

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

**Excerpts from the Signature Event featuring Anne Mulcahy, Chairman of the Board and
CEO, Xerox Corporation**

November 10, 2005

Fundamentals are really what drive great businesses, and these are the ones we had lost sight of. The first lesson truly is about listening, staying connected both to your people and to the market place. . . . The second lesson is to follow instincts. . . . The third lesson is what I used to call the Vision Thing. . . . The next lesson is about, even in the worst of times, investing in the best of times.

The turnaround story told at Xerox is mostly about the financial matrix. The thing that we all feel best about at Xerox is that we invested in our future. We made decisions about where we wanted the company to go. We put resources and money behind them. Even as we were radically reducing our cost base, we actually did not take a dime out of research and development.

Something does change when you move into the corner office, and it gets tougher and tougher to get direct feedback. You have to work at ensuring that you surround yourself with some honest critics and treasure their input and make sure that you actually schedule time for that express purpose.

It doesn't matter what the challenge is, you have to get the best talent available. That means really being able to select people and attract people from the widest possible pool of talent out there. It really means choosing people who do give you a different point of view, people who challenge you, ultimately people who are smarter than you, and people who have skills that you don't have, and that is just so critical.