

Smart Leadership

Anne M. Mulcahy, CEO and chairman of the Xerox Corporation is not only a director of a company but the company-guide of the hightech innovation industry per se. In any case that's what the jurors of Forbes judged! The US-economy-magazine ranked her among the five most powerful women of the world in 2006. Beside all these facts she is a lucky chance for Xerox because she competently maneuvered the group out of the biggest crisis in its history back to the peak.

Anne Mulcahy doesn't make a secret of the big troubles Xerox almost fell victim to shortly after the turn of the millennium. "The industry in the nineties had been dedicated to growth – no matter the cost", she says. Many companies got into debt, hardly anyone noticed the costs. The main thing was that the sales-curves rise up as steeply as possible.

In May 2000 just in time for the print media exposition drupa, Anne M. Mulcahy was first appointed as Xerox' Chief Operating Officer. Shortly after that, in August, she was named as Chief Executive Officer (CEO). In Düsseldorf she appeared self-confident, something new for the male-dominated-world of print. It was also new, that she was neither an engineer nor a business economist but studied journalism, who furthermore knew something about people and selling.

Since 1976 Anne M. Mulcahy ran through various stations in sales and senior management. Those who know her, aren't surprised by her career achievements. Nevertheless, the appointment to the peak of the concern was quite unexpected for most people. Because Xerox, hitherto a playground for many technology-loving testosterone-heroes, a pioneer and mammoth of document management and printing, was staggering heavily. Anne Mulcahy knew how to let peace come back in a relatively short time. She cared about the finances and respectively the capital market, and got herself a bloody nose with stock exchange issues, but she knew how to give assiduously the company a new, team-orientated leading structure and a new direction. Number two at Xerox has been Ursula Burns for many years, who leads the operative business as Xerox president. A perfect team at work!

To converse with Anne M. Mulcahy in private is pure joy. She is open-minded, has a lot of humour, listens, always says forthright what she feels – and often still knows after months what you have discussed with her before, respectively asking further questions on her own. Between you and me: this should be adopted by the management of many global players.

Benchmark: the Xerox-transformation

At the beginning of 2008 Anne M. Mulcahy announced on the biggest re-branding-activity in the history of Xerox: "We have transformed Xerox into a business that connects closely with customers in a content-rich digital marketplace (...). Our new brand reflects who we are, the markets we serve and the innovation that differentiates us in our industry. We have expanded into new markets, created new businesses, acquired new capabilities, developed technologies that launched new industries – all to ensure we make it easier, faster, and less costly for our customers to share information."

Prior to the re-branding were nearly three years of preparation. During this time Xerox changed completely because of the goal-oriented operation of its Chief. Xerox Global Services came along as a service division and succeeded from the beginning. Almost 17 000 assistants work in this section meanwhile and earn billion-turnovers together with renowned customers.

Asked about what gives the impulse for these positive changes, Anne M. Mulcahy answers spontaneously: "our customers". With a – for her typical – open and friendly smile she explains, that she personally as likely as her top-management team

have spoken very intensively with customers especially in times of the crisis. You can derive throughout her sentences, that at that time she considered Xerox simply as too self-loving and, therefore ignorant concerning changes which happen in the market. This cannot and musn't happen again today.

Anne M. Mulcahy considers it especially as a milestone, that it worked out to keep the expenditures for research and development constantly high, despite bad numbers and high debts, which could be reduced in the meantime. About one billion dollars are invested in R&D every year (with over 17 billion US-dollar sales per year at the moment). Over 50 percent of the sold Xerox-products and -solutions are less than three years old. That attests to enormous and precise innovation and marketing-work on the concern level. Strategic co-operation is considerable, for example with Fujifilm, which has an impact especially on the digital print systems with high synergy effects. The Xerox research-laboratories – resident in Europe near Grenoble – belongs to the top innovation-places in the world. And that's not enough: Beyond the smart leadership of Anne M. Mulcahy, a Xerox Innovation Group, which is controlled by scientists and which is researching completely independently – based on the existent products and solutions – how to optimise the basic modules, how to reconfigure or to reconstruct them as new, was established at the headquarters in Rochester, NY.

Lapidary (in a dignified and concise manner) you can say: Xerox has found its way back due to Anne M. Mulcahy, more innovative and determined than ever. ■

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ANNE M. MULCAHY