



*“The Voice of the Customer is AMD's competitive advantage. We constantly refine and strengthen our business processes, metrics and systems – not to achieve innovation for innovation's sake, but to enhance customer loyalty.”*

Henri Richard  
Chief Sales &  
Marketing Officer



# CUSTOMER INTELLIGENCE

## HELPS AMD HONE ITS CUSTOMER-CENTRIC FOCUS

**I**n a volatile industry like technology, even established companies are subject to stomach-churning ups and downs. New devices come to market daily, demanding more and diverse kinds of processors. Disruptive innovations can wipe out entrenched technologies – and established companies – virtually overnight.

In this highly-charged marketplace, Sunnyvale-based AMD has not just survived but thrived. Founded in 1969, AMD maintains its position as a global industry leader by listening to the Voice of the Customer, then delivering innovative, customer-centric solutions that empower businesses with minimal disruption. By continuously improving and updating its broad range of microprocessor, graphics and media solutions for the

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### ABOUT AMD

A processing powerhouse, AMD offers its customers smarter choices and makes technology more accessible to the world. A customer-centric innovation-driven company, AMD's 16,500 employees focus on meeting the needs of leading computing, wireless and consumer electronics companies, helping them deliver high-performance, energy-efficient and visually realistic solutions.

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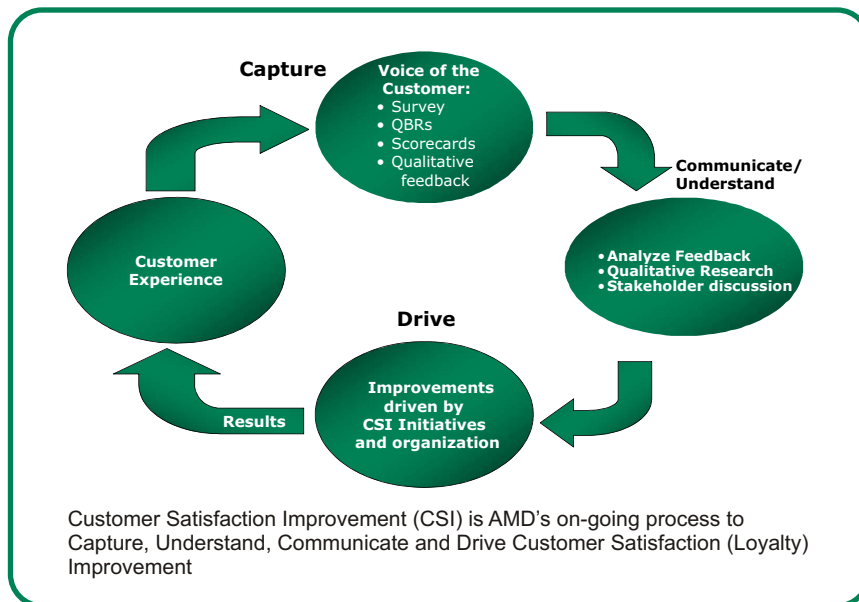
computer, communications and consumer electronics industries, AMD has not only weathered storms, it has succeeded by increasing commercial acceptance.

Kevin Morgan, Manager of Customer Satisfaction and Loyalty Improvement (CSI), credits their enterprise-wide philosophy of customer-centric innovation. "Our customer's success is our success," Morgan explained. "Breakthrough creative ideas and solutions are essential, but our products are developed with our customers' needs in mind — not simply innovation for innovation's sake."



The \$5.4 billion acquisition of ATI, the graphics and chipset manufacturer, in 2006 was influenced by customer feedback, said Morgan. Survey responses and comments from OEMs (original equipment manufacturers), independent dealers and system builders told AMD they needed a stronger chipset strategy. In response, the CSI team brought this customer feedback to senior management's attention, which ultimately influenced the decision to pursue the acquisition of ATI — all in a matter of months.

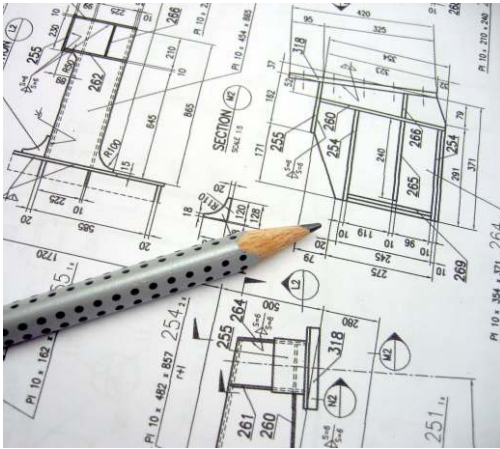
The combination merges AMD's technology leadership in microprocessors with ATI's leadership in graphics, chipsets and consumer electronics to form a processing powerhouse committed to driving innovation, choice and growth in the technology industry.



It's a daunting challenge to consistently develop the kind of innovative solutions your customers demand, while maintaining a leadership role, especially in a booming global market with constantly changing needs. To keep its innovative edge, AMD relies on CustomerSat Enterprise™ and the experts in its Research and Consulting Services group for accurate, actionable customer intelligence — just as they have since 1997.

## EVOLVING INTO A CUSTOMER-CENTRIC CULTURE

AMD's long-term goal is to be recognized as the industry leader in providing customer-centric solutions. To reach that goal, the company is currently in the process of shifting its focus to be even more customer-centric than before. One of the pillars of its transformation strategy is to measure itself from the customer's perspective and set goals accordingly.



“We're reinventing our business processes, metrics and systems, all centered on customer loyalty,” Morgan explained. “Our goal is to empower AMD employees to make decisions in

the best interests of the customer.”

To keep its fingers on the pulse of its customers, AMD depends on its Customer Relationship survey to:

- ▷ **Measure customer satisfaction** and loyalty
- ▷ **Understand AMD's strengths** and/or weaknesses
- ▷ **Assess perceptions of the AMD and ATI brands** among decision-makers
- ▷ **Recognize improvements** that impact customer loyalty
- ▷ **Identify trends**
- ▷ **Obtain statistically valid data and verbatim comments** to pinpoint customer issues, requests and concerns
- ▷ **Integrate survey data** into Salesforce.com, its CRM solution.

AMD's innovation is fueled by accurate, actionable customer intelligence. They strive to capture, understand, communicate and improve customer satisfaction and loyalty, so they are able to design and deliver the right products for the right customer.

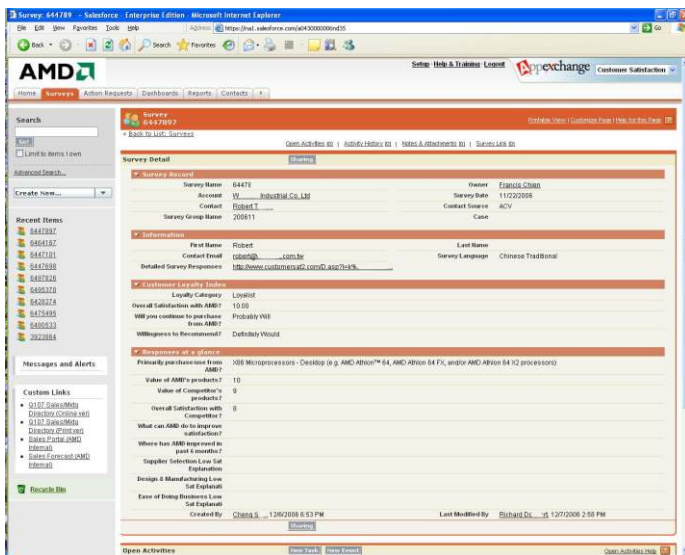
AMD remains a CustomerSat client for the same reason they initially chose CustomerSat a decade ago, said Morgan. CustomerSat delivers exceptional value, thanks to the in-depth expertise of its Research and Consulting Services team, plus the comprehensive survey functionality and real-time analytics of the CustomerSat Enterprise solution itself. “Whenever I need them, CustomerSat comes through,” he said. “I am confident that they'll deliver.” In addition, Morgan noted, independently gathered customer satisfaction data has instant credibility among AMD's internal audiences.

## TRACKING SATISFACTION, LOYALTY AND BRAND PERCEPTION

AMD deploys two kinds of surveys:

- ▶ **Customer Relationship survey.** Almost 14,000 invitations are sent semiannually to a mix of OEMs, ODMs (Original Design Manufacturers), distributors and resellers. Questions probe over 50 attributes in supplier selection, design and manufacturing, and ease of doing business, then compares them with the results from previous periods. Twenty-one of the 50 attributes are also measured against the performance of competitors. The surveys, which are translated into nine languages, contain over 100 questions. But CustomerSat's innovative “branching” process means each customer sees only the dozen or so most relevant to them, which shows respect for their time, as well as their opinions.
- ▶ A separate **Brand Perception survey** asks senior executives at channel partners and hardware and software vendors their perceptions of specific attributes of the AMD and ATI brands, e.g., technology leadership, reliability, trustworthiness and stability.

Survey results are analyzed by multiple variables and the data is translated into concise “report cards” that grade AMD performance in each important area.

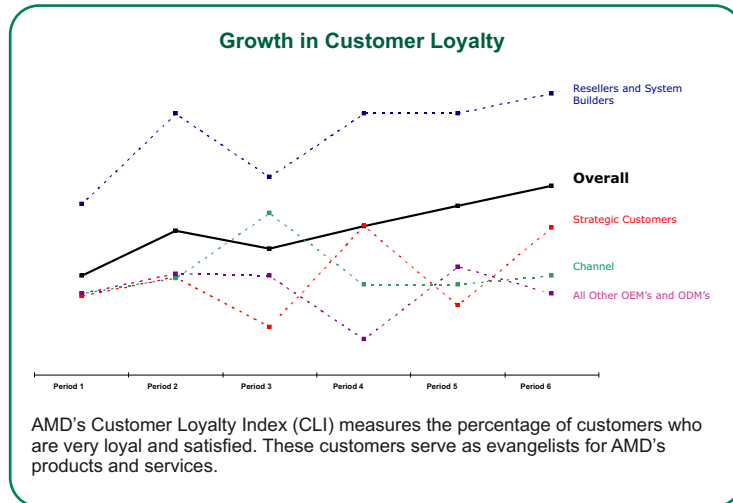


Survey results are disseminated widely in periodic in-house workshops and reviews, each customized by relevance to its region or department. Results are also ported into Salesforce.com (left), its CRM (Customer Relationship Management) solution.

Overall satisfaction and loyalty have steadily increased, Morgan said. “Surveys show our customers recognize AMD’s value, technical leadership, product quality and reliability, as well as the courtesy and professionalism of our people.”

One of AMD’s major metrics is the Customer Loyalty Index (CLI), which measures the percentage of customers who are described as very loyal and satisfied. Morgan described loyalty as a desired behavior, while satisfaction is a feeling. Loyal customers have the

highest scores in overall satisfaction, intent to repurchase and willingness to recommend. This category is crucial for AMD because members serve as evangelists for their products and services. Loyal customers are also more resilient to competitive threats and higher price points because they perceive shared values.



Comments are a major source of customer intelligence. Every customer comment is carefully read, and then coded and sorted into one of about fifteen unique themes. These are cross-referenced with recent strategic customer scorecards. Their latest Customer Relationship survey, taken shortly after AMD's acquisition of ATI, yielded many positive comments about the pairing. Customers can already see many potential benefits, Morgan said.

Despite steadily rising survey scores, AMD continues to strive for perfection. New questions are always being added and existing ones fine-tuned to probe more deeply and widely into customers' brand perceptions of AMD and its product lines.

## A NIMBLE GIANT

Customer feedback is one of the vital ingredients that keeps AMD light on its feet and an innovation leader. CustomerSat Enterprise's comprehensive survey functionality and real-

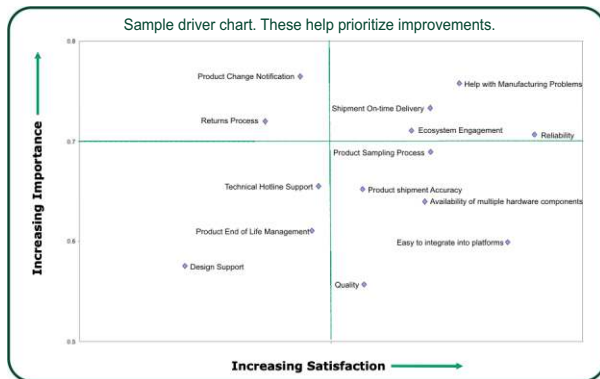
“*Loyal customers are more resilient to competitive threats and higher price points because they perceive shared values between our companies.*”

Kevin Morgan

time analytics helps them tune into the Voice of the Customer, pipe the feedback throughout the enterprise, compose targeted responses and pursue effective follow-up action and process improvements.

CustomerSat's survey processes, among the most rigorous in the industry, uncover customer intelligence findings that can be confidently applied to develop and deliver course corrections and action improvement plans. Similarly, uncovering AMD's and ATI's brand perceptions among decision-makers helps shape marketing messages and activities.

AMD's decade-long association with CustomerSat has yielded many advantages, Morgan said. CustomerSat's extensive knowledge of AMD and experience with its business



environment has streamlined communications between the two. Another benefit: Results from both surveys are stored in a single repository, enabling AMD to correlate data from many different audiences. Having a transparent process and easily accessible results allow users to examine responses at any level of detail.

CustomerSat's longstanding emphasis on collecting and analyzing information is the foundation for AMD's responsiveness and innovation. This propels AMD toward maximizing share of each customer's spend, and becoming the supplier of choice.

Morgan pointed out another example of customer feedback prompting responsive action. "A recent survey uncovered a supply/demand issue affecting our ability to meet customers' product delivery needs," he said. "We discovered that our customers wanted more flexibility, so they can better plan their business."

AMD responded quickly, launching an action plan:

- ▷ **Supply Chain Management** helps match factory output with the customer's needs, especially in high-demand situations.
- ▷ **AMD's e-Business Capability** helps customers easily manage their own business needs.

## EXTENDING AMD'S CAPABILITIES

AMD's long history of innovation and technology leadership includes many significant milestones:

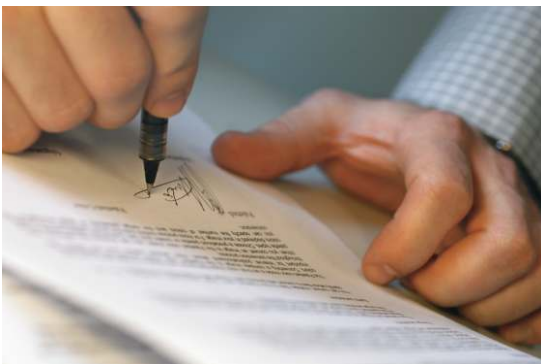
- ▷ AMD was first to demonstrate **dual-core x86 processors** (2005).
- ▷ AMD was first to introduce a **64-bit x86 processor** for servers when other chipmakers still offered only 32-bit computing. The AMD Opteron™ processor was a breakthrough because it not only increased performance, but it minimized disruption because existing software did not need to be rewritten to run under the new processor.
- ▷ AMD connected the processor directly to memory. Its **Direct Connection Architecture** can deliver a significant performance boost, especially in servers with multiple processors.

AMD's pioneering breakthroughs have not gone unnoticed. In surveys, customers frequently praise the improvements the company has achieved in industry leadership, product performance and technical reputation.

Now AMD is extending its capabilities and reach in three main areas:

- ▷ **Broader international scope.** With customers all over the globe, AMD's customer feedback capability has now been extended into regions throughout the world in the Americas, Europe, Africa and Asia-Pacific. CustomerSat translates AMD surveys into nine languages.
- ▷ **Streamlined in-house communications.** Periodic workshops and reviews disseminate survey data, comments and analytics by region, business unit, account type and functional unit. In turn, each unit offers feedback and ideas that lead to further improvements. Survey data are also integrated into Salesforce.com, the enterprise's CRM solution, for easy access. Forty different reports provide rich opportunities for data mining.
- ▷ **Process improvements.** Over 120 action items were harvested from one recent set of workshops and discussions. Action, owner and timeline for each action item are documented and tracked, and can be reviewed on a special Customer Satisfaction Improvement intranet.

In 2007, AMD plans to deliver a range of integrated platforms to serve key markets, including commercial clients, mobile computing, gaming and media computing. These integrated platform innovations are expected to help give customers improved system stability, better time-to-market, increased performance and energy-efficiency, and an enhanced user experience.



The company intends to leverage ATI's strength in the graphics market to pursue new opportunities in the consumer electronics and high-end discrete graphics markets. With leading technology and customer relationships, AMD is also uniquely positioned to address digital convergence.

The comprehensive survey functionality and real-time analytics of CustomerSat

Enterprise help AMD clearly hear the Voice of the Customer, delivering valuable insights into the needs and wants of each customer. By quickly disseminating this feedback throughout the enterprise, it can respond with well-aimed action and process improvements.

AMD's customer-centric approach has already made a significant positive impact:

- ▷ **Overall customer satisfaction** and loyalty have grown steadily.
- ▷ **Market acceptance** has increased.
- ▷ **Numerous product improvements** have been identified and delivered.

## INNOVATION WITH A CUSTOMER FOCUS

Solving each customer's problem is the heart of AMD's evolution from a product-centric culture to a customer-centric one.

From the top down, the company is challenging the status quo. Leadership is committed to drive customer centricity and motivate by example, as AMD strengthens its business processes, metrics and systems to be more customer focused.

Fueled by customer feedback, this global giant stays light on its feet, able to respond quickly to the changing needs of its customers. This propels AMD toward maximizing share of each customer's spend, and becoming the supplier of choice.



## ABOUT CUSTOMERSAT

CustomerSat feedback solutions have helped companies such as Ariba, AT&T, Business Objects, Canon, Thermo Fisher Scientific, Toro and Wells Fargo take timely action to address customer opportunities and concerns and build high loyalty and profitability.

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