

TECH

# Intel Hires Bob Swan as Finance Chief

Veteran finance executive will replace longtime CFO Stacy Smith

*By Tatyana Shumsky and Don Clark*

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Intel Corp. said veteran finance executive Bob Swan would be its next finance chief, ending months of speculation about who would replace long-time finance chief Stacy Smith.

Mr. Swan was chief financial officer of eBay Inc. for nine years, engineering the company's spinoff of PayPal Holdings Inc. last year. After eBay, Mr. Swan went to General Atlantic LLC, a growth equity firm, as an operating partner in 2015.

"I'm thrilled to join Intel, a company where incredible innovation is supported by strong financial management," Mr. Swan said. He joins the company Oct. 10.



Bob Swan will become Intel's chief financial officer Oct. 10. PHOTO: DANIEL ACKER/BLOOMBERG NEWS

Mr. Swan, 56, succeeds Mr. Smith, who was promoted to executive vice president with responsibility for sales, manufacturing and operations in April. Mr. Smith, 53, joined Intel in 1988 and had

served as CFO since 2007. In his new role, Mr. Smith has roughly half of the company's employees reporting to him.

Both Mr. Swan and Mr. Smith will hold the title of executive vice president, Intel said, reporting directly to Chief Executive Brian Krzanich.

Mr. Swan comes to Intel at a tumultuous time. The Santa Clara, Calif., company, whose microprocessors power the vast majority of computers, has been grappling with pressures that include a slowdown in the PC industry and a failure to build a major franchise in chips for smartphones. The chipmaker in April announced its largest restructuring plan, aiming to slash 12,000 employees, or 11% of its workforce, by mid-2017.

Intel reported second-quarter net income of \$1.3 billion, down more than half from a year earlier and dinged by a \$1.41 billion restructuring charge linked to the layoffs in the quarter.

Mr. Krzanich, who became CEO in 2013, has tried to move the company's technology into newer markets, such as wearable devices, drones and smart cars.

He also brought in external management talent to spark fresh ideas at the 48-year-old company, which historically promoted most senior executives from within. Mr. Swan is the first CFO recruited from outside Intel since 1983.

As part of the new strategy, Intel said its future lies with the growing cloud-computing market, for the first time shedding its long-held focus on personal computers.

"PCs will still be a very meaningful part of the business...but they won't represent the growth engine of Intel," said Richard Lane, analyst at Moody's Investors Service Inc.

Before joining eBay, Mr. Swan was CFO of Electronic Data Systems Corp., TRW Inc. and The Webvan Group Inc. He spent 15 years at General Electric Co., serving as finance chief for GE Lighting Solutions LLC, GE Transportation and the European division of GE Medical Systems, according to Factiva.

"Bob has a broad range of experience in the tech sector...but it will certainly be a steep learning curve to understand the intricacies of chip-making," said Mr. Lane.

Mr. Swan also is likely to attract a new breed of finance talent to Intel. "Everyone wants to work for Bob Swan," said Peter Crist, chairman of executive recruitment firm Crist|Kolder Associates. "He has the breadth of experience and mentors well. There are very few magnets for talent like Bob Swan."

During his tenure at eBay, Mr. Swan helped nurture nearly a dozen executives who went on to CFO roles, according to a 2013 Wall Street Journal article.

Mr. Swan sits on the boards of eBay and Applied Materials Inc., as well as App Dynamics and Alignment Healthcare, according to the General Atlantic website. A General Atlantic spokeswoman declined to comment on the move.

Mr. Swan's starting salary will be \$850,000, and he will be eligible for an annual bonus with a target payout of \$1.1 million, according to an Intel filing with the Securities and Exchange Commission. He will receive a hiring bonus of \$5.5 million, be recommended for a new hire restricted stock unit grant valued at \$9.5 million, and be eligible for annual equity awards in January 2017 with a target fair value of \$6.5 million, the filing states.

—*Kimberly S. Johnson contributed to this article.*

**Corrections & Amplifications:**

Stacy Smith is 53 years old. An earlier version of this article incorrectly stated that he is 52. (Sept. 19, 2016)

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