

synnovation

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Answers Are Out There

Globalization blurs boundaries and demands new business paradigms. How your enterprise navigates the new world dictates your future.

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The Quarterly Journal of the EDS Agility Alliance

Conversations

Talking with **Anne Mulcahy**,
Chairman and CEO, Xerox Corporation

What does globalization mean to your industry, and how does a CEO become a leader and not a follower in the age of globalization?

The growth of global markets has been one of the most powerful forces for change at Xerox. There's a big difference between being *international* and being *global*. It's not enough to say you operate in more than 160 countries around the world and, therefore, you're global. You need to change the way you think about everything, from R&D to manufacturing, from supply chain to sales and marketing, from service to billing. Talking about it is a lot easier than doing it. In some ways, Xerox had a head start. We played a key role in a lot of the communication infrastructure, technology, and services that enabled the global marketplace—especially when you consider the role of paper and digital documents in the way work gets done around the world. For the last 30 years, Xerox has provided document technology and services that have made it possible for businesses to work smarter in multiple markets.

The knowledge Xerox acquired in serving global markets is key. Understanding that different customers have different requirements, knowing the urgency of customizing offerings, being able to streamline the most complex document-intensive business processes, and marketing globally and selling locally have helped us to become a more agile, resilient, and IT-relevant company. We also learned that one of the risks of globalization is that you can get too broad and lack depth in terms of how you approach your business. When you choose to do business in a certain market, depth is really important. Pick your competencies and success factors, and don't try to be all things to all people.

We continue to invest time, effort, and money

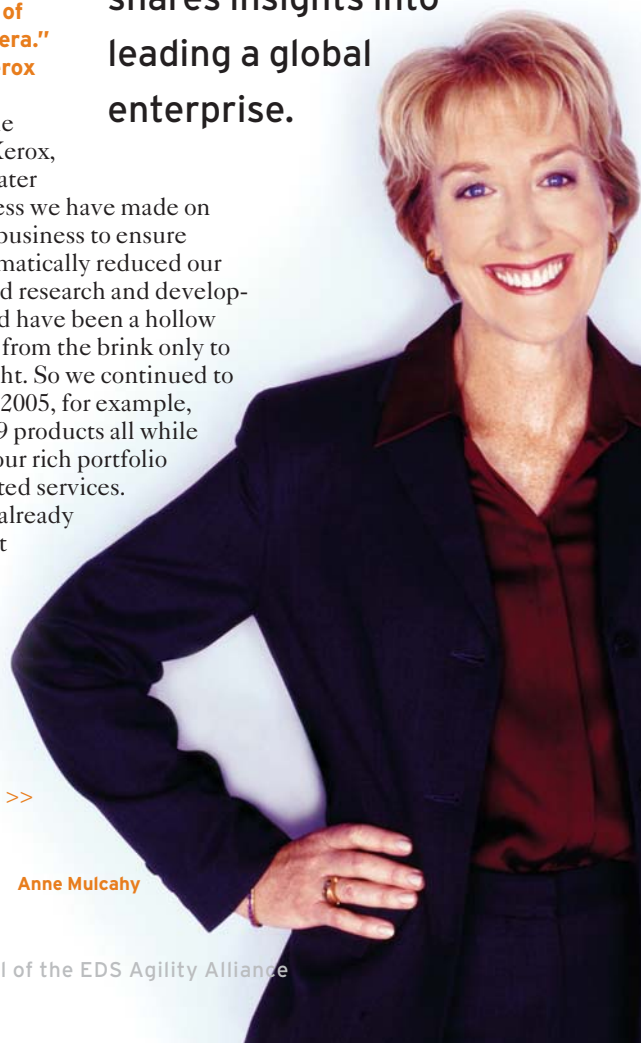
to make the customer experience even better. Global customers want the same product capabilities, service, pricing, and business processes around the world. We're making that happen in several key accounts around the globe.

Xerox has been called "the great turnaround story of the post-dotcom crash era." Now on track, how is Xerox growing its business?

As proud as I am of the financial turnaround at Xerox, what gives me even greater satisfaction is the progress we have made on strengthening our core business to ensure growth. Even as we dramatically reduced our cost base, we maintained research and development spending. It would have been a hollow victory if we came back from the brink only to face a technology drought. So we continued to invest in innovation. In 2005, for example, we brought to market 49 products all while continuing to enhance our rich portfolio of smart document-related services. These investments are already paying off. In fact, about two-thirds of our 2005 equipment sales revenue came from offerings introduced in the past two years.

These investments—and our focused strategies to deliver growth—are aligned to >>

As the driving force behind one of the world's greatest corporate turnaround stories, Xerox's Anne Mulcahy shares insights into leading a global enterprise.



Anne Mulcahy

capture a \$112 billion market opportunity. We're driving the color revolution with affordable, easy-to-use systems that rely on Xerox innovation such as *Phaser* solid ink printers and *iGen3* production publishing systems. We're leading in the services market with our document management expertise, helping customers simplify document-intensive work processes. We're capturing more pages traditionally printed on offset technology. It's what we call *The New Business of Printing*—an advancement in digital production printing that allows for on-demand personalized printing, instant book publishing, and more. We're expanding our technologies and channels to reach businesses of any size.

Discuss what you mean by, "Today, Xerox is more relevant to more businesses than ever before."

Those of us in the information industry need to focus not on hardware and technology for the sake of technology, but on reducing cost and complexity while improving the customer experience. And the customer experience is more about solving problems than acquiring technology. That's where Xerox offers tremendous value.

We know documents are a hidden and misunderstood aspect of worker productivity and IT infrastructure. And it led us to the conclusion that the old world of IT was made up of a little *i* and a big *T*. The focus was always on the technology. Today the focus is on what really matters: information. Xerox plays a key role in helping people work smarter with documents and the information they contain—and we're building on that position across our business and our global customer base.

Xerox's successful adoption of Lean Six Sigma is well documented. What prompted you to embrace it as a core discipline?

Jim Collins' book "Good to Great" struck a chord with me and Xerox's management team. We saw Lean Six Sigma as a key methodology that could help us evolve Xerox from a good company to a great one, to deliver top results not only operationally but also to our customers. Building on our earlier experience with our *Leadership Through Quality* programs, Lean Six Sigma emerged as a big enabler to both cost containment and revenue growth. And more and more customers are paying us the biggest compliment they can—they are trusting us

with their mission-critical processes, and we're developing solutions for them underpinned by our Lean Six Sigma expertise.

The discipline embedded in Lean Six Sigma ensures we stay focused on the right projects and processes that truly drive results. That's especially valuable when you're managing complex relationships and networks and projects that span the globe and operate 24/7.

How is involvement with the EDS Agility Alliance important to Xerox?

Xerox has a huge opportunity to help solve document and information problems through consulting and assessment services, print management, outsourcing services, and more. This is not only a competitive advantage, but also dramatically increases customer value and ROI. But in today's world, you need partners to provide the kind of solutions that IT managers demand. The one-stop shopping world is over, and it's important to us to have both a rich set of competencies and strong collaborators.

As a member of the EDS Agility Alliance, Xerox is providing the standard for print management and document services for the Agile Enterprise technology platform. In today's tight-fisted IT market, customers demand a different approach to bundling services. Xerox and EDS are meeting those needs, combining Xerox's document management expertise with EDS' leading IT services. Together, we're delivering seamless solutions that speed information access and cut costs for our joint clients.

Xerox is known for championing diversity in the workplace. In this era of globalization, what steps is Xerox taking to encourage diversity and how is it paying off?

Since the '60s, Xerox's leaders have worked to make this company an inclusive place where everyone has the opportunity to succeed. To maintain that kind of culture, it quite simply takes commitment every day. You build, celebrate, and nurture diversity by earning it, by sticking to it, by ensuring it extends across all operations, and by continually measuring and managing progress. Today, we can look across our workforce and draw from a well-qualified, diverse group of women and men ready to lead Xerox to the next level—a tremendous asset for us, especially as a leader in the competitive technology industry. |s|