

Shrink & Loss Monitoring Worksheet

Monitoring Cycle: Per Month

Month/Year: August, 2015

SAMPLE: Is your profit margin shrinking?

Improve your gross profit by monitoring shrink & loss within your store

1. Compile sales figures from each register and all other revenue sources. (Service desk, etc...).
 2. Subtract any sales returns for the cycle period.
 3. Calculate how much money was collected during cycle period (monthly, bi-monthly, quarterly).
 4. Add up the cost value of the goods sold within cycle period.
 5. Subtract the cost of the goods sold from the monies collected to get your gross profit.
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Profit calculations:

Dept 100 sales: 1200.00 -cost of goods sold, dept 100 = 857.14 dept profit= 342.86
Mark-up%; 1.4

Dept 101 sales: 899.00 -cost of goods sold, dept 101 = 642.14 dept profit= 256.86
Mark-up%; 1.4

Dept 102 sales; 2300.00 -cost of goods sold, dept 102 = 1642.86 dept profit= 657.14
Mark-up%; 1.4

Total Sales: \$4399.00

- Sales returns; 0.00

Total collected revenue; \$4399.00

-Total cost of goods sold in cycle; -\$3142.14

Gross profit amount: \$1256.86 : Gross profit amount WITHOUT shrink: \$1328.00 (+\$71.14)

Gross profit margin; **28.6%** : Gross profit margin WITHOUT shrink: **30.2%**

Loss calculations@ Retail value per Dept.

Grocery

| | |
|---|---|
| Beginning inventory dept 100; \$2000.00 | Dept total: 2700.00 |
| + purchases/invoices in cycle+mark-up; \$700. | Closing inventory, dept 100; -1150.00 |
| Dept. Total: \$2700. Expired/Waste: \$200.00 | Total expected dept sales: 1550.00 |
| | Actual dept sales: 1200.00 |
| | Difference /shrink amount: -350.00 |
| | Shrink margin: 22.6% |
| | Category Shrink % minus waste: 11.1% |

Meats

| | |
|---|---|
| Beginning inventory dept 101; \$1000.00 | Dept total: 1700.00 |
| + purchases/invoices in cycle+mark-up; \$700. | Closing inventory, dept 101; -920.00 |
| Dept. Total: \$1700. Expired/Waste: \$0.00 | Total expected dept sales: 780.00 |
| | Actual dept sales: 899.00 |
| | Difference / shrink amount: +119.00 |
| | Shrink margin: 00.0% |
| | Category Shrink % minus waste: 0.00% |

HBA

| | |
|--|---|
| Beginning inventory dept 102; \$1980.00 | Dept total: 5480.00 |
| + purchases/invoices in cycle+mark-up; \$3500. | Closing inventory, dept 102;-3162.00 |
| Dept. Total: \$5480. Expired/Waste: \$25.00 | Total expected dept sales: 2318.00 |
| | Actual dept sales: 2300.00 |
| | Difference / shrink amount: -18.00 |
| | Shrink margin: 00.8% |
| | Category Shrink % minus waste: 0.00% |

Overall Store Shrink/Loss Totals:

| | |
|------------------------------------|--|
| Total expected sales = \$4648.00 | Waste Total = \$225.00 |
| Actual sales revenue = \$4399.00 | Total expected sales minus waste = \$4423.00 |
| Amount of total shrink = -\$249.00 | Actual sales revenue = \$4399.00 |
| Margin of shrink = 0.053% | Amount of total shrink = -\$24.00 |
| Multiply by 100. = 5.3% | Margin of shrink without waste = 0.5% |

*Waste = goods damaged, expired and marked down for clearance.

Inventory Control Analysis & Recommendations

Profit margin is strong. Higher than the industry standard of 28.0%.

Losses are high in dept 100/grocery. \$350.00 x 12 months is an annual loss of \$4200.00. Try changes in grocery placement to bring dept. items closer to the register as a deterrent to customer theft. Try greater security measures in these aisles (cameras etc...) to deter employee/customer theft.

Also the numbers within dept 101/meats reveal their may be errors either in the inventory count or record keeping. Closely review your paperwork and rule out inventory counting errors for dept 101.

Allowing some grocery & HBA items to expire on the shelves increased your shrink margin from 0.5% to 5.3%. Better inventory management and/ or product mix in the store and in these departments especially may improve turnover and remedy the problem.

Sample for 3 months or longer our Shrink & Loss monitoring program if you're concerned about a shrinking profit margin. Our program can help you regain profitable control of your inventory. This is a C-store sample but our monitoring program can be applied within any industry. Membership in the program cost between \$25.00-\$95.00 per service + the cost of the inventory. Cyclical discounts applied make it even more affordable!

Please call (844) **824-7228** to schedule a consultation.

Client; **Your store (Sample)**

Address: **123 Main St. NW Wash. DC 20011**

Inventory Date: **8-31- 2015**

Date prepared: **9-1-2015**