American Security and Operations Group, International

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An Overview

• **International Operations and Security Firm**
  – Corporate Asset Protection, Loss Prevention, and Food Safety and Protection
  – Security Equipment and Systems Integration
  – Personnel, Physical, Operations, and Information Security
  – Design, construction oversight and accreditation of classified facilities and programs (RFI/Acoustical)
  – Continuity of Operations Planning and Development
  – Critical Infrastructure Protection
  – Analytical Risk Management & Vulnerability/Threat Assessments
  – Technical Security Countermeasures
TODAY’S BRIEFING

Protecting Infrastructure/Assets, and Developing Loss Prevention/Security Programs
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• HOW DO WE DEFINE LOSSES?
• DO WE REALLY UNDERSTAND WHY OUR COMPANIES LOOSE PROFITS?
• SHOPLIFTING?
• DISHonest ASSOCIATES?
• CHECKS AND CREDIT CARD ABUSE?
• ALL OF THE ABOVE?
WE ARE OUR OWN WORST ENEMY

80% OF LOSSES OCCUR BECAUSE OF EVERYDAY BUSINESS PRACTICES

- COMPANIES FAIL BECAUSE THEY DO NOT HAVE STRONG BUSINESS PRACTICES
- COMPANIES LOOSE KRONAS BECAUSE THEY DO NOT UNDERSTAND WHAT CAUSES REAL LOSS TO THE COMPANY
- COMPANIES FAIL BECAUSE THEY DO NOT TRAIN AND DEVELOP A STRONG MANAGEMENT TEAM
- COMPANIES LOOSE BECAUSE THEY FAIL TO TRAIN ASSOCIATES HOW TO PERFORM THEIR JOBS
THE WORLD TODAY FACES SEVERE ECONOMIC CHALLENGES AS NEVER BEFORE

• MANY ARE LOSING THEIR JOBS
• REDUCED WAGES
• REDUCED BENEFITS
• INCREASED THEFT AND DISHONESTY
• REDUCED PROFITS AND SALES
• COMPANIES CLOSING THEIR DOORS
HOW DO WE SURVIVE AS SECURITY MANAGERS?

• HOW DO WE MAINTAIN SECURITY AND LOSS PREVENTION PROGRAMS WITH SERVRELY LIMITED BUDGETS?

• HOW DO WE JUSTIFY SECURITY EXPENDITURES TO UPPER LEVEL MANAGEMENT?
WE MUST BECOME

ASSET AND INFRASTRUCTURE PROTECTION PROFESSIONALS

or

“Subject Matter Experts”
WE MUST

• Change the way we do our everyday business
• Educate ourselves as business professionals who can and will make a difference in the way we transform our business to an efficient and profit-making entity, and do it as an integral part of the upper level management team.
• We must make a stand and require that good business practices are maintained with the support of upper level management
• We must stay current with the preferred business practices as they continue to change
WE MUST DEVELOP BUSINESS STRATEGIES THAT ENCOMPASS ALL OF THE DIFFERENT SEGMENTS OF THE BUSINESS

• By Designing The Proper Controls And Guidelines With The Appropriate Follow-up Procedures
WHERE TO START

• Corporate policies must be firm
• Everyone is accountable, the rules pertain to all
• Ensure mid-level managers are well trained and understand their role of complying with the strategies developed
• Communicate the guidelines to the persons required to perform the task
• Develop awareness programs to support the policies
• Training the loss prevention/security team for follow-up procedures and reporting discrepancies
IDENTIFY THE AREAS HAVING THE MOST POTENTIAL FOR SUCCESS IN REDUCING SHRINKAGE AND LOSS

- Front end monitoring and cash control
- Receiving procedures and guidelines and back door/room control
- Product handling/rotation
- Inventory control
- Controlling buying procedures and guidelines
- External security control
- Utilizing all security related equipment effectively
- Warehousing receiving and shipping policies
- Information systems and IT security policies
DO’S AND DON’TS!!!

• Reports must be simple (KISS) method
• Information and Data must be easy to understand for the end user (mid-level managers on down)
• What the data means and what can be done to improve performance, and or reduce the losses
• What follow-up will be done and the clear expectations of the work to be accomplished
• Never be fooled by percentages, convert to loss of Krona’s and what it means financially
OBJECTIONS

• Learn to effect change effectively
• Have a strategy before presenting problems and recommending how they are solved
• Managers must give a solution and how and why it should be completed
• Develop a team strategy and ensure buy-in
SUCCESS

Record keeping and good follow-up is the key to a successful Asset and Infrastructure Program.
THEFT AND RELATED CAUSES

Shoplifting

• Should shoplifters be apprehended and prosecuted?
• Are prosecutors willing to prosecute?
• Are security personnel trained properly to make apprehensions?
• Do they understand the laws regarding detention?
• Do they understand the rights of a person under arrest?
How closely do you work with the police and prosecutors?

Do they understand the amount of loss related to shoplifting and theft?

How do you work with law makers to establish laws and the appropriate punishment for theft?

Diversionary and or alternative punishments.
DISHONEST ASSOCIATES

• Does your company have a “no tolerance” policy related to theft and dishonesty?
• Is Discharge mandatory?
• Dishonesty policies must be applied to all associates.
  • **NO** One should be exempt.
• Does your policy allow for prosecution of dishonest associates as you would for outsiders?
ASSESSMENTS

• Where do we start to evaluate the security of our company?
• How do I do it?
• What do I need to develop a solid program?
• When do I do it?
• Who should be involved in the evaluation?
Analytical Risk Assessment (ARM)
What is Risk?

• Risk is the potential for damage or loss of an asset

• Risk levels is a combination of two factors

  • Impact of Loss: The value placed on an asset by its owner or the consequence of an undesirable event on that asset.

  • Probability of an undesirable event: The likely hood that a specific vulnerability will be exploited by a particular threat.
What is Risk Management?

The process of selecting and implementing physical countermeasures and or mitigation strategies to achieve acceptable level of risk at an acceptable cost
WHAT IS RISK ASSESSMENT?

• The process of evaluating threat to and vulnerabilities of an asset to give an expert opinion on the probability of loss or damage
  • I x (T x V) = R
• Establishes the prioritization for risk
WHAT IS AN ASSET?

An Asset is anything of value

• People
• Information
• Equipment
• Facilities
• Activities/Operations

The asset may have value to an adversary, as well as to the owner, although the values may differ.
WHAT IS THE IMPACT?

• What are the best countermeasures, regardless of the cost? (this provides a benchmark)
• What are the best countermeasures when the “best” may be too expensive?
• What are the most effective and least costly countermeasures? What benefits do they provide?
WHAT IS THREAT?

Threat is any indication, circumstance, or event with the potential to cause loss or damage to an Asset

- Threats can also be defined as the intention to undertake action detrimental to assets

- Source of threats:
  - Political
  - Economic
  - Private Interest
  - Natural
WHAT IS AN ADVERSARY?

Any individual, group, organization, or Government that conducts activities, or has the intention and capability to conduct activities detrimental to valued assets

Criminals, terrorist, foreign intelligence services, extremists, and private interest groups.
VULNERABILITIES

• Vulnerability:
  Any weakness that can be exploited by an adversary to gain access to an asset or make an undesirable event happen.

Examples:
  – Building Characteristics
  – Equipment properties
  – Personal Behavior
  – Locations of people, Equipment, and Buildings
  – Operational and personal Practices
  – Procedures
WHAT ARE COUNTERMEASURES?

A countermeasure is an action taken or a physical entity principally used to reduce or eliminate one or more vulnerabilities.

- Countermeasures cost may be monetary but also non-monetary (reduced operational effectiveness, adverse publicity, poor working conditions, political or business consequence)
- They can also affect threat and or impact
WHAT IS A COST - BENEFIT ANALYST?

It is part of the management decision-making process in which cost and benefits of each alternative are compared and the most appropriate alternative is selected.

• Minimize cost
• Maximize risk reduction
WHAT WE WANT YOU TO REMEMBER

ARM is:

• A Structured yet flexible approach to understanding your risk posture

• A process for developing effective security countermeasures, mitigation strategies, and options that consider cost and benefit

• SUPPORTABLE, DEFENDABLE, REPEATABLE

• A snapshot in time that provides an audit trail – It is an ongoing process that is repeated as frequently as needed to ensure a relative risk posture that is acceptable.
What ASOG Can Do For You

• Conduct Comprehensive Operations Review
  – Review Business Processes
  – Review Company Training Programs
  – Review and Assess Management Team Composition
  – Review Security Training Provided/Accomplished
  – Review Personnel Awareness Programs
  – Train the Loss Prevention/Security Team

• Conduct Analytical Risk Assessment

• Conduct Physical Security Analysis
What ASOG Can Do For You (Continued)

- **Review and Assess:**
  - Front end monitoring and cash control
  - Receiving procedures and guidelines and back door/room control
  - Product handling/rotation
  - Inventory control
  - Controlling buying procedures and guidelines
  - External security control
  - Utilization of all security related equipment effectively
  - Warehousing receiving and shipping policies
  - Information systems and IT security policies
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