



2009

Post-Dinner

Invited Speaker

ARCHIVE 2009

OPPORTUNITY OR DISASTER

- WHAT YOU NEED TO DO FOR THE NEXT 10 YEARS

by

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ABSTRACT

As BiTS celebrates its 10th anniversary, the industry is being challenged with unprecedented global and business issues. Companies need to take action, but what should they do? Sometimes the wrong action is worse than no action at all. This talk will discuss how not to get caught up in the current pandemonium but to stay focused on what is important for your business. You'll be taught powerful ideas you can implement today to ensure your company successfully makes it to BiTS 2018.

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Opportunity or Disaster

What you need to do for the next 10 years

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PLASTRONICS

Agenda

- Key Challenges
- Underlying Industry Problem
- Best Solution for Your Company

Challenge #1

Predicting the Future

- CFO Magazine Survey “Predicting Revenue”
 - In the Dark – 16%
 - Less than Two Weeks – 17%
 - One Quarter – 36%
 - Two Quarters – 22%
 - Three Quarters or more – 10%
- How did Intel miss Q4 2008 by 23%?

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Challenge #2

Using Historical Trends

- *Can't ever happen statements:*
 - Lehman Brothers goes Bankrupt
 - Merrill Lynch and Bear Sterns Disappear
 - World GDP Growth Might be 0% in 2009
 - An African-American would become President
 - The ARIZONA CARDINALS make the SUPERBOWL!!

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Challenge #3

Uncontrollable Forces

- **Government**
 - All run equally poorly – massive deficits
 - Who is the tallest midget?
- **Commodity Inputs**
 - Energy costs are major impact on economies
 - Investment community has significant impact
- **Foreign Exchange Rates**
 - Central Banks have total control
 - What is the impact of a floating Chinese Yuan?

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Underlying Problem

“Computers make it easier to do a lot of things, but most of the things they make it easier to do don't need to be done.”

Andy Rooney

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What Do You Do?

Evaluate and Refresh Your Business Model

How your development of technology solves a fundamental market place problem and how your company is making money doing it

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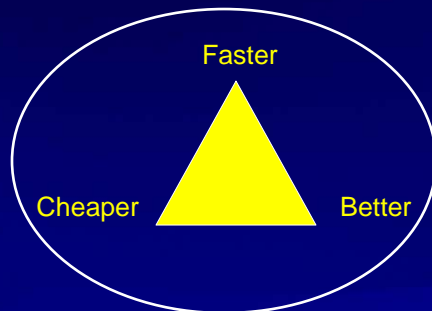
What Do You Do?

Evaluate and Refresh Your Business Model

A. Ensure you have a value proposition for your customer

B. Ensure you have profit for:

- R&D Expense
- Debt and Capital Expense
- Return on Investment



A+B= Success

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Industry Example

TSMC

- **Strong Value Proposition**
 - Reduces costs associated with fabs
 - Provides customers the latest technology
 - Customers produce new chips faster
- **Very Profitable**
- **Affected by downturn but well positioned**

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Industry Quote

"From our perspective this is a cheaper, better technology," he said. "Spending this money will lower our costs and give us more competitive products. It's something that's fundamental to our business model."

Intel CEO Paul Otellini on spending \$7 billion the next two years on the 32 nanometer transition

February 10th, 2009

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Take Action

- *Ask your customers what they see as your value proposition*
- *How does your mix of products or services drive your value proposition?*
- *What's the biggest thing you must fix to be more profitable?*

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