

The manufacturer of tools and security systems has completed its acquisition of Xmark, a provider of RFID-enabled patient-tracking systems for the health-care market.

By Beth Bacheldor

July 29, 2008—[Stanley Works](#), a worldwide supplier of tools, engineered solutions and access and security systems, has announced the completion of its acquisition of [Xmark](#), which sells RFID-based products and services designed to help track infants in hospitals, as well as other patients and physical assets. Stanley Works purchased Xmark, based in Ottawa, Canada, from [VeriChip Corp.](#), a provider of RFID systems for health-care and asset-tracking applications.

The deal is valued at \$45 million—the agreed-upon purchase price—plus a balance sheet adjustment that will see Stanley transfer approximately \$3 million in funds to VeriChip (a portion of the balance sheet adjustment reflects Xmark's net cash position as of the closing). Xmark will then become part of its new owner's [Stanley Security Solutions](#) division, headquartered in Indianapolis, which offers access technologies such as door systems; "mechanical access" solutions including safes, vault locks, basic access control, and access control software; hardware for locking and door systems; and personal security technologies such as monitoring systems for patients, according to Bill Merrill, Stanley Security Solutions' VP of marketing and technology.

The sale of Xmark is part of VeriChip's efforts to sell off its assets. One week after announcing Stanley Works' agreement to purchase Xmark, VeriChip revealed plans to sell its VeriMed Health Link business. (In April, VeriChip rebranded its VeriMed system, renaming it Health Link, and launched a three-month advertising campaign to market its services directly to potential end users in southern Florida—see [VeriChip Markets Its Implantable RFID Tags and Services Direct to Consumers](#).) The company is currently weighing the possibility of selling off the rest of itself as well (see [VeriChip to Place Implantable Division on Block](#)).

Xmark's product line consists of several RFID-based security products for the health-care market. These include infant security systems (under the Hugs and Halo brands), a security system designed for pediatric use (under the Pedz brand), wander-protection systems (under the RoamAlert brand) and hospital asset-tracking systems (under the Assetrac brand). The company's Hugs and Halo systems are designed to help prevent infants from being removed from a hospital without permission, while RoamAlert is intended to keep patients—such as those with Alzheimer's—from wandering unattended.

The infant- and patient-monitoring systems offer additional protections as well, such as skin-sensing capabilities that can trigger an alert if a tag is removed from a wearer. What's more, the monitoring systems can trigger an alarm if, for instance, a person attempts to exit via a monitored door without authorization, a tag's strap has been cut or tampered with, the system fails to detect a tag's signal for a specified time period, or a tag's battery power runs low. The company also offers a system known as MyCall, which caregivers can use to issue emergency alerts. All of Xmark's products employ active tags that transmit signals at a variety of frequencies (some tags incorporate dual frequencies) and

communicate via proprietary air-interface protocols. Assetrac, for example, leverages 434 MHz.

These products, Merrill says, will be folded into Stanley Security Solutions' personal security offerings, which include its [Senior Technologies](#) business. The Senior Technologies business currently offers WanderGuard, an active 500 kHz RFID system that utilizes a proprietary communications protocol and is designed for tracking patients in long-term care facilities, such as senior centers. Todd Tyler, director of new product development with Senior Technologies, says the Xmark product line will provide Stanley Security Solutions an inroad into the acute care health-care market.

But the acquisition will also offer Stanley Security Solutions increased breadth and depth with RFID technology in general, Merrill says, adding that his division is developing RFID-enabled products for its mechanical access, access security and personal-security businesses, as well as its [Stanley Convergent Security Solutions](#) unit, which provides monitoring and alarm systems, video surveillance systems, integrated solutions, online services and more.

"RFID is kind of a cross-over technology for us," Merrill explains. "Since we are in the security solutions environment, we are using RFID for multiple tracking applications."

Stanley Security Solutions' [Stanley Correctional Services](#) unit already offers an RFID-enabled solution for the corrections sector to monitor and track inmates. Additionally, Stanley Security Solutions plans to test an RFID-enabled cash-tracking system with a fast-food company that has requested not to be identified. The solution, designed to help fight cash losses, employs RFID to track cash deposits and withdrawals from safes within the restaurants.

"This intelligent system uses RFID to capture the deposit information, monitor the cash inside the safe and track the cash withdrawal," says Phil Pitt, director of marketing for [Sargent and Greenleaf](#), a division of Stanley Security Solutions. "It provides real-time information to loss prevention and treasury departments so they are informed at all times."