Case Study

BJ's Wholesale Club

Membership warehouse retail chain leverages advanced IP video surveillance technology to address security, safety and asset protection.

BJ's Wholesale Club introduced the warehouse club concept to New England in 1984 and has since expanded to become a leading warehouse club operator in the eastern United States. With its focus on quality goods offered at significantly lower prices than its competitors, it is no wonder BJ's Wholesale Club is one of the top three leading warehouse chains in the United States. Headquartered in Natick, Mass., the company operates more than 180 locations in 15 states, 102 gas stations and three main distribution centers, and sells everything from general merchandise to fresh meat and perishables across its retail enterprise.

Business challenge

In a store environment as large as BJ's Wholesale Club, which Charles Delgado, Vice President of Asset Protection for BJ's, termed "essentially a working warehouse," response time to potential incidents is paramount. Each BJ's location employed an older video system comprised of a PC-based DVR and analog cameras to monitor its stores. On average, the system was comprised of 32 cameras per store, typically four PTZs and 28 fixed cameras. But the legacy system was quickly reaching end of life and BJ's found it was spending more time resolving issues with its DVRs, than using them to its advantage.

"We faced a lot of challenges with the old system," Delgado said. "Maintenance and upkeep was needed often and the system wasn't scalable. The DVRs maxed out quickly and the length of storage was limited. Facing these issues on a regular basis, we quickly determined that an organization like ours required a future-proof solution. We needed to begin deploying a platform that would meet the needs of the business downstream."

More so, with plans to keep growing the chain, and new stores opening in various locations, BJ's needed to rethink their video surveillance strategy for new installations. Thus, in order to meet future development plans and replace failing older technology, BJ's management embarked on a search for a more robust solution that would meet their current security, safety and asset protection needs.

Retail safety, security and loss prevention needs

At BJ's Wholesale Club, maintaining a safe and secure environment is of utmost importance. Large equipment, such as forklifts, is frequently used to transport goods for restocking and products are commonly stored on large pallets. The combination of a large space, frequent goods restocking and large machinery

can lead to accidents but BJ's is committed to minimizing the possibility of incidents before they can occur.

"Our goal is to maintain a safe and secure environment for our team members," Delgado said. "We put a lot of emphasis on preventative measures to ensure we have best-in-class procedures that limit injury."

But the company's legacy DVR system could not effectively help BJ's maintain the most secure and safe environment for its team members and customers. Poor video quality led to lengthy and ineffective investigations; video storage space was limited; and bandwidth limitations restricted the ability to remotely view surveillance footage.

BJ's needed a solution that could help it identify theft, fraud, intrusion and trespassing throughout its various stores, gas stations and distribution facilities. The system also needed to be scalable in case camera deployments were expanded and be able to store video for a specific time designated by BJ's, and not by standard system capabilities. The retail giant was also interested in moving to an IP solution to leverage the company's network infrastructure.

"BJ's wanted to be able to review video remotely and the capability to accomplish that from an IP standpoint is much greater than with traditional CCTV systems. This capability would enable other departments to leverage the system during investigations," said Patrick O'Leary, Director of Sales, Eastern Region, at Checkpoint Systems, BJ's integrator and partner. "The company also wanted to build off its growing IP infrastructure, making an IP-enabled security solution an ideal choice."

And there were other needs: BJ's required technology that could provide the flexibility to integrate video systems with other applications and provide remote monitoring capabilities.

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While on the search for new technology, Delgado also stressed that a new solution should help the loss prevention and security teams conduct more effective investigations. Searching through the sheer volume of video BJ's collects can be a time consuming process. With that in mind, BJ's needed a system that would have the capability to integrate with the company's point-of-sale solution to link video with transaction information.

With the help of its long-time partner, Checkpoint Systems, BJ's ultimately decided that Genetec's advanced IP video surveillance solution, Omnicast, with network cameras from Axis Communications was the ideal choice for the retail company.

The perfect solution

Omnicast is an enterprise IP video surveillance solution that provides seamless management of digital video, audio and data across an IP network, assisting retailers with controlling and limiting loss. In addition, a single Omnicast enterprise system can accommodate thousands of cameras and enables BJ's to set its own parameters for storage and recording schedules. By far, the solution easily met all of BJ's current needs and also offered areas for expansion in the future.

 "The key features that made Omnicast an ideal solution for BJ's was the system's scalability from an enterprise standpoint, its user friendliness and its ability to tie together multiple systems," O'Leary noted.

Currently, BJ's has deployed Omnicast at 75 locations and plans to have another 60 locations online over the next year for a total of 135 locations at the project's completion. "The advanced IP video surveillance system was initially installed in BJ's new stores," said O'Leary. "However, we are now focusing our efforts on replacing the obsolete DVRs, and installing encoders to leverage the analog cameras in existing stores."

The Omnicast platform manages feeds from various cameras depending on the store's location and size (the number of cameras is also determined by its assigned risk status). For example, BJ's flagship store in the Bronx has 125 surveillance cameras while one of the company's low-volume stores has 60 cameras.

Since Omnicast is compatible with a long list of major IP camera brands, BJ's chose their preferred brand. They deployed a mix of Axis Communications' high-resolution PTZ and fixed IP cameras because of their reliable image quality and ease-of-installation. BJ's also leveraged its existing analog cameras, which are being converted to digital streams with Axis encoders. All of BJ's cameras networked to Omnicast are monitored locally within the stores and are available for remote viewing from BJ's corporate office, providing enhanced visibility into each store from a remote location.

Also, thanks to Omnicast's Multistreaming feature, BJ's can rest assured that the network won't get overcrowded. BJ's has the ability to pre-set video qualities for live and recorded video, even choosing lower quality video streams for remote viewing, thus optimizing their bandwidth management.

Similarly, the recording and retrieval of video is of critical importance in the retail environment, as every time a camera or a recording device is down is an opportunity for loss. Omnicast's failover and redundancy features ensure BJ's has access to live and archived data at all times, limiting the chance that an occurrence of shoplifting or employee theft occurs unrecorded. Failover servers

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can automatically assume all functions of a failed component, while redundant servers continuously record all or only high-priority camera feeds.

Omnicast's open architecture also facilitates the integration with various third-party systems including POS solutions, correlating video to POS transactions and therefore facilitating after-the-fact investigations. BJ's was thrilled to know that Omnicast's Integrated POS Search gives them the ability to identify suspicious register transactions including voids, refunds, markdowns, as well as employee and gift card sales. This cutting-edge tool also gives BJ's the ability to conduct transactional investigations by employee number, by product, by department or any other category defined by their point-of-sale system.

With a single click on an entity (e.g., door or camera) the specific widgets associated to each entity appear and disappear automatically and bring you a world of information such as door status, door unlock actions, camera stream information, camera PTZ controls, and more. If you click on a video display tile, all door-related functionalities disappear given that you have no need for it when your focus is on a camera.

Benefits

BJ's is leveraging the strengths of the Omnicast solution to review video for investigations purposes and also on a non-incident basis to gather an understanding of where a store could modify its processes before a loss or incident occurs.

Because operators are using the solution for multiple purposes, including conducting investigations and trending data, the system's ease-of-use was a significant factor in BJ's decision to deploy Omnicast.

"At the end of the day, if the technology is too complicated for the end user, which in our case is the club level asset protection associate, you're never going to get the true value of your investment," Delgado said. "Genetec's Omnicast platform met my needs, and went beyond my expectations, from a usability perspective."

The Omnicast platform also enables BJ's to take advantage of the highest quality images, enabling security professionals to accurately identify potential suspects, vehicles, merchandise and even currency denominations, inside and outside its stores. Overall, video quality has improved substantially since Omnicast and the Axis network cameras were installed.

"The video quality is outstanding," he said. "Overall, we're definitely happy with Omnicast. It is reliable, user-friendly and flexible enough for us to make changes in configurations depending on the store."

Genetec not only delivered a perfect solution; it delivered on its reputation of providing outstanding training and customer support. The company works closely with Checkpoint Systems to make sure each member of Checkpoint's team was thoroughly trained on how to best leverage the strengths of the Omnicast platform in BJ's retail environment.

Partner Focus

AXIS M32 Series
is an innovative line of compact fixed dome cameras designed for retail surveillance. With HDTV support, AXIS M32 Network Cameras provide excellent image quality and dependable video at an affordable cost. The sleek cameras come with easy installation and practical features including PoE, varifocal lens, H.264 and a pixel counter.

- HDTV standard

- Quality, discreet, and affordable

- Mechanical design for flexible field-of-view adjustment

- Vandal resistant models available

For more information, visit www.axis.com.

"Genetec went above and beyond to provide support and training for our integration team," said Delgado. "This speaks to the strength of Genetec's support structure and its commitment to its clients."

Although BJ's is not yet linking Omnicast with its point-of-sale system, it has plans to do so in the future to enable more effective investigations. It also will look at providing system access to other departments for other uses such as monitoring customer traffic, for example.

"We wanted to invest in the future-proof platform that would adapt with us as our business needs grow," Delgado said. "In the future, we have plans to integrate Omnicast with other applications, such as video analytics, point-of-sale systems and access control, and we have the ability to do that. Knowing that my investment is protected is critically important to me."

With the benefits and scalability of Omnicast running in its stores, BJ's has taken a giant leap forward in building a video surveillance system that can help the company best manage shrinkage, increase safety and reduce losses, and make operations more efficient. In fact, Omnicast has been so well received at BJ's that they are now undertaking plans to expand the Omnicast system into their corporate headquarters, along with Genetec's access control system, Synergis, to leverage the benefits of a full enterprise solution.

"This success story is a compliment to both Checkpoint and Genetec as well as BJ's," O'Leary said. "We all came together and learned the processes, and at the end of the day because of this teamwork, we were able to deploy a solution that helps BJ's create a safer environment."

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