

FIELD NOTES FOR THE COO · DEPLOYMENT STRATEGY

The Shortcut Is Not a Lapse

Why dented units ship, and three questions to ask where the record is written

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Marcos Stipicich
Deployment Strategist · 13 years in supply chain and operations

Cover: Gustave Caillebotte, The Floor Scrapers, 1875

The argument in one page

On a picking line, the dented unit ships because reporting it costs the picker their own number, and shipping it costs someone else, later.

It is often called a lapse and answered with a campaign. The arithmetic suggests otherwise. When doing it right costs the person who writes the record minutes against the metric they are judged on, and doing it wrong costs them nothing, the shortcut is not a failure of character. It is the predictable choice, and in my experience it outlives awareness training.

1. **The shortcut has a price.** It wins whenever what the person saves is larger than the odds of being caught times what being caught costs them.
2. **In the systems I have worked in, the second half was close to zero.** Audits sample a sliver, and the later adjustment costs the person who makes it nothing.
3. **So ask three questions where the record is written,** before blaming the people who write it.

The arithmetic of the shortcut

Let s be what the person writing the record saves by skipping or bending a transaction: minutes at the dock, a truck that leaves on time, an adjustment that makes the month balance. Let p be the probability that the skip is detected and traced back to them, and F what it costs them if it is. The shortcut is individually rational when:

$$s > p \cdot F$$

This is the risk-neutral form of the economic model of crime that Gary Becker published in 1968, where the net gain has to beat the expected penalty. I borrow the inequality, not the offender: here it describes what a system pays for, not anyone's character.

In a typical ERP, p is the share of transactions an audit samples, far below one, and F is close to zero: the later correction, the inventory adjustment, costs nothing to the person who makes it or to their evaluation. With F near zero, any saving wins. The shortcut is not a moral deviation. It is the equilibrium.

That is why awareness campaigns disappoint. At best they change how likely people think they are to be caught. They do not change what being caught costs, or the minutes the correct path takes.

Ten to fifteen minutes against the pick rate

I watched the small version on a picking line for machinery and automotive filters. Dented units kept turning up in the pick faces. Reporting one meant stopping, calling the supervisor, filling in a non-conformity and walking the unit to quarantine: about 10 to 15 minutes, against the pick rate each picker was evaluated on. The dented units shipped.

Run the terms. *s* was ten to fifteen minutes of the picker's own number. *p* was close to zero: the dent surfaced at the customer or at the returns desk, where nobody could trace it to a picker. *F* was zero for the picker, because the cost landed on the customer and the returns desk, weeks later, under nobody's name.

Steven Kerr named the management side of this in 1975: the folly of rewarding A while hoping for B. Pay for units moved per hour, hope for clean orders, and people deliver what is paid.

My reading: nobody on that line was careless. They were doing what the system paid for. Some pickers report anyway, and a process should not depend on them. A new system that keeps the fifteen minutes and the pick rate will keep the dented units, whatever its screens look like.

Three questions where the record is written

ASK	WHAT THE ANSWER TELLS YOU
What does it cost the person to record this right, in minutes against their own number?	That is *s*. If it shows in their number, the shortcut has a reason
If they skip it, who finds out, and can it be traced to them?	That is *p*. “The customer, weeks later” means the line will never hear about it
If someone finds out, what does it cost the person who skipped it?	That is *F*. If the answer is “nothing”, training will not change the result

To get *s*, walk the correct path once with a stopwatch, then ask three pickers what they would do.

What moves the arithmetic. Only its three terms. Make the correct path nearly as fast as the shortcut, so that *s* falls to about zero. Add a scan or a weight check where the record is written, so that a skipped step shows up in the same shift: with *s* near zero, a small $p \cdot F$ is enough. And make the consequence reach whoever can remove the cause, such as the supplier, the packaging or the slotting, so that the fix has an owner. Raising the picker’s penalty is not the lever. A poster changes none of the three.

On the filter line, the first would have meant a reject bin at the pick face and one scan, not a walk to quarantine and a form. Count the rejects by picker and by lot: if they cluster by picker rather than by lot, the bin is hiding the picker’s own dents. My reading, not something we tested.

What this does not prove

- **Becker wrote about crime, and the bridge is mine.** The inequality is his risk-neutral form; applying it to a picking line is a model, not a measurement.
- **The filter line is one line, from memory.** The 10 to 15 minutes are my estimate, not a time study.
- **Kerr wrote an essay.** It names a pattern; it does not measure how often it happens.
- **It would fail** if, with the same minutes and the same pick-rate evaluation, training alone made people report the dented units.

One question for your floor. At the point where your record is written, what does it cost the person to get it right, and what does it cost them to get it wrong?

About the author

Marcos Stipicich
Deployment Strategist · Supply Chain & Operations

I grew up on a sheep ranch in Patagonia, where my father's rule was simple: reading is worth nothing if you can't see it on a working day. I still work by it: I measure before I cut, and no tool or method beats what works on the floor.

Thirteen years in Chile, Argentina and Australia taught me that supply chain is not just logistics: it is the whole pipeline, which is why it ends up putting out fires that start elsewhere. A promotion planned in marketing becomes expedited orders in purchasing and a blocked aisle in the warehouse. I would rather find where the leak starts. On one gemba walk, mixed, short and damaged orders led back to a per-operator productivity KPI tied to a bonus; I retired the metric and measured customer satisfaction instead.

I have worked most of that pipeline: planning for more than 200 stores, a three-site logistics operation, a USD 30M cross-border e-commerce P&L and a 50,000-SKU warehouse-system cutover, where I stayed on the floor until the shortcuts died and order processing time fell 20%. Deployments live or die inside that pipeline, and that is where I work. I learned to code in C; today I build with AI coding agents, keeping the math and the rollback in my hands.

Available for pre-cutover forensic audits, deployment strategy, and Forward Deployed roles.

From my manuscript, *The Deployment Chasm*.

linkedin.com/in/marcos-stipicich · marcos.stipicic@gmail.com

Sources

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- Kerr, S. 1975. “On the folly of rewarding A, while hoping for B.” *Academy of Management Journal* 18(4): 769–783. doi.org/10.5465/255378

Image. Public domain: Gustave Caillebotte, *The Floor Scrapers*, 1875. Musée d’Orsay, Paris. Skilled hands at work; the question is what the system pays them for.

Field case. My own observation, written after the fact; its figures are estimates from memory. The employer is described, not named.