



TECH TRENDS HOSPITALITY SOFTWARE

What *Real* Opportunities Exist In Biometrics For Hospitality VARs?

▲ Biometric time and attendance applications are gaining ground in hospitality, but the same can't be said for biometric payment options at the POS (point of sale).

by Carly Rohrer

B iometric payment options for consumers have not been highly implemented at the POS (point of sale); however, biometric-based technology is starting to be adopted by the hospitality industry for time and attendance applications. Used internally (by employers and employees, rather than consumers), biometrics helps eliminate buddy punching (when one employee clocks in or out for a coworker) and eliminates the need for employee ID cards. Also, biometric technology has the potential of allowing employees to access personal information, such as health coverage, via a kiosk solution using fingerprint identification. Typically this information is accessed through a PIN or human interaction. Although biometrics offers tangible benefits to employers if deployed internally, implementation at the POS for consumer payment does not offer the same level of advantages. One reason is biometrics for payment at the POS is optional for consumers to access, whereas hospitality employers can require employees to access biometric-based systems. There are sales opportunities in the hospitality markets for biometric-based applications; however, right now they seem to lie internally.



Alex Malison,
CEO,
Action Systems, Inc.

Drive Biometrics For Internal Applications

By eliminating buddy punching and employee ID cards, employers are eliminating cost associated with these aspects of business operations. Alex Malison, CEO of Action Systems, Inc. (Silver Spring, MD), a software design firm specializing in POS, believes by eliminating buddy punching, biometrics could save

thousands of dollars every year. "Many restaurant owners are willing to pay approximately \$200 per

terminal for the biometric device needed to wipe out buddy punching. If a restaurant with three terminals saved two hours a day by eliminating employee buddy punching 300 days a year, it would save \$3,000 annually," says Malison.

Biometrics also offers a more secure environment by allowing restaurant management to know who is on the terminals at any given time. ID cards may be able to perform this same function; however, there is no absolute way of knowing if the person on the terminal is accessing information with a

coworker's ID card or their own. In many cases, different employees have varying levels of access in restaurants' systems, according to title or responsibility levels. This is particularly important to tier one operations, where hundreds, even thousands of employees need to be supervised. Relying on a fingerprint rather than an ID card or password (or a combination of the two) helps businesses eliminate costs associated with creating and maintaining these types of programs.

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Joseph Brisevac, Volanté Systems

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Michel Cote, Posera Inc.



Biometrics At The POS Slowed By Consumer Concern

Biometrics is beginning to impact internal business applications; however, the widespread opportunity for consumer use at the POS is a long way off. Fingerprint technology has been proven to work and it offers many benefits such as speed and accuracy. Also, it reduces fraud by verifying the customer's identity. However, maintaining databases and upholding consumers' privacy acts have been legitimate setbacks.

With the more common use of customer loyalty and VIP cards, biometrics offers definite advantages. "Oftentimes customers leave their VIP or magnetic gift card at home. By incorporating biometrics into this process, that problem is eliminated. Using a biometric solution, a customer can walk up to a terminal and within 5 to 10 seconds register by using their fingerprint," says Jeff Pinch, president of software developer System3 POS (Windsor, Ontario). However, because it is a matter of customer choice, many consumers do not feel confident revealing the personal information that makes this solution work. When customers register in a biometric-based program, they give a scan of both index fingers, and a checking account, credit card, or debit card number. For loyalty programs a telephone number may also be included. This process has made some consumers skeptical. According to Joseph Brisevac, owner of Volanté Systems (Toronto), end users are more reluctant to invest in unproven technology. "Margins are thin, and end users are looking at larger operations before they make any decisions on new technology. In the past it was the relationship between the VAR and the customer that made the sale, and sometimes that relationship allowed a VAR to sell an inferior product. In today's economy, business is tough, and a successful VAR needs to understand technology can't sell itself," says Brisevac. He believes before implementing solutions like biometrics VARs should concentrate on building the foundation for a solid system because biometrics alone won't sell systems.

Another possible factor contributing to the slow adoption of biometric payment options at the POS is the need for an MSR (magnetic stripe reader) if a restaurant is processing credit. "Until the day comes when people can carry around their fingerprint as a credit card, businesses will need both an MSR and a biometric device to have access to both applications," says Pinch.

Integrate Software Applications

Once a solution such as biometrics is implemented, it is important to know how to integrate your customers' applications to form a total solution. In larger restaurant operations, all locations' systems have to be integrated to

report to the corporate office. "Corporate users are the big pushers of integration. They have more than one location, so they have to do store processes such as accounting and time and atten-

dance centrally. To meet this demand, all of the information has to be sent to the corporate office and fully integrated with accounting packages," says Michel Cote, VP at Posera Inc. (Montreal), a hospitality software solution provider. Because of the complexity involved, a reseller is needed to perform the integration.

Biometrics is not going to convince consumers to replace legacy equipment, but if someone is in the process of installing new equipment, adding a fingerprint biometric application is an incremental cost. Seeing the technology implemented at the POS seems to be a long way off. Although the technology is there, consumers have not embraced it yet. For time and attendance applications, where the environment is controlled internally, a biometric solution is more viable at this time. □

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Jeff Pinch, System3 POS

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Action Systems, Inc.
Restaurant Manager
POS System
www.actionssystem.com

Aloha Technologies
Aloha TableService
www.alohapos.com

MICROS Systems, Inc.
RES3000
www.micros.com

PixelPoint POS
PixelPoint POS Software
www.pixelpointpos.com

Posera Inc.
Maitre D' Software Suite
www.posera.com

Silverware POS
Silverware POS
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