

Coastal Sunbelt Produce uses Milestone IP video surveillance for more than just security: it's a management tool for Quality Assurance certification and meeting FDA regulations.

"We're getting great ROI for our Milestone video surveillance system by using it to manage our Good Manufacturing Practices, meet the top USDA inspection ratings, and maintain our HACCP Certification that allows us to charge a premium for our products." - Phil Muth, President, Coastal Sunbelt Produce



The Challenge: Processing and distributing perishable products demands strict adherence to FDA regulations with expensive USDA inspection visits rated by levels. An internal fraud situation also cost the company over \$100,000, which justified installing a new IP video surveillance solution.

The Solution: Milestone XProtect Enterprise software was installed by Computerized Management Systems Inc. to operate 54 sophisticated cameras from Axis and Sony. The Sony Pan/Tilt/Zoom (PTZ) cameras patrolling the large parking lots, fueling station area and shipping/receiving bays are running through a Cisco wireless connection, using a Cisco antenna that picks up the camera signals and feeds it to the main video server. The indoor network cameras from Axis monitor the administration, warehousing, Clean Room processing, production, shipping, and other areas.

The Advantages: The business is protected from both external and internal theft while employee accountability is heightened. Shipping and receiving activities are monitored for better handling of supplier issues and higher quality of products delivered. Adherence to proper hygiene procedures in food handling is monitored and enforced. This reduces the number of required USDA inspections, boosts quality ratings, and maintains the certification that creates more value in Coastal Sunbelt's product line.

The business of dealing in perishable produce creates very high demands on quality, and meeting those demands optimally is the criterion for success. Coastal Sunbelt Produce is a leader in the industry. It adheres to top standards in the food sector and is always finding new ways to meet and exceed the standards and regulations set by the Food & Drug Administration (FDA). This creates more value for customers, and a healthier bottom line for the company.

Coastal Sunbelt's newest tool for ensuring this approach is the leading-edge network-based Internet Protocol (IP) video surveillance system that is powered by Milestone Systems software and implemented by Computerized Management Systems Inc.

Coastal Sunbelt Produce is the largest East Coast supplier of fresh-cut fruits and vegetables like ready-to-eat salads, pre-cut carrots, celery sticks, and fruit salads. This company supplies food service customers such as chain supermarkets, restaurants and hotels with fresh produce every day of the year. Customers include Outback Steakhouse, Applebee's, Ruby Tuesdays, Baja Fresh, Domino's Pizza, Giant Foods, Department of Defense, Marriott, Hyatt, and Holiday Inn, Carrabba's Italian Grill, and Bertucci's.

In May 2004 Coastal Sunbelt Produce merged two companies (processing and distribution) and their separate locations into one large facility covering 7 acres. They now have a 165,000 square foot distribution center with 28 shipping and receiving bays, 80,000 square feet of refrigerated storage and a 25,000 square foot refrigerated area for processing. A series of warehouses have different degrees and humidity for the optimal climates for different perishable produce: 55, 45 and 33 degrees, in variations of wet and dry, as well.

Saving on guard services

The new location came with a guard house from the former owner (Marriott Hotels distribution center) but Coastal Sunbelt Produce does not have to pay for manned security service with their Milestone IP video surveillance on the job.

"It's got to cost about \$150,000 per year to man a gate and how much do they see?" figures Phil Muth, President at Coastal Sunbelt Produce. "They don't open up truck doors and see what's inside. That guard house is not even near our shipping bays. All they can do is document who is going in and out. It would cost double to have them also do inspections inside the trucks. So I feel much better having the cameras on the docks and parking lots."

Surveillance helps adulteration

Phil Muth explains the cutting-edge nature of running a business that deals with perishable products: "We have certain considerations we give to the products that come into our facility. In addition to the visitor passes that people use to come into the building, we utilize the IP surveillance system to monitor access to the building – this access is integrated which gives us better control. But we're developing other ways to use the surveillance as regulations come down from the FDA (U.S. Food and Drug Administration). During one of their many visits to our facility they asked if we are in the process of developing a Homeland Security approach to guard against any adulterations in transport, receiving or storage. With our IP video surveillance system from Milestone, we know we have a tool to help us manage these."



The FDA is using the local Health Department to monitor companies. "We're not in the regulation stages yet but they want to survey what we're doing to address security of potential contamination. That's one of the pluses I wasn't expecting when we purchased the Milestone surveillance system and had it installed by Computerized Management Systems in the summer of 2004," says Muth.

Over \$100,000 in internal theft

The main reason Coastal Sunbelt Produce initially could justify a new surveillance system was the traditional use for security against criminal activities.

"We had a manager stealing from us, coming in after hours over the period of a year and half. We could see his cell phone was being used to work with a buyer of our products to sell some of our goods right out of the warehouse, about \$1,500 worth of product a week. We're selling \$1,200,000 worth weekly altogether, so it's difficult for us to monitor exact inventory levels when it's perishable product and you naturally lose some anyway. But with these smaller amounts going out illegally over such a long time, it added up to more than 100,000 dollars!"

The waste disposal area is a classic location to monitor for internal theft. People put goods into one of the cans, roll it out to the dumpster behind the building, then drive their car around to pick it up there after hours.

Phil Muth worked with detectives in the local police dept to create a sting with a stake-out. Cell phone records alone were not enough evidence: they had to have video and establish the long term trend in his activities.

"We had old videotapes in black and white that weren't good and only gave us two weeks of footage at a time. So this case was how we could justify the initial cost of a new IP video surveillance system, it gave us the impetus. But after we installed the software, I started looking at other ways to apply it to our business. Food safety came up as a big one, but the one I see developing will be the Homeland Security regulations," states Muth.

On the cutting-edge in food safety

Coastal Sunbelt Produce has shown leadership in the industry on the processing side: in early 1999 they started the processing business, making pre-cut salads, carrot and celery sticks, fruit salads – taking the processing out of the back rooms of the grocery stores and doing it in their plant in a more sanitary and hygienic, standardized and controlled way. They believe that the only way to be successful at it is to be the leader in the food safety area, and the surveillance supports this.

“We established a HACCP plan (Hazardous Area Critical Control Points) originally developed for the food for astronauts. It makes a science out of analyzing each area where food could be contaminated by a chemical, microbiological or physical contaminate, analyzing the food’s flow through the processing system and addressing the risks of that.”

For example, one portion of the company’s HACCP plan is to put all chemicals under lock and key and monitor the access to those by supervisors only. Another portion is to outsource random testing to objective labs to sample for microbiological contaminants. Physical contamination could be things like a stone, piece of wood, chip of glass, fleck of metal, etc.

“We analyze all the possible areas where this could happen and what we are doing to prevent that. We use the surveillance and personal visual inspection, a shaker that drops heavier things out of the lettuce, metal detectors at the beginning of the conveyor belts, and lots of other methods,” explains Muth. “HACCP procedures to deal with the microbiological issues include swab testing to look for salmonella, e-coli, or other things that could cause sickness.”

USDA seal means premium value

To create validity in their HACCP plan, Coastal Sunbelt Produce went to the USDA to enroll in their voluntary program called Quality Through Verification (QTV). This calls for the USDA to do regular random inspections on their facility to verify that the HACCP plan is being carried out. This regulation is mandatory in the seafood, meat and poultry industry, but not yet required for those working with fruit and vegetables.

“We were only the 10th produce company in the country in 1999 to use this USDA seal, and the first one on the East Coast to do so,” Muth affirms. “This allows us to get a premium for our products that give more value.”

Muth says that customers also come to visit the company’s facility, sending their QA people to check regularly on the produce. “We show them the Milestone video system and how it helps us take the quality control to a higher level.”

Surveillance improves GMPs and saves on inspection costs

Phil Muth continues: “We’re always looking at how we can improve our HACCP plan, and the base of the plan is GMP: Good Manufacturing Practices. These are things that involve your employees – are they washing their hands after going to the bathroom, are they picking up buckets that are on the floor then touching the food, are they putting containers on surfaces that could be contaminated then putting them on raw product?”



When the Health Dept does inspections, the number one area where a company gets infractions is from employees not following GMP. There is a grading procedure, and the more often you have infractions, the more often they visit. On level 4 they come in once a week; level 1 every quarter – and it costs \$1,000 per inspection every time.

"We moved from level 4 to level 1, from \$4,000 a month in costs for that down to \$1,000 a quarter," reports Muth. "We've been able to do this is with the new video surveillance. The employees know that even if there's no supervisor on the floor, the video system is on. We can see which employees have bad habits, like handling containers poorly, and show them what they're doing wrong so they can improve. Once it's pointed out to them, they can be trained to do better. The employees have fun with it when we play it back and it creates some peer pressure to not do these things."

Coaching staff with video saves on costly mistakes

Logistics is another area where Coastal Sunbelt Produce uses the surveillance system.

"We're able to see errors: when they happened, who did it, if a pallet goes on the wrong truck, whether they were using a system, or the system was wrong. By this, I mean a procedure where they're supposed to put a label on the front of a pallet and stage it behind the truck, but maybe they didn't put the label on. Again, this is when the video helps us coach people," says Phil Muth. "We ship about 17,000 cases each night, so if we make a mistake on one box it costs us about \$33 to correct that mistake - and that can add up. Cutting down on these mistakes saves us money."

The company also has cameras set up to monitor proper procedures in the Clean Room. Employees cannot take outer garments (company-supplied smocks) into the bathrooms with them.

"We have to make sure they leave smocks in the Clean Room. Gloves, hairnets, things like that are all issued from the Clean Room and have to be turned back in to the Clean Room. These are all basic GMPs that the surveillance helps us to uphold," asserts Muth. "The cameras are like virtual supervisors!"



Resolving worker's compensation issues

Another surprise benefit with the system is definitive management of Worker's Compensation fraud, which can also save money for Coastal Sunbelt Produce.

"It's no longer their word against ours – we have proof of what really happened," explains Phil Muth. "We had a situation previously where someone reported twisting an ankle on our steps leaving the building. With the new system, the video would show what we learned from a colleague at that time: he was monkeying around playing Kung Fu with a friend when it happened! Such a liability can cost us \$1,000."

Now they can verify if something happens in the line of work, if the company is negligent on their grounds, or not.

Muth recalls an incident where a bag fell on a man, but he didn't make a claim because they were able to show the video to see where he could have avoided the accident if he had followed the proper working methods they are trained to do. Reviewing the video shows people when they are being careless and that it is not a case of the company being liable.

"Letting the employees know the standards, using the surveillance as a coaching tool and not as a reprimand, really works," concludes Phil Muth. "If someone does something they're not supposed to do, it gets brought to their attention in a manner they learn from. It has to do with their own safety, and a sense of professionalism to uphold the industry standards and deliver the best products on the market."

Coastal Sunbelt Produce has 300 employees and can boast a very low turnover in personnel.

"Our entire way of running the company is based on openness – you can see there are windows everywhere, not just where they are washing, cutting, slicing, dicing, packing and

shipping, but also between all the offices and conference rooms, and where the payroll is done," summarizes Phil Muth. "In this culture of transparency, the surveillance system supports our foundation of accountability."

Resolving supplier disputes

The USDA is the arbitrator whenever there is an issue with a supplier. Each of those inspections cost about \$120 for a report that is sent to the supplier. They measure for a certain percentage of decay and discoloration in the delivered produce, which indicates the quality of the delivery.

"If we're missing product on a delivery, we can go back in our surveillance and see who was here, when, with which license plates," smiles Phil Muth. "If we have any issues with the bulk produce suppliers, we can use the surveillance system to scan the pallets and document the condition of deliveries received. We can pull the digital pictures of the product when it comes in off the trucks and either send these to the suppliers via e-mail, or show it to them live. It's the nature of the produce business that the goods are perishable, and once they're harvested, someone's going to get them in their delivery, but not us! We only get the freshest because we've got the best controls over it. We've got top quality from the very beginning when it enters our property until the very end when we process it, package it and send it to our customers."



Tracy Moore, Administrative Officer at Coastal Sunbelt Produce, reports: "We can check all deliveries in the camera recordings and see if they brought the 3 cases we ordered or only 2. Here you can see the Clean Rooms used by all employees as they go in and out of the warehouses, processing or packing rooms to and from their breaks."

"When we can avoid using the USDA and show a supplier the produce in question, the supplier can see the problem themselves in the video evidence and give us a discount on that shipment," says Phil Muth. "We save the cost of calling in the USDA."

Remote access for night activities

The truck fleet carries the colorful Coastal Sunbelt Produce signs on their sides, advertising a ripe, red strawberry and golden pineapple that make up their company logo. The trucks fill up at the company gas tanks on the grounds, where a camera monitors that they are not mistakenly using the fuel meant for refrigeration purposes that could contaminate if spilled.



The trucks start loading at 10 or 11 p.m. and don't finish until 4 a.m. loading 70,000 pallets nightly. This demanding schedule makes the remote monitoring capability of Milestone XProtect a great benefit for management. It allows much greater efficiency in a business that has such high daily turnover of goods.

Easy to use system

Tracy Moore is the main administrator of the system. Other users include Muth and the General Manager, the company inspector, the QA Manager, all floor supervisors, and the Warehouse Managers.

"The Milestone system is user-friendly, it only takes a few minutes to figure out how to use it. We hardly needed any training - it was so intuitive. A Computerized Management Systems engineer showed us how to log on and give the cameras names, then we were using the system right away," she reports.



Tracy likes to use the Hot Spot functionality of XProtect Enterprise to see one camera's images in bigger detail, especially when monitoring for GMPs.

"The supervisors like to use the surveillance to check that the employees are using the Clean Room properly, washing their hands, etc. We can drill down and zoom in to really see what's happening when they handle the produce, too, in very clear detail."

Tracy and Phil remark on the ability to name the cameras by plant location as they refer to them in their daily business. "This makes using the system so easy to quickly find the images from the areas where there's a particular focus or issue to resolve."

Continually developing 'smart business intelligence'

As Coastal Sunbelt Produce uses the Milestone system, they keep finding new ways to utilize the extra sets of eyes to continually improve their business procedures.



The floor plans of the entire plant location give Coastal Sunbelt Produce and their Milestone implementation partner, Computerized Management Systems, a fully documented overview of the company's surveillance setup.

"We have total control: the cameras are set up to cover every doorway and even overlap in views so there are no blind spots. They cover each warehouse aisle, all the open areas, docks, etc. If you want to follow someone from one location to another, you can, and from different angles, to catch all the details,"

states Dr. Henry Tyrangiel of Computerized Management Systems.

Phil Muth and Dr. Tyrangiel agree that the IP video surveillance technology offers tremendous opportunities for continued improvements in efficiency and productivity.

"Within 5 years, there will be very sophisticated RFID systems so that when every truck comes in, we'll have them scanned into the computer system by product, pallet, and truck," comments Muth. "The idea of embracing virtual inspections is an enticing vision, too. The FDA or USDA could use IP video surveillance to do their inspections remotely and save everyone a lot of time and money."

Dr. Tyrangiel sums up the advantages of using IP video surveillance as a multi-faceted management improvement tool: "It's really smart business intelligence."

For more information see www.coastalsunbelt.com, www.cmsincmd.com and www.milestonesys.com.