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Goodbye Buddy Punching

New to quick-service, biometric hand scanning is eliminating fraud.
By Frank Jossi

Blessed with a unique dexterity not found in the rest of the animal world, human hands represent one of the wonders of creation. On a more mundane level they possess enough characteristics to serve as an excellent tool for personal identification.

The hand cannot lie.

Recognition Systems, Inc., the Campbell, California-based biometric component of Ingersoll-Rand's Security & Safety Group's electronic access control division, has more than 75,000 hand geometry units reading the lifelines of millions of people around the world every day. The company virtually started the field of "hand recognition" technology in 1986 for time and attendance and access control, building up an enviable record as one of the world's largest biometric companies.

So what is biometric technology? Biometric manufacturers employ technology that distinguishes people through telltale parts of the human anatomy—fingerprints, irises, facial features, hand shapes—or through other means like the way a person signs his name or types on a keyboard. (Yes, the way you type is stylistically all yours.) Once the stuff of science fiction, biometric applications have taken off as post-9/11 security jump-started the $1.4 billion global industry, which will triple in size over the next three years, predicts the New York-based International Biometric Group (IBG).

Predictably, the growth in sales comes largely from the government, travel, and transportation sectors since post-9/11 security concerns play an important role in the industry's skyrocketing appeal. The IBG's research shows finger scans represented more than half the sales last year, followed by facial scan (11.4 percent), and hand scan at 10 percent, says Trevor W. Prout, director of marketing for IBG. Frost & Sullivan's World Biometrics Report, however, points out that hand geometry dominates the small market for biometric time and attendance applications, commanding a 46 percent market share.

Hand scanning devices produced by Recognition Systems have been used in a variety of situations. The 1996 Olympic Village employed HandReaders to track 65,000 people living there during the 28-day event. Various Italian banks, British prisons, and even a few health clubs use Recognition Systems's technology on daily basis. Still, says

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director of marketing Bill Spence, the firm has only a handful of quick-service clients—an Irish Burger King franchisee, a U.S. Krispy Kreme franchisee, Joe's Stone Crab in Miami, a South American McDonald's franchisee, and a Korean restaurant chain.

Those restaurants combine the hand readers with time and attendance applications to log in when employees arrive and when they leave. Recognition Systems sells four different "HandPunch" models for time and attendance that can be scaled for businesses employing anywhere from 50 to more than 20,000 employees at a cost of roughly $1,000 to $3,000 per unit. They are used to replace the easily lost, sometimes fraudulently used time cards, badges, bar code slot readers, and other time and attendance tools.

The weakness of those traditional systems, says Spence, is that they allow employees to clock in for others, dubbed "buddy punching." HandPunch units nip that problem in the bud because they require the presence of employees—and their hands—to register for work. "It might be only five minutes [before the buddy shows up for work] but five minutes can be one percent of a person's pay," says Spence. "Remember, in the service industry the labor component is huge and

reducing the incidence of fraud is important."

So how well do these systems work? Quite well, says a Venezuelan McDonald's franchisee who, last October, installed Hand-Punch at 85 restaurants. Since then payroll costs declined 22 percent. The chain's 3,400 employees keep the terminals busy, logging in an average 7,500 times a day for a total of 2.5 million annual "punches," says Spence.

In a prepared press release, Jose Ramon Casal, who installed the system for McDonald's while working for the Caracas-based systems integrator Electronica Quantum,

says elimination of buddy punching prompted the move. "McDonald's moved to biometrics because they wanted to verify that the employee clocking in was really that per-

son," he says. "Students make up about 90 percent of the McDonald's workforce in Venezuela. They were frequently punching one another in to cover for exams or other school-related events."

Using card technology for time and attendance, a popular option the franchisee formerly used, did not address the problem. "A card only verifies a card," Casal continues. "We have used finger scanning for other applications, but we believe that hand geom-

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etry is more effective and produces fewer errors when there are larger employee populations. With hand geometry, a larger area is scanned than with finger scans and the template is updated after every scan so it remains current."

The application isn't all that difficult to use, either. Employees place a right hand on the scanner when they arrive and punch in a personal identification number. The technology, which takes just a second to verify an employee, even helps managers avoid the inevitable challenges of overseeing a workplace composed of employees with whom they have long established relations.

Since many McDonald's managers come from within the organization's ranks they sometimes struggle to impose "rules and restrictions" on their fellow employees, argues Casal. Hand Punch takes the manager out of the equation since technology handles time and attendance. Spence, too, sees that as a primary advantage since hand scanning allows employees to inherently treat everyone the same so no one employee can be the "guy who is beating the system."

The reason HandPunch appeals to so many overseas quick-service franchisees, he explains, is that they have not invested as heavily in information technology so they have fewer legacy systems to contend with. "One of the things I've seen many times in international markets is they (clients) don't have existing infrastructure, they're building systems from the ground up," he says.

Recognition Systems hopes to soon attract more American restaurants and chains. "In the quick-service industry where buddy punching is problematic, electronic time and attendance makes sense," says Spence. "It gets rid of manual errors and it's a much more efficient way of doing things." ⧉

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