

Strategic decision making-and in 2005: coming out of intels shadow



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AMD is a multinational firm dedicated to manufacturing semi-conductors to provide processing solutions for computing, graphics, and consumer electronics (Yahoo, 2007). The company was founded in 1995. In 2006 the company endured financial losses of \$47 million, but in this year the company underwent structural changes with the acquisition deal of ATI, a world leader in graphics cards, for \$5.4 billion (Annual Report: AMD). A new strategic focus, greater product diversification, and continued emphasis on the company's core strategies such as corporate responsibility, centric focus and organic growth positioned AMD for success in the long run in a very competitive marketplace. This essay analyses AMD's critical success factors and how the company is positioned against the competition.

AMD went through a process of business restructure when they perform the merger / acquisition deal of ATI. One of the critical success factors in 2008 for this firm to gain greater market share, volume of sales and raising the income statement of the company from a negative balance to a positive year ending net income is the fusion project. Fusion is a key innovative project to design and manufacture a new microprocessor & graphics card computer component that integrates both parts into a single mechanism. This new computer component has the potential to transform the computer industry into a new computer device that takes up less internal space in the computer case and provides savings for the customers and a booming new product for the company. Fusion is a project that can provide AMD with positive outcome such as increase income, higher market share, higher customer retention, new contracts from new customers and a golden marketing tool to showcase the capabilities of the company.

The firm has been able to acquire new deals in since its corporate
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restructuring that provides new solutions for new types of customers. An area of strategic focus is the market demand for greater visual capabilities in the high technology entertainment market. The company obtained work orders from huge clients such as Microsoft with the XBOX 360, Nintendo's Wii console systems, Motorola Razr and LCD producing firms such as Samsung. The ability and innovative vision is the success factor that provided new solution such as a full graphics schematics for mobile cellular devices used by Qualcomm. AMD has one super new product portfolio enhancement called Quad-core processors based on multi-core technology. The new processor provides higher processing speeds double the speed of a dual core processor.

The primary competition of the company for years in its traditional microprocessor business is Intel Corporation, the world leader in processing solutions. AMD in the past had inferior products in comparison to Intel, but now its product are equal or better than Intel's and all of its product lines are lowered than Intel's in all categories. Intel reach the market much sooner than AMD and created a solid customer based, mastered the learning curve and obtain all the advantages of first entry into a market. AMD has been in tough battle to compete with Intel, but according to AMD a lot of the struggles for greater share of the market are based on monopolistic business practices are not allowing AMD to compete in fair terms in the industry.

Works Cited

" Annual Report: AMD." 2006. AMD Corporation. 27 November. com. Yahoo. com. 2007. AMD. 27 November 2007.