

WAREHOUSING PART 2



TODAY'S WAREHOUSE SECURITY BLENDS THE NEW-FANGLED WITH THE OLD-FASHIONED.

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HOLD THE FORT: STOP WAREHOUSE INSECURITY

BY D. DOUGLAS GRAHAM

THE WAREHOUSE is an electrical distributor's soft underbelly, the area of the business more vulnerable to shrinkage, theft, and after-hours vandalism than any other. Warehouse security is a must-have in distribution, especially in periods characterized by a tough economy, terrorism, and high employment—periods very much like the one in which we currently live.

These are also the first years of the computer age, a time when just about any innovation involving the use of high technology is automatically deemed a good thing by just about everybody. But is high tech all that is needed to batten down the hatches of a warehouse? No, many security experts contend. The most effective cure for warehouse insecurity is to mix the latest and greatest with the tried-and-true.

"Old-school approaches such as thoughtful warehouse layout, security cages, netting, mirrors, and the like are still relevant," said Steve Strifler, president ▶

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and CEO of Cisco-Eagle, a material handling systems integrator and distributor based in Dallas. "Measures such as these are still around because they work—but they do an even better job when combined with new, and in some cases, cutting-edge monitoring and tracking technologies."

The basics

According to Strifler, a fundamental program of warehouse security should begin with the following:

- **A facility layout inconvenient to those who would contemplate rip-off.**

Refuge containers should be placed out of range of accessible doors as they are ideal for concealing pilfered goods.

Entranceways should be limited as well. Only one should be left open during the workday, and it should be monitored at all times.

Staging areas should be located some distance from the loading docks; otherwise it may be tempting for someone to load some piece of purloined merchandise on a waiting truck.

Put some mileage between the shipping and receiving doors as well. This will discourage goods from traveling unauthorized from one truck to another.

Finally, be mindful of the location of the employee parking lot, the break room, and the bathroom. Place these facilities too near the stock, and the stock may disappear. The same applies to bushes and foliage—neither of which should be planted near an entrance, as they can be used to conceal stolen merchandise.

- **The installation of safety/visibility mirrors at strategic points throughout the warehouse and environs.**

There are basically four types; ceiling-mounted dome mirrors, circular or "roundangular lens" convex mirrors, "econo-lite" mirrors, and inspection and security mirrors (with light source if possible) for checking for merchandise secreted under vehicles.

- **The use of wire mesh partitions, door-sized and folding security gates, locking cabinets, wire**

security cages, and security rooms.

High-ticket items bring big bucks on the black market. Use lightweight, portable, easily installed security systems to protect them.

- **The employment of the right people.** Check the references and backgrounds of all employment candidates. Look for criminal records, especially when hiring people who will

Graham, vice president of professional services at BroadWare, a digital surveillance video systems software developer in Cupertino, Calif.

"Some of the high-tech stuff includes a concept known as 'access control,' which limits entry to secure areas to cardholders or possessors of some other 'key,'" he noted. "Motion detectors and alarms are also widely

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have easy access to expensive, highly desirable inventory when on the job. Bear in mind, however, that low-ticket items can fetch mega-dollars too when nicked in sufficient quantity.

- **The practice of frequent inventory/warehouse staff monitoring.**

An annual inventory will not be enough if there is a theft/shrinkage problem. Inventory often, and don't be embarrassed to spot-check employees for stolen merchandise. An unscheduled walk-through by the company "prime mover" may also be enough to deter a theft in the making. Many distributors routinely enact such measures, and a few go so far as to hire undercover agents to work among the staff incognito. (For those requiring the help of a "narc," a Web search of the phrase "warehouse security system" will yield many qualified providers.)

- **The augmentation of traditional security measures**—including electronic monitoring (VHS systems, CCTV, and digital network video), and cutting-edge technologies such as RFID.

The cutting edge

"These days there are many components to facility security," noted Matt

deployed in warehouses now, along with video and digital network video monitoring technologies."

According to Graham, a video or digital "eye in the sky" limits the real estate in which infractions within a warehouse may occur undetected. While the mere presence of either technology may be enough to dampen the ambition of a would-be thief, digital monitoring is the more powerful medium by far.

A video or analog security solution is hampered by two major drawbacks, Graham noted. Not only must an onsite monitor be present when the system is on duty, but also a VHS/VCR monitoring system is itself both labor and time unfriendly. An hour or more of rewinding may be required to view a single captured episode lasting a second or less.

"With digital network video, you avoid all the drawbacks of analog," he explained. "A human monitor need not be present at the site. Instead, you can view remotely via the Web, an intranet, or an extranet. This is not possible with analog as it doesn't allow for the long-distance transmission of data or its distribution over intranet or ex-

tranet. Digital network video also cuts way back on the time normally devoted to reviewing material. There are no tapes to rewind. You just key in the hour, minute, and second you're looking for, and bang—you're there. Digital network video is a boon to the forensic process, as it overcomes the barrier of time."

Radio frequency identification (RFID) is another technology gradually making its way to distribution warehouses. A step beyond barcodes, RFID offers distributors a bigger and better bang for their buck, and a broad range of security benefits to boot. "Track and Trace," for example, follows tagged merchandise along a planned product path, and raises a red flag when it travels in an unanticipated direction. Yet another RFID security feature, reader-arrays or "portals," capture and date-stamp product movement outside logical product pathways when positioned at exits and other vulnerable areas.

Due to their relatively high cost, RFID tags have not significantly penetrated the distribution universe. Major manufacturing entities such as auto and pharmaceutical makers have looked much more favorably on the technology, as have mass merchandisers financially capable of absorbing its steep price. As time makes RFID more economical, it will become more accessible to large and mid-sized distributors in many areas of commerce, including electrical distribution.

"There are many high-tech remedies to pilferage, shrinkage, and warehouse theft available to today's distributor," said John Sidell, principal/cofounder of ESYNC, a provider of RFID deployment and systems integration expertise for supply chain initiatives based in Toledo, Ohio.

"Along with video surveillance and RFID, some distributors spot-scan select employees with metal detectors as they leave the warehouse," he explained. "The system literally works like a lottery. The exiting employee picks a number, and if his or her number comes up, he or she gets scanned. The process works well because it provides data based on random sampling. Not only do you catch thieves, but you also get a grasp on how bad your theft problem really is. These days, a distributor has no choice but to be extra watchful of his or her assets. The sad truth is that distributors really can't be careful enough." ■■■

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