



TPOP
FIELD GUIDE SERIES

THE TOTAL COSTS OF WORKPLACE VIOLENCE THE NUMBER NOBODY OWNS

Why the cost lands in at least six budgets, why nobody adds them up, and how to assemble the number that earns a prevention budget.



CONFIGURE THE CALCULATOR

The free WPV Cost Calculator. Pick your industry, adjust the cited benchmarks, add your own figures.



ASSEMBLE THE NUMBER

Asset protection, HR, risk, finance, and the broker, each holding one piece of the total.



BUILD THE CASE

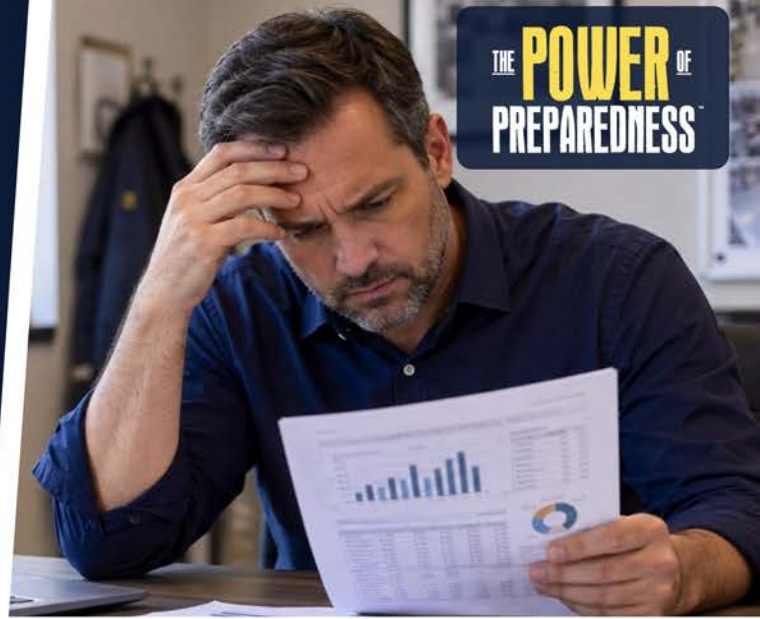
Real figures, cited sources, and a threshold instead of a wish list.



FUND PREVENTION

Right-sized investments with a defensible return, approved by the people who hold the budget.

THE **POWER** OF
PREPAREDNESS™



COST EXPOSURE ASSESSMENT Workplace Violence: The Business Case

ORGANIZATION PROFILE

Employees at risk (OTE, this site or org)

1200

Sector

Retail

Primary state (state compliance status)

California

Average fully-loaded salary

\$ 48000

Annual training program cost (your quote)

\$ 30000

Annual revenue, this site (optional -- enables customer-

ANNUAL EXPOSURE LEDGER

ESTIMATED ANNUAL EXPOSURE - BASE CASE

\$192,425

-0.5 expected serious incidents/yr across a 1,200-person Retail wo

Direct incident cost

Workers' comp, medical, initial lost time:

0.5 incidents/yr x \$40,000

BLS RATE - NISC CLAIM AVG

Post-incident productivity loss

Trauma-driven absenteeism & presenteeism across victim and co-workers

0.5 x 40 days x \$185/day

PTSD BURDEN (DCP)

Attributable turnover

Staff who leave because of the unsafe environment, at replacement cost

IN COOPERATION WITH



KNOW YOUR COST • KNOW YOUR RISK • FUND PREVENTION

FOREWORD

Why Nobody Owns the Number, and What We Decided To Do About It

For the last decade, I have sat across the table from asset protection, loss prevention, human resources, risk, and operations professionals in a dozen industries. The conversations differ in the details, but one response comes up again and again. Everyone wants to invest in workplace violence prevention, whether that is the training my company offers or any other solution. What they cannot do is build a solid argument for what that investment is worth to their organization.

The reason is simple and almost universal: they do not have a clear account of what workplace violence is costing their company *in total*. The cost is real, and it is already being paid, but it is scattered across claims, premiums, turnover, investigation hours, legal defense, and training budgets, each under a name that never mentions violence. Without that total there is no way to show the potential return on a prevention investment. And that return, frankly, is frequently a hundred times the cost or more, especially for larger organizations.

Digging further, I learned why. Asset protection and loss prevention are usually the influencers. They see the incidents and recommend the fixes. The budget belongs to HR, learning and development, or finance, and that budget has plenty of competition from marketing, sales, and other groups that by their nature can articulate their own returns far more easily. In companies without a dedicated risk department, which is most of them, the gap is wider still.

If that is a systemic challenge across the majority of American business, what can be done about it?

TPOP set out to build a tool that spurs the conversation between those departments. Using both authoritative public sources and your own private internal figures, it produces the basic arguments, in financial terms, needed to build a business case that gets approved. Then we brought together the panel you will meet in these pages: experts from very different disciplines who each see the same problem through their own lens. They contributed their thinking and their experience on how collaboration and partnership across silos can get an organization to the goal we all share: reducing violence in ways that benefit our businesses, our communities, and our lives.



Dan Stechow

Founder, President & CEO, The Power of Preparedness

Who's Behind This Guide

This field guide grew out of a live webinar presented by The Power of Preparedness (TPOP) in cooperation with the National Retail Federation (NRF), FMI, The Food Industry Association, the Restaurant Loss Prevention & Security Association (RLPSA), and SHRM-NJ. Eight panelists from asset protection, human resources, insurance, enterprise risk, forensic security, and the NRF, FMI, RLPSA, and SHRM-NJ communities examined one question: what does workplace violence actually cost an organization, and why can almost nobody answer?

■ The Power of Preparedness (TPOP)

A workplace violence prevention training company serving food service, food retail, retail, healthcare, manufacturing, and hospitality. Its scenario-based, micro-lesson approach makes prevention practical and repeatable for frontline teams, and its free WPV Cost Calculator is the tool discussed in this guide.

Learn more at thepowerofpreparedness.com

■ National Retail Federation (NRF)

The world's largest retail trade association, representing retailers of every size, format and channel of distribution. Through its asset protection community and annual research on retail theft and violence, NRF provides insights that help the industry understand and respond to workplace violence.

Learn more at nrf.com

■ FMI, The Food Industry Association

The trade association for food retailers, wholesalers, and their suppliers. FMI's asset protection and industry relations work brings food retail leaders together on associate safety, operational resilience, and emergency preparedness.

Learn more at fmi.org

■ Restaurant Loss Prevention & Security Association (RLPSA)

The trade association dedicated to loss prevention, safety, and security professionals in the restaurant and food service industry, connecting practitioners to share what works in real operating environments.

Learn more at rlpsa.com

■ SHRM-NJ

The New Jersey state affiliate of the Society for Human Resource Management, formerly known as Garden State Council SHRM, and the liaison between SHRM and its eleven New Jersey chapters, connecting HR professionals across the state through its annual conference, chapter programs, and professional development.

Learn more at gscshrm.org

■ IMA Financial Group

An independent insurance brokerage and risk management firm. IMA's hospitality practice places coverage for franchised hotels and restaurants and works with clients on risk control, including workplace violence prevention plans.

Learn more at imacorp.com

■ Group Nine Risk Consulting

A forensic security consulting firm that performs retrospective analysis of violent incidents, often as part of premises liability litigation, and advises organizations on risk assessment, threat assessment, and security program documentation.

Learn more at groupnine.us

■ Hy-Vee, Inc.

An employee-owned supermarket chain operating in the Midwest. Its enterprise risk function is one of the few in food retail built to see claims, premium, exposure, and regulation together across the company.

Learn more at hy-vee.com

The Panel

Each panelist spoke from professional experience and not on behalf of an employer or association. Every example in the session, and in this guide, is a composite, a hypothetical, or an anonymized account. No story is attached to any brand.

**Charlie Ahmad, CPP**

Founding Partner, Group Nine Risk Consulting

A forensic security consultant and expert witness whose firm has examined approaching 200 violent incidents after the fact, usually years later and in a courtroom.

**Dennis Butler, MBA, SPHR, SHRM-SCP**

HR Executive and Consultant · SHRM-NJ

Led employee relations for a national apparel manufacturer and retailer, with production and distribution facilities as well as stores, and built its cross-functional workplace violence response program, with a focus on domestic violence that follows people to work.

**Tom Cosgrove, LPQ**

Director, Industry Relations, FMI

Works with food retailers on asset protection, emergency response, and preparedness, and on how the industry benchmarks what violence costs.

**Susan DeVaughn**

SVP, National Hospitality Program Director, IMA Financial Group

An insurance broker of 24 years who manages hospitality programs for franchised hotels and restaurants and helps clients tell their story to underwriters.

**David Johnston**

VP, Asset Protection & Retail Operations, NRF

A career asset protection executive who now leads NRF's work with the retail industry's loss prevention and asset protection community.

**Eva Sandoval**

Director, Risk Management, Hy-Vee

Spent a career on the carrier side in claims, underwriting, and risk management before moving in-house, where she built the cross-department cost view most companies lack.

**Dan Stechow**

President & CEO, The Power of Preparedness · Host and Moderator

Builds workplace violence prevention training for frontline teams and created the free WPV Cost Calculator. He convened the panel to put one question to five disciplines at once.

**Tom Stein, LPC, CFI, CFE**

Director, Asset Protection, Paradies Lagardère · Board Member, RLPSA

A 25-year asset protection and enterprise-risk leader who has built cost models for prevention before, and knows exactly where they ran out of data.

DISCLAIMER

This field guide is provided for general informational and educational purposes only and does not constitute legal, insurance, security, or professional advice. It summarizes a live panel discussion and reflects the views of the individual panelists, not necessarily those of their organizations. Figures cited by panelists are as stated in the session and have not been independently verified. Organizations should consult qualified professionals when developing workplace violence prevention policies and when assessing their own costs and exposure.

THE THESIS

The Aggregation Gap

The distance between what a company already pays for workplace violence and what it can count.



Everyone involved in workplace violence wants to mitigate it, and most are trying their best. The obstacle is structural. The cost of a single incident lands in at least six budgets, each under a name that never mentions violence, and each arriving on a different calendar. Nobody adds them up. Much of the violence itself originates outside the workplace, with customers, third parties, and intimate partners, and still lands on the company's books.

So the professionals asked to recommend prevention, usually asset protection, are asked to justify it with inputs they cannot see, against capital projects that arrive fully costed. The result is that most companies invest less than they should, and every department pays for it.

Where the Cost Lands	What It Is Called There	When It Shows Up
Insurance and finance	Claims, medical, workers compensation	Immediately, then for years
Finance	Next year's premium and the experience mod	At renewal, a year or more later
Human resources	Turnover, absenteeism, recruiting, onboarding	Within the month, recorded as attendance
Asset protection and operations	Investigation hours, coverage, management time	Immediately, counted in hours
Legal	Defense costs, settlements, verdicts	Two to five years later
HR, L&D, or operations	Training and prevention	Whenever it is approved, if it is

HOW TO USE THIS GUIDE

Use this guide, and the free WPV Cost Calculator that accompanies it, to start conversations between the groups in your organization that are not in the habit of aggregating workplace violence costs: asset protection, human resources, risk, insurance, finance, legal, and operations. Together they hold the number that none of them holds alone.

That number is what makes it possible to right-size prevention investments, build the business cases and budgets that support them, and estimate the return those investments can deliver.

PART 1

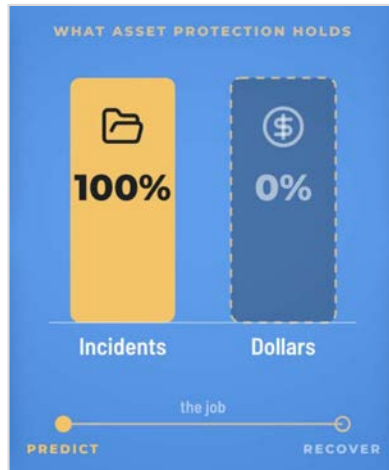
The Problem: Nobody Can Price Workplace Violence

"Twenty years ago, ignorance was bliss. The last twenty years have proven to us that there is a cost associated with doing nothing."

- Tom Stein, RLPSA

Prevention Is in the Name

Loss prevention is meant to predict, yet it holds none of the dollars.



- The job is to predict, not recover
- AP holds every incident, none of the dollars
- Efforts 20-plus years ago hit the same wall
- Real dollars behind the ask change everything

Loss prevention is called prevention for a reason: the job is predictive, not investigation after the fact. AP holds every incident with its severity, location, and pattern, but the dollars sit in other departments' systems. Tom Stein described building a cost model more than twenty years ago, in a different industry, that worked internally but could not reach the data it needed from anyone else.



"You're always trying to stay left of bang. You don't ever want to be on the right side, but most of us spend our days living on the right side, because there is not really a predictive model to allow us to live on the left side of that."

- Tom Stein, RLP SA

Build Me a Business Case

AP is asked to justify prevention with inputs it cannot see.



- AP asked for a case; inputs sit elsewhere
- Sound requests lose to fully costed projects
- NRF 2026: 81 percent increased training
- Workplace violence is increasing and expanding

From the executive side, the same job looks like this: asset protection is asked for a financial case while the inputs sit in departments it cannot see into, and the request competes with capital projects that arrive fully costed. NRF's Impact of Theft & Violence 2026 report shows most retailers expanding workplace violence training across more and more scenarios, from robbery to irate customers to third-party domestic situations and civil unrest.



"A lot of the needs don't really come specifically from the incident data itself. It comes from the metrics that fall in other business areas and other departments. In order to look at risk more holistically, we have to start to build those relationships, access that data, and build a much stronger business case."

- David Johnston, NRF

The Cost That Looks Like Turnover

Turnover is the tip of the iceberg. Much of the cost lands in HR under names that never mention violence.



- Replacement runs 16 to 21 percent of pay
- Absenteeism, recorded as attendance
- Medical plan cost and workers compensation
- Lost productivity: paid, never written down

People leave after incidents and near misses, and the exit interview says pay or scheduling. Medical plan costs rise for victims. Lost productivity is the hardest to price: Dennis Butler described a distribution center closed for about a week after a domestic violence shooting.

Much of this violence begins outside the workplace and lands on it: customers and other third parties, and intimate partners whose harassment, intimidation, and threats follow an employee to work. That spillover is a large share of the cost and one reason the real number is higher than any tool shows.

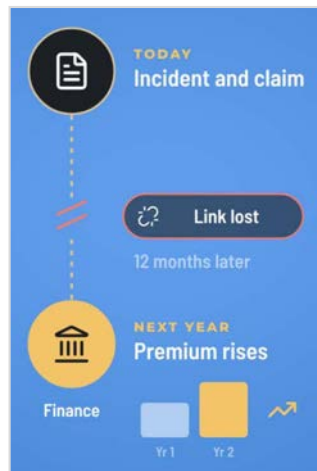


"Turnover is just one piece of the cost. In one major industry, turnover alone is costing \$218 million a year. They were able to put a price tag on it because they tracked it."

- Dennis Butler, SHRM-NJ

The Bill That Arrives a Year Late

A claim changes the premium long after anyone connects it to the incident.



- A claim today, a premium change next year
- The increase lands in finance, not the store
- By then the incident is in another file
- Nobody connects the renewal to the event

A claim does not change the premium this year. It surfaces at a renewal a year or more later, in finance's file, with no visible link to the event.

On the casualty side the lag is longer still, and nuclear verdicts have driven casualty costs up by 100 percent or more for some hospitality accounts. Insurance serves a purpose, but the insured is a partner in it, and underwriters now ask what the business did in response.

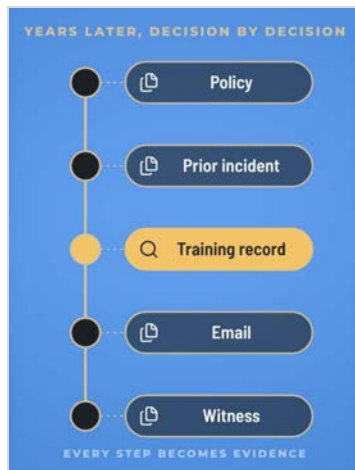


"One incident in year one will not show up on your workers' compensation modification experience for the next three years. On the casualty side, an incident happens year one, and you may not see a payout on the claim if it's in litigation for four to five years."

- Susan DeVaughn, IMA Financial Group

What Many Don't See Coming

Years later, one incident is reconstructed decision by decision.



- Every decision gets reconstructed afterward
- Policies and prior incidents become evidence
- Employees across the company get pulled in
- The cost reaches well beyond security

Once an incident becomes litigation, the event is rebuilt years later through documents, testimony, policies, security measures, and prior incidents. Verdicts can exceed insurance limits; one recent Georgia verdict against a small hotel chain exceeded \$40 million.

Individuals who made decisions can be named personally. Every email, text, and meeting note is discoverable, which makes careless documentation its own risk.

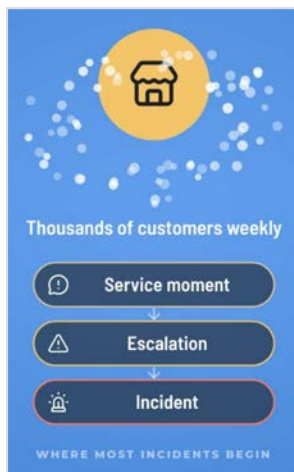


"What did you know? What did you do? And show me where that is documented. If it's not documented anywhere, it didn't happen, it doesn't exist."

- Charlie Ahmad, Group Nine Risk Consulting

A Closer Look at the Cost

Grocery is public-facing, and companies are looking harder at what violence costs.



- Grocery stores are highly public-facing
- Associates meet thousands of customers weekly
- Many incidents start as customer service moments
- States are enacting prevention requirements

Food retailers now treat workplace violence as part of a broader conversation about associate safety, retention, operational resilience, and customer experience. Since the pandemic, more of it is customer on employee, sparked by prices or a changed rule.

California and New York have prevention requirements in place, and others tend to follow. The benchmarking challenge is the same one the industry faced with shrink: every company counts a little differently.

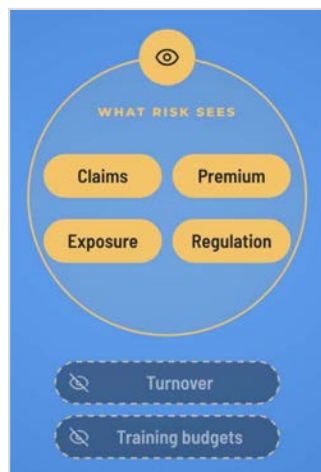


"It's the same way we aggregate shrink. Each company handles it a little bit differently, but it's important, however you do that, to benchmark it year after year."

- Tom Cosgrove, FMI

The View From Above

Risk sees more than any department, and still not the whole.



- **Risk sees claims, premium, exposure, regulation**

Together, in the same quarter.

- **It does not see turnover or training budgets**

Those live in HR, operations, and L&D.

- **The total must still be assembled on purpose**

Even with a risk function in place.

- **Most companies have no such role**

The cross-department view is rare.

Enterprise risk is the one role designed to see across departments: claims, premium, litigation exposure, and regulatory pattern in a single view. Even so, by default it does not see turnover in HR, hours off the floor in operations, or the training budget in L&D, so the total still has to be assembled deliberately, and most companies have no such role at all.

Eva Sandoval added the cost layer that no premium captures: brand reputation. A company known as unsafe loses customers, and that is the risk that can take it out of a market entirely. Her organization measures that effect by location, and she was clear about what moves leadership: facts, metrics, results, and comparisons, never a gut feeling.



"How do we get the C-suite to listen? You have to have the data to show it to them. Yes, there's always going to be that intuitive, gut-feeling situation, but if you're telling me it's coming, it's coming, and I have nothing showing me otherwise, you're inclined from the C-suite to say, we're good, we're okay."

- Eva Sandoval, Hy-Vee

FROM THE LIVE SESSION - AN ACCOUNT SHARED BY THE PANEL

Two Conversations, Two Years Later



"There was a situation in which a grocery store chain had an active shooter, and there was loss of life involved. We never entered into business with this particular organization. We had a quick set of conversations with individuals that never materialized. Two years later, we get named, because the discovery went through the emails and TPOP was mentioned."

We only had two conversations, and so that was it. But the fact that they dug up my company's name for just having some conversation years before: when the net goes out, it goes out in all directions to try and capture as much information as possible. Where's the documentation, and what is the stuff that turns up during discovery?"

- Dan Stechow, The Power of Preparedness

PART 2

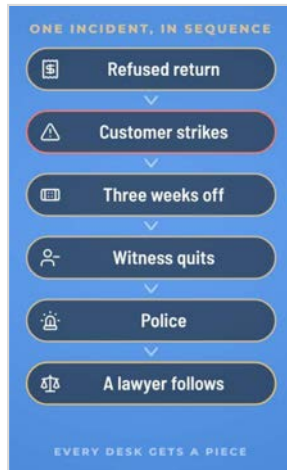
The Reality: One Incident, Seen Through Multiple Departments

"Not everything can be prevented, but did you take reasonable steps to mitigate the threat that you faced? If not, zeros are just going to be added on to the cost to your company."

- Charlie Ahmad, Group Nine Risk Consulting

One Typical Incident

A hypothetical situation, and its impact on one department at a time.



- **A refused return; a customer strikes an employee**

No receipt, an argument, a punch.

- **Injury, three weeks off, two witnesses**

She is out of work; two coworkers saw it all.

- **One witness quits; police; a lawyer follows**

Within the month, then some weeks later.

- **What lands on your desk?**

One question, put to each department in turn.

A customer at a store register asks to return an item without a receipt and is refused. The customer becomes agitated and strikes the front-line employee handling the return. She is injured badly enough to be out of work for three weeks. Two coworkers see the whole thing, and one of them quits within the month.

The store manager calls the police, who take a report. Some weeks later, the injured employee retains a lawyer. Nothing about the company, the location, or the people is specified beyond that. The panel was asked one question each: what lands on your desk, and roughly what does it tend to run?

WHY THIS INCIDENT

It is deliberately ordinary. It happens every day in retail, grocery, and food service, and it never makes the news. If the cost of this one cannot be assembled, the cost of the serious ones certainly cannot.

FROM THE LIVE SESSION - AN ACCOUNT SHARED BY THE PANEL

A Week Without a Distribution Center



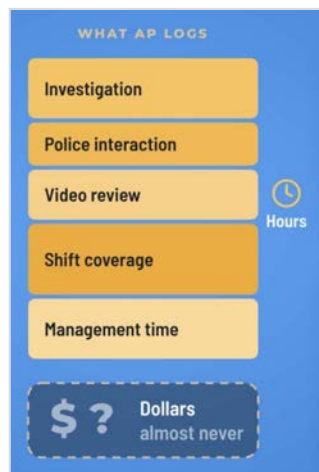
"We had a situation in one of our distribution centers that involved four employees. One was killed. One was the perpetrator, who shot himself. Two others worked in our distribution center. We had to shut down our distribution center for about a week.

Anyone in the retail industry knows you can't shut down your distribution centers for a minute, pretty much. Domestic violence is also the root cause of many of the workplace instances. Once we became aware and started looking for the signs, I know for sure we saved lives."

- Dennis Butler, SHRM-NJ

What Lands on Asset Protection

Hours of investigation and coverage, and warning signs already in the data.



- Investigation, police interaction, video review
- Shift coverage and management time for weeks
- The warning signs were already in AP's data
- Counted in hours, almost never in dollars

The follow-up starts immediately: the initial call, escalation to PR if it is on social media, data pulls, and the Monday-morning quarterbacking of what should have been done. In every organization Tom Stein has been part of, business continuity and crisis response run through AP, which becomes the quarterback that activates every other department. All of it is measured in hours, and every one of those hours has a dollar attached that nobody writes down.



"Twenty years ago, ignorance was bliss. You could easily, as a C-suite executive, say, we don't need to spend money on this. The last twenty years have proven to us that there is a cost associated with doing nothing, because when these things happen, there is going to be a response."

- Tom Stein, RLPSA

What Leadership Asks the Morning After

Senior leadership asks four questions, and almost nobody can answer the first.



- Leadership asks: what did this cost us?
- Then: what are we doing about it?
- How do we right-size prevention investments?
- Can this be explained in terms of ROI?

When the incident reaches senior leadership, the questions come in sequence, and the first one stalls because the pieces sit in four systems under four names. David Johnston reframed the slide: the real question is who leadership asks.

If the injured party is an employee, leadership may go to HR, which does not have what AP has. The answer is to never be the only person in the room, which means building the relationships before the incident, not after.

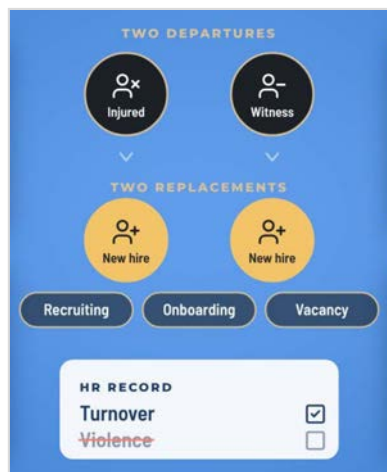


"It's not really about what leadership asks the morning after. It's who leadership asks the morning after. When I'm sitting down and asked by leadership what happened in this particular event, I'm not sitting alone. I'm sitting with my partners."

- David Johnston, NRF

What Lands on Human Resources

Two departures, two replacements, and nothing tied back to the assault.



- Three weeks out; she may not return
- One witness quits within the month
- Two replacements: recruiting, onboarding, vacancy
- Recorded as turnover, never as violence

Retail turnover runs high already, and a witness who quits because she is afraid simply joins the number. Store-level replacement is not individually expensive, but it compounds, and fear of violence is now a reason candidates decline the job in the first place. Dennis Butler's former organization could answer leadership the next day because it had built a standing response team of HR, legal, and loss prevention that met after every incident.

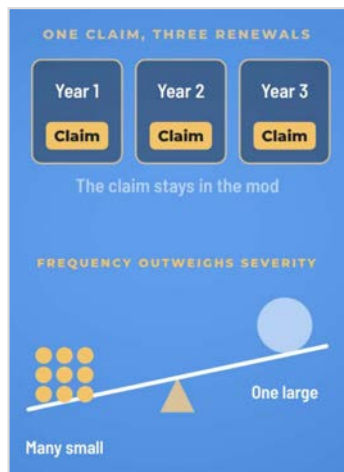


"Exit interviews are very, very wishy-washy. They don't ask the right questions to find out really what the root cause of the turnover was, or people fill out the form and they don't want to burn bridges behind them."

- Dennis Butler, SHRM-NJ

What Lands on Insurance

One claim shapes the premium for three years, and frequency counts most.



- One claim enters the mod for three years
- Frequency weighs more than severity
- Small claims outweigh one large loss
- At renewal: what did you do about it?

It lands on insurance the moment the incident happens, because the broker's job is to bring tools, not just a policy: post-claim checklists for an emotional moment, coverage reviews, and the workplace violence sublimit in employment practices policies that can pay for counseling or a PR firm. Then the premium: a pattern of incidents like this one costs more over time than a single large loss, and some coverages are becoming hard to place at all.

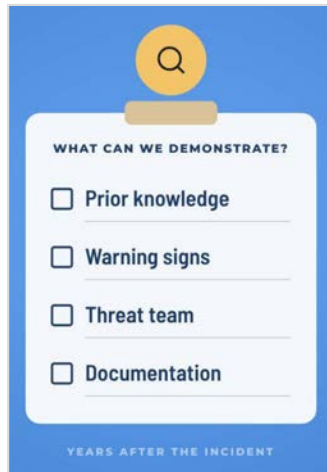


"If an underwriter sees that you're having repeated claims, an underwriter is going to stay as far away as they can from that account, or they're going to restrict coverage so much that it's going to be all out of pocket anyway."

- Susan DeVaughn, IMA Financial Group

What Gets Examined Afterward

The question years later is what the organization can demonstrate.



- What did the organization know beforehand?
- Was a threat assessment team in place?
- Were warning signs and prior incidents addressed?
- Can documentation prove a reasonable response?

Organizations are not responsible for third-party criminal acts on their premises unless the act was foreseeable, and that is where all the litigation lives. For ordinary crime, foreseeability turns on crime at the location and in the surrounding area.

For workplace violence, it turns on what was known about the individual, which is why a behavioral threat assessment team matters so much. Reasonable steps, documented, are the defense.



"In a workplace violence case, it all boils down to what was known about the individual. If you don't have a group of people that are looking at behavioral warning signs, you're placing your organization at even greater risk."

- Charlie Ahmad, Group Nine Risk Consulting

Preparedness Before the Incident

What should already be in place when the question is asked.



- Preparedness matters before an incident occurs
- Policies, training, and plans build readiness
- Documentation shows commitment and consistency
- Prevention supports associates and operations

Having heard what gets examined afterward, the question becomes what should be in place beforehand. Tom Cosgrove's three-legged stool is policies, training, and plans, with plans covering both the response during an incident and the support afterward, including how the organization makes an affected family whole. In an industry with high turnover, people are the component, and prevention and after-care protect the same people.



"The first question leadership is going to ask is, were there reasonable steps in place to prevent it, to prepare employees, and respond appropriately? Are we properly prepared, and then documented afterwards?"

- Tom Cosgrove, FMI

What the Whole Looks Like

Assembled, the picture runs several multiples of the claim.



- The total runs several multiples of the claim
- Hard costs budgeted; soft costs simply paid
- One incident, four departments, four names
- Even risk must ask to see the whole

Each department has named its piece, and the assembled picture runs several multiples of the claim, with hard costs budgeted somewhere and soft costs simply paid and never named. Eva Sandoval described the moment a claim arrives at half a million dollars and the trail leads back to an early indicator that a store treated as a close call and never escalated. The silo is not malice; it is the default.



"The claim is now going at half a million dollars. Well, what happened? Then we start breaking the avenues: we had an early indicator here, but it was never brought to us. Why? There's a silo. They thought it was a close call; they didn't need to come to risk management."

- Eva Sandoval, Hy-Vee

Without a Total, Everything Is Expensive

With nothing on the other side of the scale, every price tag loses.



- No total, no other side of the scale
- Every price tag looks expensive, bought or built
- Vendors unfunded; in-house effort undervalued
- The fix is a total, not a discount

Asset protection, HR, insurance, litigation: four pieces in four systems under four names, and the executive question none of them could answer. In most companies the honest answer to who owns the total is nobody, and whoever is asked to justify the prevention budget is asked to do it without that total. Preventing violence is everyone's responsibility, from the front line to the C-suite; assembling the number needs a single owner. A dollar spent with no projection of what it saves or preserves looks expensive whether the program is built in-house or bought.



"If you don't have a total, there is no other side of the scale. A dollar spent without a return on that investment, or a projection of what that's going to save or preserve or mitigate, is expensive. The fix is the total, not a discount."

- Dan Stechow, The Power of Preparedness

PART 3

The Challenge: Influence Without Authority

"Am I really going to be able to change the way the organization writ large operates if I'm middle management?"

- Dan Stechow, *The Power of Preparedness*

Recommender, Funder, Approver

In the average company, three desks share the decision and none sees the total.



- Approval sits in different places from company to company
- The average company has no risk function
- Incidents to AP; budget to HR or L&D
- Three desks, one decision, no total

Incidents are handed to asset protection, which is asked to recommend mitigation. The training budget sits in HR or L&D. Approval sits somewhere else again, and the purse strings ultimately belong to the CFO and the C-suite, who hear the request last and in the least detail.

Three desks share one decision, and the costs sit in none of them. Prevention competes against requests that are better argued rather than better founded, and when two similar companies decide differently, the difference is usually who can add the numbers up.

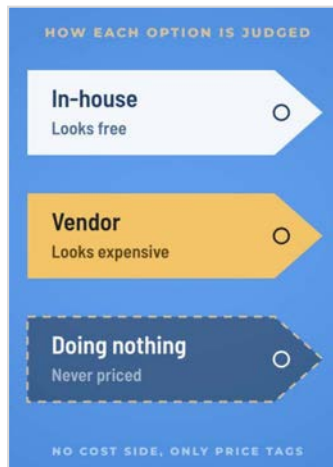


"We formed a response team that was made up of human resources, legal, loss prevention, and subject matter experts. Each incident, we would get together and figure out: what happened? Could it have been prevented? How do we move forward from here? And what is it really costing us?"

- Dennis Butler, SHRM-NJ

Free Looks Cheap, a Vendor Looks Expensive

Without a cost side, a preventive ask is judged on its price tag alone.



- In-house looks free; a vendor looks expensive
- Neither is weighed against doing nothing
- One P&L, and the cost still goes uncounted
- Real dollars make the conversation productive

A preventive request reaches the executive table with no cost side. An in-house program looks free because its cost is buried in salaries already paid. A vendor looks expensive because its cost arrives as an invoice. Neither is weighed against the cost of doing nothing.

Multi-unit operators live this in one P&L, and the cost still goes uncounted. Real dollars behind the ask are what make the executive conversation productive.



"There's greater opportunity to assess those dollars today, and to try to build some sort of frame of reference for that. But it is definitely not baked in. Those hours all have dollars associated to them."

- Tom Stein, RLPSA

Why Sound Requests Frequently Lose

The budget holder decides, and an uncosted ask is simply new money.



- The budget holder decides; rarely AP
- An uncosted request is new money
- Fully costed capital projects win
- Not wrong, simply never weighed

The decision sits with whoever controls the budget line, and that is rarely asset protection. A sound prevention request loses to a capital project that arrives fully costed, not because the request is wrong but because it is never weighed.

Dan Stechow described a senior asset protection leader at a food service brand who built his case on passion and the incidents he was seeing, and came back weeks later without the budget. He did not have the number, and nobody in the room was going to assemble it for him.

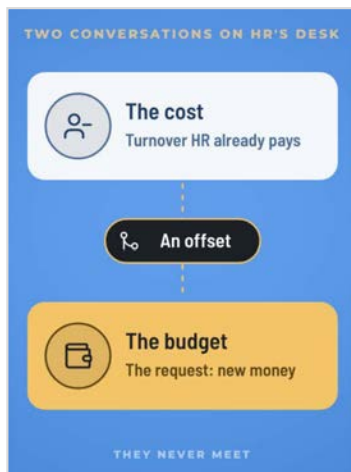


"He came back to me after several weeks, and he was choked up, because his budget didn't get approved. He knew it was going to be bad for the organization, the brand, and his teams, and there was nothing he could do about it. He did not have the tool."

- Dan Stechow, *The Power of Preparedness*

The Request on HR's Desk

HR holds the cost and the budget, in two conversations that never meet.



- To HR, the request is new money
- No line drawn to turnover HR already pays
- HR holds the cost and the budget, separately
- An offset is easier than an ask

When asset protection comes to HR for the training budget, HR sees new money weighed against everything else L&D must fund, with no line drawn to the turnover HR is already paying.

The structural irony is that HR often holds both the largest share of the cost and the budget that would prevent it, in two conversations that never meet. A request that arrives as an offset against turnover HR already pays is a different conversation from an ask for new money.



"It's got to be a cooperative effort among those very typical silos. LP often wants to do this, HR wants to do this. We were fortunate to be able to bring that team together, every incident we had."

- Dennis Butler, *SHRM-NJ*

PART 4

Breaking the Log Jam: A Tool Designed To Frame the Conversation

"I haven't seen a tool in the last 20 years that does what you're trying to build here, to be able to bring all of those pieces in."

- Tom Stein, RLPSA

A Free Tool to Frame the Conversation

Six inputs, five cost lines, and two real figures to make it defensible.

- **Built or bought: content, delivery, refresh, documentation**
The same four program cost lines either way.
- **Free, browser-based, nothing transmitted**
Downloads once, runs on your own computer, sends nothing anywhere.
- **Two real figures make the number defensible**
Replacement cost from HR; claim-to-premium from your broker.
- **No training benchmark; it does not count everything**
Domestic violence spillover and brand damage are left out, so the real number is higher.

The WPV Cost Calculator is The Power of Preparedness's free contribution to the problem this guide describes: a single file that opens in a private browser window on your own computer. It transmits nothing and collects nothing, so the figures you enter stay inside your organization.

It works in three steps. First, choose your industry; the calculator loads cited benchmark figures for that industry from the Bureau of Labor Statistics, OSHA, the National Safety Council, and the Liberty Mutual Workplace Safety Index, all adjustable. Second, replace the benchmarks with your own numbers wherever you have them; two in particular, replacement cost from HR and the premium effect of a claim from your broker, turn a starting estimate into a defensible one. Third, read the result: an aggregate annual cost across five cost lines, set against the cost of a prevention program whether built in-house or bought, so the return on mitigation can be discussed in the same terms as any other investment.

It makes no claims about what any program will achieve, because no benchmark exists for training's effect; that judgment stays with you. It also leaves out domestic violence spillover and brand damage, so the true total is higher than it reports. It is version one, and criticism is invited.

WHERE THE CALCULATOR FITS

A funding case the C-suite responds to weighs four kinds of risk: financial, reputational, regulatory, and organizational. The calculator covers the financial lens. The panel supplied the other three: brand damage, state mandates and OSHA's General Duty Clause, and the turnover and fear that follow an incident through the organization.



"The tool makes no specific recommendations and no promises that if you do this, you will achieve that. It is simply a way to begin the conversation: to establish the relationships, break down the silos, and get the right people talking to each other."

- Dan Stechow, The Power of Preparedness

What HR Can Provide

The turnover figure is available when the request arrives as a shared problem.



- Replacement cost and departures by location
- Ask as a shared problem, not a finding
- An offset beats a request for new money
- Reporting rises after training; data improves

HR can produce replacement cost by role and departures by location and date. How the request is made decides whether it is heard as a shared problem or as a finding against HR.

Expect to hear that hourly replacement is cheap and that violence is a small share of turnover that already runs 50 percent or more. Both are true. A small slice of a large turnover bill is still a large number, and next to the annual cost of prevention it is routinely many times larger.

Expect reported incidents to rise once people are trained to recognize what they are seeing; that is not training making things worse, it is the data getting better.

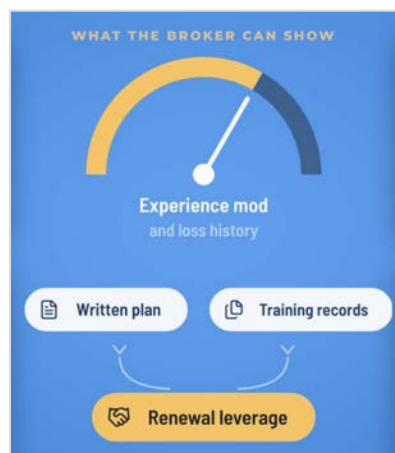


"If you've got turnover resulting from a violent incident, that's AP, and they should know how many incidents mentioned in an exit interview were because of violence in the workplace. Why wouldn't you share that with AP?"

- Dennis Butler, SHRM-NJ

What the Insurance Broker Can Provide

One claim's effect on premium, and what underwriters want at renewal.



- Ask: what does one claim do to premium?
- The broker can show the mod and losses
- Underwriters want a plan and training records
- A documented program is a negotiating position

The broker can show, from the loss runs, what one claim does to next year's premium and to the mod over three years. At renewal, underwriters want to see a written plan, training records, evidence of consistent delivery, response procedures, and action on prior loss patterns.

Some markets now ask for ten years of loss history. A documented program is what turns a training budget into a negotiating position rather than a cost.

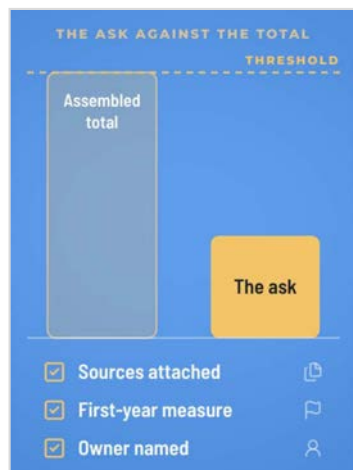


"They're seeing an open claim, and so they want us to be able to tell the story of how did you respond to it? How did you change your behavior? How are you training your employees? Telling the story of what you've done since the loss is very, very important."

- Susan DeVaughn, IMA Financial Group

The Approval Meeting, With the Number

An assembled total turns the ask into a threshold.



- Arrive with the total and its sources
- A threshold, not a wish list
- Set the first-year measure before you start
- Decide who owns the number beforehand

When AP arrives having already talked to HR and the broker, with the assembled number and its sources, the request becomes a threshold rather than a wish list.

Decide the first-year measure and who owns the number before the program starts, so that the next budget conversation begins from evidence rather than from the same blank page.

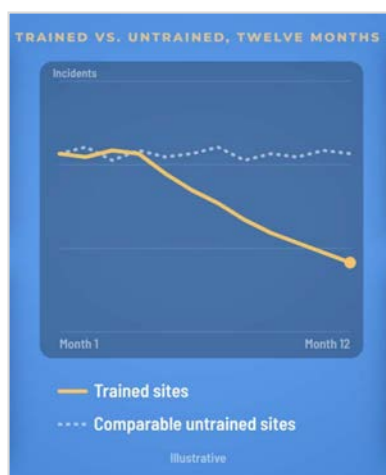


"When I'm sitting down and asked by leadership what happened in this particular event, I'm not sitting alone. I'm sitting with my partners. It's HR, it's risk, it's finance, anybody that has a play in there."

- David Johnston, NRF

How You Know It Is Working

Measure against comparable locations, and leadership will fund what it sees.



- One location against neighbors with identical traffic
- A documented lift leadership funded
- Trained sites against untrained, twelve months
- Department of one: pick two numbers

The measurement method is the one asset protection already uses for everything else: one location against neighbors with comparable traffic, before and after, trained sites against untrained over twelve months. Leadership funds what it can see.

A department of one does not need the whole model to start. Pick two numbers, measure them, and let the comparison make the case.



"We have the relationships with HR, with IT, with legal. We operate left of bang and right of bang. Because we have a foot on both sides of that, I feel like we are better positioned."

- Tom Stein, RLPSA, on who should own the number

Tie Loss to Mitigation to Training

If mitigation is in place and the loss remains, that is information.



- Mitigation in place, still a loss? Ask why
- Tie loss to mitigation to training
- Budget talks should be about what works
- Pick an owner, even without the role

If training and mitigation are already in place and the loss remains, that is information, and the next budget conversation should be about what is working. That requires tying loss to mitigation to training in a single view.

In a company with no risk function, somebody still has to own that view. Asked in the Q&A how to start measuring brand damage, Eva Sandoval's answer applies to the whole exercise: start with what your company already tracks.



"I would start with the customer complaints, if you have that option, and then sales, and then cost of claims. Be a little strategic and a little open-minded and curious as to where that can lead. It all depends on what your company has available."

- Eva Sandoval, Hy-Vee

FROM THE LIVE SESSION - AN ACCOUNT SHARED BY THE PANEL

When the Restraining Order Stayed in the Drawer



"We always had a policy that if somebody had a temporary restraining order, to give it to the LP people, and they would review it. Reality was, they would get the TRO and they would file it in the desk drawer. We developed protocols, so now when they got the TRO in, they had to meet with the person: does he have a history of drug abuse? Does he have guns? Does he have anger issues? What kind of car does he drive? What's the license plate? Give us a picture of him.

Less than six months later, a guy shows up at the gatehouse of one of our distribution centers and says, I want to go in. The guard, unarmed guard, no less, says, sorry, sir, you can't go in. He says, what do you mean? My wife works there. I have a gun. Sorry, sir, you can't go in. The guard calls the police, the guy goes away.

He then held the cops at bay from his house for over seven hours, and fortunately nobody was injured. But had they just filed away the TRO, imagine what would have happened in the distribution center."

- Dennis Butler, SHRM-NJ

CONCLUSION

Four Take-Aways

The cost is already being paid. The work is counting it, and putting it in front of the right person.

1 The cost is real, and it is already paid

Claims, premium, turnover, hours, legal, and training are all in the books today, under names that never mention violence.

2 Nobody owns the total by default

Prevention is everyone's responsibility, but the number needs one owner. Even a risk function has to assemble it on purpose, and in most companies nobody does until someone decides to.

3 Documentation decides what the incident costs

What did you know, what did you do, and where is it written down. If it is not documented, it did not happen, and zeros get added.

4 Relationships are the mechanism; the number starts them

A request that arrives with HR's turnover figure and the broker's premium effect is a threshold, not a wish list, and nobody sits in that meeting alone.

THE PANEL AGREED ON THIS

Across asset protection, HR, insurance, enterprise risk, forensic security, and two trade associations, nobody disputed the thesis. The disagreement most companies need to have is internal, between the departments that each hold one piece of the number.

Two Real Numbers, One Calculator Run, One Budget Holder

The session closed on an exercise rather than on the tool. It takes two phone calls and an afternoon, and it is the same first step whether your company has a risk function or a department of one.

STOP

Bringing a prevention request to the budget holder as a price tag, with nothing on the other side of the scale.

START

Bringing an assembled total, its sources, and a threshold, having already talked to HR and the broker.

Step	What To Do
1. Ask HR	What does it cost to replace one hourly employee? Replacement cost by role, departures by location and date, framed as a shared problem.
2. Ask your broker	What does one claim do to next year's premium and to the mod over three years? The loss runs will show it.
3. Run the calculator	Put those two real numbers into the free WPV Cost Calculator, with your industry's cited benchmarks for the rest. Nothing is transmitted.
4. Bring the result to one budget holder	One person who controls budget, one assembled number with its sources, and a proposed first-year measure. Decide who owns the number going forward.

Q&A Highlights

Real questions and answers from the session's live Q&A, lightly condensed.

Q From a retail perspective, what data or metrics would you recommend looking at to measure and quantify the cost of brand damage?

It depends on what your company has available. Not everybody tracks a lot of stuff, so I would start with the customer complaints, if you have that option, and then sales, and then cost of claims as well.

For me, the biggest ones have been the customer care complaints or notices that have come in, because then I can measure: I had this come in, and it's telling me the experience is there, and they're less likely to shop with us. Start there, and be a little strategic and a little open-minded and curious as to where that can lead.

- Eva Sandoval, Hy-Vee

Q How do you get HR to share turnover data? Ours treats it as confidential, and I've been told it's not an AP metric.

We maintained our turnover data and we shared it. The C-suite wanted to know what the cost of turnover was, because it's a business driver. Yes, it's confidential; you're not going to publish it on the internet. But within an organization it's a vital tool for tracking the effectiveness of your business, your recruiting, your onboarding, your training.

And as part of our response team, AP was part of that. If you've got turnover resulting from a violent incident, that's AP, and they should know how many incidents mentioned in an exit interview were because of violence in the workplace. Why wouldn't you share that with AP?

- Dennis Butler, SHRM-NJ

Q Our incidents are way up, but most of them are verbal, not physical. Does the cost model even apply if nobody gets hurt?

I think it most certainly does. There are states right now that are requiring you to document not only physical acts but also threats, and a threat most likely is a verbal threat. These are things you have to take into consideration as you develop your threat assessment team and your response on the back end, whether it be a verbal threat or a physical threat.

The pathway to violence often starts with a verbal threat. But do it within the confines of how your organization documents and holds that information, because if an event does occur, even the verbal threats can be subject to discovery.

- David Johnston, NRF

Q&A Highlights (continued)

Q If we have a bad year on claims, how long does that actually follow us on the premium? Is there any way to get ahead of it before renewal?

It's all about the story. From a work comp perspective, the mods are what they are; it will fall off at some point, and it depends on being able to show the carrier that you're still a profitable risk. From a casualty perspective, that's tougher. When I started in this business 24 years ago, carriers wanted three years, five years of loss runs.

Now some markets are wanting ten years to look for that severity and frequency correlation. So casualty losses are hanging on, and I don't know how we get around that other than telling the story of what you've done since the loss: how behaviors changed, how you're making risk part of your culture, and how a safe environment for your employees and your guests is number one.

- Susan DeVaughn, IMA Financial Group

Q We're a regional grocer with about 40 stores and no risk department. Who should realistically own this number, AP or HR? We've gone back and forth for two years.

It depends on the risk tolerance in the organization and where other things are bucketized. I would say we should do it, because we have the relationships with HR, with IT, with legal. We operate left of bang and right of bang, so because we have a foot on both sides of that, I feel like we are better positioned.

We tend to live in a crisis management environment all the time, and we tend to operate better under pressure: what's the right thing to do, and then give that direction and make those decisions.

- Tom Stein, RLPSA

Q (Following up on the same question.)

Since I retired, I work part-time in a supermarket for a regional chain, and it's a joint thing. LP probably drives it, but HR has to track it; we have modules in our LMS, and every year we go through the active shooter training. So you may drive it, but HR has to administer it. Again, it's the cooperation among the silos, and if you get that cooperation, you're golden.

- Dennis Butler, SHRM-NJ

Q Does the calculator work for food service and multi-unit restaurants, or is it mostly built for retail stores?

It's multi-industry. All of the benchmarks in it are cited, with the sources shown, and you can choose your industry and the numbers will vary from there.

- Dan Stechow, The Power of Preparedness

KEEP GOING

Get the Free WPV Cost Calculator

The tool discussed in this guide, offered to the cosmos with no strings attached.

The WPV Cost Calculator is a free download from The Power of Preparedness. It opens in a private browser window on your own computer, transmits nothing, and collects no data.

Choose your industry, keep or override the cited benchmark figures, add the two real numbers from HR and your broker, and bring the result to the person who controls the budget. It is version one; criticism and suggestions are welcome and will shape the next version.

DOWNLOAD

thepowerofpreparedness.com/cost-calculator

Click the address above, or type it into any browser. Free, no registration, nothing transmitted.

ABOUT THE POWER OF PREPAREDNESS

TPOP is a workplace violence prevention training company serving food service, food retail, retail, healthcare, manufacturing, and hospitality. Its online, scenario-based micro-lesson modules (about ten minutes each) are LMS-agnostic, customizable to your brand, and built to engage rather than frighten. TPOP delivers member programs for RLPSA, FMI, NRF, and SHRM.

CLOSING THOUGHT

The panel spent ninety minutes agreeing that the number exists and that nobody owns it. The only question left is who at your organization decides to.