

Ursula Burns' future at Xerox a big unknown

Todd Clausen and Khristopher J Brooks, Rochester Democrat & Chronicle 4:28 p.m. EST January 29, 2016



(Photo: FILE PHOTO)

Ursula Burns started at Xerox Corp. as a summer intern roughly 36 years ago and rose up through the ranks to become (<http://on.rocne.ws/1SOg2Km>) one of the most powerful women in corporate America.

She became the first female African-American to lead a Fortune 500 company after taking over as CEO for Anne Mulcahy in 2009.

But now her future with Xerox is somewhat uncertain as the company plans to split into two separate and publicly traded companies ([/story/tech/news/2016/01/29/xerox-makes-official-its-split-into-two-companies-earnings-possible-company-spli/79490994/](http://story/tech/news/2016/01/29/xerox-makes-official-its-split-into-two-companies-earnings-possible-company-spli/79490994/)) by the end of the year.

The 57-year-old said on Friday that discussions about her future were not part of the roughly three-month-old process in determining whether the split would be appropriate.

"One of the things that was removed from the process early as we went into this, what I did with the board, was remove me out of the discussion," Burns said Friday during a conference call (http://media.corporate-ir.net/media_files/IROL/10/104414/clip-1059579-dl_aud-en.mp3) with investors. "The decision about whether or not to split into two ... can't be based on an individual. I will make some recommendations to the board and my future will be contemplated as a part of those recommendations."

Burns has regularly appeared on national lists of the world's most powerful women; Forbes ranked her 29th (<http://www.forbes.com/profile/ursula-burns/>) in 2015. She is a member of the boards for American Express Co., Exxon Mobil Corp. and the Ford Foundation. President Barack Obama appointed her in 2009 to lead the White House's program on Science, Technology, Engineering and Math (STEM), and she was appointed chair of the President's Export Council last year.



She also spearheaded Xerox's largest ever acquisition shortly after becoming CEO. Affiliated Computer Services was purchased in 2010 for \$6.4 billion, which helped chart a new direction for the company in various business services. Revenues from its services businesses account for about 57% of all revenues, surpassing Xerox's traditional copier and related businesses.

Burns has been handsomely rewarded while CEO at Xerox, including a big boost in total compensation in 2014, according to the latest available public data filed with the U.S. Securities and Commission (http://www.sec.gov/Archives/edgar/data/108772/000114544315000520/xerox_def14a.htm#a_046). She earned roughly \$18.6 million, a \$1.1 million salary, a \$2 million cash bonus and \$15.5 million in Xerox stock.

Robert Duffy, CEO of the Greater Rochester Chamber of Commerce, said he got to know Burns when she lived here but didn't know of her future plans with Xerox.

"Ursula Burns is a superb talent. If something were to happen, just like with the other Xerox talent, she'd be in high demand," Duffy said.

Burns has also faced criticism.

Rochester, N.Y.-area workers often complained that local engineering jobs were being slashed while she was serving on the White House's STEM program.

She was unable to stop the bleeding in Xerox's document technology segment, which has seen declining revenues and been a smaller piece of the company's revenue pie in recent years.

While creating new revenues and opportunities, the ACS acquisition was somewhat of a failure with the split effectively canceling the deal, said Dom Pullano of PCM Associated Ltd., a Rochester-based financial services firm.

"The merger never fully integrated with the Xerox business model and provided little or no value to shareholders," Pullano said. "The stock price has shown a large trading range but no consistent appreciation.

"The company has effectively remained a cyclical business with consistent cash flow but not a growth company that defined its identity during the previous century."