

Can Biometrics Increase Your Education Sales?

This VAR earned nearly \$400,000 by adding fingerprint scanning to its school cafeteria POS solutions.

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One of the goals of Business Solutions magazine is to showcase VARs and integrators who have made the decision to sell technologies that complement their current solutions. This is a challenging goal for us, since few channel companies have the fortitude to step outside of their technology comfort zones. But that's understandable. It can be expensive for a VAR to add a new technology. You have to invest in training and demo units, and the time needed for this education process takes away from the time you spend on existing customers and sales opportunities.

Buzz Cmaylo is the type of VAR who realizes that to grow a business, you need to take chances. Business Solutions first profiled Cmaylo, who is the president of hospitality VAR CC Productions, Inc., back in July 2001. At that time, his company had just begun expanding into the education market, providing POS (point of sale) systems to school cafeterias. Today, the education market accounts for 25% of CC Productions' annual sales revenue. Cmaylo plans to fuel that growth this year with his company's newest technology: biometrics. But despite increased acceptance of biometrics since Sept. 11, 2001, this can still be a difficult technology to sell.

Overcome Biometrics' Misconceptions

In contrast to CC Productions' intentional foray into the education market in 2001, the company's addition of biometrics in 2005 was accidental. At the time, the company had no plans to add biometrics, because the technology was frequently perceived negatively. "A slow recognition rate and a 5% to 10% error rate were the common complaints we heard about using biometrics [i.e. fingerprint recognition] in school cafeterias," Cmaylo says. "Using older biometric systems was similar to waiting for a cashier to perform multiple scans of an item at a grocery store. The technology slowed down the line and frustrated everyone waiting in that line."

The turning point came when Cmaylo received a call from a VP of a management company that operated the school cafeteria at one of CC Productions' clients. (Many schools use these third party contract companies to manage multiple school cafeteria accounts.) The caller said he liked the biometric system CC Productions had installed for the school district. Cmaylo, knowing his company didn't sell any biometric equipment, immediately thought he had lost the account to a competitor. However, he soon discovered that identiMetrics, Inc., a vendor of biometric finger scanning products, had sold the solution to the school. "We were impressed that this company could integrate its biometric solution with our existing hardware and software without so

Hospitality Clients Need Biometrics, Too

Although much of VAR CC Productions, Inc.'s focus these days is on the education market, the bulk of the company's clients are in the hospitality industry (i.e. restaurants, hotels). So when the company discovered it could sell a fingerprint scanning biometric solution to its education customers, the natural next step was to find an application for its hospitality clients.

CC Productions President Buzz Cmaylo says biometrics is gaining popularity in the restaurant market for identifying servers and/or managers. "For instance, a manager may be the only one allowed to remove an item from a check once it is prepared," Cmaylo explains. "To do so, the manager usually has to swipe his ID card in the POS [point of sale] terminal. But the manager is often too busy to go to the terminal and perform this action, so he gives his card to the server. In doing so, he loses control of the process, because now the server could remove other items from the customer's check."

Cmaylo says his company is starting to promote fingerprint scanning as a solution to this problem. In addition, he plans to promote his fingerprint scanning solution as a way of eliminating buddy punching (i.e. one employee fraudulently punching in or out for a coworker), a common problem in the hospitality market.

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Sell Fingerprint Scanning Solutions For The Cafeteria, Classroom

Biometric technologies don't elicit the Orwellian overtones they used to. Sure, some clients still balk at the mention of systems that scan fingerprints or faces, citing their unfounded privacy fears. But overall, the acceptance of biometrics has risen substantially in the last five years, which

much as a tech support phone call to us,” comments Cmaylo.

His intrigue wasn't limited to identiMetrics' sale to his customer, though. What really captivated him was the school's willingness to adopt a biometric solution. In this case, fingerprint scanning was replacing the swiping of a student's ID card at the cafeteria checkout.

Fingerprint Scanning Meets Cafeterias' Needs

For years, schools have been seeking better ways to administer cafeteria debit programs. Essentially, schools want systems that quickly and accurately identify students, so lunch lines can keep moving. Another goal is to reduce or eliminate the need to manually charge a student's account, since this system is prone to mistakes. Finally, schools want a way to eliminate the stigma associated with qualifying for free or reduced price lunches.

Assigning ID cards to students is one solution schools have tried to accomplish these goals. “In my experience, nearly 50% of the schools that install a card-based debit system abandon those systems for PIN-based versions,” explains Cmaylo. “But kids lose their ID cards as easily as they forget PIN numbers. I recall one school that actually required kindergarten students to use a 9-digit PIN. Needless to say, the system was scrapped.”

Using biometrics such as fingerprint scanning can accomplish all of the goals schools have for their debit programs. That fact, coupled with improvements to the speed and accuracy of fingerprint biometrics, convinced Cmaylo that biometrics should be part of CC Productions' product portfolio.

Boost POS System Sales With Biometrics

The best type of new technology to add is one that requires the least amount of training and cost and has the most relevance to your existing clients. The latter point is the most important, because you want to have an instant client base to mine for your new products. For CC Productions, that client base consists of K-12 school districts with 5 to 25 schools each. The key decision makers at these clients are those you would expect: school administrators, superintendents, principals, etc.

But despite his biometric solution being the type of add-on that could provide immediate benefits to a school's cafeteria, Cmaylo says most schools still wait until the spring to purchase any new technology. That's when budgets are approved. The summer and fall are normally slated as the times for installation and training. In fact, Cmaylo says during the fall he needs twice as many employees as he normally does throughout the remainder of the school year for installation and support services.

Cmaylo believes that having a biometric solution will increase his sales revenue from education clients this year. In fact, it already has. He estimates that his company has earned nearly \$100,000 from sales of identiMetrics hardware and software. That number balloons to nearly \$400,000 if you consider the total value of the POS systems that the VAR might not have sold without the availability of the biometric solution. CC Productions plans to install its biometric solution in 10 school districts this summer. And because each district has multiple schools, Cmaylo sees a ripple effect from his biometrics' sales. For example, CC Productions had a school district with eight schools order a POS solution (including biometrics) for two of its schools. This strategy allowed the district to stay below the public bid threshold. Ultimately, though, once the impact of the POS systems was realized, the VAR received orders from all of the district's schools.

is good news for VARs like CC Productions, Inc.

In 2005, CC Productions began selling a fingerprint scanning solution called identiFi from identiMetrics, Inc. The solution includes software for enrolling users and a fingerprint scanner that connects to a PC via a USB cable. CC Productions sells this product in conjunction with the POS (point of sale) systems it designs for K-12 school cafeterias. “We chose the identiFi solution because connecting the scanner is as simple as plugging in a keyboard, and the software can integrate with existing identification applications or student databases,” says Buzz Cmaylo, president of CC Productions. “And if clients bring up their concerns about identity theft, we explain that the identiFi solution does not store fingerprint images. Instead, it creates a numeric representation of the fingerprint that cannot be reproduced as an image.” Cmaylo adds that the identiFi software takes less than a second to identify the individual. That's important for cafeteria clients since they always want to move children through the line as quickly as possible.

Cmaylo says now that his company has 11 school districts using identiFi in their cafeterias, his next step is to try to sell the solution for attendance tracking. In this application, a fingerprint scanner would be located in each classroom. As students enter the classroom, they scan their fingers. This eliminates the manual roll call method as well as any other ID card solutions that schools may be using. The advantage to the school is it can improve its attendance statistics, thereby protecting important state and federal funding.

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“Selling biometrics for us is like what you learn in Marketing 101 — go back to your existing customers and sell add-on products,” Cmaylo says. “Even if a school does not purchase the biometric units now, it perceives our company as a leading-edge organization, and one that will have the solutions it needs, when it needs them.”

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