IKEA manages loss prevention with Milestone integration of IP video surveillance and transaction data.

"In addition to better general surveillance monitoring of the store locations, the software gives us a solution that is integrated with our transaction system to resolve and reduce errors at checkout."
- Remco Hempenius, Project Manager, IKEA Pilot Store Delft, The Netherlands

◆ The Challenge

The IKEA Pilot Store in Delft, The Netherlands, tests systems for the rest of the IKEA world to find the best proven solutions for the organization. They wanted to upgrade their existing analog approach for security surveillance to modern digital networked technology that could integrate with their retail transaction system to improve their management of shrinkage and reduction of fraud.

◆ The Solution

An intelligent Milestone integration of transaction data with time-linked video images of events gives an optimal tool for managing exception transactions. IKEA's video data is integrated with the ERP system Navision from Microsoft Business Solutions for combined analysis by unlimited transaction types, register, or employee. Milestone XProtect Retail provides the user-friendly interface and is the engine operating a mix of Axis 2100, Axis 205, and Sony SNE-CS3P network cameras together with various analog cameras converted to digital images through Axis 2400+ blade servers. IKEA's XProtect runs on Windows XP with routers and switches from DELL.

◆ The Advantages

The IKEA Pilot Store has increased the capabilities of its general surveillance by moving it to a pure digital security platform, and added integration with its back office transaction system to control shrinkage and reduce errors at the cash registers. The solution has also given them new IP video tools for their global corporate education facilities. Milestone XProtect software allows them to choose a flexible mix of hardware for different location needs, and provides the ability to integrate with even more systems in future, like customer counting for better queue management.

A different approach

The IKEA Pilot Store is part of Inter IKEA Systems B.V., the owner and worldwide franchisor of the IKEA Concept. They increase the availability of IKEA home products by continuously providing IKEA retailers with systems and methods proven successful for marketing and selling IKEA products. The IKEA Pilot Store has the task of representing a complete implementation of the IKEA Retail System and recommendations. It is the base for coaching, education and 'show-how' regarding the IKEA Concept and works closely with the IKEA Business College. The IKEA store network worldwide includes 203 stores in 32 countries.

The IKEA business idea uses a different approach to offer a wide range of home furnishings with good design and function at prices so low that as many people as possible can afford them, responding to the home furnishing needs of people throughout the world.

The IKEA Pilot Store (hereafter called IKEA) also wanted a smart way to approach their surveillance, to improve the running of their business with more efficient and effective monitoring of their retail activities. The Pilot Store found XProtect Retail from Milestone Systems that handles more than just security.

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The IKEA Pilot Store's new solution has three components:
1. General surveillance for shoplifting, vandalism, and people safety;
2. Shrinkage reduction through monitoring and analysis of transaction data;
3. Educational tools for proactive learning and training to improve service levels.

An integrated retail solution to control shrinkage

IKEA's new solution from Milestone has an intelligent interface that combines the data from the store's retail transactions with corresponding video images for fast searching and analysis by transaction ID, item number, cash register, time, date, amount, employee, etc. The system is so flexible that IKEA can sort by any category or type they choose to configure, including scoring employees on performance.

"Shrinkage is so easy to monitor now, with activities at the checkout addressed quickly and effectively," says Remco Hempenius.

Future plans include additional integration with a people counting system that monitors the number of customers entering and leaving the store.

"We want to ensure that we've got the right amount of employees at checkout to avoid people having to wait in long queues," he adds. "Milestone software lets us tailor the solution for an integrated approach."

Upgrading analog to digital

The IKEA Pilot Store had 51 analog cameras in their existing surveillance setup, with their security outsourced to Falck guards working shifts in the IKEA security office at the Netherlands store. These cameras, converted to the networked digital approach using the Axis 2400 video server, cover the general display areas of the store's current 19,500 square meters.

"We have achieved our goal to upgrade our surveillance to a networked digital solution for improved performance and an integrated approach," explains Remco Hempenius, Project Manager at The IKEA Pilot Store. "We are cost-effectively re-using existing equipment while adding a mix of new hardware controlled by the Milestone software. XProtect Retail gives us real added value in handling shrinkage."

IP video for easy expansion and integration

IKEA added 35 new IP cameras to cover surveillance of the cash register checkouts and the restaurant/cafeteria areas. Depending on the lighting and mounting locations, a mix of Axis and Sony network cameras were chosen to ensure optimal image resolution in each situation.

"We appreciate the ability to choose our own combination of hardware," comments Remco Hempenius. "The Milestone software is a perfect choice being independent, supporting just that kind of flexibility."

By 2006, the IKEA Pilot Store will expand to 32,500 square meters: expanded facilities for training managers and employees from IKEA stores worldwide. There will also be special areas for testing customer reactions to the IKEA concept, with moveable walls that can be changed quickly.

The IP video surveillance approach provides the ability to add new cameras for such expansions. The open architecture of Milestone XProtect Retail also allows for integration with IKEA's back office Navision retail management system.
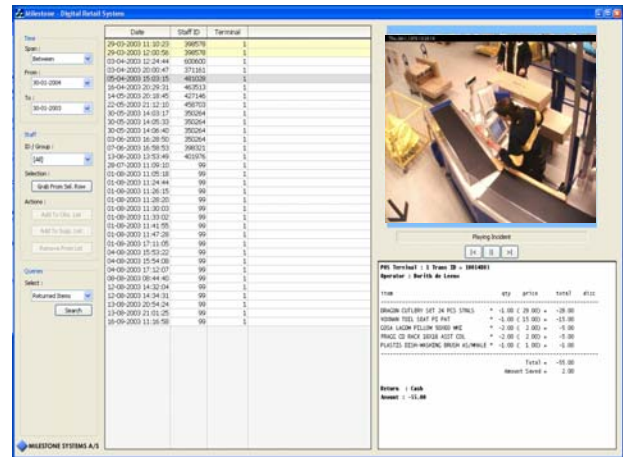
Fast implementation

The Milestone Dutch partner Secured by Web handled installation of all the new equipment, dismantling the old system and setting up the new one.

"We have never had such a successful IT implementation before," exclaims Remco Hempenius. "Secured by Web executed the plan that was well scoped with Milestone, doing a really good job. After all the planning and testing, it only took a few hours when they unplugged the old system and started up the new with everything working right away."

He adds to this report on the positive experience: "The cooperation with Milestone is not like a typical vendor and buyer situation. It is a true partnership where we sit on the same side of the table with common goals and mutual interests to create a solution for IKEA that protected our old security investment, upgraded it, and increased its value."

Easy operation

The IKEA Pilot Store's Security Manager, Theo van der Weg, and Martin van den Berg from Group 4 Falck both agree on the ease of operations with Milestone XProtect Retail.

"It is so much faster and easier to use than our old system. The software is intuitive and straight-forward, so we only needed less than a half day's training to know how to run it," states Theo van der Weg.

Martin van den Berg confirms: "The user interface is logical, so it was no problem to learn how to operate for our security monitoring."

Remote access via laptop or PDA

Milestone XProtect Retail offers remote access, as well. This means that users of the system can log on via the web from anywhere, anytime, to monitor the site's activities using a PC or laptop at home or on the road. They can also use a PDA to get a quick view of events, even when doing rounds in the store.

"We are really pleased with our new IP video surveillance from Milestone," concludes Remco Hempenius. "It helps us improve our bottom line via reduction of fraud, prevention of theft, and increased service levels."

IKEA worldwide
The IKEA group employs a total of 76,000 co-workers in 43 countries with 3,000 in Asia + Australia, 11,000 in North America, and 62,000 in Europe. From September 2003 to August 2004, total annual revenues of the IKEA Stores in 32 countries exceeded €13.5 billion. Over 400 million people visited IKEA stores and 145 million catalogs were distributed.

Milestone Systems
XProtect software products for IP video surveillance are sold through a channel of more than 150 partners in 50+ countries. Leading the industry in open technology standards, it is robust and proven in operation on 75,000 cameras around the world. XProtect Retail is an integrated, tailored solution for full video documentation on transaction IDs, item numbers, terminal numbers, and employees, in any combination.

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