

Convenience Store News

WHAT'S NEXT IN CONVENIENCE AND PETROLEUM RETAILING

February 4, 2008 Volume 44/Number 2



Detecting shrink isn't easy. Detecting convenience store managers who've been watching VCR surveillance is much easier — they're the ones with the swollen, red eyes who are behind in their work. VERC Enterprises, headquartered in Duxbury, Mass., wanted managers to be out on the floor instead of in the back office viewing hours of videotape. The chain decided to upgrade its surveillance to a more modern, digital video recorder (DVR)-based system linked to point of sale (POS).

VERC Enterprises is a privately held retail convenience store and gas station group with 19 locations in Massachusetts and New Hampshire, all located along the I-495 corridor. The chain is experiencing healthy growth with three to five new locations per year and is one of the largest family-owned convenience store chains in the region. Established by the Vercollone family almost 30 years ago, VERC Enterprises believes in staying on top of the latest technology, according to Barry Ahern, operations and human resource director, so

the decision to explore new security technology was an easy one.

"We required our managers to watch about a half-hour of video per day on our previous VCR system," Ahern said. "They had to fast forward and rewind to find specific views they needed, and sometimes things were missed because the image was distorted. You obviously can't easily get to specific dates and times with a VCR."

The company decided to seek a new surveillance system that would utilize a DVR for ease of use. "We also

wanted something that interfaced with our POS and allowed us to search for specific events generated at the register," said Ahern, citing quality of viewing as a requirement for the new system.

After considering several alternatives, VERC chose FireKing's Image Vault, a DVR security system. "We chose this system because it allowed us to interface with our POS and search for specific events," Ahern said. "The DVR system allows us to help managers be more efficient when it comes to viewing video — it doesn't take them as long. It also has given us the capability to find or search for something, such as specific types of transactions or specific dates and times." The company installed the system at 18 of its 19 locations. Any new VERC location will also get the new system.

VERC Enterprises uses the new technology to detect theft, shrink and

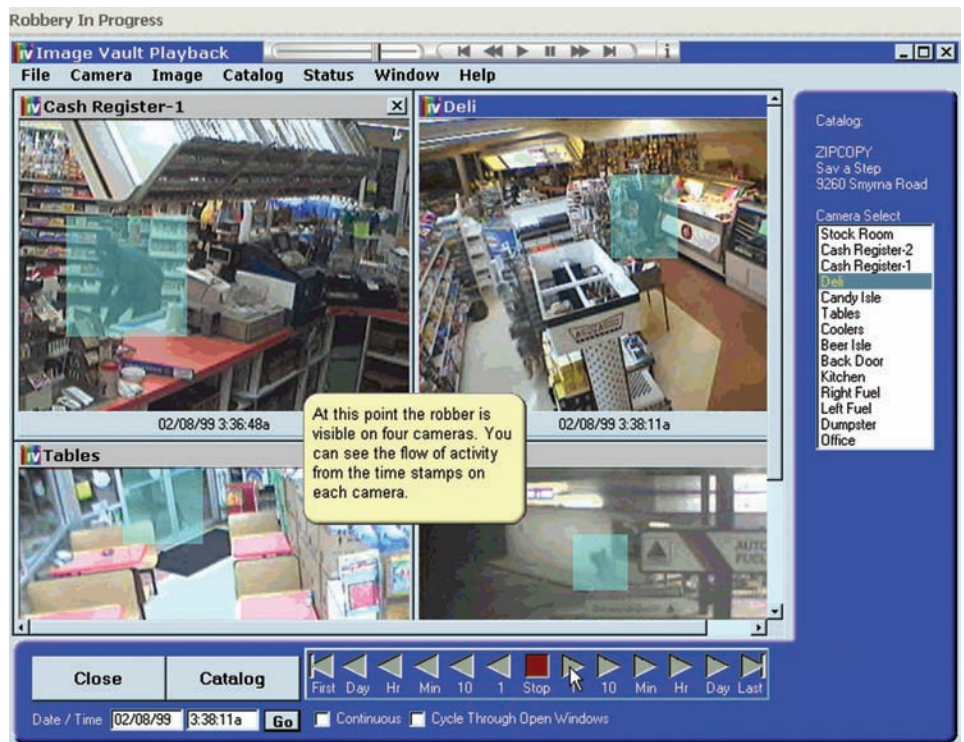
zero in on specific events such as any type of refund, void or high shrink item sale, Ahern said. "For example, we can see if an employee is ringing an item, voiding it and then taking the money. We also wanted the system from a security perspective for the safety of our staff, so they will know that there is a great system in place should something happen."

Due to VERC Enterprises' significant investment in the new security system, Ahern said, the company wanted store managers to use it on a regular basis. "We put together a checklist for managers of what they needed to view each week. We asked them to look at three different full shifts of employees per week with a list of items such as are they in uniform, do they card, number of voids, refunds, etc." The checklist is then submitted to VERC district managers for review.

While watching just one full shift took quite some time, it now takes managers only about one hour to 90 minutes per week to scan three full shifts because the new DVR system is linked to each store's POS.

"You can breeze through a shift and look at specific items we feel are important to the company because of the interface with the POS system," Ahern said. "We can say, 'Show me all the voids' or 'Show me all the refunds.' If there are any recurring problems or issues, we can add this as an event to the DVR system."

VERC doesn't just use the DVR system solely "from a negative perspec-



VERC Enterprises installed FireKing's Image Vault, a DVR security system, at 18 of its 19 locations.

tive," Ahern said. It is also used to find positive behavior, such as an associate providing good customer service.

"If there were more than three people in line, and we saw a person open up a second register (which is what we require), that is viewed as positive," he said.

VERC Enterprises has been using the DVR security system for a little over a year and has seen a decrease in shrink, attributable in part to the system as well as other factors, Ahern said. "With this system, we have been able to locate dishonest employees more quickly, which means fewer dol-

lars lost because there's less chance that they are with us for very long."

The system has paid for itself through the decrease in shrink, according to Ahern, and through providing managers with a more efficient way to deal with issues. "We want our managers on the floor as much as possible, dealing with merchandising and our customers and spending less time in the office," he said. "I can sit at my desk, as a district manager, and pull up any store, and watch what's going on now," he said. The system also allows Ahern to pull up events from as long as 30 days ago. ■

FireKing[®]
SECURITY GROUP