

## **Intel Launches Xeon-Focused SMB Program**

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Seeing an opportunity in the small and medium business sector, Intel Monday launched a new program to help educate customers on how to select a server system with its Xeon processors.

The Santa Clara, Calif.-based company said it will work with distributors, dealers, system builders, original equipment manufacturers, and other partners on its "real server campaign." The idea is to offer technical and marketing assistance to reach the SMB market, which seems to be spending more per capita on IT than larger corporations.

The No. 1 chipmaker did not specifically identify which partners it would work with. But major server players, IBM, Dell Computer, and Hewlett-Packard, are sure bets.

Even Sun Microsystems is expected to get into the picture, now that the company has launched new low-cost Sun Fire systems.

Program training for system builders includes technical information, hardware samples, white papers, product briefs, advertising templates, collateral material, marketing training, and a pricing rebate schedule.

Intel said emerging computer markets around the world, such as China, India, Brazil, Mexico and Russia, will receive special focus.

A recent study by International Data Corporation (IDC) found that despite a generally slow global economic environment in 2002, the small and medium business (SMB) market in Asia Pacific (excluding Japan) grew 4.1 per cent in IT spending.

"Research shows only a minority of small businesses, especially in emerging markets, have the necessary server systems to operate efficiently," Intel Reseller Products Group general manager Willy Agatstein said in a statement. "Many others are making do with desktop computers that were designed as single-user PCs, or outmoded proprietary systems. Our goal is to provide training and resources to the system builders who serve these customers so that more small businesses can manage their computing infrastructure efficiently."

The campaign is also designed to draw attention away from rival AMD and its new line of Opteron chips. Analysts have compared the 64-bit capable, 32-bit backwards compatible Opteron with Intel's Xeon because it is an x86 structure as opposed to the Itanium and its EPIC architecture.

"AMD is trying to wedge itself between Xeon and Itanium platforms with a better future path of growth," said InStat/MDR analyst Kevin Krewell. "When there is a backwards compatibility you minimize the risk."

In addition to marketing its Xeon chips, Intel said it will also try to convince small to medium-sized business customers that high-bandwidth connections, high-capacity storage, redundant components and a server operating system with multi-user applications are valuable.