



Intel and LAM Systems, Inc.

A shifting focus—from K-12 to the boardroom to the new digital home

Case Summary

Challenge	A longtime leader as an OEM builder of laptops, PCs and servers for the K-12 and corporate markets, LAM Systems, Inc. of Mechanicsburg, Pennsylvania, was ready to launch a new focus in the retail and consumer spaces. The primary challenge: to educate and excite the company's sales force—and resellers—through training about the opportunities made possible by Intel's digital home technology.
Solution	With Intel® Premier Provider status and related marketing funds, LAM Systems was able to provide select reseller customers with unique "experiential marketing" experiences—including hands-on presentations by Intel and LAM Systems representatives in the casual environment of luxury suites at Major League Baseball games in nearby Pittsburgh.
Benefit	The company's sales force and reseller network now has the training, information, tools and enthusiasm they need to help LAM Systems expand its presence in the exploding digital home market, backed by all the benefits of the Intel Premier Provider program.

LAM Systems—predominantly an OEM system builder—is no newcomer to delivering digital content creation, storage and access to its clients. "Actually, we've been in this before it had a fancy name," says Michael Waterman, LAM Systems' VP of operations and technology. For years the company has marketed its Conference Series PCs to K-12 education and small business customers, mostly for instructional use in classrooms, boardrooms and corporate training centers.

Business Challenge

In recent years, LAM Systems has also forayed into the precursors of today's digital home technology. Waterman and his team realized that many of the company's service providers were involved in designing digital TV solutions for the enterprise and higher-ticket residential homes. Together, they saw the opportunity to make a combined early push toward the retail digital home consumer.

"For the digital home, our push is to our resellers," says Waterman. "The vertical we're focusing on—and starting to see the most growth in—is in the category of Home Theater Specialists. These companies have always done higher-end system installations for homes. They're designing cabinetry, curtains and seating, but they've always had racks 'behind the scenes' that hold amplifiers, DVD players and all the other equipment."

LAM Systems also wanted to market what it called the company's "digital creation machine," which allowed consumers easy access for editing photos and video, ripping CDs and working with other content. According to Waterman, "We've been working with companies to design a nice, small form factor server—a digital content server that would allow them to have all that in one place," as well as potential for home-automation applications.

The primary challenge was that LAM Systems' marketing efforts typically don't touch end users. "We need to find ways to educate the reseller and get them excited about how all this works—so they can sit down with end users and show them how."

Business Solution

Working as an Intel® Premier Provider to educate and excite the reseller market

For Waterman and team, LAM Systems' status as an Intel® Premier Provider paid off immediately as they navigated this crucial transition—in both technology and marketing.

First: a solid technology foundation

"Intel has been key in our digital home efforts," notes Waterman. "They have a focus on the market, and their field application engineer has provided us with pre-production products—from the Intel® 865 chipset family to the Intel® 915 and 925 chipset families we're currently using—so we can test them for verification on platforms, without the typical down cycles. That alone has been really helpful."

According to Waterman, Intel's products include several features that make them particularly effective for consumer electronics applications in today's digital home:

- 1. Integrated IEEE-1394 connections** via the products' front panels.
- 2. Transition to Serial ATA with RAID**—"We're talking about a lot of data here," says Waterman, "it's important to have high-bandwidth serial connectivity."
- 3. Digital audio outputs** required for up to 7.1 surround sound.

Next: creative new ways to educate the reseller channel

With Intel's help (and co-marketing funds), LAM Systems concentrates on personal, hands-on presentations to its core reseller base, who then in turn are able to educate and excite their end users about digital home technology.



"We're now picking up resellers we didn't have before, particularly consumer electronics retailers who already have the attention of people who enjoy home entertainment."

Michael Waterman
VP of Operations and Technology
LAM Systems, Inc.

"We do a number of events a year," says Waterman, "but for one particularly effective one, we rent out a luxury suite at the ballpark in Pittsburgh, invite resellers for hot dogs and a ballgame, and have the opportunity to sell to them in a casual, personal environment." One recent presentation drew 15 influential reseller prospects from the Western Pennsylvania and Ohio region, and, according to Waterman, turned several into instant digital home evangelists.

In addition to helping with marketing funding, Intel sends a field sales engineer and other presenters to LAM Systems reseller events. Says Waterman, "It gives Intel presenters an opportunity to sell not only the entire digital home concept, but also to talk about our relationship as an Intel Premier Provider with them—which further legitimizes our position

in the industry.” This creative marketing also works; according to Waterman, at least one-third of the resellers spent the majority of the ball game “talking to Intel reps about our products and how excited they are about them.”

Sales impact—ready and waiting (for service revenue, too)

Although it’s too early for Waterman to report on actual digital home sales, “It’s coming to a point where it’s about to break, and it’s nice to be ready for it,” he says, “because a lot of companies out there are just learning about this, while we’ve already brought products to market and know how to make them work.” It’s certainly expanded LAM Systems’ customer base; “We’re now picking up resellers we didn’t have before,” he notes, “particularly consumer electronics retailers—who already have the attention of people who enjoy home entertainment.”

Waterman sees plenty of opportunity for IT companies to tap into a new, expanding revenue stream: retail consumer IT services. “People spend billions of dollars on entertainment a year in this country already. Now, they’re willing to spend service dollars for someone who won’t just sell them a PC, but will customize it, install and configure it, train them on it and maintain it.”

“It’s pretty exciting for the IT industry to get this revenue,” says Waterman. “It also helps differentiate us from lower-cost PC vendors. PCs are PCs, but now resellers have an opportunity to make money from the boxes themselves, plus the service dollars on top of that.”

Seeing the digital home into the future

In Waterman’s view, the release of the Microsoft* Windows Media Center Edition 2005 will greatly increase the viability of the digital home PC to retail end users. “The Media Extender* idea from Microsoft is also going to be a really cool add-on,” he adds. “Now you’ve got the opportunity to sell a digital creation station, where a customer can store and edit their digital content, and a nice front-end home theater PC, plus an extender up in the bedroom so you can view in there, too....”

As for the advice he would offer to other system builders looking to sharpen their focus on digital home technology, Waterman cautions on the need to “get it right” the first time around.

“It’s key to become an expert. If you’re going to make the decision to be in it, you need to go in wholeheartedly, become an expert and make sure you’re selling products that really work the way consumers want.”

And, based on Waterman’s experience, teaming up with Intel is a great place to start.

Lessons Learned

- New, innovative digital home technologies and products have opened new markets for LAM Systems—accelerating their transition from corporate and education markets to a more retail/consumer focus.
- Inventive “experiential marketing” is key to helping LAM Systems’ resellers experience the digital home’s benefits in casual, interactive, hands-on environments (in one case, with a Major League Baseball game in full view)—so they can pass that knowledge and experience on to end-user customers.
- The Intel® Premier Provider Program supports LAM Systems by providing the tools needed for them to become “experts” in the digital home market, delivering products that work the way consumers want.

LAM Systems digital home products featuring Intel® technology

- **LAM HTPC Conference Series**—featuring the Intel® Desktop Board D915PBL with support for the latest Intel® Pentium® 4 processors (LGA775 package/800MHz), PCI Express* x16 graphics, dual channel DDR2 533/400 memory, integrated Intel® PRO 10/100 LAN or Gigabit LAN, Intel® High Definition Audio for 7.1 surround sound, Intel® Matrix Storage Technology (RAID 0/1), and 1394a connectivity.
- **LAM Performance Desktop**—featuring the Intel® Desktop Board D915GUX with support for the latest Intel Pentium 4 processors (LGA775 package/800MHz), Intel® Graphics Media Accelerator 900, PCI Express x16 graphics, Intel High Definition Audio, dual-channel DDR2 533/400 memory, integrated Intel PRO 10/100 LAN or Gigabit LAN, optional Trusted Platform Module, PCI Express expansion slots, and four Serial ATA 150 ports.

About LAM Systems, Inc.

LAM Systems, Inc. is a manufacturer of custom-built computer hardware systems including personal computers, notebooks, workstations and network servers. The company provides its region's commercial, education, state government and church markets with state-of-the-art computer technology.

Intel® Technology

Intel® Desktop Board D915PBL
Intel® Desktop Board D915GUX
Intel® Pentium® 4 processors (LGA775 package/800MHz)
Intel® Graphics Media Accelerator 900
Intel® High Definition Audio
Integrated Intel® PRO 10/100 LAN or Gigabit LAN
Optional Trusted Platform Module

Solution provided by:



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