

## The Most Powerful Name in Corporate News

### Biometric Finger Scanning ID System

**Interview with: IdentiMetrics, Inc.**

**Raymond J. Fry, President, CEO & Co-Founder and Anne Marie Dunphy, CFO & Co-Founder**

**CEOCFO: What is the concept behind IdentiMetrics?**

**Mr. Fry:** We provide a biometric finger scanning ID system that will interface with any other third-party application that uses bar code, PIN pad or swipe card input to identify users. Our system replaces the bar code, PIN pad and swipe card and allows them to use a finger scan, providing more accurate and higher security for identification as well as greater convenience.

**CEOCFO: How does it work?**

**Mr. Fry:** The system is designed to provide input into third party applications in the same way the third party application takes input from PIN pads, swipe cards or ID numbers. Our software will scan a user's finger, it will process it, it will find a template that matches their finger, and that template is associated with an ID number. We then send the ID number to the application that wants to know who the person is. All of this happens in about a second.

**CEOCFO: Why do we want to do it this way as opposed to card swiping or bar codes?**

**Mr. Fry:** With cards, they are easy to lose or be picked up and used by others. It is the same with PINs. With a finger scan, it is difficult to lose your finger, and no one else can use your finger to identify you. Let me give you a reason behind all of this. I used to be a school principal, and my entire first career was as an educator. One of my chief problems was identifying students in the cafeteria to the cafeteria point of sale software. Point of sale software in school cafeterias today work pretty much like a debit system. Parents send a check in or use their credit or debit card to put money in their child's account, and the student goes to the cafeteria and does not have to have any cash. They identify themselves to the cafeteria POS software, and the person running the terminal then charges the account for whatever purchase the student made. Those programs are all designed to take input from bar codes, PIN pads or swipe cards, and the problem in the school market is that kids lose their cards or they do not remember their numbers. As a result, the lines are slowed down or their accounts are charged inaccurately. Consequently, kids either do not eat because the lines are too long and slow or students' accounts are charged for purchases that they did not make. . The schools have already made a purchase of these POS software applications, and they can be tens of thousands of dollars. They want to eliminate the cards and the ID numbers, but they do not want to change their software. Our software will run right behind the application they have in the cafeteria, and it will identify the students without using a card or a PIN. That makes their lines move faster, and it also makes their accounts more secure. Because of the unique design of our software, our system can also talk to the software application that may be in the library or to the student information system software that is used for attendance, late attendance and early dismissal. We can configure our application at the workstation to communicate to whatever third party application needs to know who the person is. It is not limited to schools, and it is used in other areas as well. We have some prisons that use it, spas, and community pools that use it. Because of the versatility of the software, it can really talk to any application where identification is needed. However, our niche market is K-12 education.



**Raymond J. Fry**  
President, CEO  
Co-Founder

Ms. Dunphy: The real driver here is financial. Schools need to have accurate and auditable records in order to get reimbursed from the federal government. The national school lunch program and breakfast programs total around \$14 billion. They also need to have accurate attendance records to get state and federal funding, and with the charter schools growing the way they are growing, it is very important for them to have to have accurate attendance records.

**CEOFCO: *What was the challenge in getting software that would work with the systems already in place?***

**Mr. Fry:** When I was a school principal, I was looking for a way to replace the cards or the ID numbers that I used, and had there been a product available, I probably would have just bought it, installed it in my cafeteria, and we would have all been happy and I would still be a principal or maybe even a superintendent today. There was not anything available, so I had the good opportunity to meet Anne Marie, who had experience on Wall Street as well as with a high tech company prior to this. We put a company together to develop the software solution that would have done for me what I wanted it to do in the school. Because nothing existed, we had to put together a team that could develop the software application as well as the sales team to develop the market. This is really a disruptive technology, which requires people to change their behaviors in order to use it. Because it is biometric, it also requires people to understand that we are not taking a fingerprint, but a finger scan and we cannot recreate the fingerprint from the finger scanning digital template. . We had a number of challenges as we put this whole thing together. We have really created a new market in identification in the education market of using finger scanning to identify students rather than those cards or those PINs.

**CEOFCO: *You recently released version 2.0 of identiFi. What is different?***

**Mr. Fry:** It is much more versatile and has much more flexibility. Ms. Dunphy: It is also very customizable, and it is feature rich for the large school districts, so it works with a tiny school that might have one work station or a huge district that needs centralized types of software and features.

**“If the customer believes that the person selling to them understands their need and their pains, they have a feeling of greater trust and this provides greater credibility for the company and the product itself.” - Raymond J. Fry**

**CEOFCO: *What is involved with implementation?***

**Mr. Fry:** Our staff will remote in to the customer’s workstations or wherever they want the software installed. We will install the software and configure it to communicate both to the biometric database and to the software application at the workstation.

**CEOFCO: *If a school does not have a system, are they able to purchase your system and are you able to provide them the additional piece they need or are they able to use your system as a singular offering?***

**Mr. Fry:** They can use our system as a singular piece using a piece of software we call ScanTracker, and ScanTracker will allow them to know who has scanned in at what location and at what time. However, generally speaking in the school market, the software they need is much more robust than that. They have already purchased software that will for example, manage their student food service accounts and give them reports of who ate what and when they ate it in order for them to provide reports to the government for reimbursements. Our system will also communicate to the library software made by different manufacturers for asset management in the library and also to the student information system software made by yet a different software manufacturer in order to keep all of the records a school needs for students. We are the student ID system for the school.

**CEOFCO: *Are people in general comfortable with fingerprint biometrics?***

**Mr. Fry:** What we found in the early days, 10 or so years ago, was that there were a lot of questions about what was going to happen with the fingerprint, if the government was going to have that fingerprint, and if they could come into the school to get the fingerprints of people and see if they happened to have committed some kind of crime. We get hardly any of those questions these days. There is a very small percentage – I would say half a percent or less than one percent – of people in a school district that might decide to opt out. What we find is after it has been in place for some time that those students decide to opt in because they saw that nothing happened to all the other people and they have a greater convenience in identification. It is not completely gone, but it is certainly something we hardly hear anything of these days. Ms. Dunphy: If people have fears, and the facts are out there but they choose to not look at the facts but continue to be afraid, it is a subconscious fear. There is really nothing you can do about that.

**CEOFCO: *How do you reach schools? Is it a district that is purchasing or would it be individual schools?***

**Mr. Fry:** In the early days it was individual schools, but now it is districts. We go to a lot of conferences throughout the United States – national conferences and regional conferences, and we reach out via email. There is a lot of word of

mouth. When you have a district that is very happy, people talk. That is one of the ways that we have been able to penetrate our market. The largest state that uses our software, which is West Virginia, is leading the country in finger scanning biometrics in K-12 education. We are in about 70% of the counties in West Virginia.

**CEOCFO: *What is the business model?***

**Mr. Fry:** It is a purchase along with an ongoing licensing and support. They will make the purchase outright for hardware, software and services, and they will also pay for licensing and support on a yearly basis.

**CEOCFO: *When people adopt the system, do they stick with it?***

**Ms. Dunphy:** Yes. When a school district decides to do this, they invest time as well as their dollars, and it is something in which they immediately see efficiencies.

**Mr. Fry:** Because of the unique design, it allows them to change their host software application with no impact on the finger scanning ID system. It is not unusual for a cafeteria food service manager to decide to change from one cafeteria point of sale software application to another. In those cases, if they are using ID cards or PINs, they are going to have to reissue ID numbers and ID cards because of the new system requiring their specific kind of identification. In our case, they can bring in the new POS application, and our ID system stays in place. We simply reconfigure it at the work station, and the students do not notice any difference in the use of the finger scanning system to communicate to the cafeteria POS. This was particularly important when the state of West Virginia moved from a statewide-provided software application called Win POS. They decided to outsource it, and they brought in an application made by Cybersoft, PrimeroEdge. They did not have to set up a new ID system to the application. Once the new POS was installed, we simply reconfigured at the workstation, and the students kept using things as they had the previous year.

**CEOCFO: *Is your background as a principal meaningful to potential customers?***

**Mr. Fry:** I think my background is very meaningful. Like any other product, if the customer believes that the person selling to them understands their need and their pains, they have a feeling of greater trust and this provides greater credibility for the company and the product itself. It is not uncommon for me to use my background as a principal and sharing it with people who have had similar experiences in their schools. They certainly know that I understand the problems that they are facing and that we have built something to solve their problems.

**CEOCFO: *What do you find when you are first talking with people? Is there an aha moment or are there some common barriers?***

**Mr. Fry:** There is definitely an aha moment because this is a paradigm shift. There are many people who think that this just makes sense, so it is a logical move for them, but for other people it is a paradigm shift because they are so used to using cards and ID numbers that using finger scanning is a new idea for them. It is a concept that they did not know was available. They might have thought they liked it, but they did not know that it was available and they could actually afford to buy it. Secondly, I see this all the time with the third party software that we communicate to. They all believe that we had to do coding work in order to be able to provide identification to their applications because that is their world. When I show them it how it works, frequently they are like deer in headlights because they do not understand how we can provide identification to their application without having to talk to them first. Once the idea is in place, they certainly understand it and they like it. For us, the challenge is just communicating that we are available, the technology exists, and they can use it.

**Ms. Dunphy:** It is very interesting when we are at a conference and we have a video showing this working in a school for attendance at the front entrance of the school and for breakfast and lunch. When you watch their faces, you can see the "lightbulb" go on and that they are imagining this in their schools. That is an aha moment. They are surprised they can use it in their school, and when they find out that it is very cost effective and reasonably priced, it is very exciting for them.

**CEOCFO: *Would you tell us about your interest and support for the No Kid Hungry program?***

**Ms. Dunphy:** Our company believes in giving back, especially since we do so much for school cafeterias and have been very important in many schools implementing their school breakfast programs so that they can have accurate records. We just thought that being involved with No Kid Hungry made all the sense in the world for us.

**CEOCFO: *What is next? What might be different a year from now at identiMetrics?***

**Mr. Fry:** At identiMetrics you will see an increase in staff. The market is growing, and we find that we are now in the position of needing to hire both tech support staff as well as sales staff. You will see a larger market and number of sales for us. This version two will allow us to provide the kinds of things that have been requested from the larger school districts.

**CEOFCO: *What about potential competition?***

**Mr. Fry:** It has been interesting over the last 10 years. There have been some players who have tried to get into this market and are now basically out of it. I think a large part is because they did not understand the education market and they did not understand how to develop something for this specific market. I think that a lot of the biometric players in the market who focus on business, high security and government don't understand the education market, so they have stayed out of it. There have been basically three players in the market. One of them was a low-cost provider, but they also were the low performance provider. While people thought all biometrics were the same initially, what they found out over time was that they are not. That competitor has pretty much left the field or been forced off of the field because of poor performance and support. The other one is a company that is a smaller company that is a little more regional. I cannot speak to what their business model or goal is, but we run into them so seldom in the field, and the few times that we have run into them, we have been chosen as the product of choice by the customer. I would expect that there will be some other companies coming into this market as things begin to heat up, but our early market advantage has given us market leadership, credibility and name recognition.

**CEOFCO: *Why choose identiMetrics?***

**Mr. Fry:** identiMetrics provides an excellent product for identification of users in any setting, specifically the education setting. Our support and services are exceptional. We are responsive to our customers' needs, and many of the features in our software application were designed at the request of our customers. Our product was designed by educators for the specific needs of schools. Our system works seamlessly in the background providing student identification to all the applications that require accurate student records.

**Ms. Dunphy:** It is also using technology to really streamline operations, so customers see a pretty fast return on investment.

**Mr. Fry:** In my school, it came to my attention that we were making 1,000 ID cards at the beginning of the year and another 1,000 during the course of the year. There is time, effort and resources involved in making each one of those cards. Eliminating the need for the cards and registering the student once for the entire time they are in the school system is really tremendous.

**Ms. Dunphy:** Knowing they have secure student accounts is also very valuable to schools.

Interview conducted by: Lynn Fosse, Senior Editor, CEOFCO Magazine

**For more information visit: [www.identimetrics.net](http://www.identimetrics.net)**

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