Next-Level Solution *for* Next-Level Growth

with Envysion

Challenges

- **Expanding surveillance and loss prevention to keep pace with company growth**
- **Reviewing and enforcing internal policies and procedures**
- **Identifying employee theft and minimizing loss**
- **Improving notification, assessment, and resolution of unauthorized actions or exceptions**

Solution

Au Energy uses Envysion's Managed Video Solution to monitor employee and customer behavior across a growing number of convenience stores to help enforce internal policies and procedures, identify theft, reduce shrinkage, and empower managers to mitigate risk and better communicate to employees in the field.

Business Outcomes

- **Achieved below industry loss percentage of .5-.75% vs. C-Store Avg of 2.5-1.5 %**
- **Reduced shrinkage and minimized loss from employee theft**
- **Equipped to effectively handle surveillance and loss prevention for an additional 10-12 stores and triple the number of employees over the next 12 months**
- **Captured "near misses" and other procedural mishaps, reviewed policies, and communicated changes in the field**
- **Trained all new and existing managers on Envysion's loss prevention platform to enable consistent operations**

Au Energy turns to Envysion Managed Video Solution to manage risk during record growth and aim for some of the lowest loss percentages in the C-Store industry

BUSINESS GROWTH INTRODUCES NEW CHALLENGES AND OPPORTUNITIES

Once upon a time, Au Energy was all about expanding profitability. With more than 150 gas stations in California and four decades in the industry, the company realized early on that it could achieve higher profit margins by moving beyond fuel sales and offering a range of on-site complementary businesses such as car washes, quick service restaurants, and convenience stores.

As its C-Store business grew, the company took steps to button up its store operations and secure point-of-sale (POS) transactions. By integrating Envysion's Managed Video Solution into the existing cameras and POS systems, the company gained newfound capabilities for identifying and correcting unwarranted cash refunds, discounts, and voids; reviewing procedures around cash handling and safety; and properly investigating complaints and accidents. Yet new challenges continued to arise.

With its footprint surpassing 130 convenience stores across the state, Au Energy again faced challenges that threatened its business. More stores—and larger stores—meant adding cameras and monitoring at greater costs. It also required a loss prevention team of seven people on duty 24 hours a day, seven days a week, to report any security or POS issues and a system flexible enough to scale loss prevention (LP) quickly without losing valuable functionality.

"We've enjoyed a long-standing partnership with Envysion over the years because they've been instrumental in helping resolve some difficult business challenges and have become a major part of our business," says Matthew Makarem, LP & ED Manager for Au Energy. "They're always developing new features like reporting and automated alerting for their video surveillance platform designed to actually solve real business problems in ways other solutions simply can't. But our latest round of growth was the most significant challenge to date."

INCREASED HEADCOUNT, INCREASED HEADACHES

Gone are the days when Au Energy ran just 40 C-Stores in conjunction with their gas stations. As a smaller business, it was easy to corral operations and personnel for training, routine check-ins, and the occasional discipline if necessary. But with a 12-month goal of opening 10-12 additional stores, Au Energy had to staff up accordingly, perhaps to double or even triple the number of employees.

"We already have 130 in-store managers, who each report to a general manager and it rolls up from there," Makarem explains. "Each general manager handles anywhere from six to 10 stores, and each regional manager oversees anywhere from three to six general managers. The entire operation relies on everyone—all 1,200 of our employees—doing their part."

Even though all managers had access to the Envysion system and were required to use it in a concerted effort for loss prevention and maintaining procedural compliance, Makarem says there's no escaping the reality that a larger employee base usually means increased risk, theft, and liability.

"Our loss percentage, quarterly or even yearly, is under 1%. And we've had years where we were under 0.5%. Part of the reason is because Envysion evolved with us and assisted us in capturing losses in our stores and reducing shrinkage. Five or six years ago, we were happy with 1.5%. Now we look at 0.75% as a maximum audit variance that we should have at our stores. And we're always beating that number, year after year."

Matthew Makarem, LP & ED Manager, Au Energy

"Any time you add more people to an operation, there's a greater chance of things slipping through the cracks that can come back to hurt you," he says. "As a result, we developed a greater urgency to ensure store procedures were being strictly followed, identify and assess theft or other problems quicker, and curb any bad behavior before it became a major pain point. That kind of effort requires a well-coordinated monitoring system and specific processes for doing it all efficiently while remaining behind the scenes."

STEPPING UP STORE PERFORMANCE AND EMPLOYEE CONDUCT

Heading into the future at a fast clip is not for the timid. And Au Energy understood the level of effort and commitment needed to ensure the success of each of their stores—new and existing.

Continuing the partnership with Envysion to prevent theft and mitigate risk was a given, but it also meant deepening the partnership to expand and improve operations as well. With the success of its stores hinging, in part, on a code of personal ethics, effective management, and adherence to correct procedures, employee behaviors and activities that would otherwise be abstract and unknowable without a system of video surveillance in place could actually be captured in real time.

Makarem says that uncovering suspicious employee behavior became a top priority, confirming that Envysion is used to monitor for internal theft more than 90% of the time. "Like any people-based business, we have some bad apples that join us and decide to use our product and our cash flow to line their pockets. In our industry, it's not uncommon to have as many as a dozen people per week who are terminated due to theft," he says. "But fortunately, Envysion's extensive capabilities have been hugely successful in helping us minimize these losses, even as we experience tremendous growth."

Envysion's Managed Video Solution supports unobtrusive, high-definition cameras and microphones that help managers and other leaders to keep tabs on a variety of in-store activities and customer interactions as they're happening—from a multitude of vantage points. And, as a cloud-based platform, any activity can be viewed in the store or remotely from any connected device from within the Envysion app for maximum convenience and responsiveness.

All footage is safely recorded and stored which allows managers or the loss prevention team to go back and view video from any timeframe to find out where—and by whom—the theft or fraud is occurring. And when issues like potential credit card fraud, product theft, or even accidents and falls that result in Worker's Comp claims arise, Envysion provides the visibility and clarity needed to help law enforcement, insurance companies, and legal teams investigate each incident and bring it to a swift resolution.

But clearly, it's not just about loss and fraud prevention. Keeping a close watch on how store policies and procedures are being followed—whether it's cell phone use on the job, failure to

> *"Anybody who joins the company in a management role goes through a training program which includes instruction on the Envysion system. We train managers on ways to use Envysion so they can be sure they're running the smoothest operation they can. The ability to audit employee behavior and enforce a true commitment to company policies wouldn't be possible without an integrated video solution in place."*
>
> *Matthew Makarem, LP & ED Manager, Au Energy*

ABOUT AU ENERGY

Family-owned and operated since 1978, Au Energy currently operates Shell gas stations and over 130 convenience stores throughout the San Francisco Bay Area, priding themselves on bright stores and dedicated service professionals while selling high-quality fuels.

greet customers, or lifts or actions that result in "near misses"—allows Au Energy leaders to proactively review those policies, enact changes for greater operational efficiency, communicate them to the field, and make more effective hiring and training decisions going forward.

"Anybody who joins the company in a management role goes through a training program which includes instruction on the Envysion system," Makarem says. "We train them on best practices for using Envysion so they can properly audit employee behavior and enforce a true commitment to company policies that wouldn't be possible without an integrated video solution."

LEADING THE C-STORE INDUSTRY IN LOSS PREVENTION

Raising the stakes on loss prevention and policy compliance goes hand-in-hand with developing new processes to laser-target and quickly alert leadership about any POS issues.

"Envysion has helped us develop an internal system that notifies the appropriate personnel immediately whenever an exception happens—a voided transaction, a refund, or a cash drawer opened without a sale," Makarem explains. "We also have a policy that requires each manager to monitor a minimum of 30 minutes every single day for the prior date's surveillance. As a result, we're able to tighten up our loss prevention strategies further to keep costs down, while also benefiting our employees and managers by pinpointing where the exact concerns are happening and telling an accurate story about it."

Even though expanding a business is a major undertaking, the efforts have been well worth it, as Au Energy now boasts some of the lowest loss percentages in the C-Store industry—an achievement that harkens back to their goal in the early days of ensuring profitability. Where the standard loss percentage tends to be 1.5 to 2.5%, Au Energy is outperforming it, and has been for some time.

> *"Our loss percentage, quarterly or even yearly, is under 1%. And we've had years where we were under 0.5%," Makarem says. "Part of the reason is because Envysion evolved with us and assisted us in capturing losses in our stores and reducing shrinkage. Five or six years ago, we were happy with 1.5%. Now we look at 0.75% as a maximum audit variance that we should have at our stores. And we're always beating that number, year after year."*

With all managers on board and leadership's loss prevention trajectory in place, Au Energy is poised to usher in this new level of growth confident that operations are smooth, secure, and able to scale successfully.