Case 3.1 Symantec

Nicholas Gay

The Problem

Symantec was a rapidly growing company, founded in 1982, that developed software for MS-DOS and Apple Macintosh systems. It grew from 30 to 316 employees in eight years and developed nine new products during that time. This case focuses on the problems faced by Symantec due to its lack of communication controls and poor IT architecture. If controls are considered a part of the plan to help lead the company to a better outcome, then IT Architecture can be considered an execution of that same plan. More specifically, according to *Building the Information Age Organization* by James Cash, an IT architecture is the arrangement of tools, processes, and structures that are used to serve an organization's needs. Symantec had very little controls for communication within their organization, and what little communication controls they did have, ones like the yearly employee evaluation, were executed poorly or not at all. That is the problem Symantec faced in its early years, and the main problem of this case study.

Industry Competitive Analysis

Mission Statement

The mission of Symantec is that they are a software development company in the computer applications industry that provides software applications to users of MS-DOS and Macintosh computer systems with a differentiation strategy.

Organizational Structure

Symantec operates by using a functional organizational structure, therefore, information exchange is critical. According to *Building the Information Age Organization* by James Cash, a functional organization's performance is dependent on all functions working together in a coordinated manner, which requires extensive information exchange among separate functions. A lack of information is at the core of Symantec's problem, and is the number one thing that employees of Symantec complained about. The reason they were so adamant about

information exchange was that they had a harder time becoming successful without enough information. Had sufficient controls for communication been put into place and implemented successfully, Symantec's employees would not have been complaining about not having enough information and would have likely done a better developing their projects.

Business Model

Symantec is a mix between a value shop and value chain because they are providing a specific service to their customers, while also manufacturing a product. It may not be manufacturing in the traditional sense, but Symantec's products included elements of purchasing, production, which was developing the software, shipping, sales and marketing, and after sales service in the form of a customer feedback system. That's why I think Symantec is a mix between a value shop and a value chain.

Generic Strategy

The generic strategy of Symantec is differentiation because they offer multiple products to many different customers on an economy of scope, which means that they provided their services in a way that they could be sold anywhere in the world. Symantec also associates specific needs with a specific product.

Analysis of Porter's Five Forces

1. **Intra-Industry Competition**: **High Risk** because the software application industry contains many competitors

2. **Threat of new entrants**: **High Risk** because it was a new industry and there weren't many barriers to entry

3. **Customers**: **Low Risk** because Symantec's customers are somewhat cost indifferent

4. **Suppliers: Low Risk** because Symantec has no suppliers

5. **Threat of Substitutes**: **High Risk** because there were likely many different software applications on the market that had the exact same functionality as Symantec's products

Stakeholders

The stakeholders involved in this case are:

- Gordon Eubanks, CEO of Symantec Corporation

- Symantec Shareholders

- Symantec Employees

- Symantec Customers

Eubanks has to be a shareholder because his personal philosophies are driving factors behind the direction that Symantec heads in. For example, when Symantec purchased the companies in Massachusetts, which was on the other side of the country from headquarters, it was Eubanks' decision to not relocate Symantec's employees and to keep them happy. Eubanks also has some influence on what communication controls are put into place and how they are implemented, specifically controls that managed the flow of information within Symantec.

The shareholders are a stakeholder in this case because it's Eubanks' responsibility to maximize their profits, and they are the ones putting money into the company. The employees are stakeholders because they are being directly affected by the lack of communication because their jobs are being made that much harder. Finally, Symantec's customers are stakeholders because they are affected by the level of quality that Symantec puts into their products. Since there is a gap in the flow of information, Symantec's products are not being developed with as much user feedback as they could have been and features that many customers may have wanted do not make it into the final product. Those are all the stakeholders within the case, and the they are affected by Symantec's lack of communication controls.

Alternatives

- Do Nothing

- Purchase the new CC email system

- Implement a completely new set of communication controls

1. Do Nothing

The number one alternative for any decision is always going to be to do nothing. In this case doing nothing would mean that Symantec still manages to put out decent products, some complaints about the flow of information within the organization still exist, and ultimately Symantec continues to thrive in their market. This company is still around today so it must mean that they were doing something right. The downside to doing nothing, however, is that there may be no opportunity for Symantec to improve on their products. If Symantec improved the flow of information within the company, their employees might become more efficient and create better products. An example of this can be found in the case, when sales employees complained about not receiving enough information on the products that they are supposed to be selling to customers. It's very difficult to sell someone something if you have no idea what it is you are trying to sell to them.

Another way Symantec loses out on the quality of their products is that employees may not feel fulfilled enough to be engaged at work. Eubanks described many of Symantec's employees' fear of talking to him, which no doubt led to some good ideas being lost along the way. Despite losing out on the opportunity to improve, doing nothing is still a viable strategy for Symantec because they were doing just fine before, and "if it ain't broke don't fix it." If Symantec goes with the do-nothing strategy, Eubanks will continue to make suggestions and try to improve the controls within the company, the shareholders still make

money, some employees remain unhappy, because it was never explicitly said how many were unhappy with the flow of information, and the customers still receive the products that they want. That's what encompasses the do-nothing alternative.

2. Purchase the new CC email system

Another alternative is to require all employees to switch to the CC email system. Doing this would centralize communication within the company. It would also help increase the efficiency of data transport, or the process of obtaining and exchanging data and information (Cash), within the organization. All employees could check their email if upper management wanted to send out a company wide notice or to discuss some new standards. The downsides to this alternative are the fact that switching over to the CC email system will cost the company money, and that employees may get the new email system and never use it. A centralized email system isn't going to make much of a difference if the employees still don't read their emails, and there's no viable way to check and see if every employee is doing so.

Eubanks will be affected by this alternative because he will likely be one of the deciding factors behind obtaining the new email. The shareholders are indirectly affected because their money is being used to finance the new email system, and whether it improves the communication problem or not should be a question that is weighing on their minds. The employees will gain a way to receive a greater flow of information, but some may never check it, and others will probably still complain about not receiving enough information. Finally, the customers will be affected by this alternative because the products that they are purchasing will either be improved upon by Symantec due to employees having access to more information, or it will stay the same. Those are the pros and cons of purchasing the new email system, and the effects of the alternative on the stakeholders.

3. Implement a completely new set of communication controls

The final alternative available to Symantec is to implement a new set of communication controls. An example of this could be to require all employees to use the same type of name brand computer. This is likely the most expensive alternative because Symantec would be implementing a large-scale change across their organization. It would also likely receive a lot of opposition from the employees, because if you weren't running a name brand system, you would have to go out and buy one. Overtime, implementing new controls would lead to the best outcome for the company, but it is still the worst alternative in the short run.

Eubank's is affected by this alternative because he makes the decision on whether to implement it or not. The shareholders are affected by this alternative because their money would be backing the changes made within the organization. The employees would have to purchase new computers, and adhere to the new controls set by management, and overtime, the customers would receive a better product.

My Solution

In this case the best thing for Symantec to do is to do nothing. They seemed to be doing fine before and there really isn't a reason to change their controls on a large-scale if customers are still buying their products. Doing nothing is also the cheapest alternative, and probably the best decision to make in the short run, but it has the least amount of benefit in the long run. Doing nothing causes Symantec to lose the potential to produce a better product, while the other two alternatives cause Symantec to gain that potential.

Another reason why doing nothing is the best alternative, is that it was not explicitly stated that all employees thought that communication controls needed to be improved, only some did. In fact, the case goes out of its way to point out all the different flows of information that Symantec has within the organization. They may not be using all of them efficiently, but the

controls do exist. There architecture is poor, but the plan, or the controls, are still present. Why change something if it's working fine the way it is? That's why doing nothing is best alternative.

Conclusion

This case study involves Symantec, a software developer for personal computers, and their lack of communication controls and poor IT architecture. The alternatives to this case are to do nothing, purchase the new CC email system, or to implement a completely new communications control. The best alternative decision is to do nothing because nothing seems to be actually hurting Symantec's business, and it's the cheapest of all three solutions.

Works Cited

Cash, James. Building the Information Age Organization.