back to Disciplines

Who does this? Backroom Associates

- Verify seal upon arrival and sign transfer seal record when new seals are put on for multi-stops
- Report any seal issues to the DC immediately
- Call the DC right away for any item or pallet temperatures are out of compliance. Work with the DC to collect documentation and complete the cold chain questionnaire.
- Report any extra or missing pallets to the DC immediately, do not file a claim
- Load quality issues with pictures should be emailed to the DC
- Sign load maps and make a copy of the map and seal record and file along with the club manifest and final detailed receiving report
- Finalize the load in the Backroom app
- Detail audit all fresh meat deliveries as well as review produce for quality.
- File all claims in the Backroom app for items with poor quality, overages, shortages, and damages by following the Perishable Claims Process. This will ensure all claims are correctly submitted and the clubs on hands remain accurate (linked below)
- Contact the DC for any diverted or cancelled loads and work with them to get the load credited and/or rebilled

Who leads and owns this? Merchandise Manager

- Tour and review standards with backroom associates weekly to validate standards and processes
- Review DC Credits in the Backroom app to ensure accurate and timely submission
- Ensure on hands are adjusted when the DC approves the claim
- Ensure issues are submitted via Fixit or to DC Customer Service and escalated after 5 days to opsexec@samsclub.com
- Address concerns raised by associates and other leaders.
- Questions to ask while touring:
  - What is the most recent claim submitted?
  - When was the last time a claim was submitted for produce? Meat? Freezer/Cooler?

Need more details? Try these helpful links:

Perishable Claims Process

How's my Club doing? Check out:

theAP CORE GDC Claims

Feedback on this discipline? Share it HERE.

Club to Club Transfer

Shrink Disciplines - Backroom

Shrink Risk: If you do not process or receive the transfer request correctly, your club will have on hand issues.

Back to Disciplines

Impact: Inaccurate on hands, potential markdown

Who does this? Backroom Associates

- The clubs will receive notification in the Transfer Tile (under Claims in the Backroom App) or approval to create a Club to Club transfer
- Use the Claims section in the Backroom App to complete the Club-to-Club transfer steps
- Once completed, finalized reports will print. Use one report as the packing list and file the other copy with the shipping information
- Use TA Shipping to process shipping or the carrier's website if not available in TA Ship
- One shipping label or BOL should be attached to each box or pallet being shipped
- Retain one BOL/parcel receipt for your records, along with your transfer paperwork
- Note: If transferring jewelry, the following shipping process must be followed:
    - Jewelry should always be shipped using FedEx as the carrier
    - A manager must verify the merchandise before sealing the box
    - The package should be shipped using 2-day shipping
- On the FedEx site, enter the package type, number of packages, weight, and declare value. Each package should not exceed $1,000
- Obtain shipping labels from receiving printer, one placed on outside of package, and the other retained for the club file
- Call FedEx to schedule an express pick up
- All processed jewelry shipments must remain in the jewelry safe until they are ready to be picked up and shipped
- Receiving club must finalize the PO immediately after taking possession of the merchandise

Who leads and owns this? Merchandise Manager

- Follow up to recent club to club transfers to validate the transfer paperwork and parcel receipt/BOL are present in the daily receiving file. These two documents are confirmation that the process was executed correctly. In the event, you are unable to validate process accuracy through paperwork retention, use WPIQ to validate the receiving clubs on hand for the items sent
- Follow up to and address any exceptions in the process identified
- Work with Market Manager and area Club Managers to identify the need for a Club-to-Club transfer
- Questions to ask while touring:
    - What was the most recent Club to Club transfer?
    - Let's check the OH of the item.

Need more details? Try these helpful links:

Club to Club Transfers

How's my Club doing? Check out:

OH Change History

Adjustments by Code

Feedback on this discipline? Share it HERE.

Code 2/3 Reconciliation

Shrink Disciplines - Backroom

Shrink Risk: Not compiling Code 2/3's can result in inaccurate on hands.

Impact: Financial impact if on hands are not correct

Back to Disciplines

Who does this? Backroom Associates

- Print and work all reports
- Clearance Area Sales Report - Contains all items sold as a Code 2 or 3 and will not have descriptions listed
    - Review items from the previous business day and use the WPOS log from the frontline team to assist in identifying what the items were
    - Refund the Code 2 or 3 and then sell the correct item number, which will adjust on hands and correct sales
- Refund Defective Report - Contains all items sold as a Code 2 or 3 and will not have descriptions listed
    - Review items refunded from the previous business day and use the WPOS log from the frontline team to assist in identifying what the items were
    - Sell the Code 2 or 3 and then refund under the correct item number
- UPC NOF/ Price Override Report - Contains all items with price overrides or where the item scanned item not found and processed as a Code 2 or 3
    - Review items sold and refunded from the previous business day and use the WPOS log from the frontline team to assist in identifying what the items were
    - Work this report at the same time as the Clearance Area Sales Report to prevent correcting the same item twice
    - For Code 2 or 3 refunds, sell the Code 2 or 3 and refund the item number
    - For Code 2 or 3 sales, refund the Code 2 or 3 and sell the item number
- For all reports, document findings on each, such as item numbers and descriptions
- Attach all reports together along with both the refund and sale receipts, and WPOS logs to provide validation that this process was completed

Who leads and owns this? Merchandise Manager

- Review all reports with Backroom Associates
- Look for supporting documents and review for process accuracy
- Partner with Member Service Managers to review processes, WPOS log usage and address concerns identified
- Questions to ask while touring:
    - Walk me through the process of correcting code 2/3 sales or refunds.

Need more details? Try these helpful links:

Code 2 and 3 Item Reactivation

How's my Club doing? Check out:

Returns

Feedback on this discipline? Share it HERE.

Return to Vendor Process

Shrink Disciplines - Backroom

Shrink Risk: If RTV's are not executed correctly it will lead to inaccurate on hands and missed window to return product.

Back to Disciplines

Impact: Sku budget, shrink, lost profit

Who does this? Merchandise and Backroom Associates

- Review the backroom app or print the report daily. Focus should be on those items that are approaching deadline first
- Merchandise Associates should pull items & bring to the backroom
- Merchandise Associates should check on hand accuracy and CO out any inventory that has not been found. If quantities are large, partner with a manager
- Backroom associates will process the reclaims using the app and prepare for shipment
- Backroom associates to work with Merchandise Leads to ensure items are being brought back to claims within 7 days, which will allow the items to be processed prior to the listed deadline
- Any item showing an on hand, will remain on the report until found and processed, or a CO is taken

Who leads this? Merchandise Leads

- Review the report with the backroom associates to understand plan of action for items approaching deadlines. Follow up and support where concerns have been identified.
- Ensure product is pulled for processing in a timely manner
- Validate that the sales floor is re-merchandised where product has been removed

Who owns this? Merchandise Manager

- Review report for level of completion during backroom tours
- Follow up to any concerns identified in the process
- Questions to ask while touring:
  - What is the oldest waiting RTV listed in the tile?
  - What is the amount of the expired RTV's on AP CORE report?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

Adjustments by Code
OH Change History

Feedback on this discipline? Share it HERE.

Liquidation Process

Shrink Disciplines - Backroom

Shrink Risk: If liquidations are not executed correctly it will lead to inaccurate on hands.

Back to Disciplines

Impact: Lack of seasonal clean up, shrink

Who does this? Backroom Associates

- For Home Office initiated Liquidation, Merchandise Associates and Backroom teams can view items to be liquidated in the backroom app
- Merchandise Associates should pull items & bring to the backroom
- Backroom associate will process items using the backroom app and add them to a liquidation box
- For club-initiated liquidation items, scan using the claims app and follow the prompts to add to a liquidation box.
- While working liquidation items, check the on-hand accuracy and CO out any inventory that has not been found. If quantities are large, partner with a manager
- Once a box (pallet) is full, a request for manager approval should be sent, via the app. The Manager must physically scan the box label and audit each item in the box. A box audit label will print following the audit, this should be applied to the outside of each box
- A full box (pallet) is described as physically full (i.e., multiple large items such as TV's) or enough merchandise to be worth transportation expenses.
- 2 boxes make up one manifest and both must be approved before they can be finalized (in numerical order)
- Once the manager has approved, it will be sent to home office for sale to a local liquidator
- Once sold, a notification will be sent to the club via the app. The club will then prepare for the liquidator to pickup the items from the club
- When the Liquidator arrives for pick up, scan the BOL label and validate each pallet that belongs to that shipment prior to loading.
- Notice – if the liquidator is not local, process the pallets through TA ship once sold
- Ensure once pallets are shipped the boxes must be marked as picked up to remove from the boxes tab

Who leads and owns this? Merchandise Manager

- Review liquidation with backroom and merchandising associates
- Follow up to the process to ensure the items are being pulled from the floor and being brought back to claims in 7 days
- Validate the sales floor is re-merchandised where product was removed for liquidation
- Review process and reports during club tours and follow up with process breakdowns as needed
- Approve boxes of liquidation that are ready for sale
- Questions to ask while touring:
  - Why is the pallet in the manager approval and shrink wrapped already?
  - How long have the pallets been waiting for a manager approval?
  - Who is follow up on missing items not pulled?
  - Where are all the listed liquidation pallets located?

Need more details? Try these helpful links:

Liquidation Guide
Liquidation FAQ's

How's my Club doing? Check out:

OH Clean Up Reports
OH Change History

Feedback on this discipline? Share it HERE.

SC17 Book Returns

Shrink Disciplines - Backroom

Shrink Risk: If books are not returned correctly it will lead to inaccurate on hands.

Back to Disciplines

Impact: Lack of seasonal clean up, shrink,

Who does this? Backroom Associates

- Each week the vendor will replenish some books and pull outdated titles, which will be brought back to receiving and covers removed. With the vendor, validate the total covers match the number of books. Once confirmed, retain the cover and dispose of the remainder of the book
- The vendor will supply the club with a pre-paid postage envelope and invoice form, which will be filled out by the backroom associate
- Fill out the credit invoice form to send to the supplier.
- After totals are identified, a credit memo will be completed in the Backroom App, Receiving, 3 Dot Menu, Credit memo. Sign each invoice and circle the totals. Attach a copy of the credit memo should be attached to a copy of the invoice and sent to the vendor. The club should retain all documents in the record retention box.

Who leads and owns this? Merchandise Manager

- Validate paperwork is signed and filed in receiving office
- Gauge associate knowledge by asking probing questions regarding this process
- Questions to ask while touring:
    - What is the process if all OH of books are not brought back?
    - Is there ever a time the vendor is not involved in the verification of the covers?

Need more details? Try these helpful links:

[Credit Memo]
[TEO Books]

How's my Club doing? Check out:

the AP CORE

Adjustments by Code
OH Change History
OH Clean Up Reports

Feedback on this discipline? Share it HERE.

WMA 16 Credit Process

Shrink Disciplines - Backroom

Shrink Risk: If the WMA 16 Credit process are not executed correctly it will lead to inaccurate on hands and lack of credit to the club from the suppliers.

Back to Disciplines

Impact: Shrink, Profit loss

Who does this? Backroom Associates

- Communication will be received to process merchandise out of the inventory via email, AMP, Club Communications, Recall, etc.
- Three steps must occur for the club to receive credit:
  - The WMA - 16 Notification of Claims report must be filled out in its entirety with accurate information
  - Follow instructions on the received communication on how to handle keying out the inventory. In most cases the merchandise will be keyed out using the DR code
  - Once Inventory is keyed out, you will need to key a transmittal by logging into the SMART system, Merchandise Management, Create Store Transmittals, and Claims. Follow prompts to enter club and item information. Details for keying in SMART:
    - 18 in the division, Create a batch and move cursor to supplier number, enter number, in Dept number enter 1158, skip the po by pressing tab, in the claim number field, enter RA number if one is available, if not, enter club number, in the cost field, enter the total cost of all impacted units, in dollars and cents, with no decimal, tran code field enter 92, then press enter, data table details were saved, press F5 to finalize
- Once completed, retain all documents including the original communication, store transmittal, and Notification of Claims form. These should be filed with the daily paperwork.

Who leads and owns this? Merchandise Manager

- Review daily paperwork to validate process was followed, and necessary information was retained by associate. Transmittal documentation, original communication, and Notification of Claims report should all be present to validate process was executed properly
- Follow up to exceptions accordingly
- Questions to ask while touring:
  - Review Product Recall list for most recent WMA 16 processed item
  - Validate OH adjustment was correctly completed along with documentation

Need more details? Try these helpful links:

Notification of Claims WMA 16 Form

How's my Club doing? Check out:

Adjustments by Code
OH Change History

Processing Dry Grocery Donations

Shrink Disciplines - Backroom

Shrink Risk: If Dry Grocery Donations are not executed correctly it will lead to inaccurate on hands.

Back to Disciplines

Impact: Shrink, Profit loss.

Who does this? Backroom and Merchandise Associates

- Follow the updated donation process provided on the Club Hub, linked below
- Do not leave a leaking item in claims area, instead, scan the item as a damage and dispose of immediately to prevent scanning the damaged item twice
- Dry grocery items should only be processed/scanned out by a backroom associate, allowing the associate to validate proper disposal method and prevent scanning an item out twice
- Once scanned by the backroom associate, dry grocery items should have a UPC marked through with initials and date and be placed on a designated pallet to prevent additional scanning, which will create shrink

Who leads this? Merchandise Manager

- Follow the donation process provided on the Club Hub, linked below
- Ensure associates and leads are trained and follow the donation processes
- Be proactive in touring merchandise and identifying items that qualify for donation or need review by the home office team (i.e., large quantities of candy with 40 days left to sell before expiration)
- Use AP CORE > Reports> Dry Grocery Donations to monitor your club's use of this process
- To inspect process adherence, scan items in the donation bin in OYI, select the 3-dot menu, select correct donations and review that the item in the bin matches the history shown on the screen. Or use OYI item history, looking for "Club Use"

Who owns this? Merchandise Manager

- Ensure leads and associates are trained and following the donation processes
- Follow up on at risk merchandise by reviewing with the leads and touring the sales floor
- Review reporting to view donations, CO's, throws, damages and identify if there are gaps in the process that need to be corrected
- Use AP CORE > Reports> Dry Grocery Donations to monitor your club's use of this process
- Questions to ask while touring:
    - Where is your donation bin?
    - What is the scanning process?
    - How do you validate items in the bin have been scanned correctly?

Need more details? Try these helpful links:

[Dry Grocery and Consumable Donations]

How's my Club doing? Check out:

the AP CORE Dry Grocery Donations

Managing Claims Inventory

Shrink Disciplines - Backroom

Shrink Risk: If we do not manage claims inventory on hands will be incorrect in claims and club on hand.

Back to Disciplines

Impact: Shrink, Return Center chargebacks, inaccurate on hand adjustments.

Who does this? Backroom Associates

- Review the Backroom claims app daily. Any merchandise shown in the app should be physically present in the Backroom for processing except for broken/leaky items that could cause a safety concern if left unattended.
- Process items by following the prompts in the Backroom claims app. The app will provide the disposition instructions and either mark the item for disposal or add to a box. Ensure the correct quantity is being processed.
- As boxes are closed and product is shipped, complete processing by swiping on Boxes in the app. Review and follow up on any that are awaiting RA's or other information.
- Research any items that are in the Claims area but are not in the app.
    - Check the Claims app by scanning or keying in the item number.
    - Select "From Claims" for process from claims inventory or "In-club" damages to dispose of Club inventory. **Processing from the wrong inventory could result in shrink**
    - If inventory shows in Claims on hand, process as normal.
    - If not in claims on hand, check to see if there are outstanding Code 2 refunds. (See Discipline)
    - Never dispose of any product without processing correctly.
- Review Boxes daily to ensure all are processed as expected.
- Review Notifications. Items that show "Item not finalized" will need further research and reprocessing to prevent shrink.

Who leads this? Merchandise Manager

- Review the Backroom app daily to ensure Notifications and Boxes are being completed properly. Check dates of boxes for any that have been incomplete for a long period of time.
- Review the Total Volume in the Backroom app as an indicator of overall Backroom Claims health.
- Utilize AP Core reports for any areas of concern and communicate to the Backroom and Owner.

Who owns this? Club Managers

- Follow up on any concerns identified in the process with the Merchandise Manager.
- Questions to ask while touring:
    - What is the oldest dated item and its date placed into claims?

Need more details? Try these helpful links:

Code 2/3 Reconciliation

How's my Club doing? Check out:

OH Clean Up Report

Feedback on this discipline? Share it HERE.

Dry DC Receiving and Credit Process UPDATED

Shrink Disciplines - Backroom

Shrink Risk: If we do not receive product correctly, we will have on hand issues.

Back to Disciplines

Impact: Shrink, Replenishment issues, Nil picks, member satisfaction, Order filling, on hands for our members.

Who does this? Backroom Associates & Cross Trained Associates, Leads

- Never refuse freight from the DC
- After hours issues should be communicated via the DC's Operations Distro list
- All POs should be finalized when trailer is unloaded as dry/ambient POs are NOT auto finalized
- Compare the items on the manifest to pallets pulled off the trailer to ensure items were invoiced correctly and all pallets delivered
- Any left on dock pallets will be communicated via an email from the DC to the Club; Clubs should key adjustments to the PO for the items on the left on dock pallet and key them back in when the pallet is received
- Log issues on the DC Claims SharePoint with details of damages, shortages or overages and monitor the SharePoint site for any follow-up questions and resolution
- If approved, follow directions from the DC on keying out shortages or adding overages; if not approved Clubs should key out as a CO
- Review, research and resolve all past due open POs

Who leads this? Merchandise Managers

- Review standards with backroom associates weekly to ensure compliance
- Ensure issues are submitted on the SharePoint site and anything follow up requests from for information from the DC have been answered
- Ensure open issues on SharePoint over 3 working days with no DC responses have been adjusted on the PO

Who owns this? Club Managers

- Tour backroom monthly to validate standards and processes
- Address concerns raised by associates and managers
- Questions to ask while touring:
  - How many overdue PO's are listed?
  - What was the cause of the overdue PO?
  - Did you validate the OH's of the overdue PO?
  - How many exceptions have been found in Dry DC receiving's?
  - Who inspects consolidated freight pallets?
  - Where are the consolidated items staged?

Need more details? Try these helpful links:

NOVA Training
Dry/Ambient Procedures

How's my Club doing? Check out:

theAP CORE OH Change History

Feedback on this discipline? Share it HERE.

PO Research

Shrink Disciplines - Backroom

Shrink Risk: Overdue PO's or PO's marked as not received can result in more or less inventory on hand then the system shows.

Back to Disciplines

Impact: Member Experience, Replenishment Issues, Lost Sales, Shrink if unresolved timely and Chargebacks

Who does this? Backroom Associates

- Using the Backroom App, review the leading indicators of potential receiving issues.
  - **Overdue PO's** will show PO's that the Must Arrive By Date has past and merchandise has not been received in the system.
    - Check on hands of merchandise that is on the PO, if you are over, receive the PO
    - If the on hands are accurate, is most likely you have not received the merchandise and the overdue status is accurate
  - Under **Completed PO's**, review **Marked as not received**. Validate what the merchandise is, speak with associate who marked as not received to understand what research was completed to mark it that way.
    - Look for the merchandise, remembering that items like gift cards, tires, hearing may be somewhere in the club such as lock up, accounting or department.
    - Check on hands of items on PO, if found, receive the PO to prevent on hand inaccuracies, future audit issues, and potential chargebacks.
  - When researching, review paperwork in Miracle Box to locate any BOL's that may not have been received in the system
  - Use NOVA to look up and reactivate PO's and use the Advanced Search option to search by item number
  - If a PO cannot be found, reach out to your MAPM for further research support.

Who leads this? Merchandise Managers

- Tour with associates and review Overdue PO's, Completed PO's Marked as Not Finalized
- Validate what is actively being researched and ensure proper steps are being taken, escalate to your MAPM if support is needed.
- Reviewed and outcomes of recently reviewed items.
- Ensure associates are not clearing data without proper review and research

Who owns this? Club Managers

- When touring backroom, speak to associates and managers about PO's needing attention, current research being completed, and outcome of recent research
- Reenforce behaviors by recognizing associates for preventing on hand accuracy issues and POD chargebacks by reviewing and taking action on the in-app functions
- Questions to ask while touring:
  - How many overdue PO's are listed?
  - What was the cause of the overdue PO's?
  - Did you validate the OH's of the overdue PO's?
  - What are the overdue PO vendors/items?
  - What are the dates for the overdue PO's?
  - Have you validated the items on the overdue PO's?

Need more details? Try these helpful links:

[NOVA Training]

How's my Club doing? Check out:

Shrink Alerting
OH Change History

Feedback on this discipline? Share it HERE.

Staffed Registers
Shrink Disciplines – Front End

Shrink Risk: Not following the Shrink Disciplines will result in Shrink at the manned registers.

Back to Disciplines

Impact: Extended wait times, Missed Sales, Member Experience, and Shrink.

Who does this? Frontline Associates

- Smile and greet all members and unload merchandise onto the belt
- Leave heavy items in the cart behind the no go line and scan these items first (BOB)
- Only use hand scanner for heavy or oversized items in the cart or on the flatbed
- Open any totes, coolers, etc. and scan merchandise inside (LISA)
- Cashiers must scan items to prevents errors in the transaction, don't allow others to control the scanner
- Look at your screen as merchandise is scanned to prevent misses, scanning items more than once, or price issues
- Look for high shrink items and ensure accuracy when scanning
- Use the chute for merchandise

Who leads this? Member Team Leads

- Greet and guide members with large orders to the belted registers
- Follow processes when operating registers
- Teach associates which items are top shrink and how to prevent misses
- Train, observe, and engage associates
- Do not provide your user ID or password anyone for any reason

Who owns this? Member Service Managers

- Validate schedules and ensure they provide the correct staffing based on business needs
- Follow up on top shrink item focuses with associates and leaders
- Train leaders and observe associates. Validate behaviors
- Use Inventory Health Snapshot in the AP CORE to review missed scans by operator and have timely and effective conversations with associates based on performance
- Questions to ask while touring:
  - Who are your bottom performers for belted fails?
  - What does accountability look like for associates not improving?
  - What training have we conducted to train bottom performers?
  - Show me how to review your metrics?
  - When do you review AP CORE reporting?

Need more details? Try these helpful links:

[Front Line Skills Development Center]

How's my Club doing? Check out:

the AP CORE Exit Tech Cashier Metrics

Feedback on this discipline? Share it HERE.

Self Check Out

Shrink Disciplines – Front End

Shrink Risk: Not having appropriate staffing at SCO will negatively impact the member experience, and Result in Shrink due to missed items.

Back to Disciplines

Impact: Fast and friendly experience, staffing and engagement, Shrink, member experience and missed Sales.

Who does this? Member Specialists

- Move throughout the lanes to greet, observe, and assist members throughout their entire checkout process
- Engage members and offer carts to members so they have a place for their scanned items, which will make
- Look for items that will require intervention, such as alcohol, and offer assistance
- For line voids, validate voided items as well as remaining items in the cart and remove unwanted items and place merchandise in designated go back area
- Inform members of the great benefits and value of their membership, such as plus, credit, and Scan & Go

Who leads this? Member Team Leads

- Checkouts must be staffed with associate(s) at all times
- Add associates during peak times to provide great service
- Ensure carts are always available for members, which will help them have the fastest and most accurate experience
- Observe associates. Validate they are engaging members, focused on great service and shrink prevention
- Route members to the first available register that will provide the member the fastest and most accurate checkout experience as well as offer solutions like Scan and Go
- Know the top shrink items for the club and communicate associates know what items they should be paying close attention to

Who owns this? Member Service Managers

- Validate schedules and ensure they provide the correct staffing based on business needs
- Follow up on top shrink item focuses with associates and leaders
- Train leaders and observe associates. Validate behaviors
- Have timely and effective conversations with associates when needed based on concerns or performance
- Questions to ask while touring:
    - What does associate engagement look like at the self check outs?
    - What are your top shrink categories and items?
    - What is your hosted checkout trend?
    - How are you communicating top items to your team?
    - What is the shopping cart for at self check out?

Need more details? Try these helpful links:

[Front Line Skills Development Center]

How's my Club doing? Check out:

AP Scorecard

Feedback on this discipline? Share it HERE.

Exit Door

Shrink Disciplines – Front End

Shrink Risk: Not having trained Exit Specialist will impact the member experience and cause congestion during the Exit Experience.

Back to Disciplines

Impact: Exit fluency, negative member impression, Shrink, False Data and loss Sales.

Who does this? Member Specialists

- Smile and greet every member, scan every receipt or QR code using the handheld
- Review the handheld's screen to see how many item scans are needed, which can be up to four items
- Scan items throughout the cart with intention, focusing on top items in the news feed, BOB (bottom of the basket), and club specific shrink items
- If an item flags as a missed item, offer the member options to pay like Scan & Go or use Connected Associate to request another associate to take the member to the most convenient register. If they do not want the item, remove it from the cart and thank the member for shopping with us
- Only backout of a receipt scan as a last resort or if needed (i.e., connectivity issues, member is picking up large item outside and doesn't have the item to scan)
- Use the trash can icon to remove accidental duplicate scans or if the wrong UPC was scanned. Do not use to delete genuine item fails to scan more items
- Review features in the app to keep up to date on performance and shrink related topics
- Reboot devices to ensure the app is updated with most recent tech enhancements

Who leads this? Member Team Leads

- Staff the exit to the needs of the business, which may require more than one associate during peak times
- Monitor traffic at the exit and flex help as needed
- Train Member Specialists and validate the Exit Tech process is followed. Observe behaviors as it relates to preventing shrink
- Provide timely feedback to associates based on observations and Exit Reporting. Understand what your successful associates are doing, and help associates who are in need

Who owns this? Member Service Managers

- Validate schedules and ensure they provide the correct staffing based on business needs
- Follow up on top shrink item focuses with associates and leaders
- Train leaders and observe associates. Validate behaviors
- Review exit reporting in the AP CORE and have timely conversations with associates and leaders when needed
- Questions to ask while touring:
  - What is your recovery %?
  - What are your top item fails?
  - When should associate log in and out of handheld devices?
  - How do you validate the accuracy of data being reviewed?
  - How often do you spot check performance through CCTV?
  - How do we validate that associates understand AP-09
  - How do you clear red items, trash, backouts?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

theAP CORE

Exit Tech Cashier Metrics

Exit Tech Backout

Feedback on this discipline? Share it HERE.

Entrance Door

Shrink Disciplines – Front End

Shrink Risk: Lack of engagement and staffing will weaken the impression of controls.

Impact: Missed membership sign up opportunities, merchandise return issues, risk of fraudulent returns.

Back to Disciplines

Who does this? Member Frontline

- Smile and greet the member while validating their membership card (digital or physical card) upon entrance
- If the member does not have a membership card, refer them to the Member Service Desk
- Refer returns to the Member Service Desk
- Use Connected Associate to communicate to other associates when needed
- Set doors to open one way, and direct members to the exit door if they attempt to exit via the entrance

Who leads this? Member Team Leads

- Staff the entrance to the needs of the business
- Observe associates and validate behaviors
- Have timely and effective conversations with associates when needed
- Ensure the associates have Connected Associate

Who owns this? Member Service Managers

- Validate schedules and ensure they will provide the correct staffing based on business needs
- Observe the Leads and Associates and validate behaviors
- Work through leaders to address exceptions
- Questions to ask while touring:
    - Who validates that doors(?) are being set correctly throughout the day?
    - How do we validate that associates understand AP-09?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

theAP CORE Shrink Alerting

Feedback on this discipline? Share it HERE.

Code 2/3 and Not On File Merchandise

Shrink Disciplines – Front End

Shrink Risk: By not selling and returning merchandise correctly it will impact OH Accuracy.

Impact: Replenishment Concerns, Loss Profit, Shrink, Associate Productivity and OYI Issues.

Back to Disciplines

Video

Who does this? Member Team Associates

- Use tools including Ask Sam or communicating with the department via Connected Associate to get the correct bar code / item number when selling an item at the register or refunding an item at the membership desk
- If the associate cannot identify the correct bar code or item number, a detailed description of the item is required to be entered when prompted on the register
- Use Code 2 for regular taxed merchandise and use Code 3 for non taxed merchandise
- When prompted that the item is not found, enter code 2 or 3, then enter detailed description on the next screen
- Retain a WPOS Log at the Front End or Membership Desk to document Code2/3 refunds

Who leads this? Member Team Leads

- Train all associates on the correct process including tools we use to find correct bar codes or item numbers
- Train all associates on detailed description expectations as needed
- Partner with Backroom Associates to ensure transactions are corrected if rung up or refunded as a Code 2 or Code 3, weekly

Who owns this? Member Service Managers

- Partner with Backroom associates to validate process is completed correctly by Member Team Associates by reviewing the Clearance Area Sales Report and Not On File / Price Override Report to look for frequency and descriptions to address exceptions
- Review log during tours to validate the process is being executed by the Member Team correctly
- Questions to ask while touring:
  - What is the criteria to open a Club Voice ticket?

Need more details? Try these helpful links:

[Code 2 and 3 Item Reactivation](#)

WPOS Log

How's my Club doing? Check out:

the AP CORE

Refunds

Feedback on this discipline? Share it HERE.

Processing Fresh and Freezer Cooler Donations

Shrink Disciplines – Fresh

Shrink Risk: Donation and Damage Process is crucial, not having processes such as designated damage racks/pallets, cold chain compliance and OYI verification of items will negatively impact the business.

Back to Disciplines

Impact: Increased Waste, Lack of Community Involvement, OH Accuracy, Associate Productivity and Member Experience.

Who does this? Fresh Associates

- Follow the donation process provided on the Club Hub, linked below
- Each item should be scanned individually using OYI and placed on the designated racks in the freezer/cooler or on the pallets, immediately
- Ensure cold chain compliance is followed. If product is compromised, reverse the donation and process as a throw-away

Who leads this? Fresh Leads

- Follow the donation process provided on the Club Hub, linked below
- Ensure associates are trained on the processes and perform them correctly
- Be proactive in touring merchandise and identifying items that qualify for donation
- Use AP CORE > Reports> Fresh to monitor your club's use of this process

Who owns this? Fresh Managers

- Ensure leads and associates are trained and following the donation processes
- Follow up on at-risk merchandise by reviewing with the leads and touring the sales floor
- Review reporting to view donations, CO's, throws, damages and identify if there are gaps in the process that need to be corrected
- Use AP CORE > Reports> Fresh to monitor your club's use of this process
- Questions to ask while touring:
  - What item has the highest throw MTD, QTD?
  - How many DC Credits have you filed MTD?
  - What is the process when you identify your highest throw?
  - How should your designated tack be setup in F/C?
  - What qualifies for donation? Show me.

Need more details? Try these helpful links:

Fresh & Freezer Cooler Donations

How's my Club doing? Check out:

the AP CORE Fresh Throws

Feedback on this discipline? Share it HERE.

Reduced Meat, Seafood & Fresh Items

Shrink Disciplines – Fresh

Back to Disciplines

Shrink Risk: Not having a strong process to identify and reduce meat seafood and fresh items decrease sales and profits. It increases waste and provides opportunities On hand item quality.

Impact: Loss Sales, Increased Waste, Quality of items, full selection of items and Member Experience.

Who does this? Fresh Associates

- Tour fresh areas at least twice daily, before opening and late afternoon, checking expiration and sell-by dates and item quality on the reduced program
- For any items expiring or sell-by date is tomorrow, print a reduced-price label and place over the original price and bar code (be sure the expiration data is still showing)
- For any items that appear off color or off spec, print a reduced-price label and place on the package
- Contact the RFD for large quantities of product nearing expiration data for a temporary system price reduction
- Know the club's percent of reduced sales as compared to fully-priced items in relation to the goals

Who leads this? Fresh Leads and Fresh Managers

- Review standards with fresh associates weekly to ensure compliance
- Review the Power BI report and/or the AP Core report and know the percent of reduced sales as compared to fully-priced items in relation to the goals
- Tour the fresh area and check presentation. Are there yellow stickers on the items in the bunkers? Is there discolored or out of date items that aren't reduced?
- Inquire of the fresh associates - are they using Fresh App (FST) to guide production?
- Look at donation box – if reducible items are present, do they all have yellow stickers (i.e., were they reduced first?)

Who owns this? Club Managers

- Tour fresh areas at least weekly to evaluate standards and processes
- Address concerns raised by associates and managers
- Questions to ask while touring:
    - What is your reduce sale %?
    - What is your reduced throw rate?

Need more details? Try these helpful links:

Fresh Training

How's my Club doing? Check out:

TBD

Feedback on this discipline? Share it HERE.

Produce UPDATED
Shrink Disciplines – Fresh

Shrink Risk: Not having a strong processes around detailed receiving, culling, processing donation, throws and touring frequently will negatively impact member experience and OH Accuracy.

Back to Disciplines

Impact: Loss Sales, Increased Waste, Quality of items, OH Accuracy, associate productivity and Member Experience.

Who does this? Produce Associates

- Tour the produce area at least twice daily, before opening and mid afternoon. Check stock levels, cleanliness and item quality.
- Stock merchandise at opening to match height of 4 apple boxes on 1 pallet, which is a comfortable shopping height
- Use pallets for buildup if low inventory (1-5 pallets is acceptable)
- Cover potato bins at night to retain color and reduce greening
- Store cold chain items in the cooler and merchandise 2-3 days of sales on the sales floor
- Pull pallets out and clean and rotate product
- Do a deep cull in the morning and as part of the close-to-open process; cull product as you rotate
- Utilize Ask Sam to access spec sheets for items while culling or when checking produce quality upon delivery
- Rework product on the sales floor for reworkable items
- Adjust inventory in OYI timely for items thrown or donated or damaged
- File produce claims in the Backroom App for poor quality or out-of-date merchandise received, providing pictures as required
- Conduct produce audit weekly or per the AMP Communication and adjust on hands as needed in OYI

Who leads this? Fresh Leads and Fresh Managers

- Tour the produce area multiple times a day and check presentation
- Review quality standards and processes to stock and cull merchandise, adjust in OYI and file poor quality claims with produce associates weekly to ensure compliance
- Review the Power BI or AP Core report and know the percent of produce throws and know whether the club is over/under/at plan
- Review the DC Credits section of the Backroom App and/or the AP Core report to ensure claims are routinely filed for credit

Who owns this? Club Managers

- Tour the produce area at least weekly to evaluate standards and processes
- Address concerns raised by associates and managers
- Questions to ask while touring:
    - What item has the highest throw MTD, QTD?
    - How many DC Credit have you filed MTD?
    - What is your highest item that you have filed for?

Need more details? Try these helpful links:

Fresh Training

How's my Club doing? Check out:

the AP CORE

Fresh Throws

DC Credit Claims

Feedback on this discipline? Share it HERE.

Curbside Pickup - Restocking

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: Not having a strong process around restocking procedures will results in OH inaccuracy, productivity concerns and member experience.

Back to Disciplines

Impact: Shrink, Integrity, OH inaccuracy, and Loss Sales.

Who does this? Fulfillment Associates

- From the QP home screen, select cancel late orders, locate and scan the order containers to cancel
- Follow the app prompts and restock the merchandise to the sales floor by scanning each item
- If an item is missing, mark it as missing and complete the rest of the restocking
- If an order is unable to be located, do the following:
  - Call the member and ask, "How was your experience picking up your order through our Club Pick Up program?" This will help verify if the member has received the order
  - If the member indicated they did pick up their order and they share their experience, take note of their feedback, thank them for their time, and end the call
- Since the member confirmed the pick-up by sharing their experience, proceed to dispense the order in QP to charge the member and capture the sale. Communicate the results to your lead and manager

Who leads this? Fulfillment Leads

- Ensure CPU area is clean and organized, have merchandise staged neatly and labeled properly to prevent shrink
- Ensure associates are following the app flow correctly, including scanning containers and items
- Research orders unable to be located with Member Team Associate, call member if needed, and share findings with your manager
- If an order is verified to have been picked up by the member, ensure the order was correctly dispensed in app
- Have follow up conversations as needed on associate performance

Who owns this? Merchandise Manager

- Train leads on correct process for canceling and restocking orders
- Review data for missed items, identify root cause, and train accordingly
- Ensure CPU area is clean and organized, have merchandise staged neatly and labeled properly to prevent shrink
- Follow up with leaders on exceptions for orders not dispensed correctly
- Questions to ask while touring:
  - When and how do you audit orders and items?
  - How do you properly restock an order?

Need more details? Try these helpful links:

[In Club Fulfillment]
[AP 05 Policy]

How's my Club doing? Check out:

the AP CORE

CPU Restock

Feedback on this discipline? Share it HERE.

In Club Fulfillment Processes UPDATED

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: Failing to pull and dispense merchandise properly can negatively impact on hand accuracy, as well as result in shrink.

Back to Disciplines

Impact: Cancelled orders, Restocking items, lost sales and shrink.

Who does this? Fulfillment Associate

- Sign out and in key fobs/access badge from lock box daily
- Only use Curbside doors for orders, ensuring associates and members are not using the door for unauthorized reasons, coming in, leaving, breaks/lunches, etc.
- Dispense orders properly and follow the verification process
- Ensure lock up items stay in lock up until dispensed
- Follow Backdoor dispense process to prevent shrink and lost sales
- Cancel and Restock orders timely, report missing items and orders to the Fulfillment Lead and Merchandise Manager
- When needed, follow the Misdelivered CFT process from beginning to end which will prevent shrink, lost sales and reoccurring driver issues
- Exception Orders are orders that were dispensed and not delivered or returned to the club. It is important to follow all in app instructions to either confirm the member did receive their order and change them, or cancel the order, which will send the items to be adjusted out of inventory in OYI as shrink.

Who leads this? Fulfillment Lead

- Ensure Fulfillment Associates are checking in and out key fobs/access badges from lock box daily
- Validate the team is working the cancelled and restock worklists and merchandise timely
- Research missing orders and items using AP CORE Restock reporting to identify gaps in process and training needs.
- Inspect orders, checking for items matching what is picked in the app, "substitution lite adherence", missing or additional items and status of the order. Follow up with associates where necessary
- Train associates on backroom dispensing to prevent shrink and lost sales

Who owns this? Merchandise Manager

- Ensure workorders are placed if curbside doors are not functioning properly. Physical door issues with Service Channel, system issues with Alarm Central
- During your discipline tours use CCTV and spot check who is using the curbside door and address concerns, including key fob/badge access protocols
- Inspect dispense processes in the backroom by doing the following:
    - Check for a staging label in the backroom for orders and that it is being used
    - Observe associates dispensing or ask associates how to dispense orders in Quick Pick
- Questions to ask and topics to review while touring:
    - Pull up QP and review Nil Pick orders, validate OH of items have been adjusted
    - Ensure process is followed for large orders with multiple pallets - different ID tag for each
    - Validate/educate lock up items are remaining in lock up until dispensed.
    - Live testing cancelled orders and restock items - pull up quick pick and see if you can find both cancelled orders and restock items.
    - Order accuracy/staging efficiency - Spot check orders for accuracy. Look at staging opportunities (examples: multiple orders on same vehicle, heavy/bulky items staged on shelf instead of leaving on CPU flatbed, etc.).
    - When possible, go out with associate to dispense...FRUGL/batch dispensing. ID verification? Using brakes on flatbed to prevent property damage? Showing member fresh items for approval? Where can we improve speed and/or efficiency?
    - Review/validate process with backroom associates on large CPU orders being dispensed through the back door. Who is responsible for dispensing? How do we validate?
    - Do they know how to report an item missing? Is the TL reviewing the restock report to identify potential gaps in missing items?
    - Door controls. Is badge access being utilized correctly.
    - Test knowledge around proper process for missing Orders/items on both Delivery and CPU. Does the TL/Associates know the process?
    - Review 1067/CFT refund/return process.

Need more details? Try these helpful links:

Badge Access
Backroom Process
In Club Fulfillment Homepage
Misdelivered CFT Process

How's my Club doing? Check out:

the AP CORE — CPU Restock

Feedback on this discipline? Share it HERE.

OYI – Own Your Inventory

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: Lack of Execution around OYI allows incorrect on hands, inaccurately price items on the sales floor, and CIM Concerns.

Back to Disciplines

Impact: Replenishment, Item Location/OH Inaccuracies, negative member experience and Shrink.

Who does this? Merchandise Associates

- Use the OYI app on a handheld device or BYOD to review item issues in the club
  - Nil Pick - Items that show on hands that cannot be picked for Club Pick Up orders due to inaccurate inventory counts or locations
  - Price Override - Items that have sold for a price that is different then what it rings up
  - No Sales - Items that have a positive on hand count but are not selling
  - Negative on-hands - Items that have gone into a negative inventory status or have over sold
  - Canceled - Items that have a positive on-hand, will not be replenished, and need to be sold through so they don't become a liability for the club
  - No Sales Floor Location - Items that do not have an assigned location in the club
- All items should be reviewed and solved for daily to ensure accurate on hands, locations and identify potential shrink
- Utilize to print signs for new items and items that have price changes or accuracy issue
- Scan items that have low sales floor stock levels and review for location accuracy, on hand accuracy and change as necessary or add to drop list to be stocked

Who leads this? Merchandise Leads

- Assist in completing the daily work list and ensure all items have been properly accounted for
- Review all items that have been adjusted for accuracy
- Research any items that have large adjustments and resolve appropriately
- Review drop list and react immediately to critical needs and add pallets if necessary

Who owns this? Merchandise Managers

- Items that cannot be worked daily from the work lists must have appropriate follow up to ensure it does not become a repeat exception
- Ensure all research has been conducted appropriately
- Review approvals. Approve or reject based on research completed by leaders or associates and accuracy of the adjustment request
- Questions to ask while touring:
  - What report is being utilized to manage on hands?
  - How often are you reviewing?
  - What actions are you taking after identifying a process breakdown?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

Category & Item Shrink
Adjustments by Code
OH Change History

Feedback on this discipline? Share it HERE.

Auditing Merchandise

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: Not conducting audits doesn't allow the facility to verify merchandise on hand counts for the purpose inventory accuracy.

Impact: Shrink, Productivity, and Replenishment, Inventory Trends.

Back to Disciplines

Video

Who does this? Associates

- Prepare area to be counted by stocking, zoning and organizing department
- Using a handheld device log on to the SMART system. Select Merchandise Management, Perpetual Inventory, Inventory Management
- Select appropriate type of audit to perform:
  - Special audit- combines multiple categories for freezer, cooler and jewelry into one audit
  - Category audit-allows you to count only the items you choose from a selected category
  - Complete audit-shows all items, both counted and not counted, from a selected category
  - Item Audit-combine selected items from multiple categories into one audit
- Count all items on sales floor, reserve steel, back room and any other areas that merchandise could be stored (i.e. lock-up cages, business office, pods/first feature, CPU)
- Once counts have been completed print a trial copy of the audits and recount any items that have large discrepancies over or short
- Research discrepancies that could not be fixed during the recount process
- Make necessary adjustments to counts

Who leads this? Team Leads

- Pull the list of audits to be performed for the month off the AMP communication page. Be sure to select both the full category audits and your club's specific item audits
- Assist with audits and follow up with exceptions when needed
- When all research has been finished, complete the audit and turn in to managers to be reviewed and finalized
- Track completion of monthly audits to ensure no assigned audits were missed

Who owns this? Managers

- With associate/lead present, review all audits for accuracy
- Teach, train, and follow up with exceptions as necessary
- Track shrink trends discovered in audits. Ensure processes are executed and plans are developed to reduce loss and address root cause of the shrink
- Questions to ask while touring:
  - What training/follow up is being executed when improper research has been identified?
  - How are you identifying club specific audits to complete based on current shrink trends?
  - What adjustments to planning can be made to better facilitate the audit process in a timely manner?

Need more details? Try these helpful links:

Inventory Management

How's my Club doing? Check out:

Category & Item Shrink
Adjustments by Code
OH Change History

Feedback on this discipline? Share it HERE.

Special Order Management

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: Lack of managing Special Order on hands will impact the member experience by not having variation of tires to support select member.

Impact: OH, Sales, Timely Receiving, Scheduling of Appointments and Productivity.

Back to Disciplines

Video

Who does this? Merchandise and TBC Associate

- Use the AP CORE, OH Clean Up Reports to view Special Order on hands
- Account for all merchandise that shows a positive on hand qty and add any items that need adjusted to audit
- Research negative on hands for possible offsets or POs not received
- Research any items not found. Look for possible offsets and item numbers for the product in the perpetual inventory
- Ensure every item with a negative or positive on hand is accounted for and any items that need to be adjusted are added to the audit for finalizing

Who leads this? Merchandise and TBC Team Leads

- Work with associates to audit Special Order items with on hands
- Ensure that all items and categories in the report are accounted for every month
- Develop plan to address shrink found in the stock status and address root cause of the loss

Who owns this? Merchandise and Member Service Managers

- Finalize any on hand changes that need to be made to inventory counts
- Review audits for accuracy before finalizing
- Follow up on shrink plan execution
- Questions to ask while touring:
  - How often are you reviewing your on hand clean up reporting for Special Order items?
  - Show me the actions developed following the last special-order audit?

Need more details? Try these helpful links:

[Inventory Management]

How's my Club doing? Check out:

OH Clean Up Reports
Stock Status
Adjustments by Code

Feedback on this discipline? Share it HERE.

Club Use Merchandise

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: : Failing to scan merchandise as club use will not decrement the on hands and will be shrink. In addition, wrong divisions or use type will also have a negative impact on the P&L.

Impact: Shrink, OH Issues, Integrity Concerns and Replenishment.

Back to Disciplines

Video Under Construction

Who does this? Associates

- Associates may not select club use items off the sales floor without having approval from leadership
- Always determine if the item can be ordered through GNFR before selecting from the sales floor
- Using OYI, scan the item, select the 3-dot menu, Club Use or select Tools, Club Use. Using the drop downs, select the type of club use and division that is using the supplies:
    - Associate Relations - Items to be used for the associates such as cookouts and decorations
    - Club Supply - Items for general business use
    - For Resale - Items that will be used for resale such as bakery, cafe and prepared foods meals
    - Maintenance - Items that will be used to maintain facility not requiring a service channel ticket
    - Membership - (1067 Account) items that will be given to members to show value
    - Vending – Items used in a in club vending machine
- After scanning and submitting in OYI, mark through the UPC and add your initials and date, unless the item is being used immediately
- Maintain supplies in the 5S area, communicate to leaders what supplies need to be ordered from GNFR
- If a mistake was made, reverse the Club Use using the SMART system outline in the SB 116 link below

Who leads this? Team Leads

- Spot check items by verifying the upc was marked out with initials and date
- Ensure that GNFR orders are placed weekly or as needed
- Use On Hand History in OYI or AP CORE Club Use – OYI report to review what has and more importantly has not been Club Used

Who owns this? Managers

- Follow up with exceptions and address accordingly
- Spot check items paid for by verifying the upc was marked out with initials and date
- Ensure that GNFR orders are placed weekly or as needed
- Use On Hand History in OYI or AP CORE Club Use – OYI report to review what has and has not been Club Used
- Questions to ask while touring:
    - How often are par levels being updated for fresh & general 5s?
    - Show me how touring is being conducted to validate that club use is occurring in each area.
    - What actions are being taken when gaps in process are identified?

Need more details? Try these helpful links:

SB 116 Club Use Merchandise

How's my Club doing? Check out:

the AP CORE

Club Use – OYI

OH Change History

On Hand Adjustments and Approvals

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: Changing on hands is simple and corrects inventory, and when the incorrect adjustment is used, the club's financials are inaccurate.

Back to Disciplines

Impact: When adjusted incorrectly, club can experience Profit Loss, Replenishment Issues, Lost Sales, Shrink (if unresolved) and Chargebacks

Who does this? Associates

- When on hands are inaccurate, research must be completed, and **the proper adjustment type must be determined before changing on hands**.
- Research is required for large adjustments (case, pallet, or high dollar such as TV's, computers) prior to changing on hands.
- Begin research by reviewing on-hand history in OYI – identify if there are adjustments that could be an error or show a pattern of missing product. Share findings with your lead and manager.
  - Are there large on hand adjustments from an audit?
  - Is there evidence of the damage or donation process being followed incorrectly (no damages or donations listed in on hand history)?
  - Are there receiving concerns including adjustments the same day as receiving or an open/past due PO?
  - Review GDC Claims submitted in the Backroom App or AP CORE GDC Report.
- If there is concern that on hands are inaccurate due to a receiving issue, associates should partner with backroom team, team leads, or managers.
  - Use Backroom App and NOVA to review PO details. Pull paperwork if needed to review BOL and Receiving Detail Report. Look for balance dues or any other information that may help understand the error.
  - If the PO is not found in NOVA, associates must contact their MAPM to support researching for the PO in Big Query.
  - If the error is found and cannot be corrected through the PO, MAPM should authorize a D2 adjustment. D2 adjustments may only be used in confirmed PO situations where the PO is purged or expired claims that have an invoice number but purged.
- OYI can only be used for CO's (shrink), Club Use, Donations, and Throws.
- Backroom App can only be used for D2 (Receiving corrections), DR's (used for keying out merchandise due to power outages/disaster and processing Club Damages (DT's)
- DS (primarily used in optical) can only be completed in SMART

Who leads this? Assistant Managers

- Review each adjustment in OYI and any SMART audits completed.
- Only use Select All and Approve (in OYI) after reviewing each proposed adjustment and determining if anything needs additional research. If so, reject the adjustment.
- Review all data in Shrink Alerting daily and Category Shrink Report at least weekly to research any adjustments of concern.
- Review the Adjustments by Code Report in the AP CORE weekly to validate what is being adjusted and how. Ensure accuracy and integrity in the changes and adjustment codes used.

Who owns this? Club Managers

- Review all data in Shrink Alerting and Category Shrink at least weekly to review adjustments and overall shrink health.
- Tour with leaders when large adjustments were made. Validate with associates/leaders that the proper research was done and completed accurately.
- Partner with your MAPM for outstanding concerns.
- Questions to ask while touring:
  - How are you using AP CORE reports to tour OH accuracy?
  - What are your plans for shrink mitigation on top shrink items?
  - What was the reasoning for adjustments found in the Shrink Alerting "CO's over $1,000" and "Receiving's CO'd out"?

Need more details? Try these helpful links:

NOVA

How's my Club doing? Check out:

Shrink Alerting
Category Shrink Report
Adjustments by Code
OH Change History

Feedback on this discipline? Share it HERE.

On Hand Research

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: On hand discrepancies impact the member experience, merchandise replenishment, and can result in missed sales.

Impact: Productivity, Shrink, OH Inaccuracies and PODs.

Back to Disciplines

Video

Who does this? Associates

- In OYI, enter the item number you are researching and select View History to review adjustments. Filter function is available for adjustment types
- The HOST screen can still be used for research purposes. Log on the SMART system, Log into H.O., type SAMS and press enter. Type in your unique user ID and password on the CISC screen. The following page will blank, type in the command to access:
  - WPIQ- Enter a club and item number and will display the history of that item for all adjustments made, except for sales
- Negative On-hands - Caused by more items being taken out of the system than what the inventory shows we have. This can be caused by:
  - The item being incorrectly adjusted previously
  - Register errors such as using an incorrect item number, similar item or selling an item that is not in perpetual inventory
  - Items have not properly been received and have an open PO
- Negatives should have an offsetting adjustment before being added back into the inventory.
- Electronic Journal can be accessed through the wmlink/EJ or SMART system and used to research specific register transactions
- All large overages and shortages should be researched using the above methods before completing an audit.

Who leads this? Team Leads

- Teach and train associates on methods used to research inventory
- Utilize research methods to accurately adjust inventory on hands
- Partner with backroom associates to address any open PO concerns or receiving errors found
- Partner with Member Service Leads to correct CPU, point of sale, or refund errors

Who owns this? Managers

- Teach and train leads on inventory research
- It is essential that probing questions are asked to validate the integrity of the research conducted and that adjustments are accurate before finalizing any audits or on hand changes through OYI.
- Questions to ask while touring:
  - What tools did you use to research prior to approving adjustment?
  - Are there any open PO's for this item or have you researched the item was received on most recent PO's?
  - Have there been any refunds for this item? Validated?
  - Has the item been previously adjusted?

Need more details? Try these helpful links:

[Electronic Journal]

How's my Club doing? Check out:

the AP CORE

Adjustments by Code
OH Change History

Feedback on this discipline? Share it HERE.

Theft/Damage Claim Process UPDATED

Shrink Disciplines – Sales Floor Inventory Management

Shrink Risk: On hands can be potentially accounted for as shrink when the process is not adhered to.

Back to Disciplines

Impact: Profit Loss, Replenishment Issues, Lost Sales, Inaccurate P&L Account Impact, and Shrink

Who does and leads this? Assistant Managers

- For damage merchandise claims, use the link in the resources below and review Sam's Club Disaster Recovery Guide (beginning on page 66) **BEFORE** scanning or processing any items
- These claims (Property Damage Claims > $25,000 deductible and Recovery Claims) must be electronically reported to Walmart Claims Services (WCS) Property Loss Team (proploss@wal-mart.com) within 90 days of the loss, using the Property Damage Incident Report in Global Emergency Management on the WIRE. These types of claims are not entered into the Incident Reporting System (IRS)
- Before processing or disposing of any merchandise, ensure a manager has spoken to the Disaster Recovery Team to determine if any merchandise is salvageable for a liquidator. Review the Disaster Recovery Guide for contacts and specific information on this process
- Document merchandise loss and fixture/facility damage information, which will be used to fill out Property Incident Report Form, including but not limited to:
    - Category trial audit reports for product loss due to theft/damage if called for in the Disaster Recovery Guide
    - Reporting from audits or on hand adjustments that are made (AP CORE reporting)
    - Photos of damaged fixture or areas of facility
    - Any camera footage of the incident
- Create work orders in Service Channel for any repairs needed to property or fixtures
- IMPORTANT - Adjust inventory on hands for merchandise that was damaged, **using the process outlined in the *Sam's Club Disaster Recovery Guide*, as it is different for different merchandise types. Please do not assume anything and review instructions first.**
- Adjust merchandise as a CO if managing through a theft claim
- After claim is filed, an adjuster will contact club for any additional information
- For named storms, follow the instructions outlined in the Sam's Club Disaster Recovery Guide linked below

Who owns this? Club Manager

- Ensure the Sam's Club Disaster Recovery Guide is viewed prior to adjustments being made, following the processes outlined exactly as listed for all damaged merchandise claims
- Follow up with adjuster to ensure they send confirmation details of account credits
    - If a DR adjustment was used, the credit will need to be applied to the Damage account 4502040
    - If a CO adjustment was used, the credit will need to be applied to the Stock Shortage account 4502010
- Escalate to Market Team if claim has not been credited within 30 days
    - Clubs with annual inventory date approaching may require quicker resolution and escalation
- Questions to ask while touring:
    - What document should be reviewed prior to any adjustments being made?
    - How do you file a claim to initiate engage the Prop Loss team?
    - What information is needed in the Adjustment by Code reporting in AP Core?

Need more details? Try these helpful links:

Sam's Club Disaster Recovery Guide

Global Emergency Management

How's my Club doing? Check out:

the AP CORE

Adjustment by Code

Feedback on this discipline? Share it HERE.

TBC – Receiving Process

Shrink Disciplines – Specialty Areas

Shrink Risk: Ensure accuracy and receiving tires correctly to the process will eliminate inaccurate on hands or shrink. Additionally, causing incorrect audits with longer research.

Back to Disciplines

Impact: Member Experience, Inaccurate Inventory, Lost Sales, Shrink

Who does this? TBC Associate

- Physically assist delivery driver with tires during unloading and stack by like items to make receiving easier
- Locate the Bill of Lading (BOL) or PO information on tires and match to BOL
- Use the Backroom App and follow the Receive It Right process, ensuring tires are received by item number
- For batteries, pallets will be dropped off and must be sorted, received and put away the same day. If damaged or short, claims must be filed within 72 hours
- Take merchandise to its designated area once received

Who leads this? TBC Leads

- Assist associates during receiving process
- Maintain accurate on hands by training associates how to Receive it Right
- Conduct category audits per the company guidelines
- Manage Special Orders properly
- Follow up on mis-shipments, split shipments, mis-labeled inventory
- If concerns exist, work with the associates to correct behaviors

Who owns this? Merchandise and Member Service Managers

- Tour TBC area with Lead and Associates
- Review Category Shrink and audit results
- Review Special Order Process
- Have appropriate conversations if concerns exist
- Questions to ask while touring:
    - What training/follow up is being executed when improper research or shrink has been identified?
    - Who is all responsible for receiving in tires?
    - Show me how to properly receive a tire delivery from beginning to end?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

Category & Item Shrink
Stock Status
On Hand Clean Up Report

Feedback on this discipline? Share it HERE.

TBC – Special Order Management

Shrink Disciplines – Specialty Areas

Shrink Risk: Inaccurate receiving's, on-hand accuracy, unorganized/wrong tags, and improper audits could all result in potential shrink

Back to Disciplines

Impact: Member Experience, Inaccurate Inventory, Lost Sales, Accidents/claims, Shrink

Who does this? TBC Associate

- Accurately complete the receiving process to include finalizing the PO correctly in the backroom app, and ensuring completed paperwork is taken to Receiving
- Review AP CORE OH Clean Up Report for Special Order on hands prior to completing audits on tires and batteries
- Place Special Order/Appointment Tags on all Special Order items once staged with all required information filled in
- As a best practice, use red paper for tires that are unpaid and green paper for tires previously paid for
- Pull Special Order Tire Return report from the WIRE weekly and follow RA return process for special order tires over 30 days old

Who leads this? TBC Leads

- Train associates on properly completing audits including special order tires, using the AP CORE
- Train TBC associates on how to Receive it Right
- Review Special Order Tire Return report monthly to ensure tires are being sent back timely
- Review Garage App to validate tires are paid for & received correctly
- Maintain organization of special order tires in one location with the correct appointment tags

Who owns this? Merchandise and Member Service Managers

- Review the process to ensure clubs Receive it Right
- Review all audits in detail to ensure on hands are adjusted correctly
- Review AP CORE to ensure club is maintaining special order tires on hands correctly
- Questions to ask while touring:
  - What training/follow up is being executed when improper research or shrink has been identified from Special Orders?
  - Spot check and verify holding area from SO tires, tagged correctly, and organized
  - What do you review on AP Core OH clean up reports for?
  - Show me where to pull report for tires over 30 days?
  - How often are we pulling SO tires over 30 days report to process?

Need more details? Try these helpful links:

Club Hub Tires

How's my Club doing? Check out:

OH Clean Up Reports
Stock Status

Feedback on this discipline? Share it HERE.

TBC – Security and Door Controls

Shrink Disciplines – Specialty Areas

Shrink Risk: Failure to consistently execute security and door controls in TBC may jeopardize the safety of our associates and create an opportunity for potential shrink.

Back to Disciplines

Impact: Shrink, Member Experiences, and Safety.

Who does this? TBC Associate

- Always keep TBC access door from the shop to the sales floor closed and ensure access code lock is working
- All Members' keys/fobs for vehicles must be in the control of an associate and in a secure location.
- If TBC is open for business, roll-up doors should be remain opened, if weather permits
- Lock roll-up doors when closing the department or when area is unsupervised
- Ensure the outside member access door is working properly
- Tires and batteries must be stocked once received, reducing the risk of staying in the shop potentially unattended
- When adding used tires and batteries to outside storage areas, secure area after use
- Associates should not be using the TBC area to enter or exit. These doors are for associates working in TBC or members
- Maintain a clear path of at least 48" for use/access to all emergency exits

Who leads this? TBC Leads

- Validates TBC access doors are always closed and working properly
- Ensure and inspect that the key control process is being adhered to by associates with every vehicle serviced
- Walk the bays to ensure tires and batteries are put away after being received as well as look for any merchandise that does not belong in the shop
- Inspect the tire and battery cages for unauthorized items or merchandise
- Validate associates are not using TBC area to enter or exit
- Address exceptions with associates as identified

Who owns this? Merchandise and Member Service Managers

- Follow up on any maintenance work orders in TBC including equipment, doors, tools, etc.
- Ensure and inspect that the key control process is being adhered to by associates with every vehicle serviced
- Change door code as needed for access to TBC bays
- When closing the club, validate TBC access doors, used battery & tire storage areas are locked properly
- Questions to ask while touring:
    - What is the Vehicle Key Control Process?
    - Where are the members keys that are waiting for service? (Inspect the area for open doors, car keys/fobs left vulnerable.)

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

the AP CORE

Category & Item Shrink

TBC – Refund Process

Shrink Disciplines – Specialty Areas

Shrink Risk: Improperly following refund procedures for tires and batteries will put the club at risk for shrink opportunities.

Impact: Improper refund processes will impact the member experience, create inaccurate on hands, and increase the risk for potential shrink.

Back to Disciplines

Who does this? TBC Associate

- Tires that physically leave the club or mounted to a rim/vehicle must be returned defective using Code 7, not the item number
- Batteries that physically leave the club or installed in a member's car must be returned defective using Code 17, not the item number
- Follow the prorate process to ensure the member receives the correct refund
- Tires & batteries refunded Code 7 or 17 must be taken and stacked properly in the outside storage or designated area
- If we validate a tire or battery did not physically leave the club or was not installed it can be refunded sellable under the original item number

Who leads this? TBC Leads

- Train associates on the correct codes to avoid unnecessary shrink at both TBC and Membership Desk
- Use HOST screens to check refunds on items such as TPMS, Headlight Restoration, and Warranties
- Follow up on exceptions with associates as needed
- Follow up with backroom associates to validate tires and batteries have not been refunded defective under the original item number and if so, ensure the transaction was corrected to avoid shrink

Who owns this? Merchandise and Member Service Managers

- Discuss and review findings with the leader regarding refunds conducted
- Review audits to ensure we are not taking additional shrink on refunds completed improperly
- Questions to ask while touring:
  - What code do you refund used tires under?
  - What code do you refund batteries under?
  - Can you explain the prorate process?
  - Do you ever see Auto batteries showing up in clubs backroom app?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

Category & Item Shrink Refunds

Feedback on this discipline? Share it HERE.

Key and Door Controls

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: If we do not follow key and door controls it will allow unauthorized access to the club.

Back to Disciplines

Impact: Inventory control, safety of associates and members,

Who does this? Authorized Team Leaders and Managers

- All facility keys and key fobs will be issued, stored, controlled, returned, and accounted for by a salaried member of management
- Utilize key log to log keys in and out. Keys need to be secured in a key box for storage
- Keys and fobs are issued to a single associate. It is the associate's responsibility to ensure the keys are being used for a specific job function
- Keys and fobs are issued based upon job responsibilities. Associates may not carry keys to a secured area that is not relevant to their job function
- Only salaried managers and hourly associates who are clocked in may carry keys
- Keys that permit access to private and/or confidential information must only be issued to associates who have supervisory responsibilities with that information
- Only associates with company-issued keys, in accordance with the policy, are allowed unaccompanied access to the secured area. All others must always be accompanied by an authorized individual while in the secured area
- Keys and fobs that belong to a certain department need to stay with an associate trained in that department's function
- Keys and fobs must always be secured or accounted for by the Associate or Manager they are assigned to and never loaned or handed out

Who leads this? Merchandise Team Compliance Manager

- Log out keys and fobs required in the normal course of business from the key lock box to the associate responsible for that department or with a supervisory function in that department
- All keys and fobs accounted for at the end of the business day by a salaried member of management
- Management going on a leave of absence must leave their keys at the club, to be held in the club safe until they return
- Salaried members of management are issued keys that are not required to be signed in and out daily. These keys must not be "loaned" to any unauthorized associate
- Lost keys need to be escalated up to Club Manager

Who owns this? Club Manager

- Personnel changes and lost keys need to be escalated to Market Team to determine if re-keying of building is required
- Follow up and address exceptions to the process
- Facilitate training on building security using this discipline as well as the AP 05 policy
- Questions to ask while touring:
  - Who is responsible for checking keys in and out?
  - What is required when you obtain your keys daily?
  - Is it ok to take keys home?

Need more details? Try these helpful links:

AP 05 Policy

Key Log

How's my Club doing? Check out:

the AP CORE

TBD

Feedback on this discipline? Share it HERE.

Alarm Standards

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: If we do not follow correct Alarm standards our monitoring services may be delayed or allow unauthorized access to the club.

Impact: Lack of emergency responses, safety of our associates and members, refrigeration issues, fires and burglaries.

Back to Disciplines

Who does this? Authorized Team Leaders and Managers

- When last member leaves the club, the doors must be secured, and perimeter alarm set with motion areas inside the club bypassed
- If no one will be in club, the full alarm should be set without any areas bypassed
- During business hours when building is unarmed, ensure "Watch Mode" is set so that the perimeter can be monitored for fire exit doors being opened.
- Jewelry, Pharmacy, and Accounting alarms should be set when no one is working in those areas
- If alarm cannot be set, please contact Alarm Central immediately at 479-273-4600

Who leads this? Merchandise Team Compliance Manager

- Perform all required inspections outlined in the safety guide and Compliance Dashboard**
- Check MasWeb reporting biweekly to ensure alarms are set according to alarming guidelines
- Spot check execution of "Watch Mode" by going to any alarm panel and hitting "Command 6"

Who owns this? Club Manager

- Inspect process and following up to exceptions timely
- Questions to ask while touring:
  - When do you set the perimeter alarm?
  - When should you set "Watch mode"? What does "Watch mode" do for your club?

Need more details? Try these helpful links:

Alarm Resources
Alarm Central Management List & Alarm Code Support
MasWeb

How's my Club doing? Check out:

the AP CORE

TBD

Feedback on this discipline? Share it HERE.

Cameras, CCTV and Public View Monitor Health

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: Maintaining a functioning CCTV system is critical for clubs to be able to monitor, review and research club level occurrences.

Back to Disciplines

Impact: leaders are not able to support when unexpected event occurs such as accidents, thefts or allegations of wrongdoing.

Who does this? Asset Protection Associates and MCM

- CCTV system should be checked weekly to ensure all cameras and DVRs are working and in good condition
- Any CCTV equipment that needs to be serviced or replaced should be reported and documented with a service ticket the same day. To request service for one or more cameras, open a ticket by calling 1-800-488-7602
- Any critical shots that are down should also be escalated up to MAPM after a service ticket is placed (Examples of critical shots: Cash Recycler, Jewelry, Accounting, Registers, Entry/Exit)
- Inspect Public View Monitors (PVM) and ensure they are clean and in working order
- If you are having issues with your March DVR, contact March Networks at 1-800-965-1435
- If you are having issues with your Verint System, contact field support at 1-479-273-4357
- For all DVR PC issues, regardless of it is a March Networks or Verint Solutions recording system, contact field support at 1-479-273-4357

Who leads this? Merchandise Compliance Manager

- If the club has an Asset Protection Associate, follow up on the action items above
- Ensure all systems and components are in good working order as listed above.
- Partner with field support if a manager cannot see camera listing on the PC

Who owns this? Club Manager

- Inspect process and follow up with exceptions
- Questions to ask while touring:
    - How many cameras are down in your club right now?
    - What are the work order numbers?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

the AP CORE TBD

Feedback on this discipline? Share it HERE.

Lock Up Merchandise

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: If we don't manage our lock up merchandise correctly, we will be out of stock for our members.

Impact: inaccurate on hands, increase sales, and improve impressions of controls

Back to Disciplines

Video

Who does this? Associates, Team Leads & Managers

- Follow the most up-to-date planogram when placing merchandise on the floor or in lock up. Items with pull card displays should be secured and digitally located in lock up, once properly received
- New items using a display unit and pull ticket program (such as laptops and tablets) should have one unit securely placed on display and the remaining inventory secured and digitally located in lock up
- Ensure to scan all items, regardless of category, into the correct location using the M: Member Service area tag, in OYI
- When selling secured merchandise, ensure we are verifying the correct item is given to member by matching the item number to the item being given to the member
- Lock up areas should always be organized and secured. A retrofit solution for lock up cages that could be compromised is available on GNRF (Article Number #100625765 Bracket Set Retrofit Sam's Security Cage)
- Items that we are creating an exception for (that don't come from supplier with a display pallet or pull cards) and securing based on shrink trends should always be professional in appearance with pull cards/pull tickets available for members

Who leads this? Team Leads and Managers

- Managers should ensure lock up processes are followed from the time we receive the merchandise until the time we sell the item
- When touring, validate that all items are located properly in ALL lock up areas (lock up rooms, cages, accounting office, etc.) in OYI, and the location labels are set up per the company direction
- Execute any company mandated lock up direction timely
- Ensure lock up areas are organized and maintained
- For exception items, Managers should ensure we are not creating sales impacts and member friction points. They should also track shrink and sales trends to ensure securing item is adding value
- If a loss is determined as a result of an audit or working OYI, notify the club manager

Who owns this? Club Manager

- Follow up with high ticket merchandise lock up process to ensure it's executed
- Tour with leaders and validate all merchandise is located correctly in all lock up areas, using OYI
- Ensure exception items are displayed professionally and sales/shrink trends are tracked to show value in locking up these items. Partner with your MM and MAPM when making exceptions
- If a loss is reported, partner with your Market Asset Protection Manager to determine next steps
- Questions to ask while touring:
    - When touring lock up check for location accuracy, ask how the associate's manager this piece of the business?

Need more details? Try these helpful links:

Location Labeling

How's my Club doing? Check out:

theAP CORE

Category Shrink ITD

Inventory to Date Shrink Trend

Feedback on this discipline? Share it HERE.

Sales Floor Displays

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: If our displays are not secured properly, we expose ourselves to product loss.

Impact: Theft, inaccurate on hands, sales loss, the ability for our members to interact with the merchandise.

Back to Disciplines

Who does this? Merchandise Associates

- Validate all merchandise displays requiring security devices have them installed (Example: Laptops, tablets, etc.)
- Ensure keys are signed in and out for security devices while open for business
- Security devices should be checked daily to ensure alarms and devices are working and haven't been tampered with or have dead batteries
- Replace batteries as needed and process dead batteries per compliance guidelines

Who leads this? Merchandise Leads

- Ensure security devices are installed and functioning during tours
- If any displays are missing or damaged, use Club Voices and request a replacement. Select "Request to Add/Delete Item" and the merchants will support
- Order replacement security devices as needed for your areas. Keep back stock to replace malfunctioning security devices timely

Who owns this? Merchandise Manager

- Follow up with exceptions to the process
- Questions to ask while touring:
  - Which items are secured? Let's test some of them.

Need more details? Try these helpful links:

[Missing Display – Club Voices]

[Security Installation Guide]

How's my Club doing? Check out:

the AP CORE

TBD

Feedback on this discipline? Share it HERE.

Daily Opening Procedures UPDATED

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: If we do not follow daily opening procedures it will allow unauthorized access to the club.

Back to Disciplines

Impact: Inventory control, safety of associates and members,

Who does this? Associates, Team Leads and Managers

- Wait for the designated leader to arrive before entering the building
- If the designated leader is in the club and the doors are open and/or unattended upon arrival, notify the leader on duty and the club manager

Who leads this? Team Leads and Managers

- Drive around the club looking for breaches to the building.
  - If there is a breach, contact Alarm Central, your Market Manager and MAPM
  - Wait until law enforcement arrives, do not enter the building
- Ensure doors remain locked and perimeter alarm set while closed to the public
- For Security Roll Down Door clubs – ensure that doors are unlocked and rolled up prior to opening the club.
  - In the event of a shelter in place situation, doors can be rolled down and secured until the risk/safety concern is no longer present.
- During morning tours and throughout the day, monitor safety and security measures to identify potential hazards and address any exceptions found (i.e. egress, parking lot lights, PA system functionality, CCTV camera functionality, third party security support, etc.)

Who owns this? Club Managers

- Club managers inspect processes and follow up accordingly
- Review the Alarm Reporting in MASWeb to confirm that leaders are following the proper procedures.
- Have follow up conversations as needed for process adherence.
- Questions to ask while touring:
  - What is the process for opening the club?

Need more details? Try these helpful links:

No additional resources on this topic.

How's my Club doing? Check out:

the AP CORE

TBD

Feedback on this discipline? Share it HERE.

Daily Closing Procedures UPDATED

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: If we do not follow daily closing procedures it will allow unauthorized access to the club.

Back to Disciplines

Impact: Inventory control, safety of associates and members,

Who does this? Associates, Team Leads and Managers

- Associate(s) staffing the Exit Door should remain at the door until it is locked
- Associates and/or vendors must be let out of the club by a leader when closed to the public
- Associates should leave the building immediately after clocking out and keyholders must make themselves available to let associates out promptly. In a situation where associates must wait to be let out, they should keep track of their time and complete a time adjustment and be compensated for waiting.
- MSL verifies all registers are pulled and checked into the recycler and accounting safe is locked
- Walk to your vehicles in groups for safety

Who leads this? Team Leads and Managers

- Closing leader must have an additional associate with them during closing procedures
- Doors must be locked after club is clear of members
- Walk perimeter of club to include CPU, TBC, restrooms, optical area, behind mattresses, freezer/cooler, dock doors, truckers lounge, etc.
- Check all doors are secure, bolted, locked including backroom, truckers lounge, compactor, etc.
- Validate lock up cages, tobacco, and liquor are secured
- Verify all keys have been turned in and accounted for
- Check building for any remaining associates
- Arm building and exit club, wait for ring back to confirm the alarm is set
- If alarm fails to set, remain on site and call Alarm Central at 479-276-4600
- Drive around the building to inspect for any concerns
- For Security Roll Down Door clubs – ensure doors are down and secure after all members have exited the club, as well as when arming and leaving the club.
    - In the event of a shelter in place situation, doors can be rolled down and secured until the risk/safety concern is no longer present.

Who owns this? Club Manager

- Train members of management and leads on processes outline in this discipline
- Validate processes by spot checking CCTV, review MASWEB reports, and follow up on alert emails from Alarm Central
- Partner with Merchandise Team Compliance Manager to confirm manager listing is accurate in MasWeb
- Questions to ask while touring:
    - What is the process for closing the club?

Additional Procedures (Holiday, Inclement Weather, Extended Closing, etc.

- Security Roll Down doors can be used in the event of a shelter in place situation and should remain rolled down until the risk/safety concern is no longer present.
- Review the Business Continuity Guide linked below for instructions. For emergency closing decisions, partner with your market team and call the EOC before taking action.
- Place pallets of heavy freight in front of doors for additional security
- Jewelry over $2,000 placed in the jewelry safe nightly
- Cell Phones and Apple products locked in the accounting office

Need more details? Try these helpful links:

MasWeb

Alarm Arming Instructions

Sam's Club Disaster Recovery Guide

Global Emergency Management

How's my Club doing? Check out:

the AP CORE

TBD

Feedback on this discipline? Share it HERE.

Holiday Procedures & Club Checks UPDATED

Shrink Disciplines – Building and Merchandise Security

Shrink Risk: If we do not follow holiday closing procedures it will allow unauthorized access to the club and potential alarm monitoring delays.

Back to Disciplines

Impact: Inventory control, safety of associates and members, theft

Who does this? Designated Managers

- Ensure Alarms have been tested and are functional prior to the holiday
- Partner with Merchandise Team Compliance Manager to confirm manager listing is accurate in MasWeb
- Follow Daily Closing Procedures
  - For Security Roll Down Door clubs, secure doors when arming and leaving the club
- If there is a need to perform a club check while it is closed to the public, complete the following actions:
  - Drive around the building when you arrive checking for breaches to the building
  - Call Alarm Central if a breach is suspected
  - If there are no breach concerns wait for the other manager to arrive (for two-person club check) or call the partnering manager to make them aware you are entering the club
  - Secure doors and disarm club
  - Walk club and inspect for any concerns
  - Inspect Freezer/Cooler temps
- When finished, rearm, listen for call back, drive around club, and notify the same manager you have left

Who leads and owns this? Club Manager

- Ensure Alarms have been tested and are functional prior to the holiday
- Validate Alarm Central contacts are updated via MasWeb
- If a club check is needed, ensure managers follow the process outline in this discipline as well as any other instructions from the EOC
- Questions to ask while touring:
  - What is the process for closing for the holidays and club checks when needed?

Additional Procedures (Holiday, Inclement Weather, Extended Closing, etc.

- Security Roll Down doors can be used in the event of a shelter in place situation and should remain rolled down until the risk/safety concern is no longer present.
- Review the Business Continuity Guide linked below for instructions. For emergency closing decisions, partner with your market team and call the EOC before taking action.
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