

2010 EDITION

# Small Business Security REPORT

82 PER CENT OF  
SMALL BUSINESS  
PROFITS SUFFER  
DUE TO CRIME

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64 PER CENT OF  
SMALL BUSINESSES  
HAVE BEEN A VICTIM  
OF CRIME MORE  
THAN ONCE

**ADT Always There®**





**Mark Norton**  
Managing Director  
ADT Australia

Welcome to ADT Security's Inaugural Small Business Security Report. Our survey of 500 Australian small business owners is the most comprehensive research into small business security measures and perceptions in the last decade.

This research study was conducted to better understand the financial and emotional implications of crime to small business owners and the security measures taken by those businesses to reduce the chance of crime recurring.

The survey results show, crime can be especially devastating for small businesses. The potential for the loss of profit and merchandise to overwhelm a business is high, not to mention the threat crimes like robbery pose to the physical safety of customers and employees.

Regards,

Mark Norton  
Managing Director  
ADT Security Australia



### Measures taken to protect business

The humble lock and key is used as a security device for 85% of respondents with an alarm system (51%), CCTV (29%) and window bars (28%) also popular choices. Queensland small business owners are the least likely to invest in an alarm system - widely regarded as the most reliable option - with only 39% investing in this option.

### Types of crime experienced by business

Burglary is the most prevalent type of crime reported, with 55% of small businesses being a victim of this at some stage. Shoplifting (34%), vandalism (33%), employee theft of merchandise (24%) and employee theft of cash (21%) also rate highly.

- Employee theft of merchandise is most rampant in NSW/ACT (32%), SA/NT (30%), QLD 19%, Vic and Tas (18%) and WA (13%).
- 63% of businesses have been a victim of crime more than once.

### Financial impact of crime

- 82% of businesses have suffered financially due to crime.
- Of these businesses, stolen goods (82%), property damage (50%), business disruption or closure (32%), loss of customers or orders (12%), compensation/medical bills (4%).
- In estimating the cost, 43% have lost \$1000 to \$10,000 while 41% claim \$100 to \$1000. Only 5% have experienced losses over \$25,000.

### Emotional impact of crime

Beyond the practical and financial impacts, small business owners also detailed the emotional fallout following their business being a target of crime. Generation Y was the most likely to admit to experiencing anxiety (48% compared to the national average of 39%), stress (67% versus 54%) and an inability to be alone on the premises (23% versus 7%).

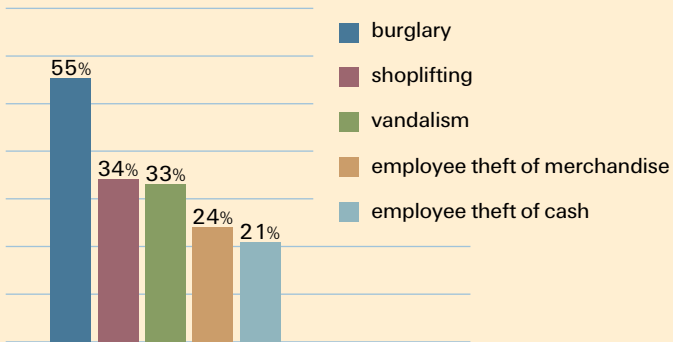
### FACT:

**41%**

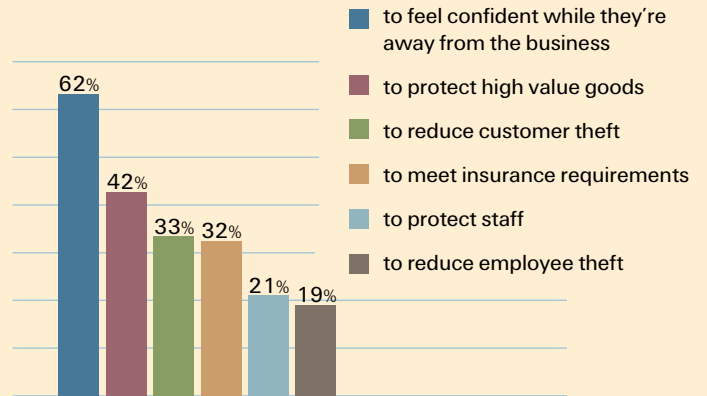
reported a rise in crime during school holidays



## TYPES OF CRIME REPORTED



## REASONS FOR INVESTING IN SECURITY



Looking at the emotional side of crime, 54% admitted to associated feelings of stress (women more likely than men 52% vs 58%), 39% anxiety (women more likely than men 41% vs 37%), 7% are unable to be on the premises alone, while 4% were forced to take extended periods off from work.

### Why invest in security and what's important

- Looking at the motivations for investing in security, 62% of owners want to feel confident that the business is protected

when they aren't there, 42% to protect high value goods, 33% to reduce customer theft, 32% to meet insurance requirements, 21% to protect staff, 19% to reduce employee theft.

- When considering security for their business, the latest technology is of greater significance to men with 21% taken it into consideration vs 13% of women.
- 24/7 monitoring is most important to the younger generation of business owners (Y 48%, X, 45%, boomer 37%, builders 19%)

### Risk times for crime

- At night is perceived to be the biggest risk time for crime (49%) with during business hours (34%) and weekends (17%) following. 42% of business owners see a rise in crime on long weekends/public holidays; 41% over school holidays; 26% at Christmas and 12% at Easter.
- 61% of business owners see crime go up during challenging economic times.

**FACT:**  
**24%**  
of small businesses reported theft from their own employees

## KEY FINDINGS AT A GLANCE

- 82% of businesses have suffered financially due to crime
- Of these businesses, stolen goods (82%), property damage (50%), business disruption or closure (32%), loss of customers or orders (12%), compensation/medical bills (4%) are the top costs suffered.
- In estimating the cost, 43% have lost \$1000 to \$10,000 while 41% claim \$100- \$1000. Only 5% have experienced losses over \$25,000
- 63% of businesses have been a victim of crime more than once
- Simple lock and key most used security option 86%, followed by alarm system (51%), CCTV (29%), window bars, 28%
- QLD business owners least likely to invest in an alarm system 39% (SA and NT 59%, Vic and Tas 55%, NSW and ACT 53% and WA 50%)
- Burglary most prevalent type of crime at - Burglary (55%), followed by shoplifting (34%) vandalism (33%), employee theft merchandise (24%) and employee theft of cash (21%)
- Employee theft of merchandise most rampant in NSW/ACT (32%). SA/NT (30%), QLD 19%, Vic and Tas (18%) and WA (13%)
- At night is perceived to be the biggest risk time for crime (49%) with during business hours (34%) and weekends (17%) following. 42% of business owners see a rise in crime on long weekends/public holidays; 41% over school holidays; 26% at Christmas and 12% at Easter.
- 61% of business owners see crime go up during challenging economic times

## ADT SECURITY TIPS FOR SECURING YOUR BUSINESS

To help small business owners build a barrier against crime, protect their livelihood and proactively deter potential thieves, ADT Security provides the following top tips for small business staff and asset security:

- Provide adequate interior and exterior lighting. Interior lighting should be visible to those outside. Exterior lighting should illuminate dark areas around buildings and parking lots.
- Install an obvious video surveillance system which both serves as a powerful visual deterrent and helps in identifying possible criminals. Once cameras are installed, place security signs at points of entry to publicise the presence of those cameras.
- Utilise a safe with a mechanism to make periodic drops during the day to minimise the amount of cash in registers. Immediately drop large bills to discourage potential robbers and minimise loss.
- Use background checks and other methods to screen all employees before hiring as a good defence against internal theft. Train new staff about security and safety practices.
- Install a monitored alarm and advertise the use of these systems with stickers or signs in visible spots such as front doors to deter potential criminals.
- Reduce advertising banners on front windows and large displays in the middle of the store, which can obstruct passers-by viewing into the store, and staff viewing around areas of the shopfloor.
- Instruct employees to be the first line of defence in loss prevention by greeting or acknowledging every customer who enters. Provide personal service to as many customers as possible.



### ABOUT OUR RESEARCH

ADT Security commissioned online market research panel Pure Profile to conduct this survey of 500 small business owners around Australia during June to July 2010. For the purposes of the research, small business was defined as a business with less than 20 employees while the generations are grouped as follows: Generation Y (born 1980-1994), Generation X (born 1965-1979), Baby Boomers (born 1946 -1964) and Builders (born before 1946).

### ABOUT ADT SECURITY

With more than a century's worth of experience and providing electronic security solutions to more than seven million residential, commercial and retail customers worldwide, ADT Security is the world's largest electronic security company. ADT Security's products include alarm systems and integrated security applications that link access control, CCTV, electronic article surveillance and source tagging systems.

Night and day, ADT Security's complete, cost-effective solutions protect the sites, staff and assets of small and medium businesses across Australia.

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