

2011 EBR – State of the Industry

Current EBRgroup.net Profile:

121 Distinct Companies

43 company respondents (36% of company participation)

170 participants

20-25 average participants on monthly calls (12%-15%)

Responses by Retail Segment

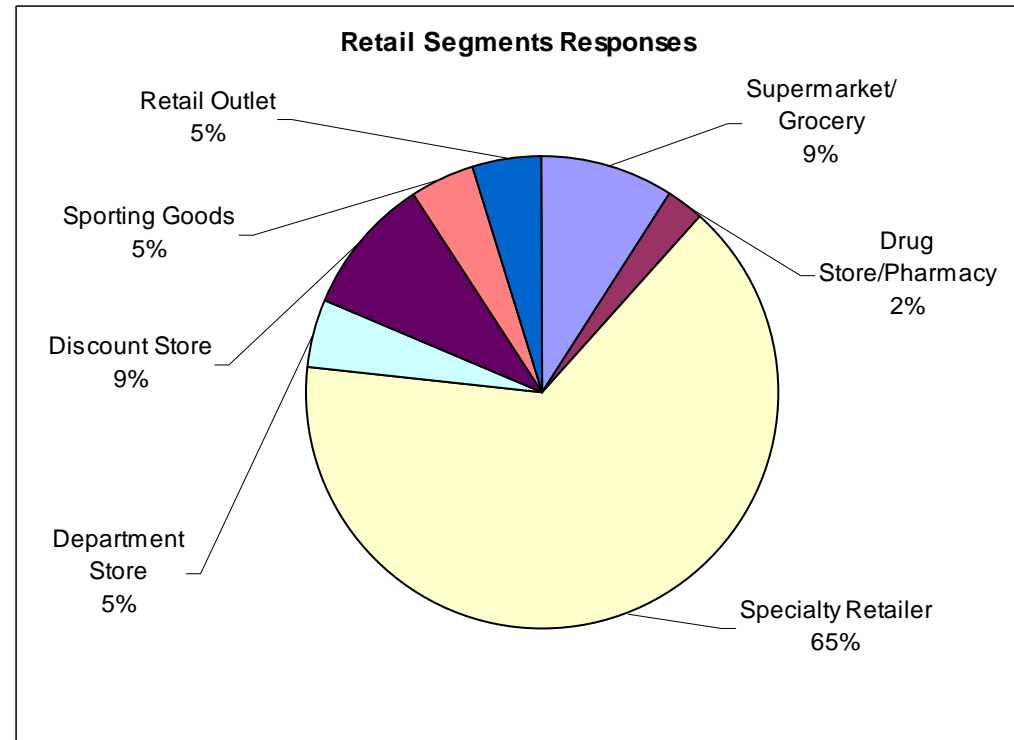
97.7% of respondents were retailers/end users

44.2% were Manager's or Administrators of their companies EBR Application/Program






32.6% were Analysts or Investigators who use the application regularly in their role

21% were either Director level or higher for Loss Prevention with

7% of them having a role of direct responsibility of LP Analytics, Systems or Reporting.



Software Tools

		Response Percent	Response Count
EBR - Exception Based Reporting Software (dynamic applications)		100.0%	43
BI - Business Intelligence Software		7.0%	3
POS - POS or Mainframe Reporting (Electronic Journal/Printed Reports)		51.2%	22
VAS - Video Analytics Software (CCTV integrated POS exceptions)		14.0%	6
SQL - Direct data querying of enterprise data (POS & Beyond)		34.9%	15

Nearly all LP Departments utilize some type of EBR application at this point, some have a home grown application or use a vendor support one.

Additionally, there were other responses where Loss Prevention creates databases and pushes reporting to their audiences and also incorporates the use of DVR networking as part of the software tools that they have implemented.

Most common reasons for contacting an EBR Vendor:

- **Implementing a functional enhancement module or upgrade (43%)**
- **Need for systemic change or fix (33%)**
- **Need for training or understanding (14%)**
- **Evaluating other solutions/looking for new solution provider (10%)**

Action Taken to Improve

- **45%** of respondents said that they access the solution differently to gain better performance or data integration as something that they have done to improve system functionality, flexibility and integration of their EBR program.
- **26%** have leveraged the vendor to make changes and/or improvements
- **21%** have purchased a new solution or module to complement what already existed
- **8%** hired someone who could do more with the existing software
- Other Responses were:
 - Added many new tables to data dictionary
 - Worked with both IS and vendor to streamline performance & modules and did multiple of the above: access the solution differently (i.e. toad) and created stand alone database to push reporting.

System Training/Understanding

Some companies who have just upgraded or implemented an EBR program either just need time to learn the system and work out the issues or have just retrained their teams on the new software.

But what about companies who have had their system for a while...what do they do to insure that there is ongoing understanding and proper training for their application?

60% said they have a dedicated select group (Analysts) with EBR responsibility

24% said they conducted refresher EBR training and/or have an EBR certifications within their department

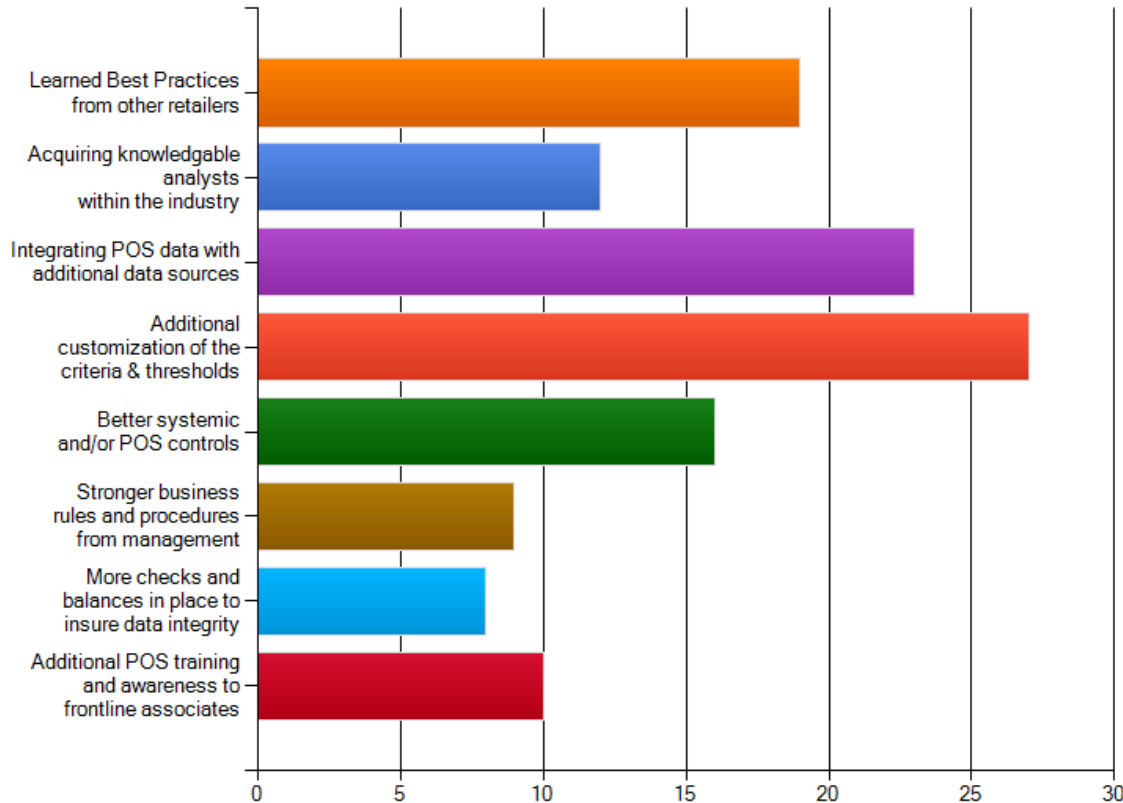
11% provided wide-spread training on data and EBR

5% require testing of their investigators on their use of EBR data

Additionally, some companies responded that they have numerous training opportunities with their EBR vendor and others indicated that their team is so small that they interact on a daily basis and training needs and requests are customized.

'True Exceptions'

What has your program done to build "True" Exceptions? (Choose your top 3 responses)



The goal is to get to the “true exceptions” and to do so many companies have leveraged networking opportunities, POS training, systemic controls and more to achieve better results.

However, the top three responses from the group showed significant value in customization of the criteria and thresholds, integrating POS data with additional data sources, and learning Best Practices from other retailers to help build “true exceptions”.

Investigating with EBR

Clearly the primary usage of EBR as an investigative tool is for identifying issues involving:

- Internal dishonesty
- Refund Fraud (external)
- Compliance (sales auditing)

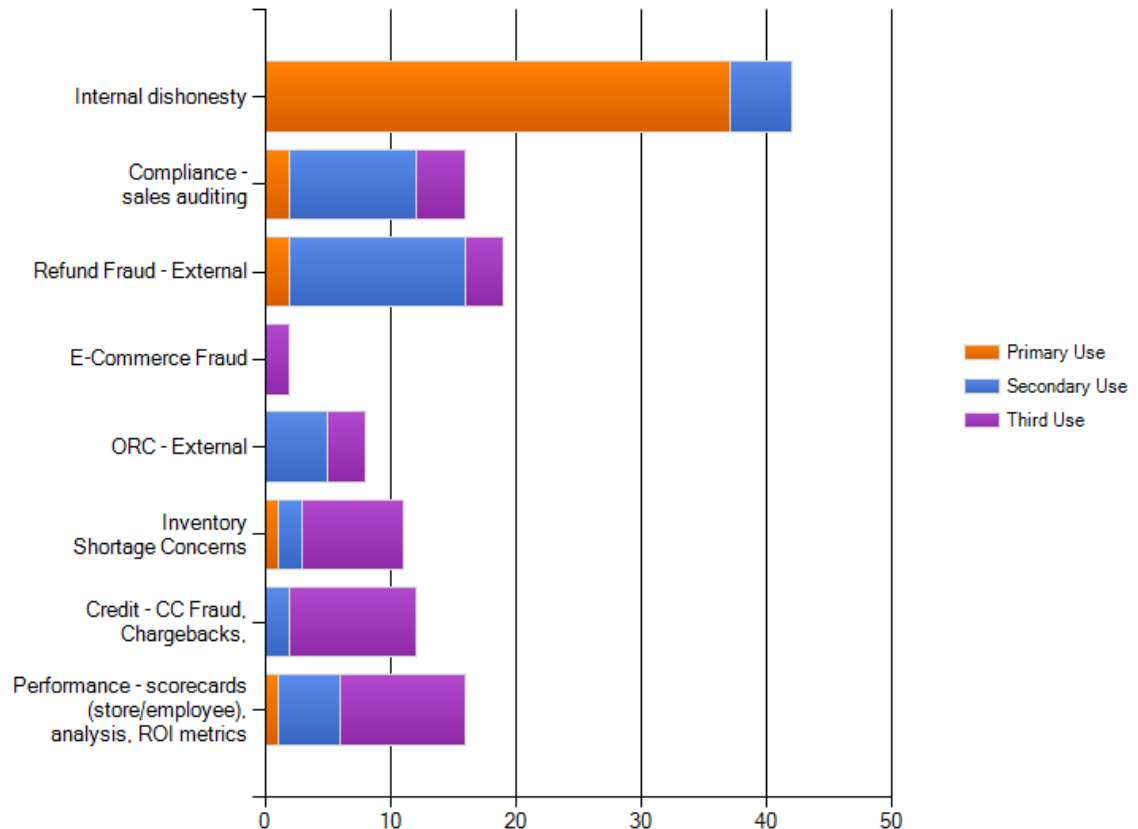
The most prevalent secondary uses of EBR as an investigative tool are:

- Refund Fraud (external)
- Compliance (sales auditing)
- ORC (external)

The highest third uses of EBR as an investigative tool were:

- E-commerce Fraud
- Credit (CC Fraud, Charge backs)
- Inventory Shortage Concerns

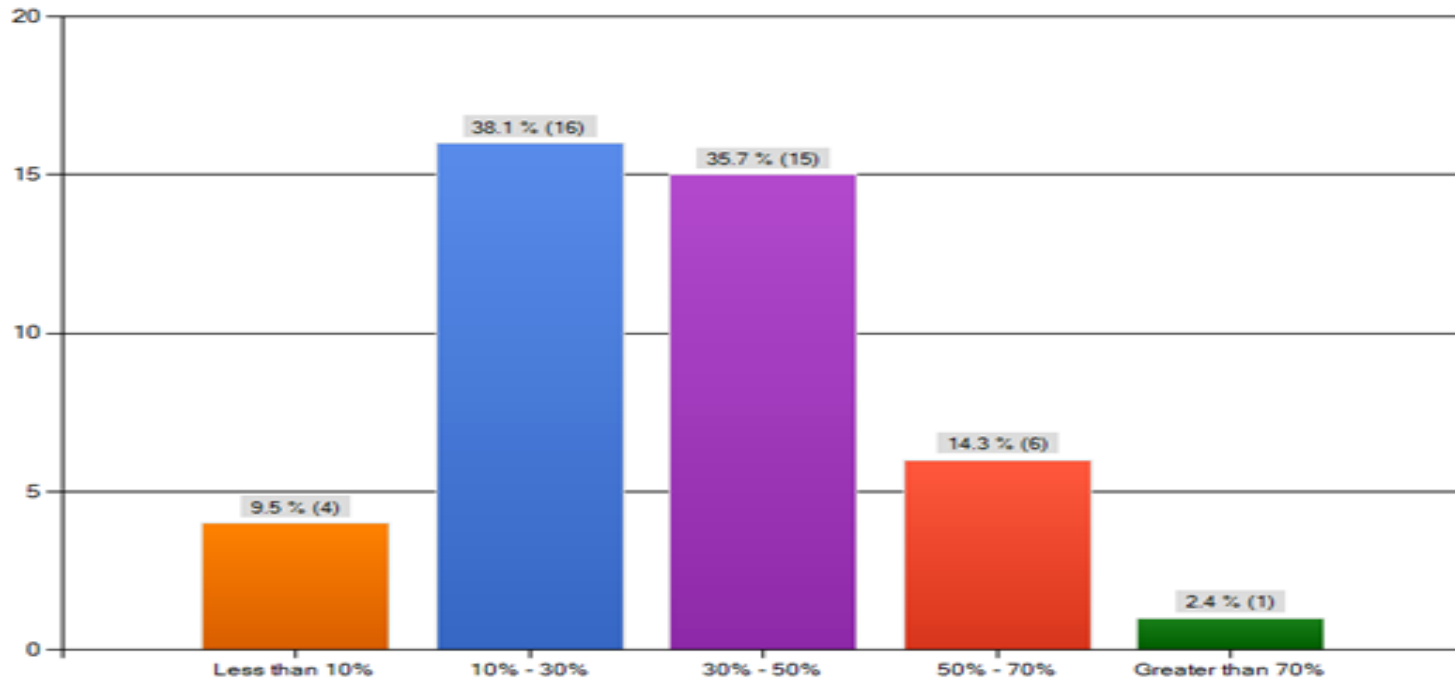
What are the top 3 ways your company utilizes EBR to investigate?



Case Productivity

What % of Internal Cases are identified by EBR?

74% of the Companies that responded indicated that EBR identifies 10% - 50% of their internal Case Productivity. And 67% indicate that these EBR cases have a higher case value compared to non-EBR cases.



Effective EBR Programs

41% of the respondents indicated that their EBR program would be more effective if they could capture more data fields into their EBR system.

Tied at 17% were two ways that companies thought would improve their EBR program effectiveness: Better overall awareness of the program throughout the company and having a different structure for integrating EBR into their everyday investigations.

At 7% companies felt that getting data in a more timely manner (real time) would make their EBR program more effective

And 5% felt that having a better distribution of data to their investigators would increase effectiveness.

Additional comments (remaining 13%) indicated the following would increase effectiveness:

- Customize system to their business & design true exceptions

- More analysts

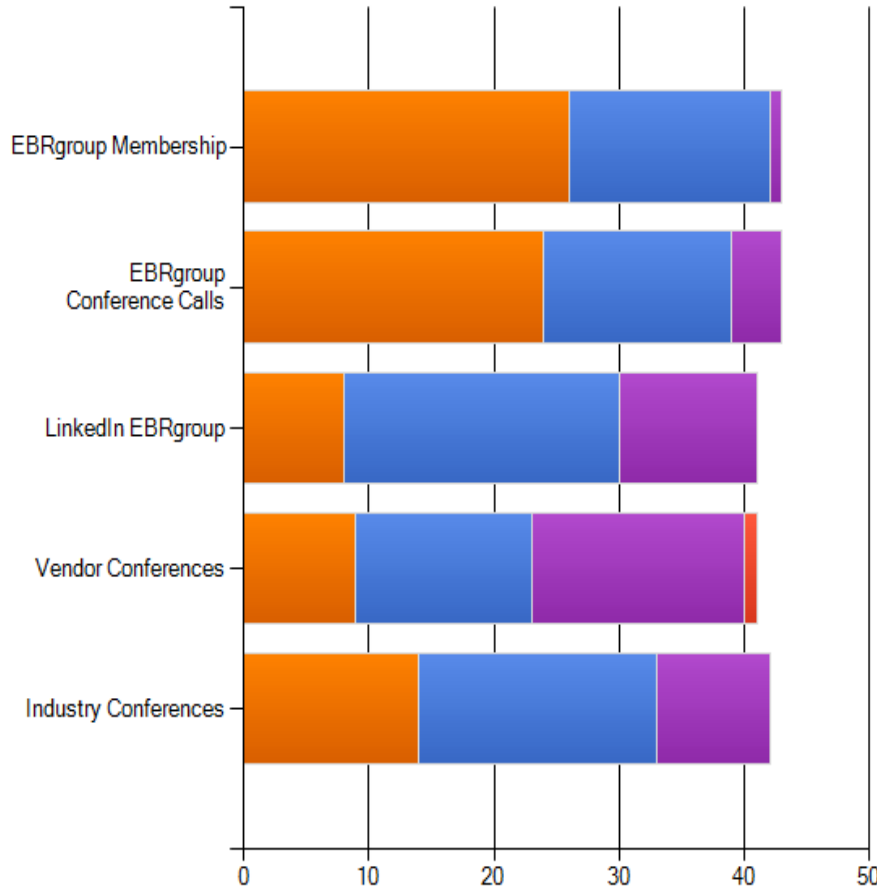
- Additional Training for analysts

- Creation of more complex reports

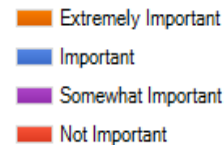
- Upgrade to a new POS System

EBRgroup Membership

How important would you rate the value of having a group session that allows networking and knowledge sharing with peers who are involved with EBR or LP systems?



55% - 60% of the respondents feel that participation in the EBRgroup is extremely important



30%-45% of the respondents are LP positions that are often not able to attend industry conferences, so the EBRgroup provides the networking and support needed.