## BUSINESS JOURNAL

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## InstaKey locks on to a key solution for customers

The Denver Business Journal - November 25, 2005 by <u>Cathy Proctor</u> Denver Business Journal After Hurricane Katrina wrecked New Orleans and the surrounding coastal area, Sprint PCS faced a problem.

It needed to get into several stores to survey damage, but its employees -- and their keys -- were scattered around the region, and communications were difficult at best.

Sprint called Denver-based InstaKey Lock Corp., which cut a new master key and sent it overnight to a Sprint employee in Baton Rouge, La. He drove to the New Orleans stores, checked for damage and changed InstaKey's patented locks on the stores' doors with a single twist of his wrist, using the new master key.

Changing a business's locks, and making keys to match, typically requires a visit from a locksmith, who can charge \$100 for making the trip during normal business hours.

But after Katrina ravaged the Louisiana coastline, "there were no locksmiths available," said Hank Roberts, manager of the real estate help desk for Sprint PCS.

InstaKey, which provides the locks and keys that open them for 850 Sprint stores around the nation, was great, Roberts said. Sprint has used InstaKey for its locks and keys for about four years.

A manager can re-key, or change, the locks InstaKey makes for Sprint -- without calling a locksmith -- up to 10 times before a new lock must be installed. The cost to change a lock using InstaKey is about \$25 to \$30 -- much cheaper than calling a locksmith, Roberts said.

In addition to the patented locks, InstaKey offers clients Web-based management to track which employees have keys that can open which doors. The brass keys can't be duplicated at local hardware stores. Each is stamped with a serial number before leaving the Denver manufacturer to improve tracking and auditing efforts.

"With InstaKey, three keys can't grow into four. And if three keys goes to two keys under suspicious circumstances, you can re-key instantly," said InstaKey President Scott Serani. "But most importantly, we know where all three keys are, and who's supposed to have them, at all times."

InstaKey's database tracks 805,185 keys. Two months ago, the 21-employee company cut its 1 millionth key, said Cita Doyle, director of sales and marketing.

The company works with clients who have locations in all 50 states and abroad, typically large retail, commercial or governmental organizations, including hospitals, multisite retailers, government offices and military bases. One client has InstaKey tracking 80,000 keys that open doors at 8,000 locations in 14 states, Serani said.

"A customer with 3,000 locations has enough to do keeping track of who the building manager is, *All contents of this site* © *American City Business Journals Inc. All rights reserved.* 

much less who has keys to that location," Serani said.

The company expects to generate revenue of nearly \$5 million this year and has grown by 25 percent to 30 percent a year the last few years.

Depending on the desired system, InstaKey's locks can be changed -- by twisting a master key 180 degrees -- an average of 12 times, Doyle said.

The cost ranges from \$50 per door at commercial sites to \$100 to \$300 per location for retailers that have three doors: front, back and office, she said.

InstaKey figures the second time a company has to re-key a location -- but doesn't have to call a locksmith-- or avoids re-keying a location because the employee turned in a key, the system has paid for itself, she said.

"We're the only company that does this with re-keyable cylinders, with restricted keys that are serialized, and tracks all of them and all of the doors and locations," Doyle said.

InstaKey's key-tracking databases are safe, tucked behind a firewall approved by the Department of Defense, Doyle said.

"A lot of our clients are the federal government and military bases, so we have to be up to their standards," she said.

InstaKey has offered the re-keyable lock for about a decade, adding the Internet-based tracking software in the late 1990s, but the business took off after the Sept. 11, 2001, terrorist attacks.

"When we talked about security prior to 9-11, it was all about card access, biometrics and CCTV [close-circuit television cameras]," Serani said. "They didn't talk about locks and keys. You can have magnetometers installed, but who has a key to the front door? Keys have been a facilities problem, not a security problem. After 9-11, people realized that that mechanical brass key that costs a buck and a quarter is pretty important."

InstaKey's locks can be changed in a variety of ways.

If an individual employee loses the key to her office, the office manager can re-key the lock and give her a new key. If the building manager loses the master key that opens every lock in the building, a new master key can change the locks throughout the building in minutes -- and still allow the individual keys to individual offices to work, Doyle said.

With conventional locks and keys, "If you lose your key to the office, it's an \$80 problem," Serani said. "If your building engineer lost his master key, you're now talking about a problem of tens of thousands of dollars and headaches all along the way. We now offer something that, in my opinion, my industry has never attempted to offer."

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