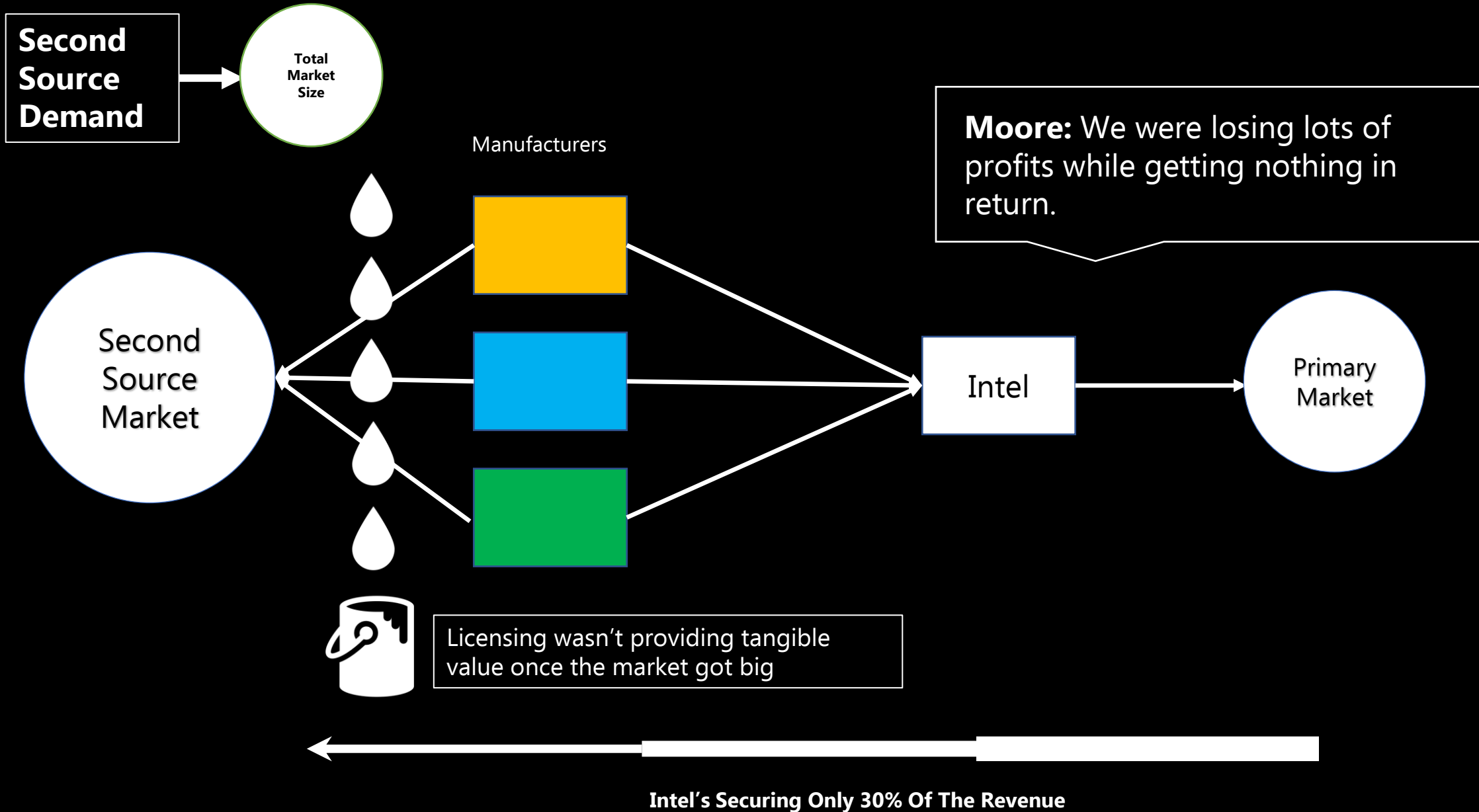


***Intel: Fixing the leaky bucket***  
***(Strategy that led market leadership)***

Adopted from book: Strategy Rules: Five Timeless Lessons From  
Andy Grove, Bill Gates & Steve Jobs

Hassan Adnan

# Strategic Dilemma: Second Market > Primary Market

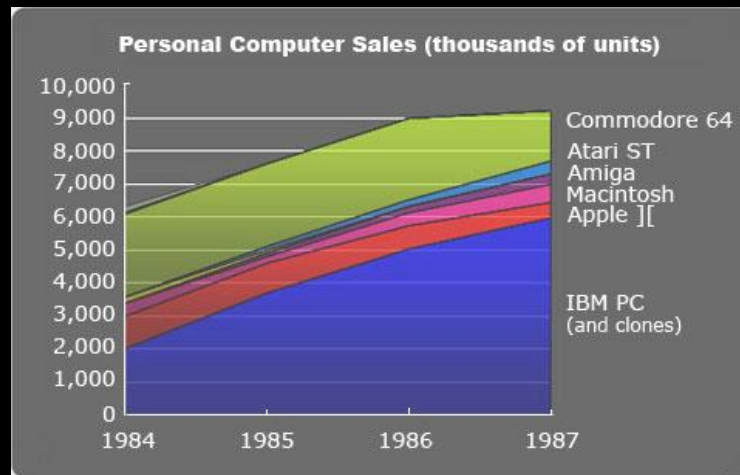


# Strategic Question: Do we really require a second source?

Is the old strategy still relevant?

Licensing strategy was providing little tangible value

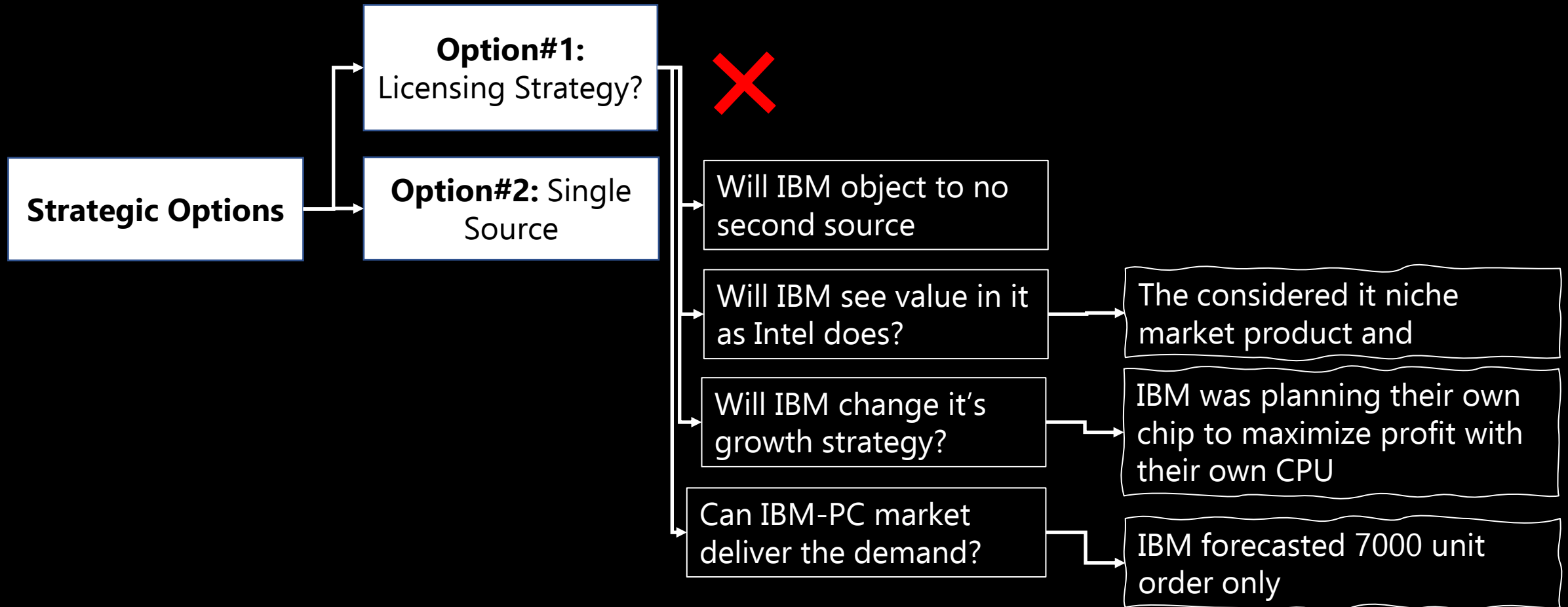
**Grove:** "Second source was of minimal intangible value and that Intel would require full tangible value before it would license the 386"



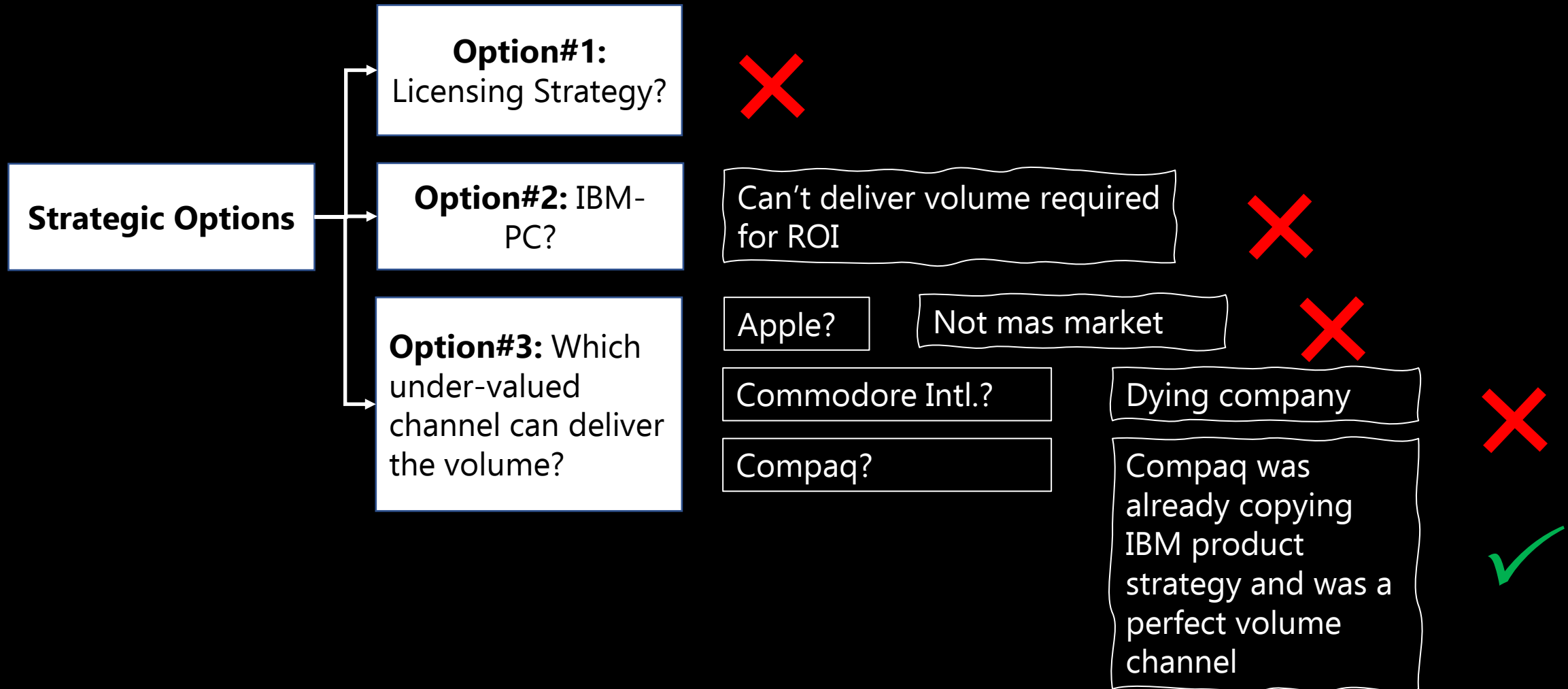
Growing PC-market especially IBM PC.

The old strategy existed in industry context where Intel was trying to focus in microprocessor market, using IBM-PC as a way to establish the market first with 8088, 80186 & 80286.

# *Strategic Options: The Shaping Up of Single Source Strategy*



# Strategic Options: The Shaping Up of Single Source Strategy



# Strategy Performance: Monumental Results

Compaq Deskpro  
386



A Major Hit: Won  
Computer of the  
year award.



Helped Intel come  
in a leadership  
position in the new  
world of horizontal  
industry.

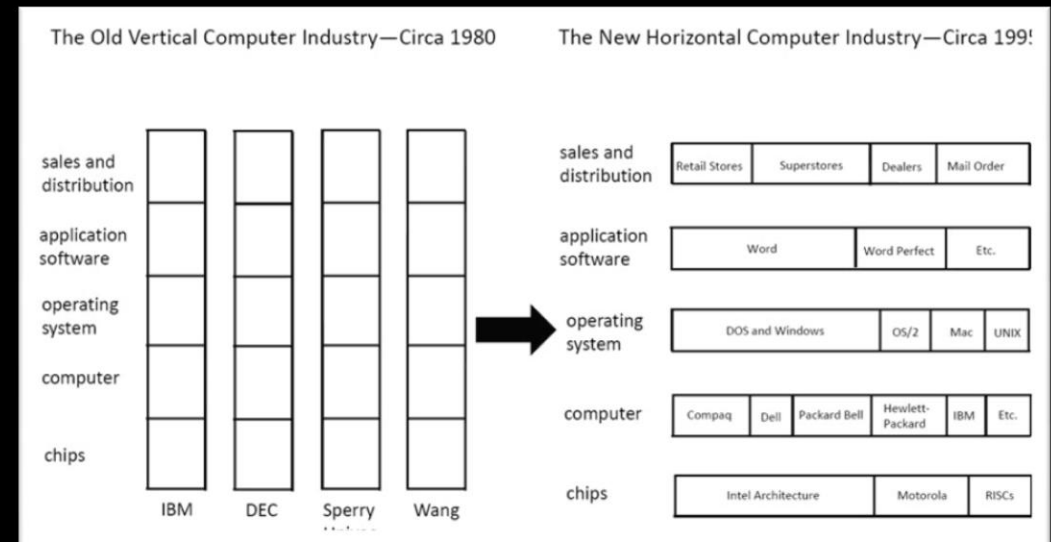


Andry Grove's Dream

## RISKS UNDERTAKEN:

1. No channel to push volume
2. Had to invest in production prior to demand
3. New mass production capability

**Grove:** "There is at least one point in the history of any company when you have to change dramatically to rise to the next level performance"



# ***YOUR TURN NOW!***

## ***TOPICS DISCUSSED***

**Vision**

**Strategy**

**Inflection Points**

**Direction of Industry**

**Strategic Partners**

**RISK**

**UNERUTILIZED PARTNER**

**TANGIBLE/INTANGIBLE VALUE LOSS**

**VALUE TRADE-OFF**

## **QUESTIONS TO CONSIDER:**

1. What is the vision you are pursuing?
2. How relevant is your strategy today?
3. What assumptions of your have proven true or false?
4. What are the tangible and intangible trade-offs you are making?
5. Do you spot an inflection point where perhaps you can reposition and turn the table?
6. Are there any structure shifts happening in your industry