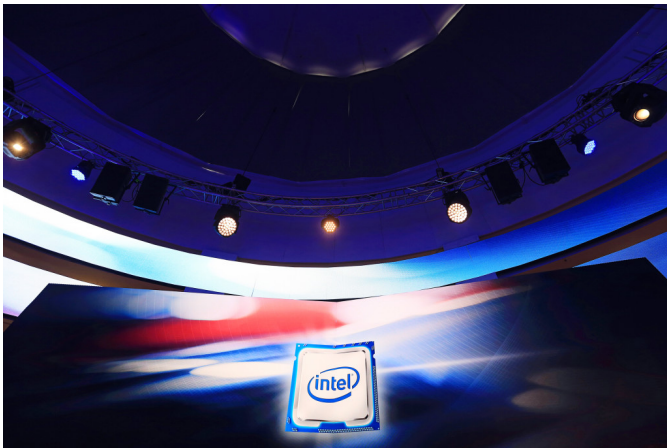


Intel Restructures as it Slashes Workforce

Written by Marco Attard
21 April 2016

The ongoing PC decline is hitting Intel hard-- so much so it is slashing 12000 jobs (or 11% of its workforce) as part of a restructuring effort to depend less on PCs and more on the cloud and the Internet of Things.



News of the job cuts come through an email to employees from CEO Brian Krzanich. It states the announcement "is about accelerating our growth strategy. And it's about driving long-term change to further establish Intel as the leader for the smart, connected world." Whatever the reasons, Chipzilla staff will know whether they made the cut once the company starts holding global "site consolidations," as well as both voluntary and involuntary redundancies, over the next 60 days.

Currently datacentres and the IoT make 40% of Intel business with solid enough results-- but not solid enough to offset Q1 2016 PC business earnings dropping by -14% Q-o-Q. And the company believes the PCs are only set to go from bad to worse, since a CNBC interview has Krzanich say the market will soon hit rock bottom.

"We are making the shift; we are going to push over the edge," Krzanich tells CNBC. "The PC industry will bottom out, but we need to operate efficiently and maximize profit in that time while shifting into faster-growth areas."

But will Chipzilla find success by concentrating on the IoT and the cloud? Perhaps, but trying to foretell the future remains, as always, something of a fool's game. The IoT business is still in its infancy, while datacentres moving away from x86-based Intel chips to the GPUs sold by the likes of Nvidia is very much a possibility. As such, post-restructuring the company might still continue facing headwinds in the near future.

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