

## *StopLift sees a way to end retail inside theft*

March 20, 2009

Galen Moore

Not everyone has to worry about the grocery bill. “Sweethearting,” as it’s known to retailers, is when the cashier lets friends and family walk out with more than they paid for — and it’s more common than you might think.

Software made by Cambridge-based StopLift Inc. found a third of cashiers at Big Y Foods Inc. were bagging goods without scanning them — either intentionally or unintentionally, said Mark Gaudette, loss prevention director at the Springfield-based supermarket chain, which has deployed the software in 35 of its 56 stores.

StopLift’s software uses a motion analysis algorithm designed to spot each instance when an employee may have bypassed the checkout price scanner with a bag of frozen shrimp, or passed a steak barcode-side-up over the infrared lens. It then checks with the store’s point-of-sale system and cross-references time stamps to confirm the missed scan, said CEO and founder Malay Kundu.

According to Kundu, the company’s software system relies on “human body pose recognition,” to determine when a cashier is doing something out of the ordinary.

StopLift is the second video software startup for Kundu, who

worked for MIT Media Lab spinoff Facia Reco Associates. The Cambridge-based company’s face recognition technology was used in airport surveillance networks, he said.

It is not the only Massachusetts venture in surveillance analytics. Another young startup called VideoIQ Inc. last July took in a \$10 million Series B round of funding, bringing its total investment to \$18 million. With 28 employees, the company is “probably several years” away from profitability, said CEO Scott Schnell. Bedford-based VideoIQ spun off from General Electric Co. (NYSE: GE) business unit GE Security Inc. in 2007, and delivered its first product in 2008 — a smart camera designed to automate surveillance monitoring. Backers include Atlas Venture and Matrix Partners.

With 50 employees, StopLift is funded by “angel investors with retail connections,” Kundu said. The company has so far taken no institutional investment, and Kundu said for now he is not seeking any. He declined to discuss the company’s profitability status.

VideoIQ’s camera flags potential intruders, and automates tasks like combing through video archives to find specific incidents or individuals. It is selling its own



StopLift Checkout Vision Systems

A video image from StopLift shows a cashier bypassing the scanner.

hardware, where StopLift’s software is designed to work with any closed-circuit system. But both companies are solving a similar problem. “Watching surveillance video is the most boring job on Earth,” Schnell said. “The human mind wasn’t designed to watch a scene where nothing is happening.”

After founding StopLift in 2003, Kundu spent time sitting in supermarket back rooms with store detectives.

Boredom aside, human oversight has other shortcomings, Gaudette pointed out.

“They never seem to do (sweethearting) when I’m shopping,” he said. “(The cashiers) are really accurate when I’m shopping.”