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Using Managing Video as a Service to Drive Loss Prevention Results and Deliver Demonstrated Profitability Improvement

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Big Lots

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Envysion

Big Lots Snapshot

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Big Lots: North America's Extreme Value Leader

- Sells a variety of brand-name products at 20%-40% below discounters' prices
- 1,500+ stores in U.S. and Canada
- #453 in FORTUNE 500

Loss Prevention Organization

- 6 Regional Loss Prevention Managers, 1 ORC Manager, 67 District Loss Prevention Managers and 6 Loss Prevention Analysts

Mission:

Committed to holding ourselves and our associates accountable to deliver the best possible shortage result. We will do this through teaching and training our associates, and developing a culture that fosters shortage reduction and operational excellence. Together, we are the key to shortage reduction!

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Traditional Video User

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- Reactively used video to investigate fraud and & theft
- Limited remote visibility into all stores
- Minimal utilization of video
- Restricted number of users
- Burden on IT
- Video was difficult to use

Results were Limited

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The Opportunity

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Extend the impact of loss prevention

- Visibility into all locations
- Support investigations and prosecutions while reducing threat
- Maximize loss prevention analyst efficiency
- Boost video history enabling efficient case development
- Extend video to groups outside of LP

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Evaluation Criteria

- Single platform for remote visibility into every store
- Seamless integration to point-of-sale and exception reporting systems
- Enterprise wide reporting capabilities
- Instant validation of exceptions with video
- Platform for adding new capabilities, such as people counting
- Easy enough to be used outside of Loss Prevention
- Minimal IT impact

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Potential Solutions

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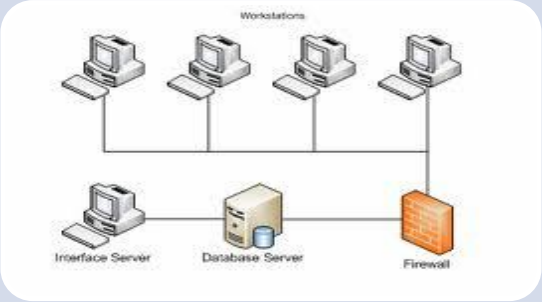
Traditional DVR	Traditional VMS	Managed Video as a Service (MVaaS)
		
-Many options -Lacks data integration -Difficult to access remotely -Limited users	-Client/Server Approach -Additional features but limited integration -Scale challenges & IT burden	-Promising, but new -Cloud based approach -Robust POS and data integration -Unlimited users

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What is MVaaS?

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MVaaS ties video to critical company data, providing operators with instant and actionable insight and enabling them to increase profitability 10-15% through broad utilization of powerful video-driven business intelligence

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Initial Roll Out & Decision

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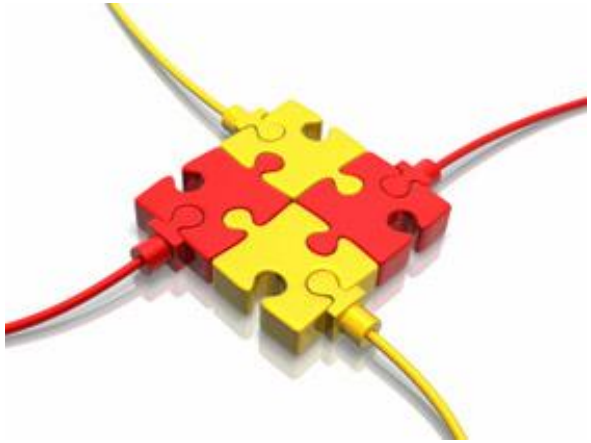
Trial Phase

25 locations



Integrated with Existing Exception Reporting

Loss Prevention Team Utilization

Decision to roll out across enterprise

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The Rollout

- Transformed video capabilities across 1,200+ stores in less than 6 months (removed all old VCR/DVRs)
- Video devices shipped to stores and plugged in by store personnel
- Minimal IT involvement; bandwidth friendly solution

Phased rollout

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Increased Efficiency of LP Team

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Covering more locations, supporting more investigations and prosecutions and reducing theft

- Identifying & reducing fraud in minutes not hours
- Resolving more cases of theft, shrinkage, and fraud FASTER and more EFFICIENTLY
- Receiving automated alerts when "funny business" is identified
- Ability to create and share video case files

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Use Case: Sliding/Passing

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Div-Store: [redacted]
Date: 11/21/2011
Start Time: 18:59:01
End Time: [redacted]
Trans Duration: 106

Associate No: [redacted]
Reg-Tran: [redacted]
Transaction Amount: $7.44
Trans Type: Sale
Furniture: ☐

Dept	Sku	Serial Number	Gft	Scan	Vd	Qty	Price	Disc	Ext Price
60	360022847 - 2.5inX50ft RD VEL RIBBON		☐	☑	☐	1	$3.00	$0.00	$3.00
60	360024624 - 6L 10X21 RED VELVET BOW		☐	☑	☐	1	$2.00	$0.00	$2.00
60	360024624 - 6L 10X21 RED VELVET BOW		☐	☑	☐	1	$2.00	$0.00	$2.00
10	210018413 - LG DELUXE GRILL CVR		☐	☑	☑	1	$14.00	$0.00	($14.00)
50	350053914 - ELECTRIC MATTRESS PAD- KING		☐	☑	☑	1	$69.00	$0.00	($69.00)
10	210020330 - TABLE TOP GAS FIRE POT		☐	☑	☑	1	$59.00	$0.00	($59.00)
10	210020330 - TABLE TOP GAS FIRE POT		☐	☑	☑	1	$59.00	$0.00	($59.00)

Tender Summary:

Cash: ☑ Check: ☐ Cr/Db: ☐ MCr: ☐ OTdr: ☐

Tender Type	Account Number	Scan	Amt
Cash	00000000000000000000000000	☐	$50.00
Cash	00000000000000000000000000	☐	($42.56)

Video Integration enables instant visibility to void exception transaction

Enhanced existing exception reporting for Big Lots Loss Prevention team

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Use Case: Sliding/Passing (cont'd)

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Review of transaction identifies that voided items clearly go into customer shopping basket

And then walk out the door!

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Use Case: Refund Fraud

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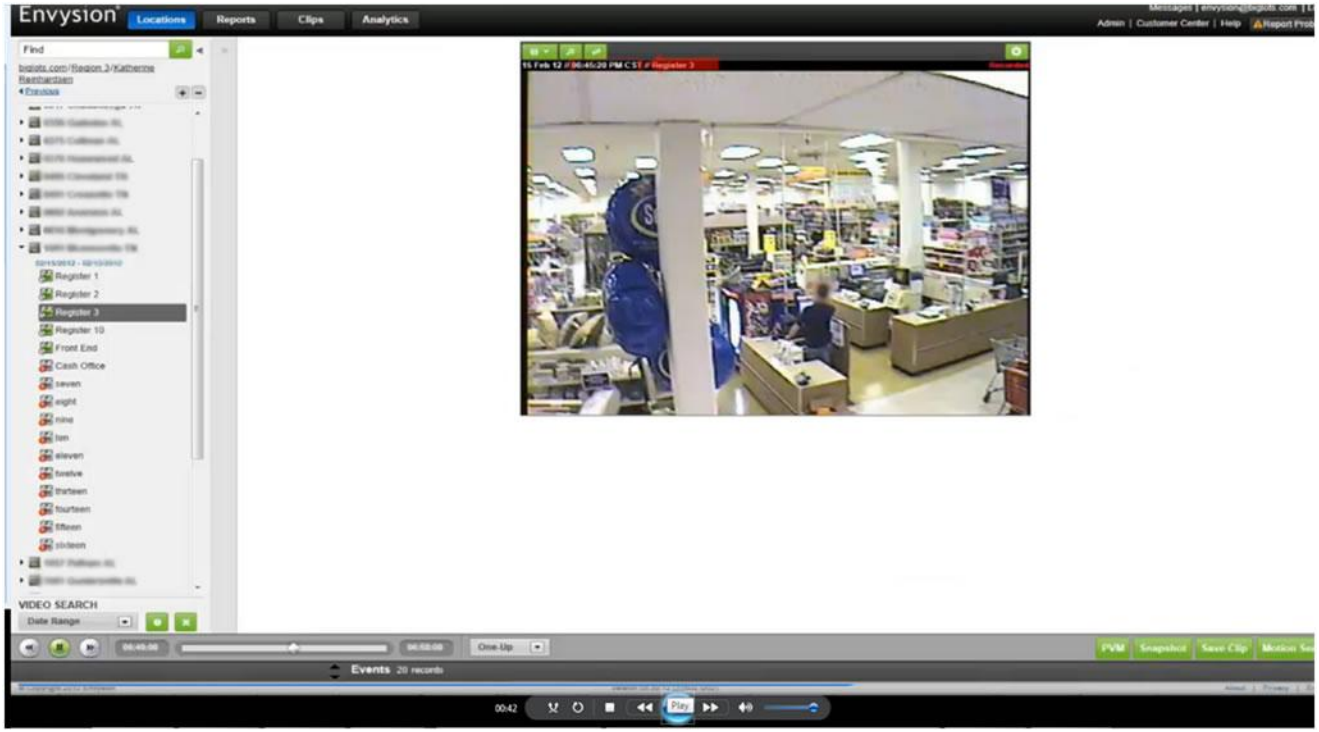
Identify and review refund fraud cases in minutes not hours



Improved closure rate

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Driving New Value to Your Business

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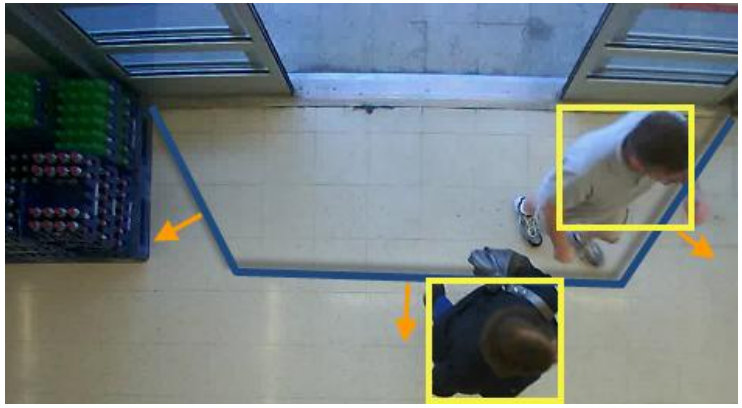
Envysion supports company-wide initiatives of increasing store traffic, conversion, size of basket

- Seamlessly integrate people counting capabilities
- Calculate conversion rates to create powerful data source
- Tying traffic/conversion data to video to provide insights on root cause



Conversion Report (Ranking by Store)

Location	People Count	Rank	Conversion	Rank	Avg Basket	Rank	Total Sales
Store 1	3,697	1	51%	10	$ 26.55	6	49,782
Store 2	5,550	8	42%	5	$ 21.88	3	51,182
Store 3	5,000	5	39%	4	$ 28.75	7	55,714
Store 4	7,594	10	37%	3	$ 19.77	1	55,983
Store 5	6,093	9	48%	8	$ 20.14	2	59,024
Store 6	4,951	4	46%	6	$ 26.11	5	59,064
Store 7	5,342	7	37%	2	$ 30.26	9	59,131
Store 8	5,002	6	49%	9	$ 24.41	4	59,671
Store 9	4,557	3	34%	1	$ 39.81	10	61,340
Store 10	4,448	2	48%	7	$ 29.49	8	62,615

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Use Case: Operational Audits

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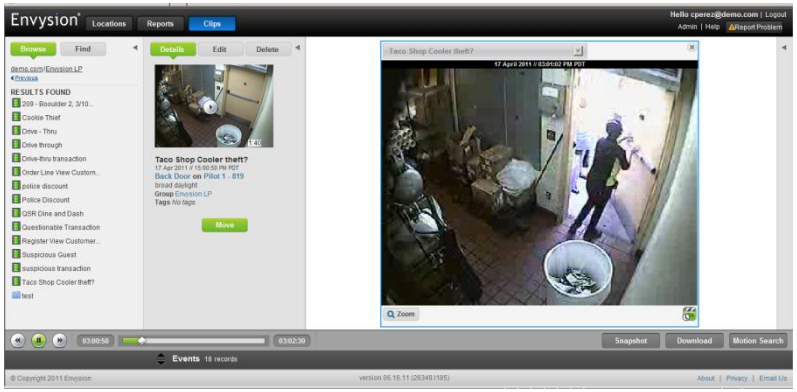
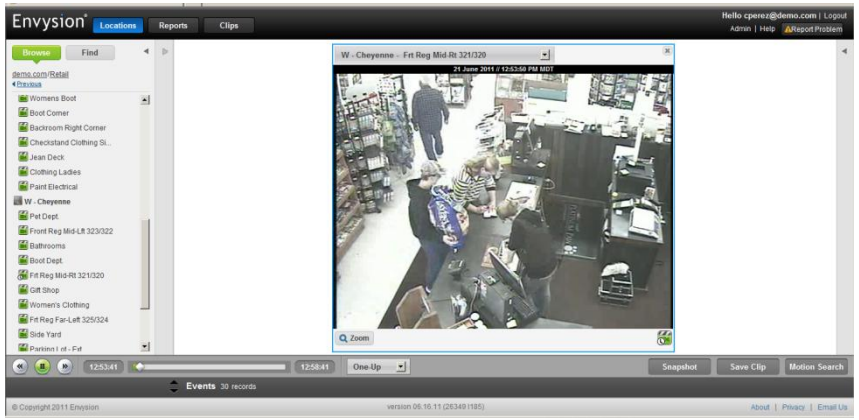
Operations management can easily review video as part of their operational audit process and share the results to the relevant groups within the company

Review operations through video

- Performance
- Process adherence
- Time & attendance





Record best practices and share the video for training purposes

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Instant Visibility to Daily Operations

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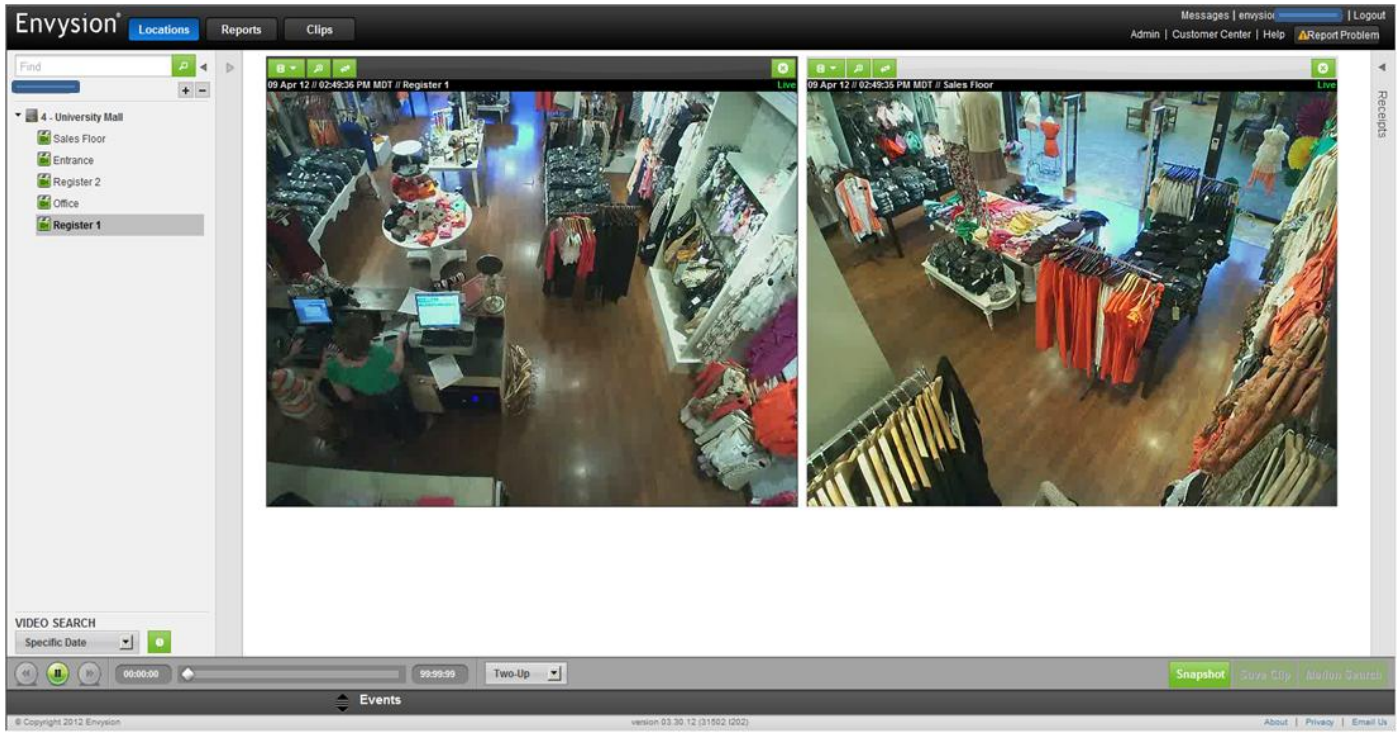

- Visibility to customer experience & demographics
- Understanding of who is using promotions, buying various SKU's

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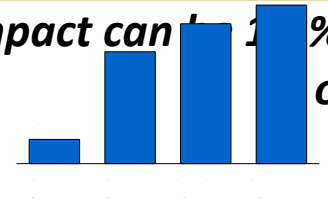
Financial Impact

The impact can be 1[illegible]% improvement in profit as percentage of net sales and thousands of dollars in net cash improvement per location



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Key Takeaways

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Video Driven Business Intelligence expands LP impact and efficiency

MVaaS solution is required to scale

LP can lead this transformation

Big Lots is leading the way

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Q&A

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