



# THINK SHRINK

BREAKOUT SESSION

## Ricky Pratt

*RVP - MA/KS/GA/CO*

## Kris Allen

*Director Business Process Improvement*

## Rashad Smith

*Regional Training Manager –  
TX/OK/NM*



## *QUESTIONS AND SUGGESTIONS*

- ✓ Write your questions and/or suggestions on sticky notes throughout the presentation – include your **name** and **store #**
- ✓ Post on the back wall **before leaving**
- ✓ Questions will be answered directly or in an FAQ sent after SproutsCon



“You have a wonderful store, and what makes it great is not just the **fresh produce and meat** but the employees, who are extremely **helpful and knowledgeable and just nice**. It is such a pleasure to shop at your store! Thank you for all you do for us!”

**Store #272 - West Hills, CA**



***PUSH ON THE SPRING AND HOLD IT DOWN***



# What is Shrink?





Dollars

Percents

***HOW MUCH SHRINK DOES THE AVERAGE STORE HAVE PER YEAR AT COST?***

**A) \$875,000**

**B) \$625,000**

**C) \$400,000**

**D) \$250,000**

***HOW MUCH SHRINK DOES THE AVERAGE STORE HAVE PER YEAR AT COST?***

**A) \$875,000**



x

22

# What are your top shrink ...

- Departments?
- Categories?
- Items?
- Drivers?

***WHICH DEPARTMENT DRIVES THE MOST SHRINK DOLLARS?***

**A) Grocery**

**B) Produce**

**C) Meat**

**D) Deli**

***WHICH DEPARTMENT DRIVES THE MOST SHRINK DOLLARS?***

**B) Produce**

***WHICH CATEGORY DRIVES THE MOST  
SCANNED SHRINK DOLLARS?***

**A) Deli Meals**

**B) Convenience Vegies**

**C) Full-Service Meat/Cheese**

**D) Convenience Salads**

***WHICH CATEGORY DRIVES THE MOST  
SCANNED SHRINK DOLLARS?***

**A) Deli Meals**

***WHICH ITEM DRIVES THE MOST  
SCANNED SHRINK DOLLARS?***

**A) Organic Large Avocados**

**B) 1# Strawberries**

**C) Large Avocados**

**D) Organic 1# Strawberries**

***WHICH ITEM DRIVES THE MOST  
SCANNED SHRINK DOLLARS?***

**C) Large Avocados**

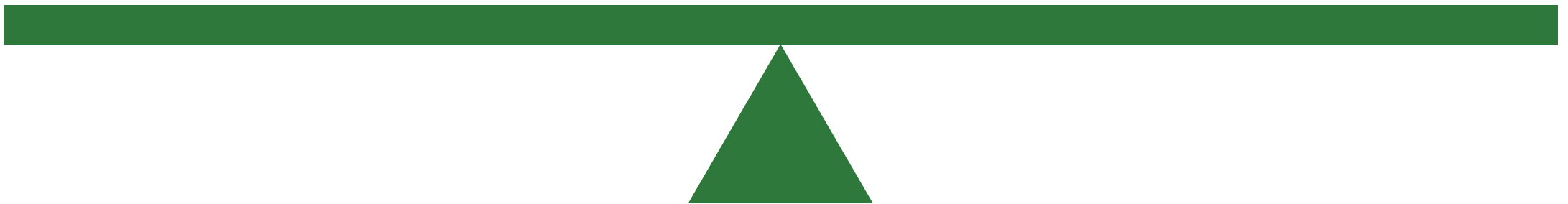
Find the healthy balance between sales and shrink,  
**without sacrificing sales**



***SHRINK***

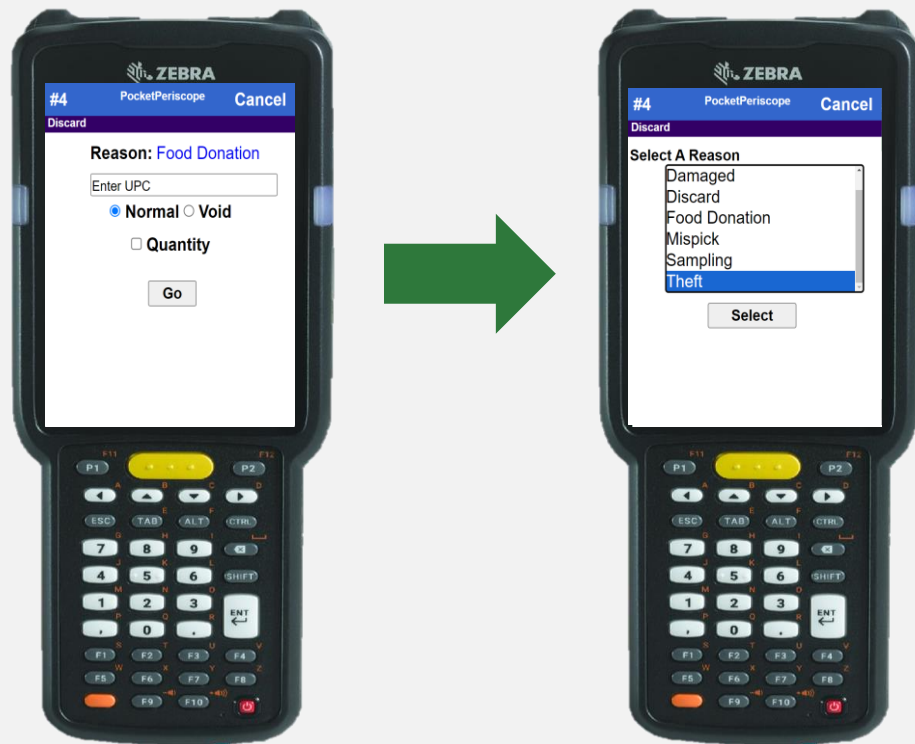


***SALES***



***KNOWN VS. UNKNOWN***

## KNOWN SHRINK is shrink that is scanned out in the handheld



## Root Causes

- Ordering
- Production
- Rotation
- Out of dates
- Markdown timeliness
- TM handling

***WHAT IS THE #1 REASON FOR  
UNKNOWN SHRINK?***

**A) Hot Keys**

**B) Receiving**

**C) Food Prep**

**D) Unscanned Shrink**

***WHAT IS THE #1 REASON FOR  
UNKNOWN SHRINK?***

**D) Unscanned Shrink**



**UNKNOWN SHRINK**  
is the difference between  
known (scanned) shrink  
and total shrink

# *DEEP DIVE RESULTS*



## Scanned Shrink

Department	Company	Deep Dive
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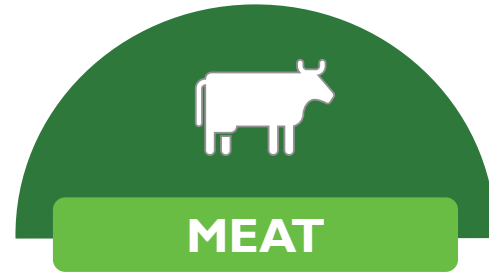
<b>Deli</b>	<b>31%</b>	<b>98%</b>
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<b>Produce</b>	<b>58%</b>	<b>95%</b>
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<b>Bakery</b>	<b>61%</b>	<b>66%</b>
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<b>Meat</b>	<b>38%</b>	<b>64%</b>
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# TOP 5 SHRINK DRIVERS BY DEPARTMENT



- 1 Missed markdowns
- 2
- 3
- 4
- 5

## FOUNDATIONAL IMPROVEMENT OPPORTUNITIES

Inventory Management

Ordering

Scheduling

***WHAT IS THE #1 REASON FOR SHRINK IN FRESH DEPARTMENTS?***

**A) Cashier Accuracy**

**B) Submitting Credits**

**C) Missed Markdowns**

**D) Rotation/FIFO**

***WHAT IS THE #1 REASON FOR SHRINK IN FRESH DEPARTMENTS?***

**C) Missed Markdowns**

***SHRINK IS LIKE A SPRING ...***

***IF YOU STOP FOCUSING ON IT, IT WILL POP BACK UP***



*WHAT YOU CAN DO*

# SHRINK TAKEAWAYS

## Know Your Shrink

- Focus on bottom-performing departments, categories, and items
- Use shrink dashboards, reports, and best practices
- Speak in dollars when discussing with team members

## Known vs Unknown

- Drive your team to capture and scan all known shrink
- Reduce shrink on top-scanned shrink items
- Eliminate activities driving unknown shrink

## Fix Shrink Drivers

- Use Markdown Manager and Managers Specials correctly
- Follow ordering and production guidelines
- Ask 'Why' questions to get to the root cause



# TOP PERFORMING STORE MANAGERS: SHRINK VS FORECAST (YTD)

- 🌱 Lynn Johnston (#482)
- 🌱 Megan Duke (#332)
- 🌱 Germaine Baylon (#408)
- 🌱 Shaun Fisher (#481)
- 🌱 Shannon Kosal (#563)
- 🌱 Matt Rainey (#623)
- 🌱 Ryan Moreland (#529)
- 🌱 Branden Hester (#436)
- 🌱 JoJo Cai (#273)
- 🌱 Mike Rogers (#322)



## Lynn Johnston & Team

Store #482 - Birmingham, AL

*“We are very engaged and focused on shrink, and we use all the tools available.*

*We buy what we need to grow **SALES**, and our goal is to **SELL EVERYTHING** that we get in”*

*- Lynn Johnston, SM 482*



***THANK YOU!***

