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Symmantec Case 3 Analysis

The Issue:

Symmantec is a software company that designs, creates, and supports a variety of

software including information management, productivity, and software development for its

customers. Symmantec has many issues currently: the main issues are lack of communication, IT

infrastructure issues, and MIS department issues. The lack of communication is because

Symmantec is made up of many smaller companies that have either been bought or merged and

that they are not all close geographically so in-person meetings are difficult. Also, management

has done a poor job fostering creativity and communication in the workforce because most

employees are constantly busy. The IT infrastructure issues are due to how fast the company is

growing, the systems that Symmantec develops are not able to handle the current amount of

traffic on them. The IT infrastructure is made up of two parts the Hewlett-Packard System and

the Novell LAN. The Hewlett Packard System was used for accounting, inventory control, and

manufacturing schedules. The issue with the Hewlett-Packard system is that it was not designed

to be able to handle the current amount of traffic and it now is running poorly. The issues with

the Novell LAN are email issues, poor wiring, and phone issues. The IT infrastructure has a large

impact on the MIS department. The issues at the MIS department were that they took a long to

fix problems and that they didn't have time to develop solutions. The MIS employees were

constantly "putting out fires" the more issues they fixed more would pop up. This current

situation does not give them time to find an actual solution or new system, but only time to fight

the constant fires in the current systems.

Mission, Generic Strategy, Porter's 5, and Organizational Structure:

Symmantec's mission statement is "To enable customers with software that will help them

achieve their best results". Symmantec does this by using differentiation one of Porter's generic

strategies. This strategy is about the company differentiating itself from the competition by

trying to meet the unique needs of customers. Symmantec does this by providing unique

software, that the competition won't be able to copy easily. Porter's five forces are a good way to

tell how healthy a company is, it consists of bargaining power of suppliers, bargaining power of

customers, the threat of substitutes, threat of new entrants, and competitive rivalry. Symmantec's

threat of suppliers' bargaining power is low because Symmantec isn't directly supplied with

anything to make their product. Symmantec generates revenue by creating software so, no

supplier has a noticeable impact on the design, creation, and maintenance of those products so

they would have no bargaining power. Symmantec's customers' bargaining power is something

that could be an issue because the software market always has alternatives. This means that

customers have an opportunity to substitute Symmantec software for another software. To

mitigate this risk Symmantec must differentiate itself so the customer has higher switching cost,

and this would make them less likely to try to bargain or switch to a substitution. Since

Symmantec is in the software market there will be substitutes for Symmantec software. The

threat of new entrants is a mild threat because software development does not require large entry

costs, but Symmantec does not only develop the software they also support. Supporting the

software costs a high amount and is a large entry cost that a new entrant would have to endure to

compete against Symmantec. Symmantec can also use its software differentiation to its advantage, it can design, create, and support software that is differentiated from the competition to the point that there are no close alternatives for customers to choose from. As with any software market, there will be a large amount of completive rivalry. Symmantec can use its' differentiation to keep it successful in this market. The only threat is that Symmantec needs to maintain this differentiation advantage as the market continues to grow with new software. Symmantec's current organizational structure is a hybrid structure where it's organized into five product groups and then centralized functions. Each product group controlled its own product development, support, management, marketing, and quality assurance. The centralized functions were finance, human resources, and sales some are located at a central headquarters. The issue with this is the geographical location of each part of the organization structure is different. Central purchasing was in Santa Clara CA, training was in Novato CA, two of the five product groups were at the central headquarters, project management was in Novato CA, and the language product group was in Bedford MA. This wide geographical spread is one of the reasons for Symmantec's communication issues.

Key stakeholders:

The key stakeholders at Symmantec are the employees, customers, and shareholders. A company's stakeholders are the people or groups that are impacted by the business. At Symmantec the employees will be affected if the company does well or is poor, they will be paid and hired based on how the company is performing. The customers will be impacted by Symmantec's performance. If Symmantec's software is better, then the customers' businesses will do better as well. If Symmantec delivers poor software, then the customers' businesses will do worse. Since Symmantec is a publicly-traded company shareholders will be impacted based

on how well Symmantec is performing. If Symmantec does well shareholders' stock price will increase and they will make money, if Symmantec does poor then shareholders' stock price will decrease, and they will lose money. It is in Symmantec's best interest to keep performing well so all stakeholders will be positively impacted.

Alternatives and impacts:

Symmantec has a plethora of problems these solutions seek to cause a ripple effect to fix most of the major issues the company currently has, even if the solution does not directly address an impact it can set up the company to be better able to fix it in the future. Three potential solutions for Symmantec are switching to a divisional organizational structure, hiring a new MIS department lead manager, buying new IT infrastructure, and implementing a new weekly meeting to improve communication company-wide. If Symmantec switched to a divisional structure it should divide itself into product groups. These groups will be made out of closely related products. Instead of their being centralized functions in which all products groups share these products each group would get their own separate functions that report only to the product groups. For example, instead of sales being a central function that five product groups share under this new organizational structure each product group would get its own sales department. The benefits of Symmantec switching to a divisional organization structure is that it doesn't have to share its resources anymore, that communication would become better because interdivisional communication would decrease and most of the important communication would be among the division. Splitting the divisions would also make the geographical separation between Symmantec less impactful. According to Cash:

> "The divisional structure works well when coordinated action is required to develop
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> innovative products, satisfy client expectations, or maintain a market segment. It is most

often seen in medium- or large-sized organizations that have adopted a diversified

strategy of producing multiple products, operating in different businesses and markets,

serving different sets of customers, and /or selling products in different geographical

regions." (Cash 109)

Cash mentions how this is a good strategy for multiple products and different geographical

regions. Fixing these issues would increase profits which would positively impact the employees

with higher pay, customers with better products, and stakeholders with higher stock prices.

Another option Symmantec has is to hire a new MIS manager. The CEO at Symmantec Gordon

Eubanks thinks "Things in MIS are not working. We're not getting the results people need. This

usually means that we don't have the right leadership in place. To solve the MIS problems, Bob

has to get the right MIS director, a real leader." (Barker Packet 203-204) A new MIS lead

manager would help solve the problems that the MIS is currently facing by managing them

better. The manager could figure out a way to split resources more effectively to make sure that

MIS is also innovative solutions to stop the main issues that causing the fires MIS has to fight,

instead of MIS constantly putting out fires that just pop up. Morgan says "Effective managers

and professionals in all walks of life have to become skilled in the art of "reading" the situations

they are attempting to organize or manage." (Morgan 3) so an effective manager could be

capable of fixing the MIS issues. If the MIS issues were fixed employees would be able to

complete their job easier and faster. This would positively impact customers with better software

and better customer support. Shareholders' stock prices would increase if the company does

better which it would if the MIS issues get solved. Another solution is to buy new infrastructure

software instead of trying to develop it. This is a good idea because MIS would not have to

worry about developing new software and would have more time to do their tasks. According to

Cash "software projects are notoriously difficult to plan and monitor; significant delays and cost overruns are common." (Cash 176) Also Fried says "chance, based on experience, to estimate with an accuracy of no better than plus or minus 50 percent. After a requirements specification is completed, the balance of the project can probably be estimated within a tolerance of plus or minus 30 percent."(Fried 361) With the company growing rapidly it would be near impossible to design a perfect system that would flexible enough to grow with the company. It would make more sense to buy new software instead of developing in-house software because it would say the company development time and let the company avoid the possibility that the project gets scrapped. If the project got scrapped it would be a waste of company resources. New purchased software would solve the MIS issues and solve the IT infrastructure problems, but it would not fix any communication issues. The employees would be able to get more work done if MIS operated more efficiently and if the IT infrastructure was improved. This would cause customers to get better software and service from Symmantec which would positively impact them. Shareholders would be positively impacted because stock prices would increase if Symmantec does well. The last solution involves only the communication issue. A mandatory weekly meeting should be put into place where all employees are encouraged to discourse: to suggest ideas and encourage disagreements that will foster creative solutions to them. Some Japanese companies do Ringi according to Morgan that is when:

> "Under this process, a policy document is circulated among a group of managers or other
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> personnel for approval. If a person disagrees with what is being proposed, he or she is
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> free to amend the document, and it is circulated again. The process in effect explores the
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> values, premises, and details relating to a project from multiple points of view until an

agreed-on position that satisfies all critical concerns and parameters emerges." (Morgan 94)

Whilst this process takes time it promotes employee discourse and eventually leads to an agreement that everyone accepts because they all help make the policy. At Symmantec a weekly meeting that involved something like Ringi would help foster better communication throughout the company. These meetings would help bring new creative ideas to the table and that could help Symmantec to continue to grow. This would positively impact employees with higher pay, customers with better products, and shareholders with increased stock prices.

The best alternative and why:

Symmantec should buy new software. In my opinion, this is the best decision because it would give more time to the MIS department which they desperately need, also it would remove the stress of trying to develop a new system. I would also implement the idea of a weekly meeting to help promote communication throughout the company. This is because new software would not fix the communication issues at Symmantec. The main issue with the divisional organization structure is the cost that it would be, we would have to hive multiple sets of employees to provide each division with people to do what the centralized functions used to do. Cash also says:

> "One potential disadvantage of this form is a reduction in efficiency due to a loss of scale economies. For example, instead of 50 engineers sharing a common facility in a functional organization, 10 engineers may be assigned to each of five divisions. The necessary mix of skills required for in-depth research may not occur, and physical facilities have to be duplicated for each division." (Cash 109-110)

Negative aspects of the divisional organization structure are that research could start to decrease in quality and efficiency would decrease. All stakeholders could be negatively impacted by this. Employees could be split amongst divisions, and they could have their pay stagnate because the company will have to hire more. Customers might receive worse products if research is done worse. Shareholders' stock prices could decrease if the new organizational structure does more harm than good. The main issue with hiring a new MIS manager is that it is a gamble to think that hiring a person would fix all of the company's MIS issues. Without fixing the root cause of the issues a new manager can't have a massive impact. Also, there is the issue of trying to find a manager fit for the job. This would take time as well Symmantec's issues could worsen in the time that it takes to find a new manager.

In conclusion, Symmantec should buy some new software to fix their IT infrastructure issues. This will help keep all stakeholders happy by keeping profits increasing. With increased profits employees will be paid more and get more benefits which will positively impact them. Customers will continue to get quality innovative solutions that will positively impact them by making their businesses perform better with better software. Shareholders will continue to make a profit from their stocks because of the success of Symmantec.

Sources:

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