

How to Work Effectively with Intel



Objective

Intel has a distinct corporate culture. Those who interact most successfully with Intel understand the culture and are able to work within it.

It is the intent of this presentation is to provide a high-level overview of Intel's culture, business practices, and how you can work effectively with Intel personnel.

Agenda

Intel Overview

- Who, What, Where
- Mission, Objectives, & Strategy

What Drives Intel

- Leadership
- Intel Values & Practices

Supplier Quality Management

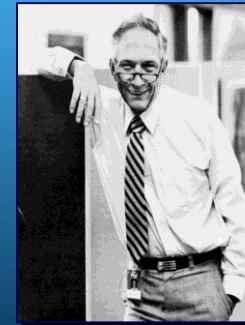
- Key Benefits
- Process & Methodology
- Continuous Improvement & Corrective Action
- Expectations
- Code of Conduct
- Confidentiality Policy

Summary

Intel Overview

“Don’t be encumbered by past history, go off and do something wonderful.”

- Robert Noyce (1927-1990) - Intel Co-Founder



What We Do

Today, Intel supplies the computing and communications industries with chips, boards, systems and software building blocks that are the "ingredients" of computers, servers, and networking and communications products. These products are used by industry members to create advanced computing and communications systems.

What We Do



Silicon Process

Platform Architecture

Market Creation

Intel Employees

“Continuing our commitment to the highest performance in all we do — from product innovation to corporate responsibility — is good business.”

Paul Otellini

President and Chief Executive Officer
Intel Corporation



Intel Corporation:

The World's Largest Semiconductor Manufacturer

Leading Manufacturer of Computer, Networking & Communications Products

300 Facilities in 50 Countries

Over \$35B in Annual Revenues from Customers in Over 120 Countries

23 Consecutive Years of Positive Net Income

Approximately 80,000 Employees

43,000 technical degrees, 12,000 Masters in Science, 4,000 PhD's, 4,000 MBA's

One of the Top Ten Most Valuable Brands in the World for 10 Consecutive Years

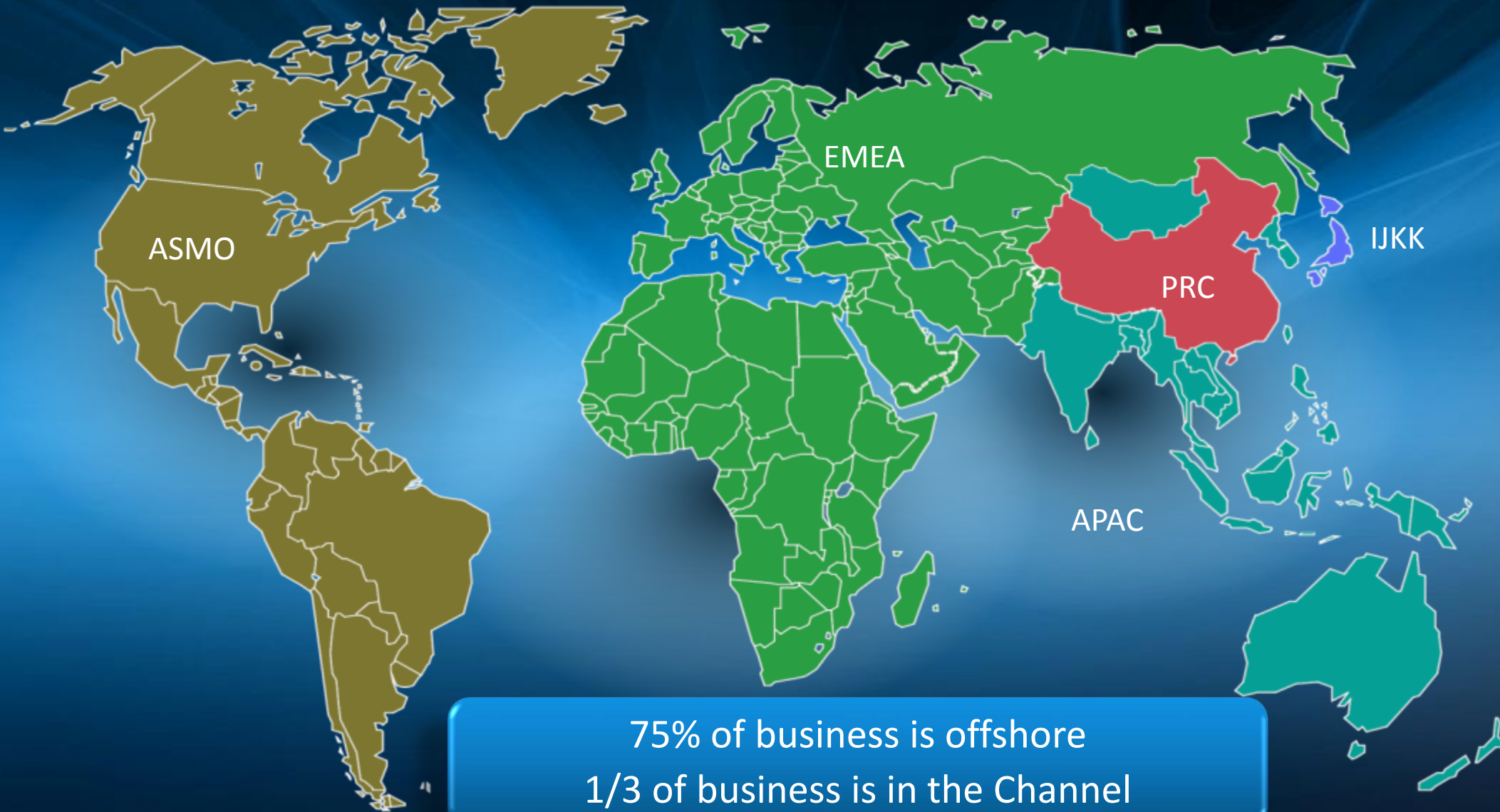
Invests \$100 Million Each Year in Education Across More than 50 Countries

The Single-Largest Corporate Purchaser of Green Power in the United States

One Million Hours of Volunteer Service in Our Communities in 2008



Geographies



75% of business is offshore
1/3 of business is in the Channel

Fab and Assembly Test Sites



10 fabs operating in the United States, Ireland, and Israel
with 1 more under construction in China

* Projected

Intel Powers Its Way Inside the Smart Grid

CNET 3/17/10

Intel Increases Renewable Energy Credit Purchase by Ten Percent

Energy Boom 2/10/10

Intel to Install 2.5 MW of Solar Power

Environmental Leader 1/26/10

Intel Leads biggest Green Powered Corporation

Ecoseed 10/29/09

Water Use at Intel: Saving from Re-Use, Measurement, and Goal-Setting

Manufacturing Business Technology 9/11/09

Intel Makes Five Cleantech Investments: Is the Energy Push About to Ramp Up?

Greentech Media 7/21/09

Intel Gives Staff Green for Being Green

Matter Network 4/22/09

The Greenest Big Companies in America

Newsweek, September 21, 2009

Intel Makes Five Cleantech Investments: Is the Energy Push About to Ramp Up?

Greentech Media, July 21, 2009

Cisco, Intel Help Power Up Smart Grids

EE Times, July 21, 2009

Intel Claims Core Microprocessors Saved World Economy USD 2Billion in Energy Costs

Tom's Hardware, September 25, 2008

Environmentally Responsible

*Largest Voluntary Corporate Purchaser
of Green Power in the US
– Over 1.43B kilowatt hour/year
Per the EPA Green Partnership program*

Click pause to take a moment to review, then play button to resume.

Intel Confidential



Intel Education

7M+ Teachers Trained in 60+ Countries

2M+ PCs for Education in 60 Countries

100 K+ students engaged in cutting edge curriculum at 1000 universities in 70+ countries

3M+ Employee Volunteer Hours for Education

\$100M Annual Investment to Improve Education



Doing the Right Things Right

Click pause to take a moment to review, then play button to resume.

100 Best Companies – Working Mother

FTSE4Good Index Member – FTSE

Top 50 Employers – Minority Engineer Magazine

World's Most Admired Companies – Fortune Magazine

World's Largest Most Respected Companies – Barron's

CSR Excellence Award – American Chamber of Commerce in Shanghai

100 Best Companies to Work For – Fortune Magazine

The World's 50 Most Innovative Companies – Fast Company

Corporate Social Responsibility Award – Prime Minister Malaysia

100 Best Corporate Citizens #2 – Corporate Responsibility Magazine

Semiconductor Sector Leader in Sustainability – Dow Jones Sustainability Index

Top Companies Making a Difference – US Chamber of Commerce Business Civic Leadership Council

Top 500 Greenest Companies in America #4 – Newsweek Magazine

Best Employers for a Healthy Lifestyle – National Business Group for Health

1st Place of the 50 Best Companies to Work For – The Marker Magazine, Israel

100 Most Sustainable Companies in the World – Innovest and Corporate Knights

Intel's Mission

Delight our customers, employees and shareholders by relentlessly delivering the platform and technology advancements that become essential to the way we work and live



Intel's 2010 Objectives

1. Extend our silicon technology and manufacturing leadership
2. Deliver unrivaled microprocessors and platforms
3. Grow profitably worldwide
4. Excel in customer orientation

Our Global Strategy

Use our unmatched manufacturing, technology, employee talents and brand strength to:

Accelerate the PC globally

- Enable an incremental 1 billion people onto Internet by 2012
- Expand PC TAM and footprint (e.g. netbooks, visualization, SoC capabilities)
- Establish Intel Architecture as the building block for the Internet cloud and datacenter

Extend Intel Architecture into 3 adjacent market segments

- Deliver high volume MIDs and Smartphones by 2012
- Accelerate the embedded transformation with IA
- Win high volume CE devices in the living room

Build new businesses by tackling big problems

- Digital divide: WiMAX to be available to 1.2 billion people by 2012
- Education: 13M teachers trained, 500M devices in students' hands
- Energy and Environment: Use our architectures and transistor technology to make a difference
- Services: Grow new revenues built on unique Intel platform features
- Health: Connect people and information to reduce costs and increase quality of health care



IT'S NOT JUST WHAT WE MAKE. IT'S WHAT WE MAKE POSSIBLE.

Accelerate the PC Globally.

Extend Intel® Architecture into
Three Adjacent Market Segments.

Build New Businesses by
Tackling Big Problems.

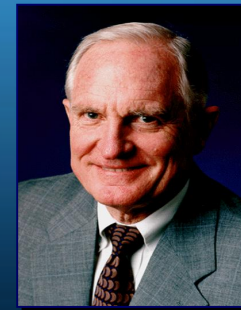
Learn more at direction.intel.com



What Drives Intel

“Intel Culture or, more accurately stated, the performance to our values, is key to the success of Intel.”

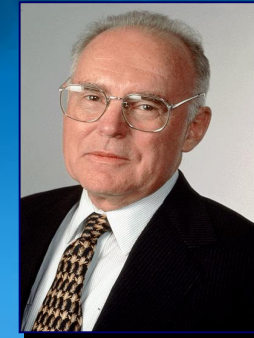
- Craig Barrett - Former CEO and Former Chairman of The Board



Leadership

“The number of transistors on a computer chip will double every 2 years.”

- Gordon Moore - Intel Co-Founder and Chairman Emeritus



“Only the paranoid survive.”

- Andy Grove – Former CEO, Former Chairman of The Board, and current Senior Advisor to The Board



Intel Values

Customer Orientation

Deliver Innovative products
Excel@Customer Satisfaction

Results Orientation

Set Challenging Goals
Execute Flawlessly

Quality

Continuous Improvement
Do the Right Things Right

Discipline

Integrity & Professionalism
Make & Meet Commitments

Risk Taking

Foster Creative Thinking
Challenge Status Quo

Great Place to Work

Be Open & Direct
Work as a Team

Intel Practices

Continuous Improvement

- Clear expectations
- Holding owners accountable for meeting those expectations
- Directly and effectively addressing issues
- Tangible deliverables
- Collect feedback
- Define needed job resources
- Ensure AR's are assigned owners and due dates

Intel Practices

Effective Meetings

- Understand the purpose of the meeting
- Review agenda ahead of time
- Know your role
 - **If you don't know your role, maybe you don't need to be there**
- Be prepared to contribute to the meeting
- Ask for clarification until you understand what is being asked of you
- Use data to support decisions and recommendations
- Understand how and to whom the results will be communicated

Intel Practices

Constructive Confrontation - ADOPT

- Addressing problems in a manner that is
- Direct – Confront a problem with the appropriate person
- Objective – Base decisions on data and facts
- Positive – Confront the problem, not the person
- Timely – Confront problems as they arise

Intel Practices

Constructive Confrontation - PINE

- Preparation
 - Identify the problem; Set a goal; Is it worth confronting?; Plan the approach; Decide when to confront the problem; Write the plan.
- Initiation
 - Carry out your plan; Describe the problem; Listen to the other person's perspective; Summarize.
- Negotiation
 - Ask for solutions; Listen; Explain your option; Consider other options; Pick a solution and document.
- Evaluation and follow-up
 - Set up a feedback system; Write a contingency plan.

Intel Practices

Seven-Step Problem Solving Methodology

- **Step 1: Define the Problem**
 - *Define the problem and the importance of working on it*
- **Step 2: Current Situation**
 - *Clarify the problem area(s) as the situation exists today*
- **Step 3: Cause Analysis**
 - *Identify and verify the root cause of the problem*
- **Step 4: Solution**
 - *Develop plans to eliminate the root causes of the problem and situation*
- **Step 5: Check Results**
 - *Implement plans, confirm they have impacted the root causes and that the goals for improvement have been met*
- **Step 6: Standardization**
 - *Modify process / system to ensure that the improvements are sustained over time*
- **Step 7: Future Plans**
 - *Evaluate where we have been and where we need to go*

Intel Practices

The Decision Making Process

- If Wrong*
- Free Discussion
 - Clear Discussion
 - Full Support
- 
- A diagram with the text 'If Wrong' in a green, italicized font on the left. Three curved green arrows originate from this text and point to three bullet points on the right: 'Free Discussion', 'Clear Discussion', and 'Full Support'. Each bullet point is preceded by a green circle.

DISAGREE and COMMIT is accepted & practiced

Supplier Quality Management

Supplier Quality Management

Key Benefits

- Greater competitive edge through improved process understanding and control
- Yields *less rework, waste and associated cost*
- Improved product reliability = more predictable *customer satisfaction* over time
- Makes *best use of resources*
- Feedback *creates focus* ->Gets us where we want to be *faster*
- Reveals additional opportunities

Supplier Quality Management

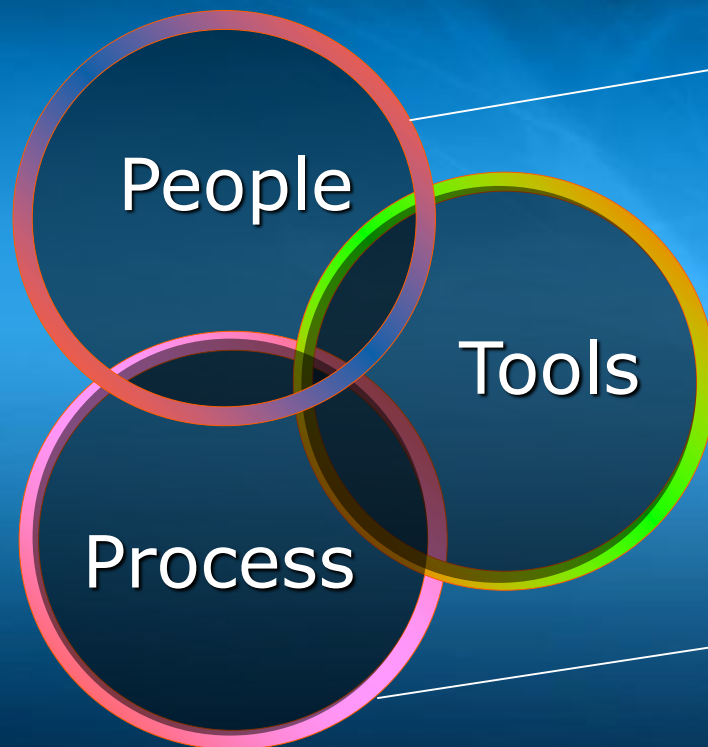
Formal, structured approach for improving the Supplier's performance

Supplier Review Meetings

Supplier Report Card (SRC)

Annual Impr. Plan (AIP)

Supplier Recognition



Set Clear Expectations

Contract/Ts&Cs
Service Level Agreement
Supplier Bus. Review

Data Driven Assessments

Supplier Report Card
Trending of Key Data Pts.
Customer Feedback

Continuous Improvement

Focus on Perf. Gaps
Annual Impr. Plan

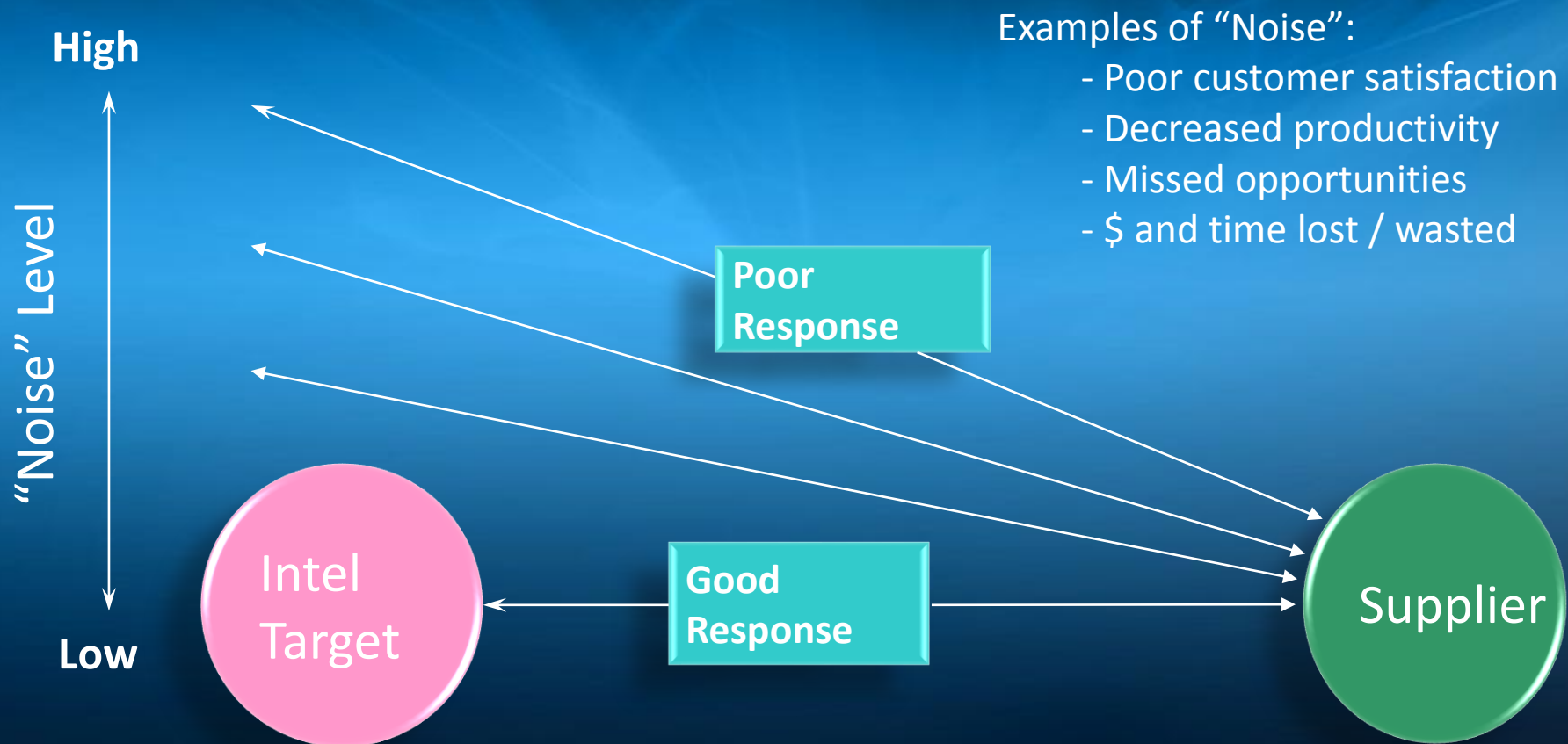
Supplier Quality Management

Methodology

Our success hinges “significantly” upon our supplier’s success

We succeed when the supplier results consistently meet (align with) the customer needs

Supplier Quality Management is based on maintaining this alignment



Supplier Quality Management

Continuous Improvement - Pursuit of higher levels of Excellence

Step 1: Plan
Set requirements & expectations

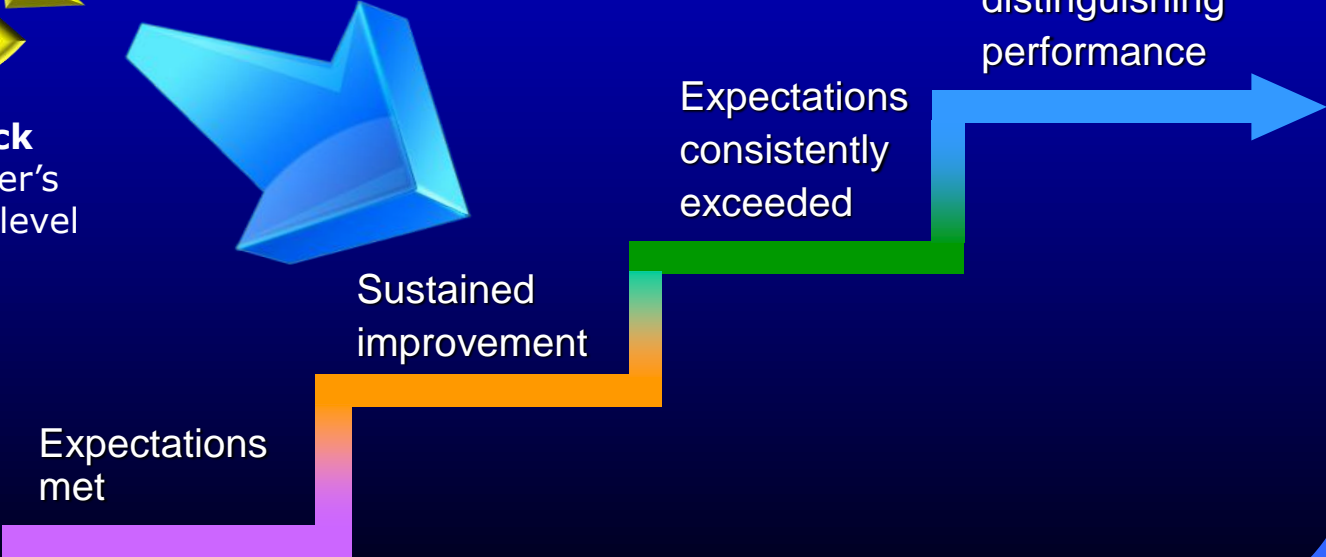
The Four-Step Continuous Improvement Cycle



Step 4: Act
Improve supplier performance

Step 2: Do
Achieve alignment

Step 3: Check
Assess supplier's performance level



Expectations consistently exceeded

Exceptional & distinguishing performance

Supplier Quality Management

Supplier Corrective Action Request (SCAR)

A SCAR is used to drive continuous improvement by:

- Consistently and fairly dealing with Supplier issues by eliminating root causes and systemic issues.
- Documenting issues, actions and progress for continuous evaluation.
- Helping our Suppliers be successful; thus helping Intel be successful.

Safety

Service

Spares

Slow / Non-
Responsive

Product

Business
Performance

Supplier Quality Management

Expectations

- Improve **performance, reliability, cost effectiveness**
- Continue to develop and strengthen the **supply chain**
- Support the use of the **supplier management tools**
- **Use data to** - Make informed **business decisions**; Develop **responses**; **Support** recommendations
- Maintain **Business Continuity/Disaster Recovery** plan
 - Have a comprehensive plan, review and update at least annually.
- Make **safety** a #1 priority
- Be a strong **technical resource**
- Be thorough, have well-documented **change control** processes
- Be responsible , **align with Intel's supplier sustainability roadmap** as it applies to your business

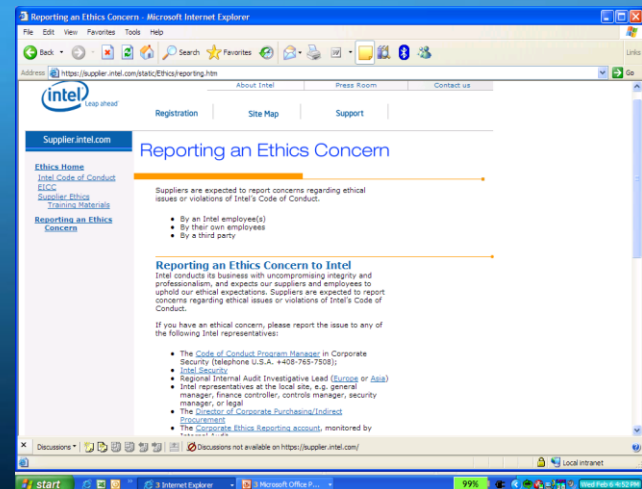
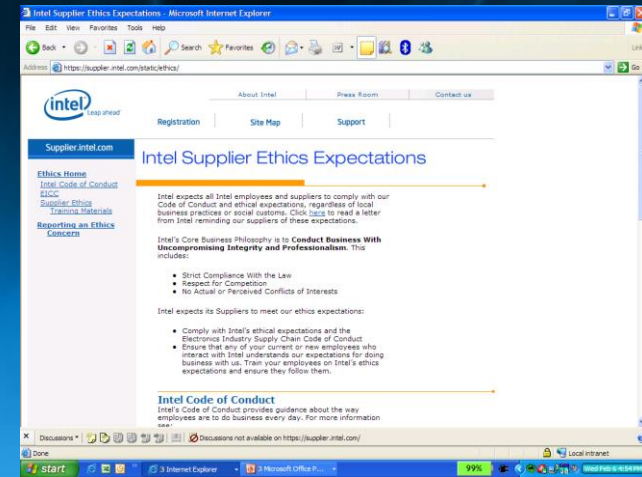
Supplier Quality Management

Ethical Expectations

- As a key part of our corporate values, Intel continuously seeks to maintain the highest ethical standards worldwide
- Regardless of local business practices or social customs:
 - All Intel employees are expected to comply with the Intel Code of Conduct
 - All Intel suppliers and their employees are expected to understand and comply with Intel's ethical expectations
- Report any concerns regarding ethical issues or violations of Intel's Code of Conduct

For agencies working with government officials on behalf of Intel, please review FCPA training

To learn more or to report an issue, please see the ethics information at supplier.intel.com



Supplier Quality Management

Confidentiality Policy

- Suppliers **may not** use Intel's name in advertisements and/or disclose the existence or content of a contract without prior written consent from Intel.
- Intel will **NOT** endorse, recommend or certify the products of companies supplying Intel with goods and/or services.
- Supplier's contractual obligation is communicated in the terms and conditions of **ALL** contracts, purchase orders, CNDA's and general contractor agreements, etc. (these provisions survive indefinitely and do **not** expire when the agreements expire)
- Each employee assumes responsibility for safeguarding Intel's information assets from loss, inappropriate modification and disclosure to anyone who does not 'Need-to-Know'

Summary

- Intel has a distinct corporate culture. Those who interact most successfully with Intel understand the culture and are able to work within it.
- Leading manufacturer of Computer, Networking & Communications Products
- Intel Values
 - The backbone of Intel Culture & the common roadmap for action
- Continuous Improvement
 - Discipline + Data + Structure Problem Solving
- Supplier Quality Management
 - Aligning expectations between stakeholders and suppliers
 - Formal process for escalations/excursions

Legal

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