



ADVANCING

By Tracey C. Velt

FROM AUTOMATED TRAVEL KIOSKS TO INTEGRATED BAGGAGE SYSTEMS, TRANSPORTATION TECHNOLOGY TAKES OFF FROM CENTRAL FLORIDA.



Great ideas have to start somewhere. For some, it's an idea stumbled upon from a desire to automate a process; for others it's a series of relationships that make it possible. Take the cases of two Central Florida companies that are changing the face of transportation technology — G&T Conveyor Company and Kinetics, Inc.



NG TRAVEL

For G&T Conveyor, the great idea was born of a need for more efficient baggage handling systems and built on successful past relationships. For Kinetics, it was an idea — self-service airline check-in kiosks — that germinated while the company's founder was working as a sales agent for a travel agency.

Very different ideas, but both offer

technology that's changing the landscape of travel around the world. And, both are headquartered in Central Florida.

KINETICS: THE LEADER IN SELF-SERVICE TECHNOLOGY

If you've traveled Delta, Continental,

Illustration Frank J. Quinones

ATA, or any one of 14 airlines using self-service check in, you've likely used one of Kinetics' kiosks. It's a product that's hard to ignore in a time when companies are trying to be more productive with less employees. Capitalizing on this productivity trend is Lake Mary-based Kinetics, founded by David Melnik.

"More than a decade ago, I assembled a small team of travel professionals and established a relationship with NCR to build a business focused on improving the archaic distribution channels of the airline industry," says Melnik. "The idea literally evolved from my second bedroom. I had worked selling airline tickets to small businesses, and I wondered why this couldn't be done through ATM machines."

His idea — self-service kiosks at airport check in — would eventually change the way travel is done. By sliding in your credit card, the kiosk automatically pulls up your airline reservation, allows you to choose how many bags you want to check and gives you a seat map of the plane you're boarding. You can see where your seat

charted its own course in the market. They launched their own version of self-service hardware and enterprise software. With Alaska Airlines as the launch customer and Northwest Airlines following, this sparked the beginning of a major change in the behavior of the traveling public and the now widespread adoption of self-service.

Kinetics' products, services and vision have combined to become the blueprint for the soon-to-be universal success of self-service in the North American airline industry.

Almost 10 years after their initial partnership, NCR and Kinetics are together again. NCR acquired Kinetics in October 2004.

"Joining with NCR, a recognized leader in self-service solutions, is the right thing to do for Kinetics, our customers and our employees," says Melnik. "This combination will propel our company into the next generation of self-service technology, help us broaden our success in changing the face of travel and

enable us to seize new opportunities in the international travel marketplace."

The significance of Melnik's self-service business model is far-reaching. The company provides self check-in machines to two-thirds of the nation's airports. In fact, according to an article in *Fast Company* magazine last year, tens of millions of airline customers checked themselves in on machines that were designed, produced, and supported by just 67 employees in an office about 20 miles north of downtown Orlando, an area quickly becoming a mecca for large and small technology and simulation companies.

"I never even considered putting my company anywhere else," says Melnik. "Being in Central Florida is a great draw

to employees who want the family-oriented atmosphere and quality of life."

Melnik wanted to break through the traditional corporate model of being in a large metropolis.

"The quality of life that surrounds our office has a comforting effect on employees," says Melnik. "You'd have to pay me a ridiculous amount of money to convince me that I should live or have my company somewhere else."

In addition to building the company headquarters in Central Florida, Melnik finds it vital to recruit local talent.

"We focus on recruitment in the Central Florida area," says Melnik. "Most of our programmers live here and all of our developers are located here. The only significant workforce that doesn't live here is our team of field service technicians, who spend every day traveling from hub to 'spoke' to perform preventive maintenance on Kinetics TouchPort self-service hardware."

What makes Kinetics unique, besides being the first to develop the self-service kiosk business model, is the way the company helps businesses streamline and become more productive by offering software that makes the check-in process available on the Internet, as well as at the point of service.

More than that, the company does everything in house, from writing the software to designing the hardware. A group of 12 technicians keeps the airport kiosks running at what Continental says is 99.5 percent reliability, according to the article in *Fast Company*. At Continental Airlines, 66 percent of U.S. passengers check themselves in at Kinetics kiosks.

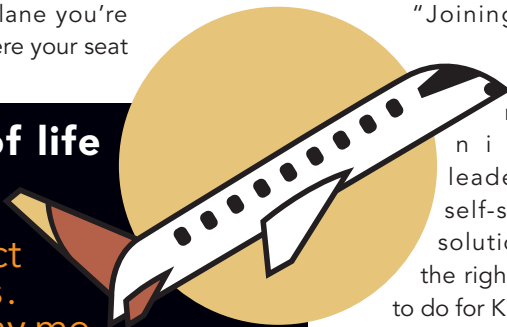
"We never thought it would go above twenty-five percent," says Scott O'Leary, Continental's senior manager in charge of airport self-service for passengers. That means fewer lines, more employees offering a smile and customer service, and a less-harried traveler.

What lies ahead for Kinetics?

"We'll continue to have strong growth," says Melnik. "We were just acquired by NCR and that gives us the fuel to expand globally and into other aspects of travel and hospitality, including self-service kiosk and Internet

"The quality of life that surrounds our office has a comforting effect on employees. You'd have to pay me a ridiculous amount of money to convince me that I should live or have my company somewhere else."

— David Melnik, Kinetics, Inc.



is and which seats are still open, allowing you to pick a different one if available. Once complete, your boarding pass prints from the machine.

But, achieving success in the airline self-service market proved to be far from easy. From 1991 through 1995, Kinetics worked with a variety of customers that included state governments, Fortune 100 companies, and domestic and international airlines. Solutions ranged from self-service motor vehicle registration, smart-card prototypes, biometric-identification software, and deployment of self-service ticketing systems for the Delta Shuttle and Lufthansa German Airlines.

At the end of 1995, Kinetics ended its six-year relationship with NCR and

check-in at hotels, rental car agencies and quick-service restaurants.”

Just think, says Melnik, “Ten years from now, there’ll be things you do for yourself that used to be handled by someone else, and you’ll forget that you never handled it before.”

G&T CONVEYOR: SECURITY IN BAGGAGE HANDLING

In business, reputation and relationships mean everything. No one knows that better than Ted Majewski, Sr., who worked in the baggage handling industry installing systems before retiring to Central Florida. Demand for Majewski Sr.’s installation expertise soon brought him out of retirement and became the catalyst for creation of G&T Conveyor Company, which he founded with son, Ted Majewski, Jr., in 1987. First run as an installation company, putting other companies’ baggage handling systems into airports, G&T quickly transformed into the largest airport industry-dedicated supplier of baggage handling systems.

When the need to do some light manufacturing forced them to move from their first location, the Majewskis looked around the state, considered all the variables — qualified workforce, work ethic and infrastructure — and decided on their current location in Tavares, about 30 miles north of downtown Orlando. The number one reason they chose Central Florida was the region’s workforce.

“The work ethic in Central Florida is one of the strongest I’ve seen in the twenty-five years of my professional career,” says President John Majewski, who joined the company to help brothers Ted Jr. and Larry when Ted Sr. retired several years ago. “This, along with our proximity to the airport, governmental support through grants, and the local technical schools and colleges [University of Central Florida and Rollins], have all acted as catalysts to the rapid growth of our company.

“What began in a strip mall in Clermont (north of Orlando) has now

grown to an \$80 million business. We have over 500 employees across the country and more than 275 that work in our world headquarters in Tavares,” he says.

According to John, “We’re a turn-key supplier, meaning we design, engineer, manufacture, install, operate and maintain baggage handling systems.”

G&T also writes the software that tracks the bags through the system and interfaces with the airline flight systems to match bags with passengers and route them to the proper flights.

“With the recent changes in security requirements, tracking bags from check in through the intricate levels of security screening and on to sorting for departure, has made our proprietary software even more valuable,” says John.

Since G&T originally installed a majority of other companies’ U.S. baggage sortation systems, as well as their own, they are now a leader in the in-line integration of security screening equipment into both their own systems and their competitors’.



“With the most complete product line, a company dedicated entirely to this industry, and a division that provides ongoing support after the design and installation, we’re a unique partner,” says John.

Just ask airport management in

Seattle. They’ve signed three consecutive contracts in excess of \$20 million that will completely enable the airport with the latest in checked baggage security and sortation.

“A little closer to home,” says John, “We’re close to completing the baggage handling system for the new terminal in Fort Myers, [Fla.]. This \$20 million system is state of the art, and G&T will also be operating and maintaining the system after it goes into operation in 2005.”

What does the future hold for this Central Florida company?

“G&T is tracking \$5 billion worth of business in our domestic market in the next five years,” says John. “We’re continuing to be aggressive in our growth with both acquisitions of our smaller competitors and complementary lines of business. G&T is also getting more aggressive with our international sales efforts and have had some recent

“The work ethic in Central Florida is one of the strongest I’ve seen in the twenty-five years of my professional career. This, along with our proximity to the airport, governmental support through grants, and local technical schools and colleges, have all acted as catalysts to the rapid growth of our company.”

—John Majewski, G&T Conveyor

success in South America. We just signed a contract to design the baggage system for the Shanghai International Airport in China. Our business is global.”

From the most obvious front-end operation such as self-service airline check in, to the unseen back-end activities such as baggage handling, Central Florida companies are taking the lead.

