Case study: xerox corporation

Business

In 1946 as a manufacturer and supplier of photographic paper and related office equipment, Xeroxis presently one of the biggest and oldest document-management company in the world. Xerox, initially known as Haloed, became significantly prominent in 1959 with the introduction of the world's first plain paper photocopier dubbed as Xerox 914. Utilizing the process of xerography or electromyography, Xerox 914 became an Instant office item pursued by countless organizations around the globe.

As a result, Xerox business opportunities and market hare greatly expanded throughout the asses and made scores of long-suffering investors high-flying millionaires.

Today, it boasts of having the competency to manufacture and market various office related and document-management products such as color and black-and-white printers, copiers, digital production printing presses and several related consulting services and supplies. The up-to-date and highly technological-savvy products are the results of Xerox famous research center named Xerox Palo Alto Research Center or Xerox PARA which is at present located in Palo Alto, California.

Currently, Xerox is also the top distributor of cut-sheet paper and a noteworthy contender in the development and supply of office papers in the United States. With a total workforce of more than 50, 000 personnel and having operational hubs in many countries, Xerox, since Its humble beginning In 1946, Is still headquartered In Rochester, New York. Synopsis/lulus In the midst of the organization's great ascent to the top of their business circle, Xerox supposed unstoppable run and expansion became relatively lethargic post 1970.

Many economic and world-related events had caused for this sluggish outbreak.

One of the crucial factors which contribute to the mediocre performance of Xerox during this period was the expiration of Xerox's original patent for the plain paper copier. Xerox, after this event, was saturated and engulfed amongst other rising competitors within their similar industry. Competition gradually escalated and Xerox, during this futile time, had no proper business plan and strategy to face and resolve the matter in hand. The business environment slowly became dynamic and saw Xerox behind in sales and growth compared to other players In the similar

Industry, specifically those of the Japanese. Additionally, due to the undervalued Japanese Yen, Japanese products became an instant hit as it not only provided value for money products but presented customers with similar alternatives at a breakthrough price.

During this period, although competition was stiff, Xerox managed to strategies and penetrate other geographical regions. Xerox entered Europe, Africa and the Middle East Vela a Jolt venture Walt Rank organization PLY, an standalone Brattles Tall industry which later instituted the ever-famous Paramount Cinema chain.

The success of the Joint venture bestowed Xerox withSupremeconfidence to form a partnership with Fuji Photo Film Company in Japan. The highly anticipated partnership, named Fuji Xerox, granted the company access to countries in South East Asia. During the same period and through similar agreement, Xerox managed to market its products in the South and Central American countries.

Turnaround Strategy Under the control of David Seekers, the organization's chairman, Xerox had made the necessary changes to survive and sustain in the current business market. The changes began within the company itself.

Seekers identified the factors which needed change and systematically implemented the required change elements to ensure success. He acknowledged the inefficiency and inconsistency of the existing reporting and planning process which was highly bureaucratic. Hence, to ensure change and success for the company, he initiated a strategy called ' Leadership through Quality". This move focuses on the importance of quality and how it can promote and influence potential customers.

The core of the strategy revolves on efficient employee involvement, competitive benchmarking and continual improvement.

This runaround strategy further propelled Xerox in the recommended direction and had given the company the success it deserved. The company also stressed and positioned their financial team as the leading department involved with other operating units. As they were apt in the controlling and administering of finance matters, the Financial Executive Council (FCC) were made to be directly involved in the generation of management decisions as they can assist managers and other relevant officers in making proper decisions.

The members of FCC also became the prominent board for discussing and formulating logic and strategic considerations. Question 1 Outline the management control system at Xerox.

What are the key elements that make the system work? Xerox's management control system concentrated and focused mainly on the responsibility and performance of 12 business units, which consisted of 9 business units and 3 geographic customer operations divisions supporting them.

The management control system was flexible in a sense that each business units were given an opportunity to set annual and long-range plans. It should be noted that uniqueness and advantageous feature of management control system prevailing in Xerox was the way the measurements had been established. The measurements were the combination of financial and operational targets. The feedback system was quite efficient facilitating the planning process cycle. The divisional general managers were responsible Tort managing jean respective unlit Ana Allover ten committed results.

Thee management of the company linked the growth and profit measures to unit's business economy with operational measures linked to world- class benchmarking performance. Leadership through Quality (LET) and Competitive Benchmarking were used as main tools to measure operational efficiency. LET was used to ensure the conformance of Xerox's products to world class quality standards, whereas competitive benchmarking was helping operational business units continuously measure Xerox's products, services and business practices against the toughest competitors.

Since the measurements were the combinations of operational and financial targets, there had to be one unit controlling the financial performance of business units. For that, the Financial Executive Council was established.

In fact, it started and evolved in parallel with the start of LET and Competitive Benchmarking activities. The nature of FCC was different from previous the financial control unit in a sense that it was developed with the objective of adding value to the management process rather than simply producing financial figures.

The bigger emphasis was given to the analysis of the financial information so that it could support and enlighten the business decisions. There were a number of success factors that made a management control system work in Xerox. One of the main factors was the culture which was demanding a proactive and more analytical approach to a solution of the problem. A higher level of employee involvement in developing targets automatically eliminated the resistance and barrier to change for the employees.

Employee involvement was in fact the component of LET process. Xerox’s new culture fostered open communication, which reinforced the matrix corporate structure of Xerox. The informal channel of reporting completed the formal channel thus strengthening and enhancing cohesiveness, integrity in the company. Another key element of success was the fact that unit controllers knew both the financial and operational aspects of the business. It was very important to achieve because the measurements were the mixture of operational and financial targets.

A combination of all the mentioned factors, being Xerox's new culture in a first place, ensured the durability and high effectiveness of the management control system implemented in Xerox.

Question 2 What recent trends at Xerox do you see influencing the management control process? The trend that is currently influencing the management control process is Xerox Company Strategy – Leadership through Quality (LET). This strategy focuses on three important aspects, I. . Employee involvement, competitive benchmarking and quality improvement process.

Employee Involvement It stresses on the harmonistic and integration of employees within a company to achieve the desired company goals and objectives.

It includes empowering others around and being able to assist each other in finding the cause and effect of problems. 2. Competitive Benchmarking and Continuous Improvement Being able to recognize Xerox's products, services and business practice and to seek for means to improve the entire company. It is also a learning experience and culture o consistently seek for continual improvement with regard to better the products and company.

It also includes the collaboration of employees from all levels to perform and communicate effectively at all business levels Question 3 In your opinion, how important are organizational culture and individual personalities in the Xerox control process? They are extremely vital for the success and continuous improvement of Xerox. The culture, which is a product of basic assumptions, norms and values of a company renders as a time-honored scripted behavior for every employee.

It highlights the oft skills which, in today’s standards, reflect as a crucial element in gauging and measuring individuals’ characters.

It is very difficult to achieve employee acceptance to change, however the right methods of conveying to the employees the right message and linking the purpose of the change to Xerox’s corporate objectives, created low resistance and barrier to change among employees. By having good and positive culture within a company, the ability to obtain the needed change and corporate triumph in the long term is relatively achievable as the culture is in parallel o the company’s objectives, I. E. Goal congruence has been achieved.

Other Related Questions Why is Xerox turnaround strategy, especially when involving organizational culture, seems so easily achieved? Logically, a driving factor or a motivator element is needed to promote and influence people.

In this case, the logical explanation why employees of Xerox are easily adaptive and receptive to the turnaround strategy is due to its incentive or bonus scheme at the end of the year. Humans are extremely affected and easily moved by monetary elements. When a company such as Xerox, having an illustrious and owned background, presents incentives and year-end bonus to employees, the quantum is usually mentionable.

As such, this becomes the driving force and motivator for employees to perform and deliver to their utmost. Directly and sometimes unconsciously, teeny wall work Ana Tunnel according to ten company’s objectives.

This event, in the long run, will efficiently mold employees and will create and holistically generate the desired company or corporate culture. The employees are aware of their contribution to the company and at the end of every year will usually await the monetary reward given to them by the company.