



GREATEST COMPANIES · RESEARCH SHEET · The Moat That Became the Trap

Intel

The Empire That Owned the Future, Then Missed It

NASDAQ: INTC · Semiconductors · Founded 1968 · Santa Clara, California, USA

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On 8 November 2024, after twenty-five years, Intel was removed from the Dow Jones Industrial Average. The firm chosen to replace it was Nvidia, whose chips powered the AI boom, the kind of chip Intel had never quite figured out how to build. For half a century Intel had been the company whose chips ran the computers that ran the world. This is the story of how a company can own an era so completely that the very depth of its dominance becomes the reason it cannot survive the next one.

Key Facts

Founders	Robert Noyce and Gordon Moore, with Andrew Grove at incorporation
Sector	Semiconductors — microprocessors and manufacturing
Moat	The x86 standard + an in-house manufacturing lead — which became a cage
Founder Archetype	Grove's doctrine: only the paranoid survive
Defining Bet	The agonising 1985 exit from memory into microprocessors
The Great Miss	Passed on the iPhone chip; lost the process lead to TSMC; missed AI
Status	Public (NASDAQ: INTC) — wounded and state-backed

By the Numbers

Removed from the Dow in 2024 after a 25-year run, replaced by Nvidia

Posted its largest quarterly loss ever in 2024, more than \$16 billion, and cut 15,000+ jobs

The US government took a ~\$8.9 billion equity stake in 2025, converting chip subsidies into ownership

Cut roughly a third of its workforce in the 1985 pivot out of memory

Suspended its dividend in 2024 for the first time in decades

Founded 1968 by two Fairchild veterans on a business plan barely a page long

The Moat

The Deepest Moat, Which Became a Cage

Intel built one of the deepest moats in business: the x86 instruction set everyone had to write software for, locked in when IBM chose an Intel chip for its 1981 PC, and a manufacturing lead nobody could match, its factories the most advanced on Earth. The “Intel Inside” campaign turned an invisible component into a household brand. But the same dominance that made Intel invincible made it slow. The x86-and-factories moat was so complete it became the only shape computing could take in Intel's mind, an imagination that could not stretch to a phone chip with thin margins or a graphics chip for AI. Every advantage that had defined Intel, the standard, the in-house factories, the fat margins, quietly turned into a reason it could not change. An advantage can be so total that it stops being an asset and becomes a cage.

How the Moat Became the Trap

The Champion That Missed Two Eras

Having passed on the iPhone chip in the mid-2000s to protect its fat margins, Intel ceded the entire mobile era to the low-power ARM architecture. Then it lost the ground it had held longest: its engineers overestimated their ability to keep shrinking chips without adopting difficult new EUV lithography, and stalled for years, while TSMC embraced EUV around 2019 and seized the manufacturing crown. A resurgent AMD, its chips built by TSMC on the leading edge, took Intel's share; Apple dropped Intel in 2020; and when AI became the most important market in technology, the chips that mattered were Nvidia's, not Intel's. The reckoning arrived all at once in 2024: the largest quarterly loss in its history, 15,000+ jobs cut, the dividend suspended, removal from the Dow. In 2025 it survived only on national-security urgency, a new CEO, a US government stake, and investment from SoftBank and even Nvidia.

“The most dangerous moment for any winner is the one right after victory feels permanent.”

The Legendary Scorecard

Category	Score	Notes
Founder Vision	9	Moore's Law turned into a manufacturing roadmap
Innovation	8	The microprocessor and the x86 age; later a laggard
Execution	5	A decade of missed transitions behind record profits
Moat	6	x86 + factories — total dominance that became a cage
Capital Allocation	4	Buybacks in the good years; underinvested in the EUV leap that mattered
Wealth Creation	6	Vast for decades, then severe value destruction
Durability	6	Gravely wounded and state-backed, but not dead
Historical Importance	10	Built the microprocessor and defined the computer age
Overall Legendary	6.0 / 10	The cautionary heart of the collection: the deepest moat is no defence against not seeing the next era

Scores are an editorial verdict on the standard eight-category Greatest Companies scale. The overall is a judgment, not a weighted average.

Timeline

1968	Noyce and Moore found Intel; Andrew Grove joins at incorporation
1970	The 1103 memory chip becomes a worldwide standard
1971	The 4004 microprocessor ships; Intel goes public
1981	The IBM PC adopts Intel's chip, locking in the x86 standard
1985	Intel exits memory for microprocessors and cuts ~a third of its workforce
1991	The "Intel Inside" campaign launches
2005	Intel passes on building the chip for Apple's first iPhone
2019	TSMC adopts EUV lithography and takes the manufacturing lead
2021	Pat Gelsinger returns as CEO to attempt a turnaround
2024	Largest quarterly loss ever, 15,000+ jobs cut, dividend suspended, removed from the Dow for Nvidia
2025	Lip-Bu Tan becomes CEO; the US government takes a ~\$8.9B equity stake

Lessons — What This Means for You

THE MOVE • The moat you build becomes the lens you see through

Intel's x86-and-factories moat was so complete it became the only shape computing could take in its mind, and it lost the ability to perceive threats that did not fit. Treat your own greatest strength as your most likely blind spot, and deliberately look for the futures your advantage makes you least able to imagine.

THE MONEY • Margins are a trap as well as a reward

Intel passed on the iPhone chip to protect its fat margins, and milked x86 rather than cannibalise it, exactly how incumbents lose. The attacker happily takes the low-margin business the incumbent disdains and uses it as a beachhead. The most comfortable, highest-margin position is often the one quietly being undermined.

THE MIND • Paranoia has an expiry date

Grove built Intel on "only the paranoid survive," but the generations that inherited a dominant Intel received the profits without the existential fear that forged them. The discipline that builds an empire decays unless consciously renewed, and the most dangerous moment for any winner is the one right after victory feels permanent.

Related Reading

Took its Dow seat and won the AI age: [Nvidia: The 90% Drawdown That Built the AI Age](#)

Seized the manufacturing lead Intel held for a generation: [TSMC: The Most Important Company You Have Never Thought About](#)

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Read the full company story: [Intel: The Empire That Owned the Future, Then Missed It](#)

Sources & Further Reading

Andrew S. Grove, *Only the Paranoid Survive* (1996)

Michael S. Malone, *The Intel Trinity* (2014)

Greatest Companies (Intel chapter), *The Complete Trader's Edge*

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