

STRATEGY IMPLEMENTATION

This paper is prepared and submitted by

Subject

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There are no real dangers in the waters that Intel has treaded for a long time already. Leading the computer and semiconductor industry for almost five decades already, Intel has established a very strong brand name and very powerful research teams to partner with their marketing strategies. As a result, Intel Corporation had gained the reputation of being the world's largest semiconductor company. Intel has become a household name even before its Intel Inside campaign existed. However, when the new CEO Paul Otellini took over the company on 2005, the whole scenario is bound to change as new strategic plans are being implemented in response to the economics involved in the Intel products.

Implementing the strategic plan needs a perfect timing and synchronized movement to all the organizations involved in the project. Implementation can be defined as the execution or the practice of executing a plan or any design for a something. Intel's Chief Marketing Officer Eric B. Kim and CEO Paul Otellini's proposal to defunct and debunk many of the products and features, even the logo and marketing one-liners, that helped build Intel for over a long period of time. The acceptance of Intel's previous CEO Andy Groove to the stripping down of Intel's original marketing strategy and organizational design signals a new era for the company, and also to the industry (Edwards, 2006).

To implement the plan on Intel, there are preliminary procedures that were observed, some of which include the initial set of tests required before the final implementation will be carried through. Otellini did not just come up with the idea about the change he wants to implement. Rather, the notion had come up after a long process of data collection and interpretation, studies on organizational behaviors, and intelligent predictions based on the results of these endeavors. Otellini has identified that the recession in the growth of PC, cellular phones, and handheld devices should

push the company to look for other means of expanding its growth. On top of that, the analysts' projections that Intel will be seeing a very low revenue growth of 7% in 2006 and the actual rise of 5% signals danger to the company and to the semiconductor industry in general (Edwards, 2006). With this, Intel's strategy implementation is carried out after thorough planning and preliminary thinking is done in order to achieve the most precise and most desirable results.

Despite the new changes in the marketing and production and the shift in the major focus of the company, majority of the company's culture, missions, visions, goals, and objectives remain the same along with some other core philosophies are retained. (One of the major culture change that is noted over the years is the shift of the approach from 'constructive confrontation' [which outsiders would call yelling and shouting] to a more subtle and political manner. This notable change in the corporate culture reflects Otellini's subtle and political personality). The focus of the changes is the products of Intel. Instead of intensifying the campaign for their PC products just like what Groove and Barrett had done during their flagship, Intel's Otellini understood that the company needs to shift and even diverse its focus not only on the personal computers product but also to venture on fields like the consumer electronics and wireless technologies to be able to stay afloat in the market during the tough times. The leader in personal computers is seeing it as a necessary, if not a logical step to hold its roots deeper in the market. Some of Otellini's aims can be summed up in the following strategies:

Product Diversification and Brand Positioning

It is apparent that Otellini wants to expand its reach in the market by venturing into other areas in the semiconductor industry. Considering the internal and external factors that affects and would affect the rate of growth for the company, the

need to shift focus becomes imminent. As the management decides to slow down on its production of microprocessors embedded in personal computers and sought to dominate other aspects of the consumer electronics, Intel is actually doing a horizontal integration on its wake. Probably the most used diversification strategy by businesses in all industry is horizontal diversification. Intel's top management, in the hopes of saving the company, create products and services that are unrelated to the initial products and services offered by the company to capture and regain a stable position in the market. Horizontal diversification is the introduction of new products in the market that would do two things: get a strong market share and at the same time advertise the Vera Wang products to the markets beyond its own niche. Researching new products to be introduced to the market does that. By defining the horizontal diversification procedure for Intel, there is a greater chance that the company will be able to establish a strong ground to keep it staying in the industry and in business

On the other hand, Intel has already established a strong brand in the market. On top of that, the market's perception to the brand is overwhelmingly positive that the market can easily trust any products that Intel would produce. Introducing new Intel products would not be so difficult and thus, Otellini seized this advantage. Employing both product diversification and strong brand positioning in its strategy is probably the most logical and appealing decision Intel's top management has made.

Humane Corporate Culture

Although the previous corporate culture of Intel is very much effective in the arena where engineers and scientists are the key players and when being hurt or bearing a wounded pride is the least of the concerns of the company, Otellini has employed a different tactic by showing compassion and his human side. One could probably associate this drastic corporate change in its culture to the non-technical

background of the new CEO. However, the change in the top management, the change in focus, and the change in virtually everything left a small room for frowns and disapproval for the change in corporate culture.

True to its words, Intel is now replacing its main products of personal computers with digital health equipments, cellular phones, and the introduction of cross-sectional teams composed not only of software engineers and researchers but also of doctors and people from the marketing department.

Evaluation

From a strictly business point-of-view, one can easily argue that the new mission, vision, goals, and strategy that is proposed by Otellini during his take over of the company is logical and promising at the same time. By following a strict timeline and speedy implementation of what he [Otellini] wants, and getting positive results of the endeavors he initiated, we can see that the implementation strategy of today's Intel meets the strategic plans it has carefully created over long period of time. In other words, we can argue that Otellini's implementation strategy is outstanding considering the fact that the changes he wanted to see is major in every sense of the word and that nobody yet in Intel has done the feat.

Articles

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