Symantec
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Executive Summary

Symantec was originally established by Gary Hendrix, an expert in artificial intelligence and language processing, in 1982. Soon after Symantec's creation, in 1984, the company would merge with C&E Software, founded by Gordon Eubanks. The merge would lead to Eubanks to take role as CEO of Symantec while Hendrix would assume the position of VP of Advanced Technologies. During 1987, Symantec would acquire three additional companies; Breakthrough Software, Living Videotext, and Think Technologies. With the support of the added companies, Symantec would go on to achieve revenues of $50 million and earnings per share of $1.05 in 1989.

Symantec has created and improved upon their diversified line of software products that benefitted many of their business users. The company would eventually establish its products as leaders in their respective markets thus allowing a chance for Symantec to become a major player in the software industry worldwide during 1989 with their products marketed in 23 foreign countries through 41 independent distributors. Within the same year, the company also created 9 additional software products that were either developed or upgraded versions of an existing product.

Since Symantec was located in different areas each pertaining to their functions, so was their acquisition of three other companies, two located in California and one in Massachusetts. Despite the company being geographically dispersed, Eubanks believed that relocating workers or imposing a culture on product groups would damage the composition and dynamics of their original development teams resulting in what Eubanks would state "a trade-off between being in one location and being able to get the products we wanted and keep the people". Eubanks acknowledged that the trade-off would create communication and control problems with their geographically dispersed company which he would mitigate the loss by replacing restructuring an acquired company. Eubank's method of restructuring is to replace top managers with suitable candidates, but keep the development, technical support, and marketing infrastructure.

Symantec's rapid growth would lead it to become a large-scale company, but with the geographical distance between many departments, communication became a major burden to the continued success of the company. In this case, we must analyze aspects about the company's various problems, solutions and other aspects that will give better insight about Symantec and its outlook.

Problem

Symantec being a large-scale company would introduce a multitude of problems for the company. Symantec's divisions and product groups were located in different cities each autonomous pertaining to their respective operations, yet they weren't designed to mainly communicate with each other which is operating the way Eubank designed to be. The company would not necessarily be considered to have communication problems, but their problems would stem from its internal processes and lack of information flow.

Many employees expressed frustration that some information wasn't shared and certain groups such as product groups (formally self-contained entrepreneurial companies), which weren't used to sharing information or being accountable to a parent organization, wouldn't communicate with each other despite the various communication channels Symantec had. Some employees noted that the information flow from Marketplace to the company was insufficient due to sales representatives inadequately giving insufficient feedback for software engineers on customers preferences for current/future products. As for the communication flow Marketplace to the company, groups complained about receiving necessary information in a timely manner when serving customers, thus rendering product groups useless for information when employees learn from customers first about product issues. The company lacks a proper methodology for maintaining and setting up communication channels that work efficiently and effectively for its employees. Symantec also needs to increase collaborative behavior between Symantec's groups and departments in order to improve the flow of information.

The MIS department spends most of their time fixing system failures or technological problems when notified. The majority of their time fixing prevents the department from creating, innovating, and providing support for customers and employees. The MIS department has less time creating documentation or instructions on the use of Symantec's software and applications. It would also create a mentality to avoid collaborating since they would have to replan from scratch to meet standards of others, and adopt a do-it and fix-it-later mentality. Their communication tools have proven to be ineffective and unreliable as their email and phone systems are riddled with bugs and shutdowns. When a service request was filled out, the MIS department gave it a priority number based on who submitted it or if it was an individual or a group. Symantec service request system would prove to be untimely with demands leading employees to bypass the request form and demand the MIS department to meet their needs by saying "This is what I need and I need it now." The MIS department overall lacks direction and control of information flow and demand.

Industry Competitive Analysis

Mission Statement

Symantec designs and delivers software in a timely manner while uniquely meeting the needs and requirements of business users. Eubanks, CEO of Symantec, believed in acquiring the best products possible which he tailored the company's services for business users that specialized in areas of information management, productivity, and software development through differentiation in the software industry.

Generic Strategy

Symantec is currently utilizing a differentiation strategy which the company focuses on creating products and services that are considered unique and distinguishable within their industry. Product differentiation is exemplified through innovations in technology, speed, reliability, customer service and other aspects of a product that are usually considered as a competitive advantage for a company and a threat against its competitors. Symantec has proved their software products to be innovative while priding itself for never missing scheduled release dates, thus allowing the company to be major leaders in their market segments.

Organization Structure

Symantec has implemented a divisional organization structure. "Divisional structures are organized based on outputs" (Cash 36). The company is able to organize the company by breaking down the assembling of products and creating segments where each is responsible for its own business function. These segments would become various departments and product groups who would have control over their own resources and operations such as where each was like their own company within a larger organization. Symantec is organized into 5 main product groups and several centralized functions. These 5 main product groups controlled its own Product Development, Marketing, Quality Assurance, Support, and Management, but are located in different areas. Two of the five product groups, database management and utilities, are located at corporate headquarters in Cupertino, CA, while the other three groups such as the language product team was located in Bedford, MA. The centralized functions such as Finance, Human Resources, and sales, were handled by the company's centralized departments at corporate headquarters, yet some functions were held away at locations such as the training department that's located in Novato, CA. Essentially these product groups are autonomous including the

acquisition of the three companies which all would be responsible for various aspects of Symantec's product line and services.

Porter's Five Forces

Threats of New Entrants

Symantec and other major software companies are already operating in a "sector that [requires] high levels of investment and expertise" (Tanwar, 18). Small inexperienced companies that are planning to join the same markets as Symantec will have a hard time competing with established companies while having a small consumer-base and lack of supporting tech.

Despite new entrants facing some entry-barriers, the need for improved information services continues to grow throughout the business world. Symantec will inevitably face new competition from start-up companies constantly that offer similar or unique products that can meet a customer's need, and provide stronger support services for their small consumer base which the company is struggling to maintain.

Bargaining Power of Buyers

The power customers have to bargain is fairly limited due to switch costs being high. Buyers tend to have less power over Symantec's pricing due to their licensing agreements and contracts, and are unlikely to switch to new software since time and budget for retraining is required for employees to learn a new software.

Threats of Substitutes

As the development of new software and improvement of existing software continues to grow, there will always be alternatives for consumers to pursue. Improved and more reliable customer service will also increase interests in consumers as well as switching costs which will determine Symantec's ability to support and keep customers. The company should find methods that can help capture as much market share as possible to create a loyal customer base.

Bargaining Power of Suppliers

Symantec relies little to none outside of their internal environment for any supplies since they produce their software within the company organization. They also have different divisions including acquired companies that have the necessary technology and resources, such as their HP and Novelle-Lan MIS systems, to help maintain Symantec's operations and functions.

Intra-Industry Competition

As a rapid growing company, Symantec has become a large-scale company that must compete in a fast-paced environment. They face major competitors such as Ashton-Tate and Lotus who are also leading software companies in the rapidly growing market they are all part of. Threat of new entrants also arise in number each bringing a similar or differentiated product while meeting the constant increase in demand to meet business needs.

Stakeholders

Employees

Employees have a stake in any decisions or improvements made by the company that has the chance to improve the effectiveness and efficiency of its services. If the company decides a non-optimal decision that doesn't benefit the company, it'll instigate more issues for the company causing disorder and confusion among employees.

Customers

Customers of Symantec have software designed that's tailored by Symantec for their business needs while maintaining any customer or technical support. Their support is used through six major distributors who are responsible for managing orders, promotions, inventory, and direct sales to retailers. If MIS issues and flow of information problems still persist among the company, they'll be unable to keep up with the rapid growth of demand. Customers may change their business with other competitors despite a switch cost resulting in a loss of consumer base and reliability.

Shareholders

Symantec's shareholders who hold huge stakes in the company will expect to see a form of positive growth or revenue. If any hindrance within the company causes responsibilities to not be met, then shareholders invested within the company will begin to back out or drop by selling their stocks.

Available Solution Options

Restructure Corporate Philosophy and MIS Leadership

This strategy prioritizes the implementation of a unified corporate philosophy that emphasizes information flow and collaboration between departments and regions while mandating policies that requires managers to effectively communicate this philosophy to Symantec's employees. Implementing the strategy requires managers from various groups to develop unified communication policies that would work across all aspects of the business. "Corporate culture is not a simple phenomenon...it cannot be mandated, designed, or made" (Morgan 143). These managers will assign training responsibilities to others or take it upon themselves to train their respective group to help reinforce collaborative behavior among other managers and employees. Managers responsible must also keep track of progress of where collaborative behavior is taking place while measuring the value and

frequencies of this behavior. With improvements made in communication, it allows the company to continue utilizing their current MIS systems.

Effect on Stakeholders

Establishing a company culture that encourages collaboration will take time for employees to understand how to properly do so between various divisions and departments through training. This will likely improve work behaviors leading to stronger teamwork and objectives while allowing employees to use current MIS systems. Also, with a new MIS leader, employees will benefit clear directions and methods for proper information flow within the company. Customers are likely to see emphasized customer service support for their products including specialized instructions and plans tailored to their consumers. Stakeholders who are invested may not see much positive growth in stock value till the company can follow through with the implemented unified corporate culture.

Restructure IT Architecture Structure

Supported by Gary Hendrix, the VP in charge of Advance Technology, this alternative will encompass the implementation of a new IT system that caters towards Symantec's need for an improved system with the capabilities of handling high levels of communication and information demands. Symantec's current IT systems are causing frustration among employees due to the unreliability of email and phone services, and order entry. This result was due to the IT systems inability to process greater numbers of orders and requests within the organization. Instead of the continuous and costly "patching" required to maintain operation of the current MIS systems, a new IT system will improve the handling of current demands while providing longevity. This alternative is considered to be very costly, but with proper project management and foresight of potential growth, it would establish Symantec as a leader within the industry, improve on-time delivery of products, and allow proper communication between departments. The new IT system will also revolve around standards of product groups, divisions, and

managers who will budget and measure based on profits, revenues and cost of product development, quality assurances, marketing, and technical support. These standards are the 5 sets with each division holding their own guidelines.

Effect on Stakeholders

Employees will be cleared of staggering information flow and communication problems. While it may be a huge benefit to many employees at Symantec, some might have to get brief training costing time and budget. Customers will also see faster responsive support for Symantec's product while providing important information that may lower support needs. Stakeholders should definitely see a major increase in value of stocks which could lead the company to increase market share while attracting more investors.

Do Nothing

Symantec will not adopt any strategies or decisions and proceed to operate under normal circumstances without training management personnel in updated communication procedures. This option would forgo any costly upgrades to internal systems which allows other groups in different regions to operate as independent entities without any updates which may restrict growth in the future.

Effect on Stakeholders

As Symantec continues to grow rapidly, employees are unlikely to keep up with demands leading to quality and timely delivery downfall in their products. It is expected the company cannot provide quality customer service and products, thus leading customers to find other substitutes despite any switching cost. Shareholders will see a decrease in stock value if Symantec cannot properly manage its technological MIS problems and business demands, causing current investors to bail and a loss of interest of investors.

Recommendation

The recommended solution is to restructure the IT architecture. "A bottleneck is any resource whose capacity is equal to or less than the demand placed upon it" (Goldratt, 138). The MIS department has exemplified various problems that have considered the department as one of Symantec's bottlenecks. Implementing a unified corporate culture revolved around collaboration and improved information flow could take a few years to implement company wide. They must also meticulously develop policies that are able to be utilized by different groups to properly channel the flow of information between different departments and groups where each can have biased preferences leading to ineffective policies and weak communications. If Symantec was to replace the MIS director, the new director would still have to struggle with similar issues regardless of how skilled they are which would be just masking the company's problems instead of solving them properly. In order to attain reliable services for its phone and email and proper channels for improved information flow, the companies should focus on procedures or policies that align with business goals and the eventual implementation of a new IT system. "An IT architecture defines the policies and guidelines that govern the arrangement of IT tools and data. By establishing a logical, coherent plan, an IT architecture ensures that decisions about technology investment and use are in keeping with corporate strategy and capabilities'' (Barker, 171). Symantec lacks a plan for their technology systems. By revamping or restructuring the overall IT architecture, it allows the opportunity to re-analyze business steps and goals leading to new or improved paths for the welfare of the company. Creating the new IT architecture would clear most of Symantec's issues regardless of its complexity while providing improved data integrity, confidentiality, and availability for users. It also can help create a collaborative-friendly environment which employees are more willing to work with other departments. "Although the effect of technology on business strategy may not be clear initially, it's relentless and cumulative, like the effects of water over time"

(Kalakota and Robinson, 6). As business demands increase, technology will provide support and improve itself to help business goals and strategies a reality.

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