

# MEGABYTE EXPRESS

*A technology makeover delivers  
the power to grow and compete*



WORKING  
TOGETHER  
FOR SMALL  
BUSINESS  
SOLUTIONS



## MOVING A DYNAMIC

## SMALL BUSINESS TO

## THE NEXT LEVEL

Like many small to medium sized businesses that propel the U.S. economy, Megabyte Express, an office supply and printing company in Austin, Texas, experienced growing pains despite sales success. In its twelfth year of business, with \$3.5 million in annual sales, the 16-person company found itself at a difficult plateau.

“We were at a point where we either had to grow the company substantially in terms of sales and profits or scale it back down,” said Megabyte Express president Bill Breed. “And scaling back down is no fun.”

The most pressing business challenge for the company was maintaining their ability to compete with larger office supply firms. Many of these competitors had made major investments in technology, including custom e-commerce capabilities.

“It was critical for us to prove to our customers that they were not losing functionality by choosing Megabyte Express as their provider,” Bill said.

Megabyte Express determined that doubling their annual sales to about \$7 million would allow them to take advantage of greater purchasing power, improve margins and invest in more robust capabilities. To maintain profitability, they also needed to find more capacity within their organization and help their employees work at peak efficiency.

## THE GOAL: DOUBLE SALES

A major obstacle stood in the way, however—the company’s aged and patchwork technology infrastructure. It not only limited the company’s capabilities, it meant the IT and operations manager had to focus on daily problem-solving instead of strategic planning.

“To double sales, we needed to have the infrastructure to handle those sales,” said Craig Bach, chief financial officer. “Our volume was plateaued at about a thousand invoices a month. If you think about doubling that to 2000 invoices a month, speed of processing plays a huge role.”

Dell and Intel proposed a complete technology makeover for Megabyte Express, one that addressed the company’s four key business problems and the corresponding technology challenges associated with each.

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### COMPANY PROFILE

#### **Megabyte Express, Austin, TX**

- Office supplies distributor and print brokerage with 16 employees
  - In business 12 years, locally owned and operated by same owner
  - Company has continued to grow sales revenue 8-12% annually for the last three years, but wants to accelerate this growth to enable increased profitability and competitiveness; online sales growth is a priority
  - Office and computer supplies, 55 percent of revenues; business printing, 45 percent
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MEGABYTE EXPRESS BUSINESS CHALLENGES	CORRESPONDING TECHNOLOGY CHALLENGES	DELL/INTEL SOLUTIONS
1 Grow annual sales revenue to \$7 million level	Lack of sufficient business tools for sales staff	Wireless notebook PCs with customer relationship management software
2 Compete with larger firms by providing superior service	Non-responsive systems impacting customer service	Powerful PCs and servers allowing advanced software, fast response times
3 Increase productivity and profitability	Older hardware hampering core business functions	New infrastructure enabling state-of-the-art capabilities and high efficiency
4 Reduce costs of IT support, increase security	Older infrastructure requiring daily IT "fixes;" lack of virus protection	Service contract and network installation to free IT manager for strategic tasks

**A TECHNOLOGY PACKAGE DESIGNED TO MEET CHALLENGES HEAD-ON**

**CHALLENGE #1: Lack of sufficient business tools for sales growth**

To meet the company's aggressive sales goals, account executives needed to spend most of their time in front of customers. Too often, that was not the case.

"Without a wireless notebook to carry

with me, it was necessary to go back into the office to take care of business," said Bill, who is part of the company's five-person sales staff as well as president. "I needed to be at the office to answer emails, get quotes for customers and prospects, and otherwise communicate with our staff."

New Intel® Centrino™ mobile technology-based notebooks now enable Bill and the other sales people to stay out in the field, yet still be connected to the office. They can check email or estimates and even participate in sales meetings, while maximizing time spent with customers.<sup>1</sup>

Along with the new Dell™ Latitude™ notebook computers, Megabyte Express is also using the GoldMine+ software suite from Front Range Solutions. It tracks each contact the company has with a customer, enabling sales people to effectively coordinate activities. They also use it for schedule management and creating sales "tickler" files that help build the customer relationship.

Since the technology makeover, Megabyte Express has been able to set individual sales goals of five new accounts per month and ten appointments per week. In just the first month of operation after the infrastructure overhaul, sales increased 30%.

"FOR US TO GROW, TO GET THE ECONOMIES OF SCALE WE WANT, WE'VE GOT TO DO IT THROUGH TECHNOLOGY."



**Solutions:**

- Dell Latitude D505 and D800 notebooks based on Intel® Centrino™ mobile technology help improve sales productivity. With remote access to email, quotes and product information, the sales force can improve follow-up and reduce the potential for lost sales due to unavailability.
- Employees can wirelessly connect to the Internet at hot spots in office buildings, coffee shops, airports and other public spaces where wireless access is available (for more information and to find a hot spot near you, go to <http://intel.jiwire.com/>.)<sup>1</sup>

“WITHOUT ANY MORE EMPLOYEES AT ALL, WE SHOULD BE ABLE TO DO AT LEAST 25% MORE WORK.”

- A new wireless LAN, including a wireless Dell base station and wireless access points throughout the office, offers new flexibility by making it easy to move, change and add employees.
- Wi-Fi Protected Access (WPA) and 128-bit encryption

are supported by the Dell base station and Intel Centrino mobile technology-based notebooks, providing tight security when employees connect through a public hot spot.<sup>1</sup>

- Portable Dell electronic projectors provide rich, compelling onsite presentations to customers.

**CHALLENGE #2:**

**Non-responsive systems impacting customer service**

The purchasing department was spending 30 to 45 minutes a day simply waiting for various applications to open. Quoting new prospects and daily ordering were cumbersome and slow due to wait time and the inability to keep enough windows open simultaneously.

“I’m on the phone with customers all the time,” said Bob Kinchloe, who handles office supply purchasing. “While I’m talking to them, I’m looking at our suppliers’ Web sites to see what’s in stock at what price. I can look at the rest of the country if they’re out of stock locally. The problem was, it took forever.”

The technology overhaul has made a big difference in time saved. Sales people no longer have to call back repeatedly for quotes, and customers don’t have to sit on hold. Order entry has also become fast and easy.

“I’d say if I averaged 25 orders in an hour before, I can do 40 or 50 now with the new system,” Bob said. “I’m getting a lot more done in the same work day, just by working more efficiently.”

With the fast new infrastructure, Megabyte Express can bring more customers on more quickly and be confident of servicing them well while keeping operational costs under control.

**Solutions:**

- Dell™ OptiPlex™ GX280 based on the Intel® Pentium® 4 processor with Hyper-Threading (HT) Technology provides more PC responsiveness, allowing staff to service more customers and resolve issues quickly.<sup>2</sup>
- Dell OptiPlex GX280 desktops based on Intel® 915G Express Chipset with PCI Express and DDR2 memory move data at very high speed, which translates to fast screen changes and information retrieval for the user.
- The cost-of-ownership focused OptiPlex brand provides stable platforms the company can standardize on. The new desktops provide future proofing to reinforce investment protection for Megabyte Express.
- Dell™ PowerEdge™ 1600SC server based on Intel® Xeon™ processor delivers high performance and information/resource availability for employees. It also allows the company to increase capacity in the future just by adding a second processor, extra memory and additional storage.
- Dell™ PowerVault™ 110T tape backup with industry leading software allows data to be backed up on a consistent basis—the company can easily recover missing files or customer information.

**KEY INTEL® TECHNOLOGIES**

**Notebooks**

Staying close to customers is easy with Intel® Centrino™ mobile technology, comprised of the Intel® Pentium® M processor, Intel chipset family and Intel® PRO/Wireless network connection. Each of these components is designed to maximize the mobile notebook experience, and they're tested to work optimally together. Intel Centrino mobile technology-based notebooks provide performance and security support needed for the growth of small businesses.

**Desktops**

Today's business computing with multitasking and background processing demands a new approach to performance that lets users operate with high efficiency. Desktop PCs using an Intel® Pentium® 4 Processor with HT Technology and the Intel® 915G Express chipset are designed to meet these demands. HT Technology enables a single processor to function as two "virtual" processors by executing two threads in parallel. Operations like virus scanning can run in the background, while users multi-task unhindered.<sup>3</sup>

**Servers**

To run critical business functions, powerful servers need a strong foundation. With features like HT Technology for high performance and Intel SpeedStep® technology for energy-saving reliability, the Intel® Xeon™ processor lets businesses stay focused on results. And 64-bit Intel Xeon Processors provide compatibility for a broad range of powerful business software.<sup>4</sup>

For more information about these technologies, see [www.intel.com/smallbusiness](http://www.intel.com/smallbusiness)



### CHALLENGE #3:

#### Older hardware hampering core business functions

The company's online print ordering system was a "pain point" for employees and customers alike. Scanning documents into the system to set up customer catalogs was a lengthy process, hindered by Megabyte Express' older PCs, storage capability and software. Even after an account was set up, customers often experienced sluggish performance when ordering online.



Now, with new PCs and servers, the print department is able to set up customer document catalogs in two to three weeks, not months. The powerful new infrastructure has enabled them to move to a new, upgraded version of their core application, Ensight Pro\* from ECI<sup>2</sup>.

The new equipment also includes a Dell Precision™ workstation with Intel® Xeon™ processor for

graphic design. It enables the company to serve clients who want custom designed literature, and even to grow a full design department as a new revenue stream.

#### Solutions:

- Dell OptiPlex GX280 Desktops based on Intel® 915G Express Chipset, with 1 MB cache and Intel® GMA900 integrated graphics solution, provide fast response time for running the latest software applications.

"WE'VE NEVER REALLY RUN THIS COMPANY ON ALL CYLINDERS BEFORE. THE EXCITING PART IS, NOW WE HAVE A CHANCE TO DO THAT."

- Dell Precision 470 workstation based on the 64-bit Intel® Xeon™ processor is combined with a new 800 MHz front side bus, 1 MB L2 cache, and PCI Express interconnects for high-speed performance, and great design capability with the Adobe Illustrator\* graphics application.

- Dell PowerEdge™ 1600SC small business servers based on the Intel Xeon processor provide a reliable, high-performance platform to increase user productivity as a DNS server and make the end-of-month close fast and easy.
- New PowerEdge 1600SC backup server allows the company to file invoices and records electronically, keeping them safe and quickly accessible.
- Dell™ PowerConnect™ 3224 managed switch enables the company to efficiently move data and information across the network.

### CHALLENGE #4:

#### IT support and security issues driving up costs

"With the old infrastructure, my time was spent just keeping things running," said Lane Clark, IT and operations manager. "Getting systems out of an OS hang, troubleshooting, responding to error messages—I did everything except function as an efficient manager. I wasn't able to be strategic, just reactive."

The technology overhaul has changed that. Early results indicate that IT support and problem resolution have gone from 4 to 5 hours per day to less than one.

"Typically, I now spend just a few minutes in the morning on problems," Lane said. "That means people are being more productive, because they're not waiting for me to come and fix their computers."

In addition, the new equipment is fully documented, enabling the right drivers and system configuration details to be easily accessed online through [www.Support.Dell.com](http://www.Support.Dell.com).

Another IT issue was security. At Megabyte Express, the Nimda virus in 2002 took nearly two and a half weeks of IT time to eradicate, and the Sasser worm required approximately 80 hours. Dell Services installed anti-virus software as well as a Virtual Private Network (VPN) for added security. With the VPN in place, sales people can access the company network from the field and be protected from viruses and hackers.<sup>5</sup>

For network management, Lane now uses the Dell™ OpenManage™ client management software suite to detect desktop issues proactively. User downtime due to technology failure can be avoided by heading off potential problems in advance.

“Now that Lane has our systems completely refreshed, she doesn’t have to run around solving daily IT problems,” said Bill. “She can think about what else we need, and spend more time on operations.”

**Solutions:**

- Dell PowerVault 110T tape backup delivers high data security in case of a data integrity issue or network breach. Scheduled daily backups keep the day’s work safe and sensitive data secure.
- Watchguard\* firewall with hardware VPN provides a secure intranet and monitors ingoing and outgoing data. The network, data, and all clients and servers are protected.
- Dell OptiPlex desktops based on the Intel® 915G Express Chipset and dual-channel DDR2 memory technology are designed to meet the company’s present and near-future needs, enabling long cycles between replacements.
- New Dell PCs with Microsoft Windows\* XP Office (vs. the previous Windows 2000-based PCs) are excellent for IT administration. Features like system restore and remote assistance are designed to cut IT support costs.
- Fast, cost-effective installation through Dell Services. Installation of the total solution in 3.5 days saved Megabyte Express a month’s worth of time, significantly reducing IT support costs.

**DFS: MAKING SOLUTIONS AFFORDABLE**

Some small businesses may assume that a comprehensive technology solution is beyond their means, but that isn’t so. Dell Financial Services L.P. offers a wide range of financial products for every need including business lease, loan<sup>6</sup> and revolving credit.<sup>7</sup> These solutions can help small businesses manage cash flow and offer potential tax and balance sheet benefits (consult your tax advisor.) For example, by leasing equipment instead of paying cash up front, customers can obtain the technology solutions described in this case study with a 36 month FMV lease for approximately \$1,100.00 a month<sup>8</sup> versus an up-front capital expenditure of approximately \$33,000.00. By spreading their technology costs over three years and lowering their cost of ownership, the small business can use those extra funds for other facets of their business.

**USING DELL AS A SERVICE PROVIDER**

Like most small businesses, Megabyte Express doesn’t have a full-time IT staff. But they were able to get the support they needed by using Dell:

- Onsite assessments provided Megabyte Express with recommendations on exactly what technology was needed and nothing more.
- Dell Services installed clients and transferred data from old to new machines, configured the company’s firewall, installed the VPN, intranet and virus software, set up the tape backup, and even disposed of old systems.
- By ensuring timely maintenance and establishing a three-year refresh cycle, the services contract is expected to reduce Megabyte Express’ total cost of ownership in the long run.



# MEGABYTE EXPRESS

## FEATURED PRODUCTS

New Dell and Intel technologies allow Megabyte Express to closely compete with “industry giants” and provide excellent personal and online service.

- Dell™ OptiPlex™ GX280 PCs with Intel® Pentium® 4 Processor with HT Technology and Intel® 915G Express Chipsets
- Dell™ Latitude™ D505 and D800 notebooks with Intel® Centrino™ Mobile Technology
- Dell Precision™ 470 Workstation with Intel® Xeon™ Processor
- Dell™ PowerEdge™ 1600SC Servers with Intel® Xeon™ Processors
- Dell™ PowerVault™ 110T TBU
- Dell-branded LCD Monitors and CRTs
- Dell™ 2300MP Projector
- Dell™ TrueMobile™ 1350 Wireless Base Station
- Dell™ PowerConnect™ 3224 Managed Switch
- Watchguard Firewall with VPN

\* Other names and brands may be claimed as the property of others.

<sup>1</sup> Wireless connectivity and some features may require you to purchase additional software, services or external hardware. Availability of public wireless LAN access points limited, wireless functionality may vary by country, and some hotspots may not support Linux-based Intel® Centrino™ mobile technology systems. System performance measured by MobileMark\* 2002. System performance, battery life, wireless performance and functionality will vary depending on your specific hardware and software configurations. See [www.intel.com/products/centrino/more\\_info](http://www.intel.com/products/centrino/more_info)

<sup>2</sup> Look for systems with the Intel® Pentium® 4 Processor with HT Technology logo which your system vendor has verified utilize Hyper-Threading Technology. Performance will vary depending on the specific hardware and software you use. See [www.intel.com/info/hyperthreading](http://www.intel.com/info/hyperthreading)

<sup>3</sup> Look for systems with the Intel® Pentium® 4 Processor with HT Technology logo and also including an Intel® 925, 915 or 910 Express Chipset (see the product spec sheet or ask your salesperson.) Performance and functionality will vary depending on (i) the specific hardware and software you use and (ii) the feature enabling/system configuration by your system vendor. See <http://www.intel.com/info/hyperthreading> for information on HT Technology or consult your system vendor for more information.

<sup>4</sup> 64-bit Intel® Xeon™ processors with Intel® EM64T require a computer system with a processor, chipset, BIOS, OS, device drivers and applications enabled for Intel EM64T. Processor will not operate (including 32-bit operation) without an Intel EM64T-enabled BIOS. Performance will vary depending on your hardware and software configurations. Intel EM64T-enabled OS, BIOS, device drivers and applications may not be available. Check with your vendor for more information.

<sup>5</sup> Some security solutions may not be supported by your PC's operating system and/or by your PC manufacturer. Check with your PC manufacturer for details on availability.

<sup>6</sup> QuickLease arranged by Dell Financial Services L.P. (“DFS”), an independent entity, to qualified Small Business customers. Minimum transaction size of \$500 required. QuickLoan arranged by CIT Bank to Small Business customers with approved credit. Minimum transaction size of \$500 required. QuickLease and QuickLoan terms subject to credit approval and availability, and are subject to change without notice.

<sup>7</sup> Dell Business Credit: OFFER VARIES BY CREDITWORTHINESS OF CUSTOMER AS DETERMINED BY LENDER. Dell Business Credit is offered by CIT Bank to Small Business customers with approved credit.

<sup>8</sup> Monthly payment based on 36-month Fair Market Value (“FMV”) QuickLease and does not include taxes, fees and shipping charges. Your monthly payment may vary, depending on your creditworthiness. QuickLease arranged by Dell Financial Services L.P. (“DFS”), an independent entity, to qualified Small Business customers. Minimum transaction size of \$500 required. At the end of the FMV QuickLease, you can: purchase the equipment for the then FMV, renew the lease or return the equipment to DFS. Please contact your DFS representative for further details. All terms subject to credit approval and availability, and are subject to change without notice.

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