

HIGHLIGHT

TCS builds Business-in-a-Box to support Xerox's 'Reinvention'

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Many firms continue to deal with massive disruption to their business models. This is especially true in the print and copier business where paper continues to be replaced by electronic documents and workflows. Leading firms must rethink customer expectations for their products and services and engage closely with their partners to embrace change. For Xerox, this has led to a significant shift in business volumes, requiring the business to scrutinize its operating costs—which are under immense pressure from wage costs, inflation, and staff retention.

During this period of industrial change, Xerox has changed ownership models, divested key parts of its business, and contended with the growing competition vying for its clientele. Additionally, the rapid rise of generative AI (GenAI) is pressuring the firm to evolve to meet the needs of its clients and address core technology changes in the marketplace.

With the help of Boston Consulting Group (BCG) and TCS, Xerox has reaffirmed its focus on business transformation by leveraging technology and business services, unburdening itself from legacy decisions and embracing the cloud as its architecture of choice.

The CEO leads Xerox's 'reinvention'

Sponsorship for technology-led business reinvention requires the CEO and the CIO to be on the same page. As Xerox's legacy business continues to evolve, many factors—from electronic documents replacing print to virtual workforces—are alleviating the need for office print and copy systems and consumables. Between [2019 and 2023, Xerox's revenues](#) dropped from \$9.1 billion to \$6.9 billion, altering the company's financials and forcing it to review all parts of the business. This wasn't lost on the new CEO, Steve Bandrowczak, who assumed the role in August 2022.

With the establishment of new leadership, the CEO and CIO offices have committed to reviewing the processes and technologies Xerox needed to run and return the company to growth. They labeled this strategy as "Reinvention" and are placing all global business processes and operations within its scope. The approach aims to ensure the brand's legendary industry position while committing to a substantial operational model transformation focused on simplification and standardization. To execute this, they engaged BCG and TCS as critical business and IT partners.

Xerox and TCS developed a shared vision for technology led transformation

TCS saw this as an opportunity to play a significant role in Xerox's technology transformation. Its IT services firm will be instrumental in geographic simplification for Xerox's key markets worldwide by streamlining IT products and services for cloud-native operations and business continuity and implementing the Agile methodology across IT and business teams.

The strategy's success hinged on the willingness of front-line executives to rethink the product and service mix they need to create an adaptable model that aligns with the digital-first needs of the market. As TCS reviews the applications portfolio, its efforts are focused on enabling Xerox to expand its service footprint in the mid-market and scale solutions and costs effectively. Expanding its capabilities down-market in a scalable and profitable manner is key for Xerox to regain its growth trajectory. Thus, TCS is a critical partner for both right-sizing existing business operations and contributing to the firm's strategic growth outcomes.

As digital is increasingly favored over print and copy in modern and virtual offices, operational simplification is essential. The aim of “Reinvention” is to transform Xerox’s processes into touchless operations, improving the user experience and enhancing cash flow to ensure the company’s success.

A technology-enabled transformation is critical but requires strong partnerships

In a discussion with the TCS leadership team, HFS noted their willingness to assume a partner leadership role—aiming to work closely with Xerox’s Tino Lancellotti, Chief Information Officer (CIO) to drive the “Reinvention” strategy and define the new technology landscape needs for delivering solutions as part of a challenging business transformation initiative.

Kamal Upreti, vice president of TCS, highlighted three aspects that TCS was required to deliver:

- 1. Drive new process definition, simplification, and change management:** TCS should deploy new industry-leading practices and drive organizational change management along with Xerox across the front, middle, and back-offices to simplify business processes, bringing operational effectiveness, revenue uplift, and an enhanced customer experience.
- 2. Rationalize efficient operations:** TCS should play a role in assessing, rationalizing, refactoring, and transforming Xerox from an IT-heavy organization to one that focuses on AI/GenAI and drives a cloud-native mindset for IT development and service delivery, creating a model for continuous business operations evolution and touchless customer support.

- 3. The importance of tech debt reduction with the right funding model:** Kamal emphasized that the tech transformation strategy must create a pathway that reduces enterprise tech debt and provides a funding model aligned with its ability to invest in new technologies.

Xerox chose TCS for its superior solution, proprietary frameworks, the financial structure of the deal to drive business outcomes, and vast partnerships with cloud and independent software vendors.

TCS consolidates Xerox around fewer apps, a core hyperscaler, and GenAI

Xerox is burdened with significant licensing, maintenance, and support costs for managing an environment of 900 applications. Application rationalization is thus crucial for its enterprise modernization efforts. Kamal shared that TCS will consolidate Xerox’s applications from 900 to 300 in three years. This involves building a “Business-in-a-Box”—a standard global business and IT model targeted at all of Xerox’s markets. Set on the backbone of a new SAP S4/HANA cloud-based instance, this streamlined approach will replace all legacy ERP systems and many other applications. It will involve rearchitecting the core infrastructure, modernizing applications, and consolidating networks, hardware, data centers, and security into unified and streamlined operations.

TCS will begin by driving a significant migration of Xerox’s data centers to the Microsoft Azure platform. Azure ensures Xerox has a standardized infrastructure needed for its global operations to focus development of new systems for the future. It also provides the capabilities to meet Xerox’s goal of becoming 100% cloud-ready by migrating all assets, eliminating the need for existing physical data centers and buildings.

To adopt the “business in a box” solution, TCS and Xerox knew change management would be the most significant challenge. To encourage the adoption of standard business architecture and minimize customization and configuration requirements, Xerox started by establishing a new change management governance model around its target architecture. By setting these future state as part of project governance early on it aims to ensure business owners can adapt internal processes to more effectively.”

TCS is working with Xerox’s teams to move toward a Generative Enterprise model by integrating GenAI to enhance productivity and business outcomes. Together, they are envisioning AI to work across business processes. They will jointly develop these GenAI tools for internal and external use. The tools will play a pivotal role in employee and customer experiences by improving how the systems interact with customer needs, predict usage, optimize services and support needs, and deliver real-time insights to business analysts and leaders.

TCS is helping Xerox by creating a self-funded model for business innovation

Most organizations may balk at the financial costs of overhauling all their systems and business processes. Kamal explained that Xerox and TCS devised a self-funded transformation model, emphasizing the importance of generating savings from operations to fund new tech platforms and innovation, ensuring a financially sustainable transformation process. To embed innovation in its contract with Xerox, TCS has taken significant IT accountability to generate and reapply savings for continuous innovation and improvement, ensuring a dynamic and evolving partnership. Essentially, Xerox aims to prove that eliminating process and technology debt will pay for itself if a company is willing to commit to rationalizing processes and systems aggressively.

The Bottom Line: Xerox demonstrates that a pressing need can encourage executives to strategically address their technology debt through a carefully planned deal.

Eliminating technology debt shouldn't require fear of extinction, especially for a company as fabled for its innovation as Xerox. Yet, decades of technology debt can't be shoved under the carpet forever without the implications of old-world business processes and outdated technology impacting business results and customer satisfaction.

Xerox's bold move to pay off its process and technology debt in a single deal shows all C-suites how to modernize their organizations' capabilities and simplify their processes if they truly want to place shareholders' and stakeholders' needs first.

HFS Research authors



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Joel Martin is executive research leader for enabling tech research on software development and the TMT industry practice for HFS Research.

He has nearly three decades of experience as an analyst, consultant, software product manager, and marketing professional. He is driven by a curious mind that has followed, analyzed, consulted, and implemented solutions from data networking to large ERP projects.



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As chief research officer for HFS Research, Tony Filippone spearheads the strategic research initiatives that shape the future of enterprises and technology ecosystems worldwide. Under his leadership, the global analyst team delivers groundbreaking insights that drive innovation and efficiency, solving the complex problems organizations face.

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