



## **HMV tops the charts for Loss Prevention with Sysrepublic**

**23<sup>rd</sup> September, London,** HMV, the UK's leading retailer of music, DVD, games and entertainment products, has already reduced fraud following the implementation of Secure, a hosted Loss Prevention solution from Sysrepublic, providers of software products and consultancy services for the retail and hospitality sectors.

HMV decided to invest in a Loss Prevention solution, as it needed a more sophisticated method to tackle fraud issues. It was running an in-house developed suite of data warehouse reports, and while it could specify the type of exceptions that it wanted the system to look out for, this approach was very labour intensive.

Colin Culleton, Head of Risk and Loss Prevention at HMV, said, "Our old system only flagged up basic transaction exceptions, with further interrogation requiring searches via dual databases. We were impressed by the way that other retailers which use the Sysrepublic solution had been able to work to prioritised to-do lists, allowing the team to plan its day around the key hits from alerts in the system."

Due to the IT integration of Waterstone's and HMV, HMV decided to opt for a hosted solution, to reduce pressure on the IT department. The project started with a four week, 30 store proof of concept, and the benefits were clear from the start.

Culleton continued, "In the first few weeks we were seeing a large number of 'exceptions' within the system, which has already paid for itself. Refunds were a hot spot for us, and the growing use of electronic gift cards has presented a new problem, with the challenge of implementing fraud protection that doesn't impact transaction time. Secure has achieved this. We set a tolerance level for transactional activities in our key risk areas, and the system applies these as rules."

The full implementation went live just before Christmas 2008, a key time for HMV, with the enhanced risk of loss via fraud and error due to the significant increase in transactions.

HMV spoke to a number of other vendors, but they couldn't supply a model to suit the way HMV wanted to work. HMV was impressed that Sysrepublic was able to provide a model that could fit around HMV's existing processes, and which proved cost effective. HMV also felt it could trust the Sysrepublic team to get the project done.

Culleton said, "The system is already meeting and exceeding expectations. It's an industry leading solution, and we like the fact that it has obviously been designed by security experts, rather than just from an IT perspective. We are also able to take advantage of the R&D investment that some of the large supermarkets, who are also customers, have put into the system."

The HMV IT team has also been impressed. Culleton continued, "As it's a hosted solution, HMV doesn't have to worry about maintenance, and our IT department commented that the project was seamless. As IT is such a precious resource, they liked the fact that Sysrepublic kept to deadlines, were clear with what they were doing, and when they would deliver."

HMV has also been able to ensure that operational compliance is being adhered to, for example, making sure that promotions are being run correctly at the till, and HMV is receiving the correct margin.

David West, Managing Director, Sysrepublic said, "Our solution differs distinctly from other providers in that it identifies not only the immediate source of loss, but loss over time. This enables retailers to identify staff who are operating scams over time and builds the information they need to initiate investigations."

Over the past 12 months, crime has cost the retail industry in excess of £1 billion, and customer theft is a key concern for retailers.\*

\*From the 2007-2008 Retail Crime Survey from the British Retail Consortium

## **About HMV**

HMV is the UK & Ireland's leading music, film and games specialist - offering the widest selection of titles across all genres and formats through 265 shops nationwide, and online via [hmv.com](http://hmv.com).

HMV has implemented a number of key initiatives as part of an ongoing strategic plan, including a 'next generation' store concept, which brings together 'physical' and 'digital' content in an engaging retail environment; the review of the HMV brand and introduction of the 'get closer' identity; investment in HMV's online and mp3 downloads offer via [hmv.com](http://hmv.com); and the ongoing development of a social network site 'getcloser.com'.

In 2008 HMV acquired [gamerbase.com](http://gamerbase.com) - a pay-to-play PC gaming concept, and the company recently made a significant entry into 'live' music by partnering with MAMA Group through a joint venture to acquire eleven concert venues, including the renamed HMV Hammersmith Odeon. HMV has also recently announced that it was partnering with independent film distributors Curzon Artificial Eye to bring a new cinema experience to the high street - *hmvcurzon* will be trialed at its Wimbledon store in London from Autumn 2009.

[www.hmvgroup.com](http://www.hmvgroup.com)

## **About Sysrepublic – "We know Retail"**

Sysrepublic helps retailers worldwide to reduce their costs and increase their profits through the use of our market leading Retail Intelligence and Integration solutions.

Our pioneering spirit and deep retail experience enables us to provide simple solutions to complex retail challenges, making us a trusted partner with some of the world's largest retailers and now No. 1 in the U.K. for Loss Prevention and Retail Integration.

Since 2002, customers that depend on Sysrepublic solutions include: Tesco, Asda Wal-Mart, Sainsbury's, Fresh and Easy, Marks and Spencer, Metro and HMV.

[www.sysrepublic.com](http://www.sysrepublic.com)

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