



# Procuring in a Global Environment

# AGENDA

- Intel's Vision
- Our Global Supply Chain
- Supplier Diversity
- Procurement Lifecycle
  - What we do
  - How we do it
- Reverse Auctions - The Next Best thing

# INTEL IS EVOLVING.

To a company that powers the data center  
and billions of smart, connected devices

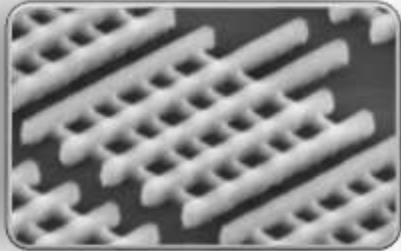
## INTEL'S VISION:

If it's **smart** and **connected**, it's **best** with **Intel**.

# *Intel's Global Supply Chain*

# Delivering Intel's Vision

## Technology Leadership



Continuing to extend our leadership through innovation

## Manufacturing Scale



Making significant investments and have the scale to deliver

## Agile and Responsive Supply Chain



A world-class Supply Chain delivering what our customers want

## Social Responsibility



Caring for the planet and its people

# *Diversity at Intel*

# Invest in Supplier Diversity Around the World



## Certifications available in Q1 17

- Germany
- Netherlands
- Switzerland

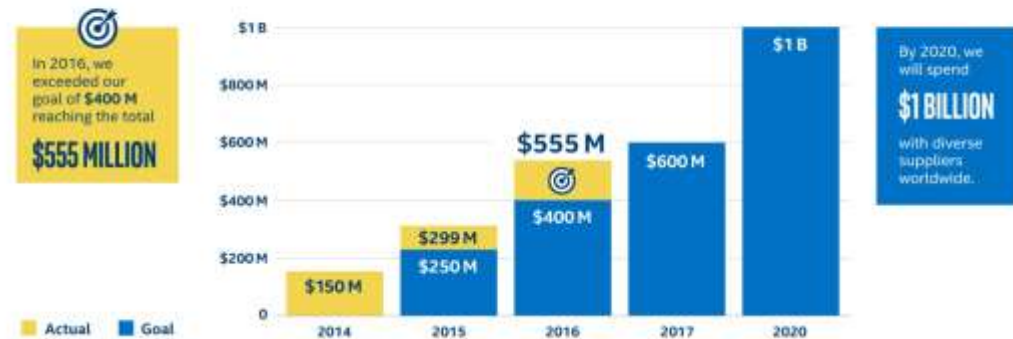
## Working on in 17:

- Japan
- Taiwan
- Singapore
- Balkans

# 2016 Advancement

## A MORE INCLUSIVE SUPPLY CHAIN

Year after year, we are making our global supply chain more diverse and inclusive.



## INDUSTRY INFLUENCE

Engaged more suppliers to increase diverse supplier inclusion on behalf of Intel at every level of the supply chain.



## DEVELOPING DIVERSE SUPPLIERS

Through direct education and program sponsorships, Intel helps diverse suppliers become more strategic and successful.



Sponsored 14 diverse suppliers to attend entrepreneur programs at leading universities



Hosted 20 supplier days worldwide to connect suppliers with experts in emerging technologies

## GLOBAL INCLUSION

Intel drives global inclusion by supporting diversity in every area we do business.



**+5** countries LAUNCHED PROGRAMS in 2016

**14** COUNTRIES have active certification with additional certifications starting in Q1 of 2017

**16** COUNTRIES now have active programs

## HONORS AND AWARDS

Intel was honored to receive recognition for our work from four organizations on three continents in 2016.



**Gazelle Award**  
National Minority Supplier Development Council (NMSDC)

**Platinum Sponsor Award and Leadership Award**  
Technology Industry Group

**Programme of the Year**  
European Diversity Awards

**Top Corporation, World-Class Supplier Diversity and Inclusion Program**  
WEConnect International

**Diversity and Inclusion Corporate of the Year**  
WEConnect International, China

**MORE INCLUSION, MORE INNOVATION IN 2017** ➤ 2017 GOAL: \$600 Million in spending with diverse suppliers



# Tier II Program: Value Proposition

- Creates awareness throughout the supply chain
- Influences the industry, sets expectations that our suppliers adhere to the same values

“Intel expects the suppliers in our supply chain to be strong partners in making our products successful and to understand Intel's goals and commitments to **diversity**, sustainability, and education.”

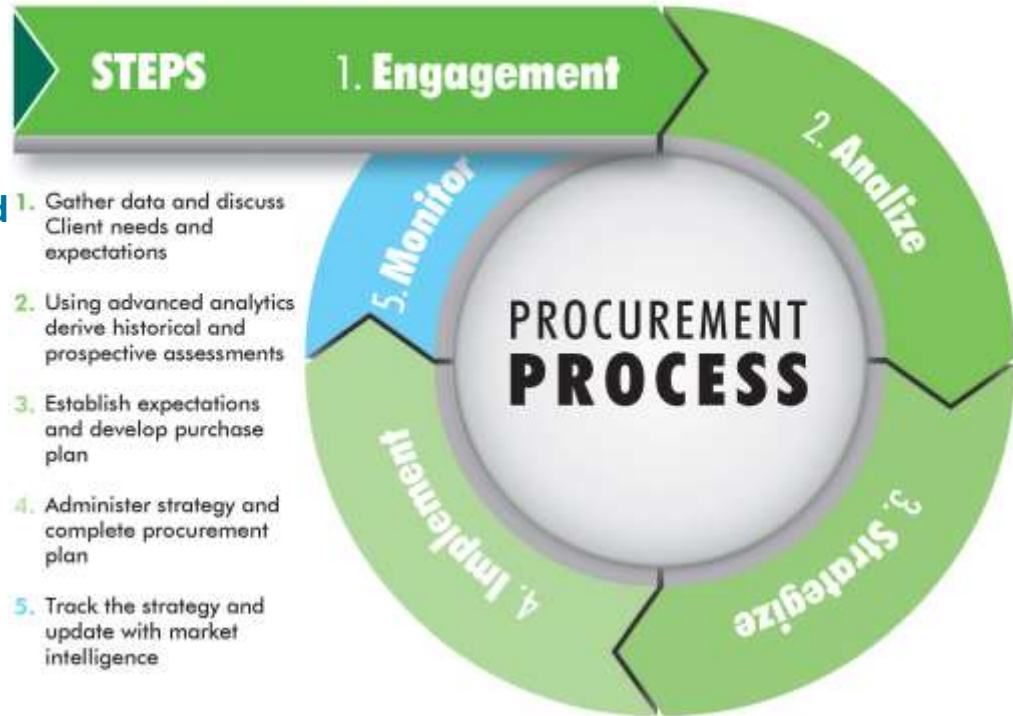
- Generates new opportunities for smaller businesses to work with corporations
- Corporations are reducing their supply base to increase efficiencies – a Tier II program enables us to diversify our supply chain while maintaining a manageable supply base
- Many of our suppliers are excited about diversity and want to mentor other suppliers

# *Procurement Lifecycle*

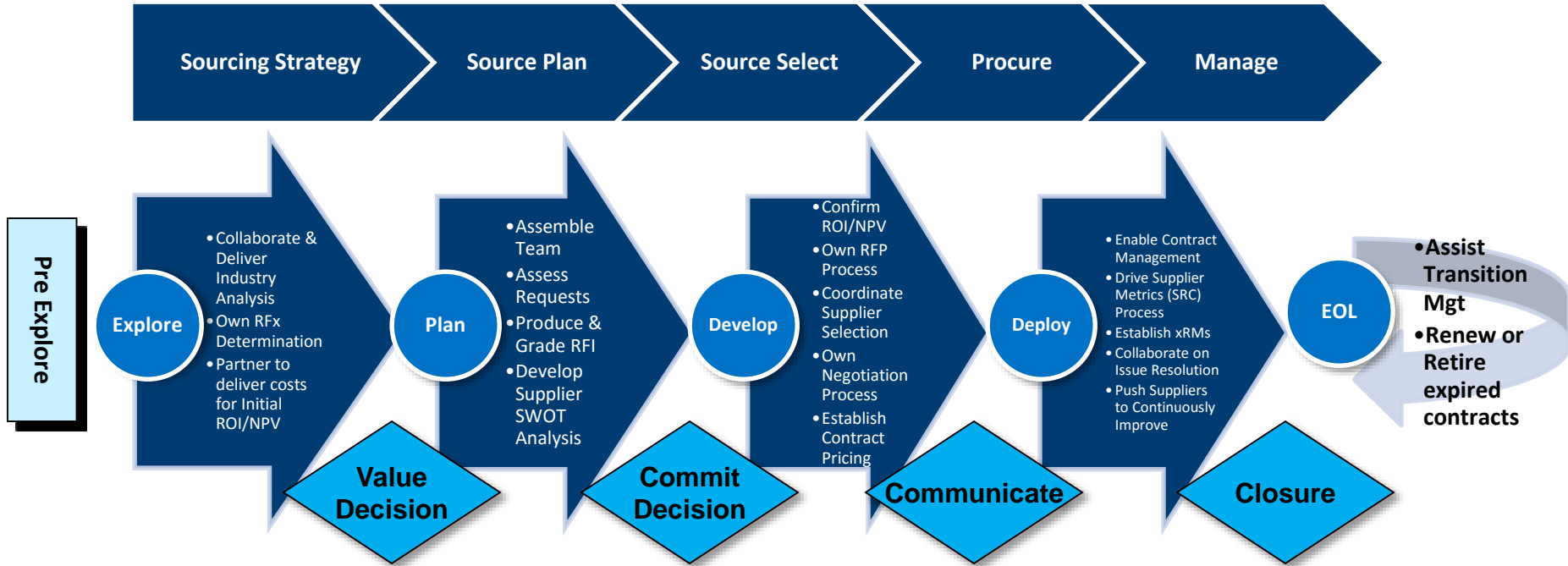
# The Power of Procurement

## Our Expertise:

- ❑ Manage the supply chain i.e. Marketing Agency's
- ❑ Strategic Sourcing Planning – Procurement and Supplier strategy creation and maintenance
- ❑ Sourcing of goods and services
- ❑ Contracts and Negotiation - Cost, Quality, Availability, Technology and Sustainability
- ❑ Performance Management of agencies
- ❑ Risk Management incl. legal support
- ❑ Promotion of Supplier Diversity - empowering minority incl. women owned businesses
- ❑ Influential Partnerships that leverage Legal, Finance and Controls



# The Sourcing Flowchart



# *Reverse Auctions – The Next Best Thing*

# Internet Negotiations Briefly Defined

## **Internet Negotiations**

The capability to perform negotiation activities using the internet.



## **Online Negotiation Events (ONE)**

A secure online negotiation capability that allows repetitive and real-time bidding for a good and/or service within a singular negotiation forum.

# Overview of ONE: Reverse Auction

## Online Negotiation Events (ONE)

Intel purchasing normally use “Reverse Auction” for Online Negotiation Event.

1. The buyer puts up a request for a required good or service
2. Sellers then place bids for the amount they are willing to be paid for the good or service.



Buyer sets up ONE to request goods or service

Seller places bids for the amount they are willing to be paid



# Common ONE Formats

Format	Description	When to Use
<b>Price Only</b>	<ul style="list-style-type: none"><li>Participants submit bids, offering progressively lower prices</li></ul>	<ul style="list-style-type: none"><li>When primary consideration is price and goal is to obtain the lowest possible cost</li></ul>
<b>Transformation</b>	<ul style="list-style-type: none"><li>Participants bid on one value, which is transformed based on cost terms defined by Buyer.</li><li>Bid Decrement value and Leading Bid is adjusted accordingly.</li></ul>	<ul style="list-style-type: none"><li>When you want to bring dissimilar suppliers and their offerings into competition</li><li>Allows factoring in the differences in suppliers and their offerings into the decision award</li></ul>
<b>Total Cost</b>	<ul style="list-style-type: none"><li>Participants bid on price and other components.</li></ul>	<ul style="list-style-type: none"><li>Buyer needs to assess and compare total cost of ownership</li></ul>



