

Applying Information Technology to Enable e-Business at Intel

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Intel is rapidly becoming dependent on information technology for every aspect of its operations. Our core business processes, like those in most large companies, have been enabled by information technology for many years, but a critical change is in progress. Many of our most critical business strategies are now based on taking advantage of Internet technologies to allow integration with our customers and suppliers, to enable electronic collaboration between our employees, and to dramatically increase the speed and efficiency of our business processes. Throughout Intel, groups are developing and executing strategies for improving business using these tools. Major initiatives are focusing on comprehensive business-to-business and business-to-consumer marketing and sales; cost improvements through supply chain integration and more responsive production planning; improved virtual factory operations; and simplified delivery of services to employees.

Worldwide, this dramatic transition is happening throughout the business world. The shift to electronic business, or e-Business, is the key driver of current business strategy. e-Business is the principal opportunity, and in the hands of competitors, the principal threat facing every business. Competitive forces are driving incredibly rapid adoption of e-Business: companies are expanding their computing infrastructure to participate in e-Business, and consumers are buying and upgrading their PC's and network

services to take advantage of the growing range of online businesses.

As a preeminent supplier of building blocks to the Internet economy, Intel's product and service strategies have been profoundly impacted by this transition. We are expanding our focus from clients and servers to encompass networking components and Internet services. Critical to Intel's success is the understanding, as a company, of not just how to design and manufacture these Internet building blocks, but of how to use them. Insight into the challenges of building an e-Business will enable us to deliver the best possible products and services to our customers.

Intel is recognized as a leader in the implementation of e-Business systems, conducting more than \$1 billion of business-to-business commerce every month, and we intend to maintain that leadership through the aggressive yet pragmatic implementation of new e-Business technologies. The experience gained from building the e-Business infrastructure is one of Intel's most important assets. We deliver Internet connectivity to 65,000 employees worldwide, every day. We deliver information to our sales channel and customers in every location over the Internet. We are increasingly interacting with our suppliers over the Internet. In the process, we're learning first hand what it takes to build reliable, manageable systems; how to ensure they can change rapidly and scale up to meet bursts in demand; and how to integrate

hundreds of companies into a virtual enterprise.

In this issue of the *Intel Technology Journal* you will find some of the lessons we have learned in the process of making Intel an e-Business. I hope these lessons are of value to you as you develop the products, services, and business strategies that will take you into the next millennium.

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