Symmantec Corporation

CIS 410-02: Case 3

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**1. The Problem**

The problem is Symmantec’s MIS department and its complete lack of any specific IT planning as well as general effect of rapid growth without consolidation. The department that oversees Symmantec’s systems, still operates with a “do it now, fix it later” mentality. Symmantec Software Company is having internal communication and information flow problems (Cash). There is no attention to the fact that their smaller self-contained organizations do not experience the same IT problems that the headquarters does and no real effort has been made to conform the whole company to a standard when it comes to their IT systems. Their tendency to allow acquired firms to continue to operate on their own and in their native locations has served to spread the company thin and require a steady and reliable communication system, which at this point, the company cannot seem to achieve.

**2. Environment Position**

Gary Hendrix, an expert in artificial intelligence and language processing, founded Symmantec in 1982. It merged with C & E Software in 1984 acquiring Gordon Eubanks as CEO. Between the years of 1984 and 1989 Sym antec grew rapidly and followed a strategy of acquiring companies that produced competing products. They did this either to remove competition or to add functionality to their own products. By 1989 Symmantec has grown exponentially and their limited communications systems were not able to carry the information load being produced by Symmantec. The company is plagued with downtime on both their LAN network and their phone mail system and this is frustrating employees and executives across the organization. Symmantec is a company that has experienced rapid growth for an extended period of time. Its systems have evolved rather than having been planned and as the company approaches 1990 its IT architecture is all over the place, possibly as much as the company is physically all over the place. Symmantec started with only 30 people and a product manager remarked of this "When you are a company of only 30 people, you shout over the side of a cubicle. But as you grow, you need proper communication flow or else you cripple the company. A methodology for getting information to flow among different departments was never set up at Symmantec."

**3. ICA**

1. **Mission**

The role of IT, for Symmantec, is the software they produce and sell, and the technology systems they use internally (Cash). They have two basic information technology systems: a Hewlett-Packard system for accounting, schedules, and inventory; a network system linking all Symmantec employees and allowing them to communicate through electronic mail, as well as a ROLM phone mail system (Cash). The IT architecture defines the policies and guidelines that govern the arrangement of IT tools and data.Symmantec’s Tools consist ofsoftware for communication; the basic operations are data transport, which is the process of obtaining and exchanging data and information, including sending/receiving digital information, and converting analog or paper to digital or digital to paper or analog.(Cash).

1. **Generic Strategy**

Symmantec’s generic strategy is cost-leadership. They added nine new products, and upgraded and developed different versions of old ones. They have never missed a scheduled product release date, and established these products as leaders in their respective market segments. This led to Symmantec becoming a major player in the software industry. In 1987, Symmantec 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.

1. **Organizational Structure**

Symmantec’s organizational structure is functional. The decision-making is centralized with headquarters making the decisions. Symmantec has numerous levels of management. They are driven by routine which means variations for this company are a bad thing and the boundaries are extremely fixed. This structure is built to run inputs. There is a super strong informal structure of how things are done.

1. **The Five Forces**
2. **New Entrants**

The threat of new entrants for Symmantec is high. Symmantec is an applications and systems software provider. You can tell by the rate that they try to acquire competitors that there are always a group of competing companies to worry about. Software development is about talent (people) more than expensive start-up costs. At any time a worthy competitor could arise.

1. **Substitutes**

The threat of substitutes is high. There are already a number of software packages that are substitutes for what Symmantec provides and more are always being developed. There are also the companies that Symmantec acquires when it is able. It should be noted that there are no regulations concerning the types of software that Symmantec produces that would help it to prevent competitors from developing their own versions.

1. **Customers**

The power of customers is low. Symmantec’s buyers are not really in a huge position to negotiate beyond negotiating group license fees. Symmantec has to price with the market or be outsold by competing companies.

1. **Suppliers**

The threat of suppliers is low. Symmantec produces software and that does not require any raw materials.

1. **Competitive Rivalry**

The threat of competitive rivalry is high. There are always new companies producing software similar in nature to Symmantec’s products.

**4. Alternatives**

1. **Do Nothing**

Stay on the same path with the mix and match system and quirky communications systems. The consequences of this action should be obvious. The company is already slowed by the problems it has and further growth will only be exacerbate these problems. Eventually, the communication network could force the company to allow for local management to gain more power and split the company from one shared vision to many little companies under one name. Staying the same might be comfortable for many long-time employees, and it could eventually evolve into a sturdy, useful system. Whether or not it does evolve into what Symmantec needs is a matter of luck and executives would be gambling by allowing the status quo to remain.

1. **Hire an Outside Consulting Firm**

Hire a communications firm that specializes in the problem and give them the project over the MIS department. The MIS department is already swamped with problems that it does not have the resources to keep up with. Split the duties of the MIS department so that the HP is the domain of the MIS department and the implementation of a new communications network is the consulting firm's. Make sure that the consulting firm communicates clearly with the MIS department for future maintenance of the new system when the system is stable enough to maintain in-house. 5 This could create a rift within the company as the MIS department would feel abused but I think it is not such that it would be overly harmful to the company as a whole. Once implemented, the new system could be maintained by a (hopefully) caught-up MIS department. Although there is a high cost associated with this option I find it to be a close contender for the best option.

1. **Adapt One System**

Allow the main systems to run as usual and as people expect them to. Concentrate resources on the communications problem and do so by focusing on one (the most useful) solution. In this way the company does not "shake things up" but instead takes the gamble on the HP and Novell situation as a whole but makes sure 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 e-mail system). The voice mail system can be acceptable working most of the time so long as the e-mail system always works. 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.

**5. Stakeholders**

1. **Employees**

This group would be directly affected by whichever alternative is chosen. This choice would decide the way information flows throughout the company. It may also directly affect whom each group of employee’s reports to, essentially changing who their boss is. This can affect employees in a positive or negative way, which is why this choice is so important to this group.

1. **Top Management**

This group is directly affected by the alternative chosen by Symmantec. This decision will determine how information travels to and from top management. They may have to learn a new system, if a new one is in fact adopted. They could be in charge of the information from a whole new department then what they were use to. Or they could have to report to someone they aren’t as comfortable dealing with.

1. **Symmantec Shareholders**

Shareholders care about one thing, a return on their investment. As long as they are receiving a positive return, the information flow or structural problems are of no concern to this group.

**6. Alternative’s Impact on Stakeholders**

1. **Employees**

By doing nothing, the employees will be in the same position they are currently in. They wont know who to report information to or how they should go about getting it to the right people.

1. **Top Management**

By doing nothing, top management will still have issues getting the proper information to the proper person in management or the people who need to know.

1. **Symmantec Shareholders**

By doing nothing, the Symmantec shareholders will be in the same place they are currently in. Symmantec is currently returning a positive return on investment to the shareholders, so depending upon how their future plays out, will depend if the return remains positive or goes negative.

**7. Recommendation**

My recommendation for Symmantec is they need to completely re-evaluate its approach to its internal IT structure. The MIS department has ignored the need (which should have become more and more obvious as the company grew at such a rapid pace) for planning to accommodate a growing population of users and uses. It has also made no attempt to conform their own systems, creating headaches that could have been avoided had everyone been on the same make, model, and system when it came to the Novell LAN network and the phone system. Maintaining both the phone system and the email system is redundant and since neither function enough to avoid headaches and delays; it would seem obvious to prioritize one over the other. They should phase out the phone system altogether and allow departments to simply use actual answering machines, devolve a little to avoid headaches and concentrate resources on the e-mail. The MIS department should be pro-actively involved in maintaining the infrastructure. They should choose a preferred communication method (email) and focus on it. They should abandon the priority system when handling problems. Problems should be dealt with as they come up. The HP system worked when the company was small but it is too large and widespread now. Smaller computer systems have grown in power as Symmantec approaches 1990 and many of its accounting and scheduling duties could be performed by smaller systems located physically at the departments that has a need for HP. This could free up the HP to be used by departments that require its power. The new systems need to all be the same with the same operating systems. These operating systems must be able to communicate with the LAN network to facilitate an eventual combining of systems on to one network as the technology and skills become available.

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