

# ITbutikken uses Milestone Systems IP video surveillance to eliminate fraud.

**"We knew the stock counts fit the orders sent, but how could we prove it when customers claimed missing contents? We had fraud cases up to three times a week that are now totally eliminated with our Milestone solution."**

- Peter Sunesen, CEO and Founder of ITbutikken



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## ◆ The Challenge

ITbutikken had major problems with customers fraudulently claiming missing components in their deliveries, demanding more to be sent at the company's cost. Employees were also upset with the accusations of improper packaging.

## ◆ The Solution

Milestone Systems Xprotect IP video surveillance software operates nine cameras, including several Axis 2100 models, with an ITbutikken video server. This solution has been running for several years, reliably stable and problem-free.

## ◆ The Benefits

ITbutikken has totally eliminated all incidences of fraud with customers. They have also successfully resolved a case of internal theft with clear evidence that pleased the police. Financial savings have been significant.

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ITbutikken is a retail web business. Founded in 1991, it has grown to be the largest Scandinavian concern selling Information Technology products over the internet to all the Nordic countries. They have warehouse capacities covering 1,600 square meters and around 2,000 items in their choice of products that come from such huge suppliers as Ingram Micro and Tech Data.

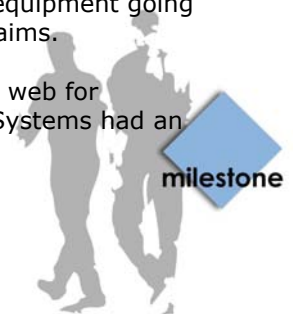
### Customer fraud

By the end of the 1990s, ITbutikken discovered that not all customers are nice people: a rash of Swedish clientele began complaining about missing elements in their deliveries, demanding additional equipment to be sent at no extra charge.

"We had no hard proof that they were lying," explains Peter Sunesen, CEO and Founder of ITbutikken. "They were fast talkers, threatening to go to the press and to lawyers."

Sunesen could see that the company's stock counts in general reflected the amount of equipment going out in orders, but needed a way to prove that the customers were making fraudulent claims.

"I got the idea to use a web cam to record what goes into each order, and searched the web for solutions," he recalls. "What a pleasant surprise to find a Danish company! Milestone Systems had an established product that fit my needs perfectly."



### **Integrated solution**

ITbutikken bought some Axis 2100 network cameras and Milestone's XProtect software, then set up the system to record images of the packing process. The camera implementations took about a week, but the software was installed in less than a day.

"The software is easy to use so the setup went fast," reports Sunesen. "Over the years, we've also upgraded the Milestone solution with newer releases several times - no problem."

XProtect is designed using open architecture, which means that it can be integrated with other systems. Therefore, ITbutikken was able to connect the software with their scanning system, so every time an employee scans equipment barcodes, a still photo is taken that registers the packing of that element into a customer's order.

"The next step of our security program is that the software shows the whole process of packing each order. The images can be converted into AVI format and sent to any customers as proof of their orders having been fulfilled properly," Sunesen clarifies.

### **Stopping fraud**

Fraudulent customer claims used to occur at the rate of 1-3 times each week at ITbutikken.

"Thanks to the Milestone solution, all customer fraud has been totally eliminated for us now," grins Peter Sunesen.

There was another incident with a professor from a large Danish medical institution, who tried to pull the same trick to get free equipment from ITbutikken. When he angrily claimed that a PC component was missing from his order, he was told ITbutikken was sure they had packed his order properly. He protested loudly, acting offended they questioned his word, threatening that his organization would never purchase from ITbutikken again. He was politely asked if his email setup could receive AVI files, to which he replied 'yes'. He was promptly sent the Milestone surveillance files with proof that resolved the case.

Peter Sunesen reports that ITbutikken these days only has cause to look at the surveillance software maybe once a month.

"Sometimes we do see that a stock person makes mistakes, but that's only human. What's important is being able to resolve the questions that come up and address them properly," concludes Sunesen.

### **Catching internal theft**

"We also had an instance of internal theft, for which we put up a hidden camera and solved the problem," says Sunesen. "The other employees were relieved to have proof of the 'bad egg' whose behavior had cast doubt on all of them."

ITbutikken's sales people and the employees who deal with customer claims are using XProtect, along with the CEO. Peter Sunesen found the remote access functionality of the software to be particularly useful during the internal theft situation.

"That employee had evening shifts, so I was able to log on and check out his behavior," Sunesen explains. "We had to involve the police - who were happy about the XProtect solution. We had very clear pictures that showed the thief in action."

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See more about ITbutikken at [www.itbutikken.dk](http://www.itbutikken.dk)  
and about Milestone at [www.milestone.com](http://www.milestone.com)

