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## **Intel Primes the 'Upgrade' Pump for SMBs**

**By Michael Singer**

Looking to sell more of its chips to small and medium businesses, Intel (Quote, Chart) Wednesday kicked off a global outreach tour dubbed, "Accelerate Your Business."

The program, which builds off of its earlier pro-Intel "Real Server" campaign, is designed to help customers evaluate and purchase PCs based on Intel's latest hardware and software products.

At a time when many enterprises are extending the lifecycle of their desktop PCs, analyst firms like Gartner (Quote, Chart) are warning that anything older than four years ends up costing companies more in productivity and downtime. Through 2006, the report said, 70 percent of all enterprises that extend PC lifecycles will not achieve significant reductions in overall ownership costs.

Santa Clara, Calif.-based Intel stands behind the report saying several factors play a role in the decision for smaller businesses to upgrade PCs, including additional costs of maintaining aging PCs; lower productivity from older applications and outdated, unsupported software and operating systems; and the growing number of security issues.

"Many small businesses lack formal IT departments and at times delay PC replacements, believing it will save the company money," said Willy Agatstein, general manager of Intel's Reseller Products Group. "In the long run, this strategy actually has a large impact on the bottom line in terms of increased computer support costs and reduced company competitiveness."

Intel has already seen a major shift in sales of its microprocessors, chipsets and motherboards has been unexpectedly strong across all geographical regions and channels especially in July and the first two weeks of August. The company said the demand at this point is coming from dealers, distributors, and OEMs preparing for the Back-to-School and holiday shopping rush.

But to sell even more PC-related products, the chipmaker says it will give technical training and marketing assistance to its distributors, dealers, system builders and solution providers courtesy of its worldwide channel conferences, ongoing sales tools and product briefs. Intel says its partners can then help educate smaller businesses on its Hyper-Threading Technology and wireless notebook technology, such as Intel Centrino mobile technology. Intel considers the investment a win-win situation as new customers find out why PCs should be replaced and how new wired and wireless PCs can help their business.

"We are seeing an increase in small businesses coming to us for solutions to their technology needs to address issues such as security, viruses and spam. We look to companies like Intel to provide the tools and assistance to help us navigate new technologies and deliver value to our customers," Computer Business Services owner Adeshir Niliaram.

Separately, Intel is working with Sybase (Quote, Chart) on a enterprise developer tour specifically highlighting Intel's "Unwired" strategy and how it fits into the current Wi-Fi (define) craze.