Resilient Supply Chain
Preparing for the Unthinkable

“Bad companies are destroyed by crises; good companies survive them; great companies are improved by them.”

- Andy Grove
Disclaimer

The enclosed or attached foils are for informational purposes only and represent Intel's reasonable attempts to prepare for adverse impacts to its business. Intel makes no warranties, expressed or implied, in this summary. This summary does not in any way establish or obviate contractual limitations and/or exclusions, if any, between Intel and the intended audience of this summary.
**Intel Resilience: Stronger with Complexity and Volatility**

**2006**
- **Lab Flood**: CRAC unit leak caused flooding. Threat mitigated in 2 days.

**2007**
- **A/T supplier**: initiated BCP. Factory shut down for 3 days.

**2008**
- **AT Factory**: uncontrolled resin recipe change. 25 PNs affected.

**2009**
- **Chemical sub-supplier bankruptcy**: uncontrolled resin recipe change. 25 PNs affected.
- **Integrated supplier scan**

**2010**
- **Lockdown on anti virus in TMEA Lab**

**2011**
- **Thailand Flood**: 16 products affected.

**Special Events**
- **San Diego Fire**
- **Chengdu Earthquake**
- **Malware Virus**
- **Japan Earthquake**

**DANGER**
DO NOT START OUT OF ORDER
Intel’s World-Class Supply Chain

Recognized by the Industry and our Peers

Gartner Top 25 Supply Chains

1. Apple
2. Amazon.com
3. Nestlé
4. McDonald's
5. P&G
6. Samsung
7. Intel
8. Coca-Cola
9. Walmart
10. Colgate-Palmolive
11. Colgate-Palmolive
12. Nestlé
13. McDonald's
14. P&G
15. Intel
16. Colgate-Palmolive
17. HP
18. TESCO
19. Johnson & Johnson
20. Starbucks
21. Best Buy
22. Inditex
23. Tesco
24. 3M
25. Schlumberger

Source: AMR/Gartner

Gartner:
“...Impacted by natural disasters, such as the Japanese earthquake and tsunami, and massive flooding in Thailand, Intel “improved multi-tier supply chain visibility and advanced networking management capabilities to be agile in the face of disruptions.”

—Debra Hofman, Gartner’s managing VP
Characteristics of a Mature BC Program

- Senior management commitment
- Know, and have documented, business processes/functions that are "critical" to your company,
- Have documented the components that make/support these processes to an "appropriate" level of detail to ensure single points of failure can be identified.
- Understand and prioritize what risks are possible and the likelihood for them happening.
Characteristics of a Mature BC Program

- Have documented and current BC plans in place to provide an effective crisis response.
- Easy access to all these necessary documents.
- Exercise and drill to ensure.
- Be able to confidently answer "Yes" when asked.
Supplier Business Continuity Plan Discussion

- **Escalation Plan**
  - Does the supplier Business Continuity Plan (BCP) have an escalation plan?
  - Does it include an escalation path within your company?
  - Does it include an escalation path within the supplier?

- **Communication Plan**
  - Does the communication plan outline the recovery effort?
  - Does it include key recovery participants at supplier?
  - Does it include key recovery participants at Your company?
  - Does it include ongoing recovery management communication plans, specifically who, when and how the communication will take place?
  - Does it include resource options?
Supplier Business Continuity Plan Discussion

• **Process/Product Recovery Plan**
  - Does it include a recovery plan for key process elements due to:
    - Loss of raw material?
    - Loss of building?
    - Loss of Equipment (capacity)?
    - Loss of natural resources?
    - Loss of internal infrastructure, systems?
    - Loss of People?

• Does it define lead time impact for each type of loss?
• Does it include alternate sites?
• Does it include an equipment list?
• Does it include resource options?
Potential Disruption Impacts to Critical Functions

- Loss of Employees or Employees Unable/Unwilling to come to work
- Loss of a Site short-term and long-term duration
- Loss of External Infrastructure short-term and long-term duration
- Loss of Computing Capability Applications or Infrastructure short-term and long-term duration
- Loss of Vital Records (data and documents)
- Transportation disruptions/inability to ship products
- Critical suppliers unable to deliver their products as planned