

Case 3: Symantec Cprporation

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# Case background:

Gary Hendrix founded Symantec in March 1982; he was an expert in artificial intelligence and language processing. Eubanks, founder of another company. C&E software. In September 1984 C&E merged with Symantec under the name Symantec Corporation. In 1987 after the merged Symantec Corporation acquired three more companies. Their corporate headquarters were in Cupertino, California. Hendrix was the vice president and Gordon Eubanks founder of C&E was the president and CEO of Symantec Corporation. Symantec designed, delivered and supported software that helped meet the business needs of their users. Symantec product lines were scattered across the U.S, each with their own workers, and only having centralized HR, finance, and sales at corporate. Between 1982 and 1989 Symantec has a huge growth for in number of employees and profit. The number of employees went from 30 to 316 and the revenue for the company was 50 million. (Barker)

Industry Competitive Analysis

Mission Statement:

Symantec’s mission was to lead the software industry by providing diversified information management, productivity, and to innovative new software development products to meet customer needs.

Stakeholders:

The main stakeholders in Symantec are Symantec executives, employees, shareholders, and customers. The managers of the five product groups in Symantec are primarily at corporate; they rely on Symantec to do well to make a living. These members all have stake in what happens with the company, as they keep the company running by running their separate departments and product groups. The second largest group of stakeholders is Symantec employees. The success of Symantec will have a direct impact on its employees. As the organization grow more employees got hired. As soon as Symantec doing well employees will make money and gain more bonuses. The third stakeholder group is Symantec shareholders. Shareholders invest money in Symantec and want Symantec to do well. Finally, the customers of Symantec. the customers of Symantec can be can be the organizations that purchase their software, or the end-users who use the software in a daily basis. Customers rely on these software’s to run their business therefore they should be considered when making decisions.

Products:

Symantec became a company with many diversified product lines. These product groups were located throughout the U.S. Symantec used many distributors to market their products in 23 foreign countries. Symantec focused on five different product groups: database management, project management, utilities, outlining and presentation, and language products.

Problems:

The main problem Symantec facing was information flows and communication. These problems include a lack of communication between departments and product groups, lack of time for employees to communicate, lack of direction or instruction, email connectivity and corruption issues, software and order entry problems and a lack of communication with the MIS department when problems arose. As a geographically dispersed company focusing on different product lines, communication was needed to function as a business. The Information was shared, goes only to certain people and certain product groups. Which caused tension between product groups. This miscommunication between different departments and within the organization makes it difficult for employees to know if something a manager said was an opinion or a policy. The MIS Department oversaw repairing e-mail, phone, etc. Customers were worry that there was no process of prioritizing requests, which meant that it took forever to resolve requests and answer complaints.

Porter’s 5 Forces

1. Inter-Industry Competition

The threat of inter-industry competition is low. Symantec was an applications and systems software provider. At that time this market was growing rapidly. In the 90s, personal computers were becoming more popular, and with the introduction of the World Wide Web, there was a greater need to connect systems together, which have a grate impact on the business process. Based on the Porter’s Five Forces, the “goal is to erect an entry barrier by the use of patents, copyrights, tariffs, capitalization, or distance”. The main competitors to Symantec Corporation were Lotus and Ashton-Tate. According to the case report, Symantec has been leading the industry with their products (Barker).

1. Threat of New Entrants

The threat of new entrants is very high. Since technology was in high demand, if another company can do something better than Symantec, then the customers are going to go to the new company. Organization’s needed the technology that software companies could offer to join functions of the organization into one information system.

1. Customer’s Power

Symantec customers have a low bargaining power. Since Symantec uses a differentiation strategy, many of their customers are probably cost indifferent because of the superior service and products that Symantec supplies. Since the customers of Symantec are other companies in addition to the end user that might add switching cost for the customers. “reduce bargaining power by increasing switching costs” Porter’s Five Forces.

1. Supplier’s Power

The bargaining power of suppliers is low. Symantec provides software and that does not require any raw materials. The main two things Symantec needed to operate are computers and developers.

1. Threat of Substitutes

At the time of the case the threat of substitutes for Symantec appeared to be rather low. Because they specialize in a particular service for their customers. There were a few competing companies in the software industry, however Symantec seemed to be dominating the market with their products and growing rapidly.

Organizational structure

Symantec’s organizational structure is divisional. As mentioned on the case there was five main groups of products. Each one of these groups were centralized. This structure causes many issues for Symantec such as the lacking of communication and the decision rights.

Organizational Strategy

Symantec’s generic strategy is cost-leadership. They added nine new products, and upgraded and developed different versions of old ones. This led to Symantec becoming a major player in the software industry. In 1987, Symantec acquired three more software companies, Breakthrough Software, Living Videotext, and Think Technologies. Once they took ownership, the companies became product groups and stayed in their original locations(Barker)

Evaluate alternatives:There is three alternatives can help Symantec to improve their information flows and lack of communication.

* **The first alternative is to do nothing.** If Symantec chooses to do nothing, communication and information flow problems will continue. Although the organization may still create innovative product ideas. The company will slowly start to decline in the industry. Another better-organized company with proper communication channels will most likely take their place. Executives’ management will not be happy with this decision, because they understand that the communication in the company is terrible. Employees will not be happy

With doing nothing, because they are the ones that need to communicate with each other the most. The MIS department would still have to deal with everyday problems of faulty or unreliable systems, and would be stretched then trying to solve reoccurring problems rather than finding solutions.

* **The second, alternative is to restructure the issues within MIS.** Which is one of the main issues on this case. MIS oversaw solving technical issues or system failures. they would have a larger/better workforce for taking care of everyday technological problems. Employees are having issues with poorly set up mechanisms for communication, and adding more support to help when problems arose would not solve the problem, it would only give a quicker response to it. Eubanks, Hendrix and upper management would still have unhappy employees, and even with a better MIS department, they would still have communication issues. Employees would have problems fixed a bit quicker, but would still have problems communicating. If Symantec were to fix these issues, many of the communication issues would be solved, and systems would be down for less time, which will make significant improvement to the current system.
* **The third alternative is to have one system**, which allow the main systems to run as usual and as expected. Because of the complaints of a lack of communication within the company. They should Concentrate resources on the communications problem and do so by focusing on one solution. They should centralize more processes. This may allow information to flow through the organization in a more efficient manner. They should ensure to maintain the e-mail capacity of the Novell system with a top priority "must always work" mentality. If the phone-mail system goes down, you can e-mail (you can still voice call to do business, just leave messages on the email system). The voice mail system can be acceptable working most of the time so long as the e-mail system always works. Employees would feel empowered to know how their products were doing and how other decisions were being made in the company. Between live calls and e-mail the information can always reach its recipient when needed and delays due to bad communications need not be experienced.

Recommendation

Chapter 4 of “Corporate Information Systems Management” asks, “Do we have the right technologies? Are they structured appropriately?” This is a question that you have to ask yourself while looking at this case. After considering all courses of action, I would say the best option would be for Symantec to restructure the IT architecture by replacing current unreliable software and hardware, along with restructuring the MIS department to better fit the organization’s needs. 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.” chapter 4 of “Corporate Information Systems Management”. if you were to do nothing, the problems wouldn’t go away, and even as the company became more profitable, it would continue to have problems with communication. If you were to only replace systems or only restructure MIS, you would only be fixing one side of the problem. The systems would be better, but you would have a lack of support for them along with an unorganized MIS department, or you would have more support with the same cheap, ineffective systems.

While adapting a new system may be a costly action, it is the best course of action for Symantec because it will be a zlong-term solution to a lot of the problems they are having. They currently are just dealing with problems on a day-to-day basis. As soon as a problem arises, someone calls MIS and they come down to solve the problem. “Putting it precisely, activating a resource and utilizing a resource are not synonymous (The Goal). As long as most of

The major issues are taken care of now, the company should continue to grow and become more and more successful in a growing market.

Citation:

Barker, Robert. CIS 410-01.”Computer Information Systems”

Goldratt, Eliyahu- “The Goal”.

Morgan Gareth- Images of Organization

Human resources Management- MGMT 441 (business strategy and polices)

Corporate Information Systems Management