



COMPLIANCE AUDIT OF STANDARD STORE OPERATION PROCEDURES

Case Study: Retail Services – Beauty Product Manufacturer/Distributor

A beauty product manufacturer and distributor needed a solution to complete a **compliance audit of stores daily operations** to lower the potential operational and financial risk

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One of the world's leading manufacturers and marketers of quality skin care, makeup, fragrance and hair care products required the support of RGIS. The company's products are sold in approximately 150 countries and territories.

The beauty product manufacturer and distributor first established a presence in Hong Kong in 1961. Four years later Australia became the region's first affiliate. Today approximately 17,300 people are employed full time in the APAC region, where the company operates 13 affiliate offices, two R&D centers, three creative and trend labs, and multiple distribution centres. There are more than 425 freestanding stores and thousands of points of sale catering to consumers at retail outlets and online.

REQUIREMENT

The beauty product manufacturer and distributor wanted to have a **compliance audit of stores daily operations** to lower the potential operational and financial risk. The customer required RGIS to provide the following:

- To complete a **compliance audit of 20-30 stores per month**
- Get sign-off from the store manager after compliance audit completed
- Send **store report with summary and brief analysis** within seven days of audit

SOLUTION

The beauty product manufacturer and distributor partnered with RGIS to complete the **compliance audit of standard store operation procedures**, and provided the following:

- Scheduled one **experienced RGIS auditor** per store
- Allocated four to six hours per store
- Compliance audit consisted of checking the original order, in and out delivery record, sales slips and the inventory record
- **Spot check** of specified items to **verify physical quantities** were correct with main system
- Produced a **compliance report** per store

RESULTS

The beauty product manufacturer and distributor found by outsourcing the **compliance audit of standard store operation procedures** to RGIS, the following results were achieved:

- Due to the compliance audits, **fraud was identified** in some store operations
- The customer had a **better understanding** of the real operation status in stores
- Able to **issue actions** to reduce the opportunity of additional fraud taking place in other stores



By partnering with RGIS, the beauty product manufacturer and distributor found that the **compliance audits identified potential fraud** within some store operations and had a **better understanding** of real store operations



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Compliance Audit



Accurate Reports



Identified Fraud



Better Understanding



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