

## Small Business Case Study

Product Used: Intel® Xeon® processor technology, Intel® Centrino® Duo mobile technology  
Company Size: 1-25



# Vertical Broker Inc. Rolls Out Intel At Cargo Bed International

## Case Summary

After 15 years in business, Cargo Bed International, an Edmonton, Alberta manufacturer of extendable truck beds, was stuck in the industrial age of manufacturing, relying on traditional production processes and paper-based forms which limited growth. With new ownership and a complete business overhaul by Vertical Broker Inc., an integrated professional services firm, Cargo Bed has made servers, Web presence and integrated software technology a cornerstone of its future prosperity.

## Challenge

The owners of many companies founded by baby boomers are currently looking towards retirement and exit strategies for their business. The challenge for many of these baby boomer entrepreneurs is that they are running industrial age businesses, without the systemization and automation that buyers want.

Tony Schiebel, president of Alberta-based Vertical Broker Inc., and his partners found a market niche helping businesses to integrate business systems, optimize operations and increase efficiencies using new technology. He explains that many business owners they met were so focused on the day-to-day running of the company – they weren't growing and therefore weren't attractive to potential buyers.

"They'd become so focused on working in the business, they were not working on building the business," Schiebel says. "We saw a need to take organizations to the next level by not only leveraging technology but also by looking inside to identify ways to increase efficiency and profitability and get those owners off the hamster wheels that were hindering growth."

That's exactly what Cargo Bed needed. The business was founded by the previous owner 15 years ago. When he wanted to retire, few people were interested in acquiring the business. Jeff Steele saw potential but knew buying Cargo Bed meant making dramatic changes to their manufacturing, sales and marketing, order processing, distribution network and technology were needed to expand the business and increase its profitability.



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“When I took over the business, we were manufacturing six cargo beds a day. That was maximum capacity,” he recalled. “Everything was done with pen and paper and we were spending 70% of our time managing 10% of our business.”

Vertical Broker Inc. was the right company to help “turn the business on its head.” They came in and reviewed every corner of the business – accounting and financial management, manufacturing processes, branding and marketing, as well as information technology.

Steele admits there was ineffective marketing and inconsistent branding, and the office workflow was all paper-based, sticky notes and carbon paper. Staff was using Microsoft Excel\* but they would print out files and write in the forms on paper.

One thing was clear: big changes were ahead for Cargo Bed.

### **Solution**

For Cargo Bed, the first area for an overhaul was manufacturing. To do this, they streamlined their product offering from 20 different models to two – heavy duty and standard duty, as well as outsourcing the production to a facility with high end machining tools.

“To bring that level of manufacturing in-house would have been capital-prohibitive,” says Steele, noting that they couldn’t expand the business if they couldn’t provide the product.

They also needed to increase automation, eliminate all the paper-based carbon forms and leverage technology better. As a first step, Vertical Broker Inc. established a proper network infrastructure with a server running Intel® Xeon® processor technology, and set up a hosted facility with a server to manage their Web site and handle the traffic they would be driving to the site.

“It’s hard to believe but there are still many companies out there using carbon paper forms or, if they are using computers, they are printing out forms and handwriting them,” says Schiebel. “In this economy, we have challenges recruiting and retaining people, so we need to leverage technology to do more with less manpower.”

With a formal network infrastructure in place, Cargo Bed could now upgrade their computers internally and move some staff to notebooks with Intel® Centrino® mobile technology. Everyone in the office has a computer and shares files from their new server powered by Intel® Xeon® processor technology, rather than printing everything off one machine.

“Intel is a huge part of moving companies forward into the information age,” says Steele. “Intel has been amazing. The company is leading edge and I think they are a power partner for many of the up-and-coming entrepreneurial companies that are going to change the dynamic of how business is done. Intel is a great fit for the world’s entrepreneurial movement and to help to build companies.”



## Key Advantages

While Steele admits they've turned the company on its head, the benefits to the business have been impressive. They have increased manufacturing from 1,300 to 3,600 units a year. They streamlined their dealer network to focus on fewer dealers doing more sales per year and have increased sales from \$1.2 million to \$5.1 million, with the same number of staff.

"The company was caught in the industrial age of business, and we needed to move it into the information age," says Schiebel. "With Intel, we have the best reputation and, from a hardened standpoint, we know it's tried, tested and true. That's what we want for our clients."

## Eliminating Paper A Priority

Looking back a year ago, Cargo Bed had one computer and no accounting system or inventory controls. "It was a small company still using a ton of paper," says Steele.

With roots in the insurance industry where they drown in paper, Steele was committed to moving everything electronic. With desktop computers running Intel® Pentium® processors, Intel® Xeon® processor-based servers for file sharing and wireless access for the laptops with Intel® Centrino® mobile technology, Steele had the infrastructure he needed to ban carbon paper forever.

"My philosophy is to get rid of paper and deal with everything electronically from ordering to storing data.

Steele estimates they've cut paper consumption in half because of their servers with Intel® Xeon® processors that allow file sharing, and store the account and inventory management system. The servers have more than enough power for their staff to quickly access information and share data across the network.

"We are moving into new offices, and we won't be bringing any of our old paper with us," says Steele. "We are seeing a time savings and there's less clutter. Let's face it, you can email information anywhere and get things done in much less time than before with paper."

## At Home On The Net

After increasing manufacturing capacity, one of the next steps was to create a solid brand identity that was visible on the Internet. Through re-branding, the company targeted its real niche market: commercial vehicles and contractors – which redefined everything they did.

They updated the brand image and Web pages to reflect their market segment and ensure the content was optimized for all search engines. With their new servers hosted at InnerSpots\* and running Intel®-based processors, the company had the power to handle more Internet queries... and that's a good thing.

"The company is now leveraging technology and using the Web site as the central repository of their information. With new search optimization technology, page visits have increased 307 percent," says Schiebel, noting the quality of traffic has also improved. "The addition of a Web site that is search optimized means the company can point customers and prospects to the site for more information, and staff can turn their attention to supporting dealers."

The Web site hosted on their servers with Intel processors is also opening up new market opportunities. "We've already seen our sales to the US increase five percent, thanks to the Web presence, the search optimization work and content management. The early results have been amazing," says Steele.

One added benefit of real-time inventory system is improved communication with their dealers who can now see what they have in stock, show customers all the available options and know ahead of time how long it will take to receive their product. Plans are in the works to further integrate the system to include the manufacturers so orders are instantly copied to both the office as well as the production floor.

## Modeled After Vertical Broker Inc.

Much of the Cargo Bed network infrastructure design was modeled after the systems put in place at Vertical Broker Inc. The company has an internal server with Intel® Xeon® processor, which gives the team at Vertical Broker Inc. the in-house power needed to run its database tools and search engine optimization programs.

"We collect large client data sets and do a lot of research to help clients target their marketing campaigns," says Schiebel. "To do this, we need fast and reliable processing so we aren't waiting on results."

Vertical Broker Inc. has peace of mind knowing that their Web servers are being hosted on top-quality servers with Intel processors. When coupled with the off-site hosted solution provided by InterSpots\*, they are also getting the benefit of regular backups, firewall protection and secure network access over a virtual private network (VPN).

"Outsourcing our Web servers makes sense both from a cost and time management perspective," says Schiebel. "It's fully secure, backed up and redundant. They are the experts and give us time to focus on our business."

An added priority for Vertical Broker Inc. is minimizing power usage of their servers. Intel is a great benefit there. "We are conscious of our environmental footprint, and we are looking for ways to decrease power consumption across the organization. We can do that with Intel processors," says Schiebel.

Schiebel and his team always choose Intel-based processors for their clients. "From a processor perspective they are solid. They've got what we want for our customers and our business reliability."

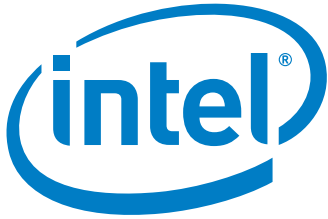
## Wireless Gives Back A Life

For both Cargo Bed and Vertical Broker Inc., the choice to go wireless was easy. Not only does it make creating a network simple and secure, it gives the business owners the freedom to enjoy life, while remaining in touch with important office information.

Schiebel has a wireless network at the office and at home so he is able to be home for his three kids. "For me, it really is about freedom. I have the flexibility to be home with the kids," he says, adding he can connect to the office over the VPN with his Dell Inspiron\* laptop with Intel® Centrino® Duo mobile technology. Having recently upgraded to the dual core processor, Schiebel says he has found switching between applications is a lot faster and the battery life is longer than before.

"The technology just keeps getting better and better," he says.

For Steele, wireless is a must for the amount of travelling he does. "When I travel, wireless is everywhere. In hotels, everything is wireless and is very convenient," he says, adding "when I'm out of the office, I need to be in touch." From his laptop with Intel® Centrino® mobile technology, he can access the information he needs to remain productive on the road.



### Future Uses

For both Cargo Bed and Vertical Broker Inc., the future is all about growth in their business and their market sectors. Both businesses have some customers in the United States, and they see opportunities to increase business south of the border.

In addition, Cargo Bed has plans to add more technology to the company including the ability for dealers to order directly online, as well as integrating the manufacturing floor so that orders are copied directly to the manufacturer.

"We want to keep improving and adding more things. We're systemizing the company and getting it running efficiently which in turn creates greater value. We can't do any of that without relying on the Intel processors we've built into our operation," says Steele.

Find out more about a business solution that is right for your company by contacting your Intel representative, or visit the Intel Business Enterprise Web site at [Intel.ca/business](http://Intel.ca/business) or its industry solutions specific sites at [Intel.ca/business/bss/industry](http://Intel.ca/business/bss/industry).



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