

Security Products

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Auditing Your Operations

An innovative approach plus old technology equals a new value equation

By Christina Kerley

Faced with precipitous market declines of the new millennium, and with significant technology investments already in place, companies face the challenge of getting more out of existing security investments and developing new sources of ROI. Couple these directives with the ever-growing concerns related to homeland security, food safety and loss prevention, and the result is businesses focusing on preventive measures and seeking turnkey security solutions.

A new service that seems to deliver on all these requirements, remote video auditing (RVA), is quickly gaining momentum in today's marketplace. RVA's premise is both simple and revolutionary: Leverage existing hardware and galvanize with enhanced software and services to produce increased ROI from current investments. By using the Web to leverage remote viewing and through very inventive uses of video, RVA is quickly becoming a business best practice for addressing security issues, alleviating safety concerns and improving marketing programs.

The heart and soul of any security system is the camera and recording device. Alone and unmonitored, their recorded data is worthless. Audited and analyzed, however, the findings produce a bevy of value for businesses across the retail, fast food, food processing and transportation sectors.



How it Works

RVA makes use of a company's existing video hardware to monitor and audit operational performance at "critical control points," enabling companies to implement higher safety standards through new levels of compliance and oversight.

Managers are sent weekly e-mail score cards summarizing an individual location's performance on a pass/fail basis, allowing companies to track events, breaches and business practices at customer locations.

The daily, weekly and monthly custom audits and compliance reports monitor a range of critical success factors including compliance, reduced shrinkage and job performance.

"Sending reports to make, save or reduce spending is becoming a must-have due to the need to reduce costs and drive productivity," said Adam Aronson, CEO of Arrowsight, a leader in RVA services. "RVA offers companies a threefold value proposition -- increased ROI, reduced overhead and improved efficiency."

Many Uses, Multiple Sectors

Aronson originally developed the idea for RVA, along with former company ParentWatch, for the childcare industry to allow working parents to monitor their children in daycare facilities. Aronson looked to how the technology could be extrapolated to other industries.

Taking an outside-in approach to refine his company's offerings, Aronson logged hundreds of hours in the field, monitoring convenience stores, fast food chains, retail stores and food processing plants in order to identify the common denominators of business -- their drivers and challenges.

Aronson's diligence resulted in taking the technology one step further to develop RVA services.

RVA software leverages a facility's infrastructure by integrating with customers' existing hardware, like digital video recorders and data sources; encompassing point of sale, security systems and other enterprise and specific data, such as food processing temperature gauges. RVA systems are generally compatible with all existing cameras at a facility.

Off-site monitoring of the facilities takes place daily through a review of images taken by the video cameras. Remote video auditors routinely examine the still pictures associated with a procedure or some type of an alarm event.

E-mailed reports consisting of statistical summaries are provided on a weekly basis to customers. In addition to statistics and pass/fail reports, hyperlinks to each and every video event reviewed are provided to give visual documentation of the events uncovered by the auditing service. Processors can then access and review the actual recorded video and still images through links that are provided with the e-mailed reports.

The insight that RVA affords customers is significant: Customers can specifically see which locations are performing well and which are performing poorly, and assess the specific sources of strengths and weaknesses within those areas. It's a viable offering and a valuable service.

Key Camera Placement

The success of any RVA system depends on the effective placement of cameras and ensuring each facility has enough cameras to monitor critical control areas. Cameras' locations should be strategically positioned to monitor the

critical components of business and key operational processes, so that improvements can occur.

This new approach to security screening creates an exponential increase in value, as companies can use the recorded video for a myriad of uses, including security, compliance, productivity, customer service and cost containment.

RVA Bolsters Food Safety

Nowhere is it more important to follow rules and regulations than in food processing, where the health and welfare of the public is at stake. Working with plants in determining and monitoring the critical control points in the food processing chain, Arrowsight's RVA service offers increased operational oversight, improves employee performance and ensures adherence to good food handling practices.

RVA incorporates HACCP, sanitation and food safety criteria through the integration of a plant's security and food monitoring systems. By re-purposing existing equipment and using enhanced video services a bevy of benefits are produced for processing plants, most notably security, compliance, productivity, customer service and cost containment.

Dr. Al Baroudi, industry expert on food safety and promoter of RVA's value, has conducted food and poultry processing inspection training for the Department of Agriculture and the Food and Drug Administration. Baroudi applauds the use of RVA.

"Video auditing can improve food safety and ensure the viability of a company and its products, and it is a cost-effective

solution that will ultimately increase profit margins as employees perform more efficiently," he said.

A Black-and-White World

There is no gray area in food processing. Rather, it is a black-and-white industry. Stemming from these stringent guidelines, RVA's process is pass or fail. Remote auditors review images up to 30 different times per procedure or alarm event during a day, and if they detect any problems in the pictures, they identify those pictures as fail pictures. On the other hand, images that are not suspicious receive a passing mark.

At a meat processing plant for example, cameras might be placed on the grinding and blending areas, since it's deemed critical to ensure that the meat blending process is conducted in a specific order. If it's not, processors risk having to discard a 10,000-pound batch of meat that costs the plant up to \$2 a pound. For the operation of a \$50 million to \$100 million meat processing plant, that level of waste causes serious concern and significant costs.

Left unattended and occurring once or twice weekly, those numbers could amount to millions of dollars in lost goods.

Compliance is Critical

Procedures can range from such simple inquiries as, "Was a food processing area clean?" and "Were food safety regulations followed?" to more elaborate analyses of operations at critical control points, including blending and cooking procedures, injection and tumbling areas, chilling and heating processes, and raw materials receiving.

Such blunders might result from breakdowns in the training process or the need for better monitoring of operational procedures. Caught early on through the use of RVA, the costs are sustainable; left unattended, the risks become irrevocable.

RVA helps processors identify where breakdowns occur and gives regional managers, and even plant or line managers, the information that they need to coach their staff and say, "You are doing a great job over here, but let's make sure that we are providing you with the kind of training and guidance that you need to make sure that we don't lose another 20,000-pound batch of meat." Favorable studies have shown that monitoring combined with coaching significantly improves employee performance and retention.

Sophisticated Findings

RVA also can benefit processors who demonstrate higher standards of food safety compliance by sharing these third-party generated food safety reports with their retail customers, grocers and restaurant chains.

"A processing plant that sells \$100 million of meat a year, for example, might invest about \$250,000 [per] year for this service, which is less than a quarter of a penny for every pound of meat sold," said Arnie Mikelberg, former president of Armour Swift, of Fayetteville, N.C. "The return on investment would begin to accrue immediately after installation."

RVA, therefore, represents the most cost-effective means of maximizing the benefits of a company's existing security investments. However, the food industry

is not the only one to benefit from RVA's values of increased ROI, reduced overhead and improved efficiency. Fast food, retail, convenience stores and even marketing businesses can all benefit.

Every Second Counts

In a mobile economy, time is money. No one is more familiar with this than McDonald's, where the drive-through window is its cash cow. The critical success factor is "time in line," meaning the time spent by a customer waiting at the food pickup window.

"The difference between 100 and 150 seconds is the death knell to drive-through operations," Aronson said.

"Customers are at the fast food restaurant because it's quick, and they're in the drive-through lane because it's quicker."

RVA services have dramatically improved time in line by integrating with security cameras at cash pay and pick-up windows and monitoring movement.

Tony Delligatti, owner of three McDonald's franchises in North Carolina, began using RVA at his locations to achieve dramatic improvements, including increased sales, by leveraging RVA's pass/fail score cards.

"When we receive the audit report and are able to show our managers actual video of a car sitting at a drive-through for two minutes, it's very powerful. It takes away excuses," Delligatti said.

In addition to drive-through wait times, Delligatti uses RVA services to reduce food waste, increase employee

productivity and ensure food safety compliance.

Reducing Shrinkage

Inventory shrinkage, a combination of employee theft, shoplifting, vendor fraud and administrative error, cost U.S. retailers more than \$31 billion last year, according to the latest National Retail Security Survey report on retail theft, which analyzed theft incidents from 118 of the largest U.S. retail chains.

Inventory shrinkage remains the single largest category of larceny in the United States, more than motor vehicle theft, bank robbery and household burglary combined. Employee theft alone makes up for 48.5 percent of inventory shrinkage.

Looking to decrease shrinkage rates, Finish Line, a 500-store retail chain, incorporated RVA at one of its target stores in order to implement a system ensuring compliance with basic security procedures designed to reduce theft -- especially internal theft.

By giving the staff the perception that the premises were being monitored and audited at an off-site facility, Finish Line witnessed an astounding 63 percent reduction in shrinkage during a four-month period.

Monitoring Customer Behavior

Security, however, is not the only area that companies are interested in monitoring remotely. RVA services also produce a better and far more cost-efficient method of culling marketing research. In an effort to improve research and development and increase sales, Pfizer, a developer, manufacturer and marketer of prescriptions for

humans and animals, retained Arrowsight to monitor customer movement, behavior and overall viability of their in-store product displays at a major drug store chain.

But what are RVA's redeeming points of value as a marketing tool? Pfizer saves money by not sending out employees to monitor customer activity and reaps the rewards of gaining unbiased primary research data with real-time results.

Additionally, RVA services are being marketed in the homeland security, utilities and transportation sectors.

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