

MINCK,JOHN / HP0400/02 - HPDESK print.

Message.

Dated: 04/11/88 at 1535.

Subject: Competitiveness

Sender: John MINCK / HP0400/02

Contents: 2.

Part 1.

TO: John YOUNG / HP0000/00

Part 2.

John, I just finished a remarkable book called, "Xerox, American Samurai". It was written about the copier industry with focus on how Xerox got their act together. Interestingly, the authors were given interviews by most of the big guns of the business, except I think for IBM.

The book is a little mixed up in organization, but frankly, when you finish, you have this outstanding feeling that Xerox has really gotten every part of their act together. The R&D projects come in in half the time, the mfg costs are totally controlled, the market research is outstanding. Very impressive.

When the story goes through how Xerox dominated the 60s, fell apart in the 70s, with overlapping bureaucratic layers of bright corporate product planners, arrogant engineering with specially designed everything, lousy market research and projects cancelled after years and hundreds of millions of dollars, and finally the FTC and IBM suits, they had terrible problems.

But in Dallas, one man running a skunk works designed the Memory Writer and in about 6 months took away about 20% of IBM's selectric business. They brought him to Rochester to do the 1075, and meantime attacked every aspect of their costs and R&D and marketing.

John, I came away with such a total impact from that book, that I seriously suggest that you buy and send one to each division manager. You can harrange about cutting R&D project times by 50%, but after you read this book, you'll know it can be done. For example, Kearns was travelling around Europe with the author, who was sitting in on all the strategy meetings. At one point the product team proposed a slippage of 4 to 6 months in a project. Kearns asked in a private session with the manager how much market they'd miss by this slip, and I recall it was 20 million or so. Kearns suggested taking \$1 million and offer it as a bonus to the product team to bring it in on time.

Just a thought. Hope you're having some fun at work.