

# Reinventing Xerox as a Service Business

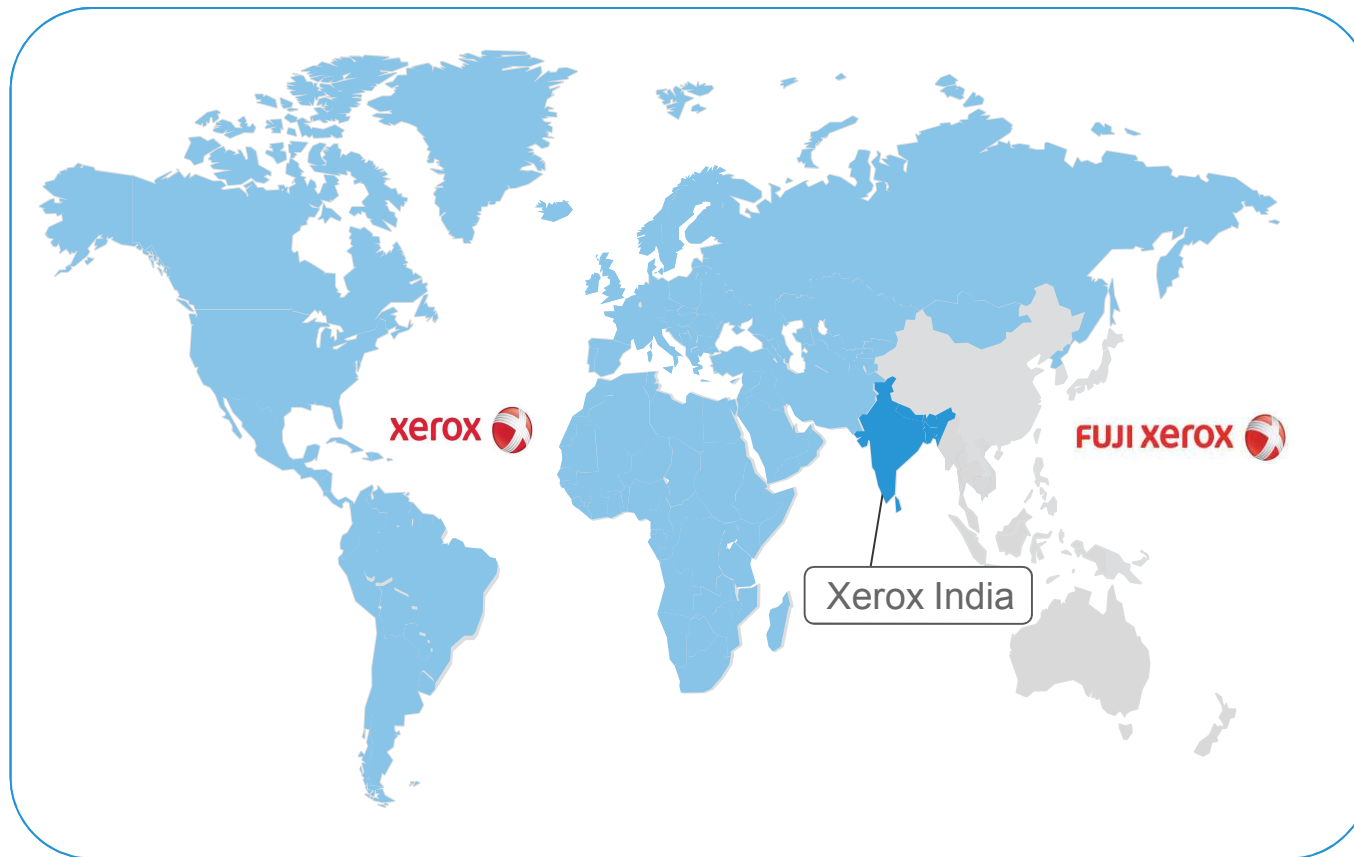
Vishal Awal  
Executive Director - Services  
Xerox India Ltd  
October 22<sup>nd</sup>, 2012



# Introduction



Vishal Awal  
Services  
Xerox India Ltd



A close-up photograph of a person's hands holding a very thick stack of white papers. The person is wearing a shirt with horizontal stripes in orange, white, and green. The background is blurred, showing what appears to be a window or a wall. A blue rectangular box with white text is overlaid on the left side of the image.

You've known us as a  
copying/printing pioneer...







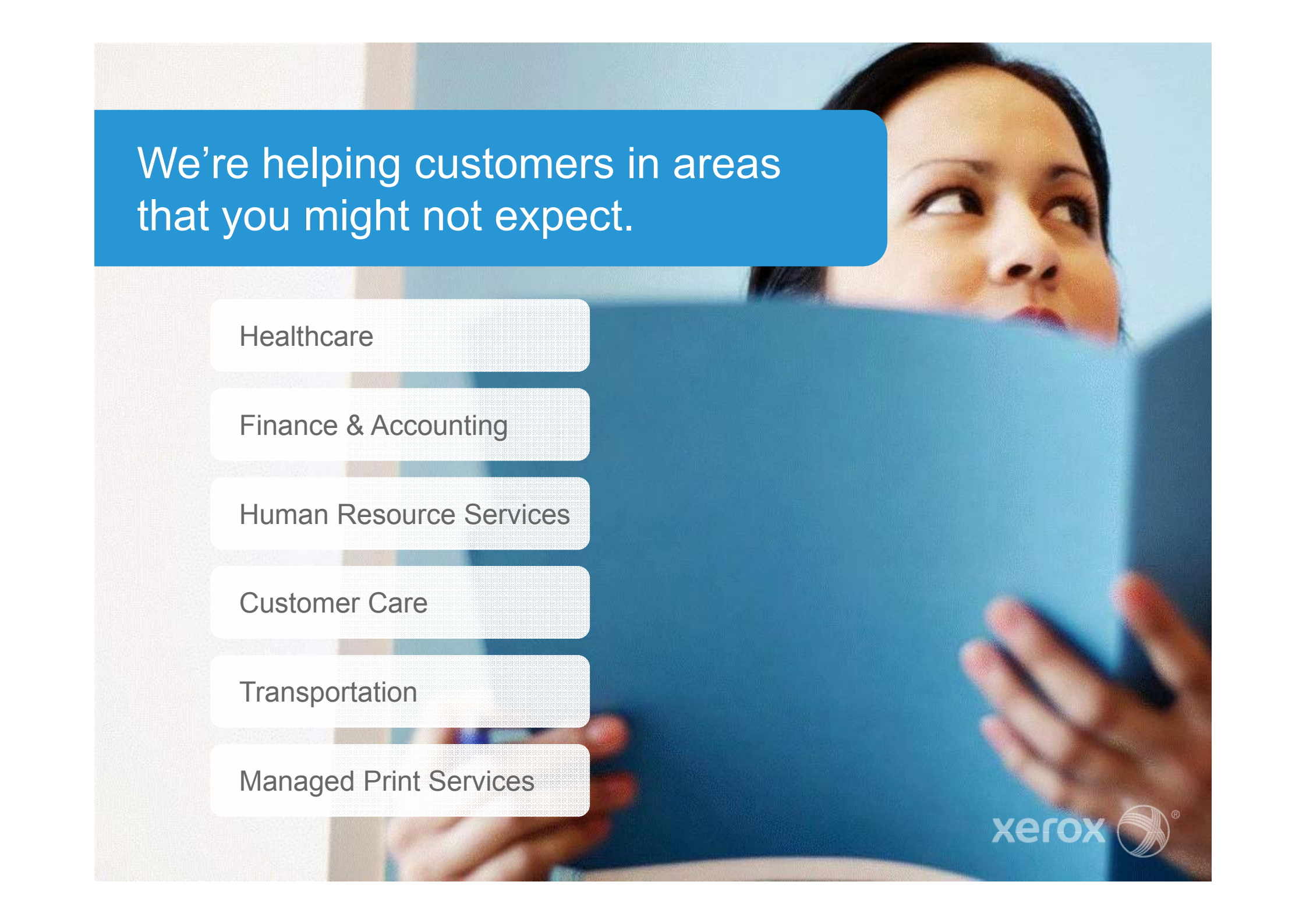
# Today, Xerox is so much more.

We are the world's largest enterprise for business process and document management

## "Services-led, Technology-driven"

- Presence in more than 160 countries
- Acquired Affiliated Computer Services, an industry leader in business process and IT outsourcing, in 2010
- More than 140,000 employees worldwide
- Annual revenue of ~\$23 billion, more than 50% from Services
- Named to Fortune Magazine's list of World's Most Admired Companies
- Consistently featured in the Interbrand's "Top Brands in the world" list since inception





We're helping customers in areas  
that you might not expect.

Healthcare

Finance & Accounting

Human Resource Services

Customer Care

Transportation

Managed Print Services







And, we're delivering business results  
that create bottom-line impact.

**Up to 30% reduction**  
in document-related costs

**900 million**  
insurance claims processed annually

**11 million**  
customer employee and retiree benefits managed by us

**\$421 billion**  
in global accounts payable processed for our customers

**37 billion**  
global public transit fares collected annually

**1.6 million**  
global customer interactions handled daily

**1.4 billion**  
Electronic toll transactions processed every year

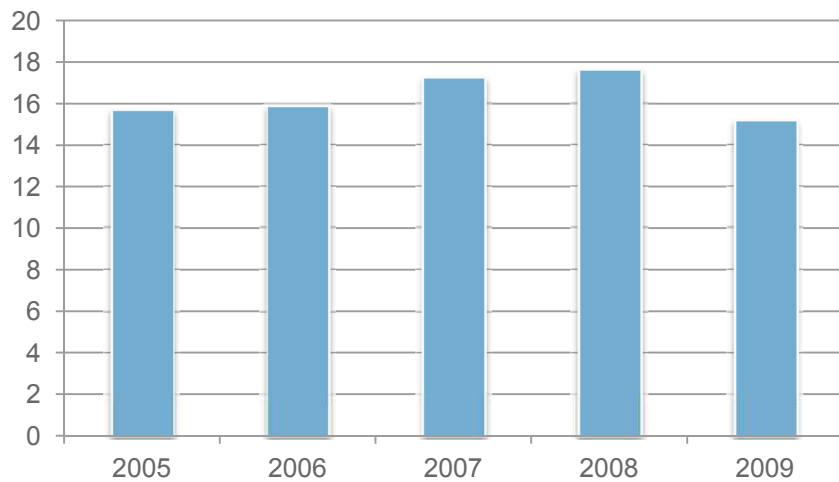


A world made simpler...

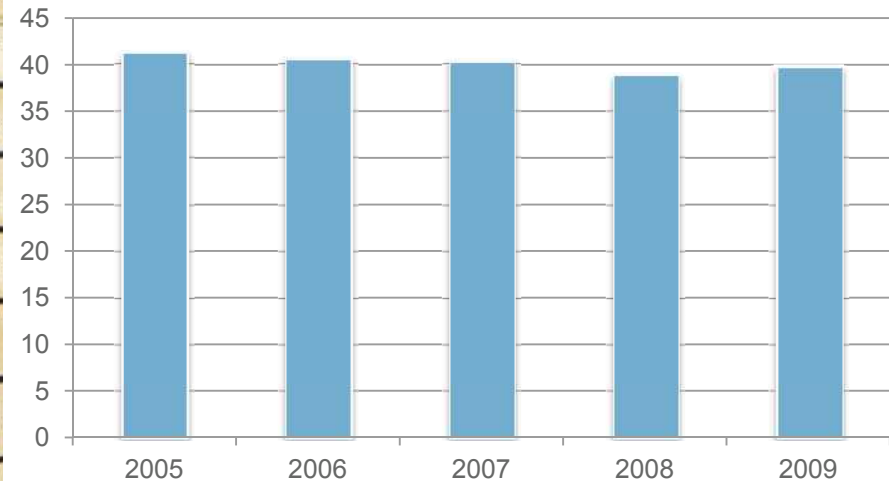


# The need to change the game

Revenues (US\$B)



Gross Margins (%)



Marketplace opportunity continued to be in the US\$100B – \$132B range

"What we had to do was step back and think, What is it that Xerox really does?" U. Burns



## We had ambition to scale our business...

- We were uniquely positioned in the area of Smarter Document Management\* where Xerox could help in designing and improving document intensive work processes
- We had unique knowledge and expertise on documents which drove Business Processes
- We could automate the time-consuming Business Process operations and/or find more productive ways by applying document software to make these processes more efficient and effective.
- Hence, entering the BPO segment seemed like the logical and natural next step for Xerox



We had to become a bigger, broader player in the game, however, in a mature hardware Technology market the larger growth opportunity was in Services





A woman with curly hair, wearing a grey t-shirt, is smiling and handing a blue folder to another person whose arm is visible on the right. They are in an office cubicle with glass walls and white partitions.

## The PULL from the customer/market...

Customers demanded more value → End-to-End packages that

- solved a problem
- cut their costs
- simplified the way the work is done

or a combination of all three

Our clients sought a diverse array of services – from the management of their print services to the management of front & back office work processes



A woman with curly hair, wearing a grey shirt, is smiling and handing a blue folder to another person whose arm is visible on the right. They are in an office setting with glass partitions and cubicles in the background.

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“We were being dragged by our customers into managing large, complex business processes for them,” says Burns. But cobbling together small acquisitions into a bigger business wasn't going to cut it, Burns concluded, with competitors like IBM targeting some of the same lines of business.”

“Fresh Copy: How Ursula Burns Reinvented Xerox”, Fast Company





# The game changer...

Xerox acquired Affiliated Computer Services (ACS) for ~US\$6B to become world's largest global, diversified enterprise for Business Process and Document Management

- Global Services powerhouse
- Diversified our marketplace in a faster growing market that holds up well in any economy
- Extended our global participation in vertical markets – like healthcare, transportation and financial services.
- Increased Services revenue to nearly half the annual revenue





With ACS acquisition, we are in a  
US\$550B services market opportunity !

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# We have transformed...

	2009	2011
Total Revenue	\$15.2 billion	(approx) \$23 billion
Services Business	(approx) 25%	(approx) 50%
Services Market Opportunity	\$132 billion	(approx) \$550 billion +
Services Leadership in....	Document Outsourcing	Document Outsourcing Business Process Outsourcing IT Outsourcing

...into the world's leading  
enterprise for Business Process  
and Document Management





# Xerox + ACS is a Strategy for Growth

## Why we came together?

- Global presence of Xerox
- Power of the Xerox brand
- Access to Xerox technology & + innovation
- Resources of a major player in Business Process and IT Outsourcing
- Benchmark operational excellence and global delivery footprint
- A powerful accelerator to our services-led strategy

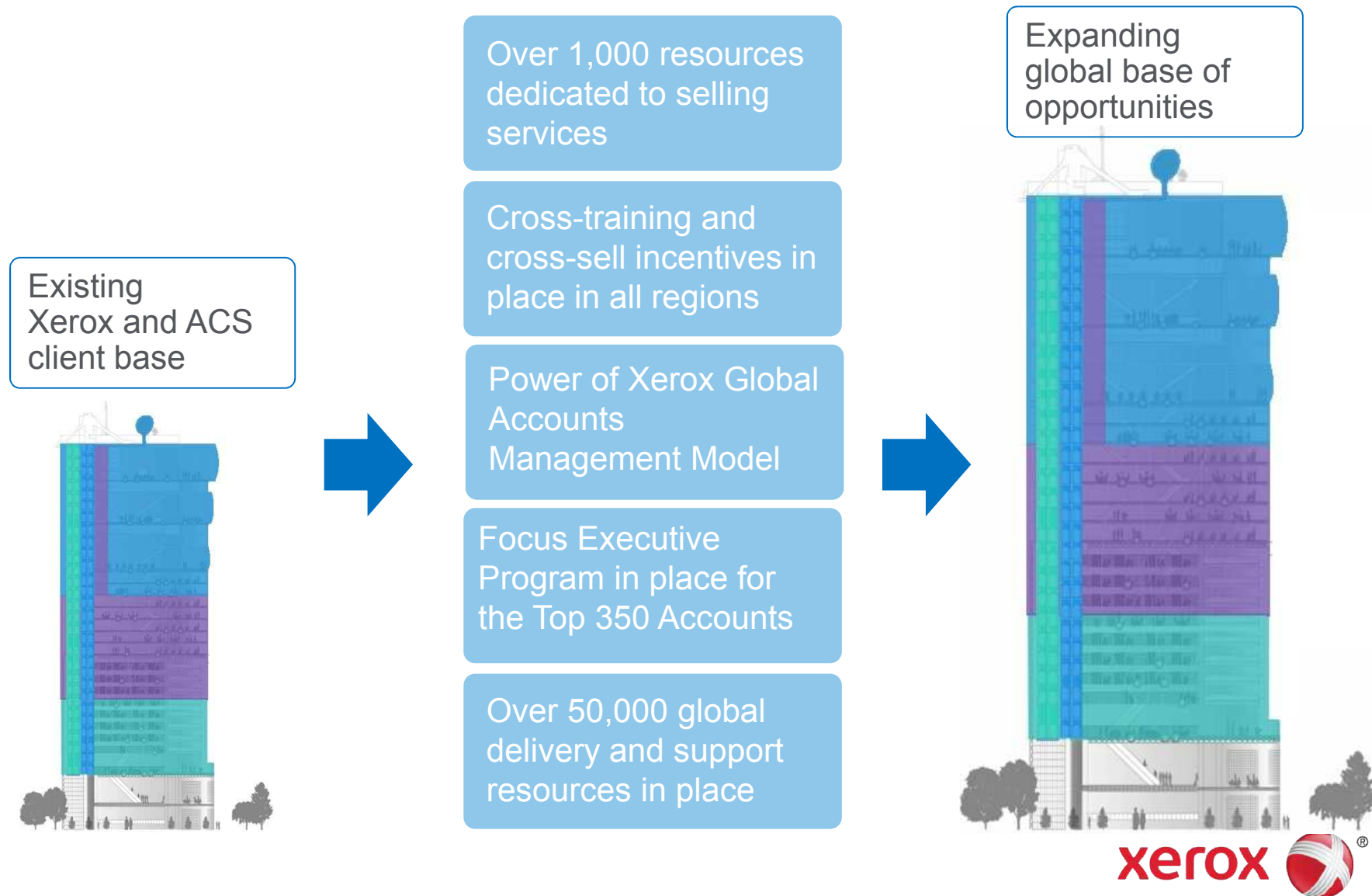
## End result

- Accelerated revenue growth
- Significant synergy signings and over \$5 billion pipeline
- Realized \$100 million+ cost synergies in 2010
- Continued increase in Services margin and offering penetration
- World's leading enterprise for business process and document management



# Combined Offerings and Capabilities

## A powerful sales and delivery engine







# The New Xerox...

Business Process Outsourcing

IT Outsourcing

Document Outsourcing and  
Managed Print Services





# Business Process Outsourcing

We are the largest, global diversified business process outsourcing company.

Focused vertical offerings for:

Education

Transportation

Marketing

Healthcare

Government

Financial Services

Manufacturing

Consumer Goods

Retail

Telecommunications

Technology

## IT Outsourcing

We specialize in designing, developing and delivering effective IT solutions that minimize the chance of disruption to our clients' daily operations.



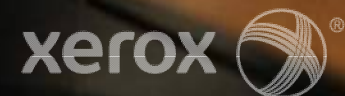
# Document Outsourcing

For decades, we have simplified the ways organizations use and share information

Communication & Marketing Services

Document Transaction  
Processing Services

Managed Print Services







## Managed Print Services

We can help you save up to 30 percent annually on printing and output costs.

- Optimize use of document systems across the entire enterprise
- Manage in-house print/copy operations and technology procurement
- Make information easier to manage and find through digital imaging, archiving and indexing
- Improve commercial print operations sales and profits through document outsourcing

Major industry analysts position  
Xerox as the category leader





A high-angle photograph of two women with long brown hair, wearing white lab coats, sitting on a grey tiled floor. They are looking at a laptop screen which displays a grid of small, glowing blue dots. The woman on the left is pointing at the screen with her right hand. A blue banner with white text is overlaid on the image.

# Driving New Innovations Through R&D

- \$1.6 billion spent\* in R&D and engineering each year
- Five R&D centers in the US, Canada, Europe and India
- More than 10,700 active US patents
- Our world-renowned Palo Alto Research Center (PARC) creates new innovations for Xerox as well as organizations in other industries as a wholly owned subsidiary

\*Together with Fuji Xerox







## Taking it to the next level...

While the complexity is in detail, priorities are straight-forward

- Accelerating our Services business
- Maintaining leadership in Document Technology
- Managing our business with a disciplined focus on operational excellence
- Expanding earnings and returning value to shareholders

The direction set for Xerox will preserve its legacy as innovators and continue the growth



# Xerox Strategic Vision

## Core Strengths



## Businesses

### Document Technology

Office Systems



Production Systems



### Services

Document Outsourcing



Business Process Outsourcing



IT Outsourcing



## Growth Strategies

Accelerating color transition

Advancing customized digital printing

Expanding distribution

Building value through services



# Xerox Strategic Vision

## Services – led



Document  
Outsourcing



Business Process  
Outsourcing



IT Outsourcing

## Technology-driven

- Xerox Technology continues to drive innovative document offerings
- Leveraging technology expands capabilities in services domains
- Partnerships for specialization and scale





Thank you!

Questions?



Ready For Real Business