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Case #3: Symantec Corporation

**Mission Statement:**

Symantec was founded on designing, delivering, and supporting a diversified line of software for information management, productivity, and software development needs of business users.

**Introduction:**

In March 1982, Gary Hendrix, who was an expert in artificial intelligence and language processing, founded a company named Symantec with 30 employees. In September 1984, Symantec merged with C&E Software (Barker 2018). The Symantec merger named Gary Hendrix as Vice President overseeing all advanced technology. Gordon Eubanks, the former founder of C&E Software was named President/CEO of Symantec with headquarters in Cupertino, California.

Breakthrough Software, Living Videotext, and Think Technologies were acquired by Symantec in 1987. Gordon Eubanks, Symantec’s new president and CEO believed in purchasing the best products no matter where they were in the world. These newly acquired segments of Symantec weren’t going to relocate to a central location since doing that would cause their employees to re-adjust to a new city. This was important because Eubanks didn’t believe in imposing an unwanted cultural shift due to possible relocation or revising the organizational structure due to the merger.

Gordon decided after gaining these three new companies that he would facilitate the transition and assess the performance of their managers. Rod Turner, Symantec’s Executive Vice President, was named by Eubanks to oversee the research of acquiring new product prospects (Forbes 2012). Gordon believed that Symantec could expand and grow nationally and internationally. Symantec expanded in the size their employees from the initial 30 employees to 316 employees (Barker 2018). The expanding of their employee base also brought in almost $50 million dollars’ worth of revenue for Symantec. While the merger brought about positives such as profits, the expansion was causing Symantec internal issues that would be expected with a growing company.

**Current Situation:**

Symantec is growing larger every day with new acquisitions of product companies. They have expanded from the original thirty employees to over three hundred employees. The expansion is causing communication issues within the company and its just not in the main Cupertino office, but in all offices of Symantec. While they are a leader in technology with the products they provide, they don’t lead in the effective communication side of the company. Their communications issues lie within their frustrated employees, plagued LAN network, and outdated phone mail system (Barker 2018). When Symantec first started, they were able to easily communicate with only 30 employees, but as they gained more employees and other companies, the methods of communication became outdated.

**Porter’s Five Forcers:**

1. **Threat of New Entrants:**

This case would highly stress that Symantec can be threatened with new entrants. These entrants can propose a threat to Symantec if they are unable to get their communication issues resolved. The communication issues are causing Symantec to fall behind to newer companies that are effective and efficient in maintaining contact. The new company’s strong communication system could prove to have an advantage over Symantec. Symantec needs to update their communication system to keep up with the demands.

1. **Threat of Substitutes:**

Symantec needs to worry about substitutes because there are different companies that do the same thing that Symantec does. Some of the substitutes include Microsoft, Apple, Google, and much more that have or will develop software to increase productivity within businesses. The case never really mentioned the specific software that Symantec develops, but there could many different substitutes for their software since tech companies are highly adaptable and competitive.

1. **Supplier Power:**

The threat of suppliers is very low because Symantec sells software and they don’t require materials or parts to run their business.

1. **Power of Customers:**

Symantec has gained a very large customer following through the acquisition of Breakthrough Software, Living Videotext, and Think Technologies. They grew to a large company bringing in over fifty million dollars in revenue. Symantec will continue to grow larger with the purchasing of new companies which means they will get more customers for their products. Their president and CEO, Gordon Eubanks, wanted to make Symantec the largest business for the software market.

1. **Degree of Rivalry:**

As to be expected within a competitive business, Symantec has a large rivalry base with companies trying to stop them from being successful in the software industry. Rivals of Symantec can cause sales to fluctuate up and down by saying negative things about the company or continuously putting out new and improved software. The case didn’t mention many rivals of Symantec, but with adding different companies to the Symantec name, that would create some rivals.

**Stakeholders:**

According to the Business Dictionary website, a stakeholder is defined as “a person, group or organization that has interest or concern in an organization” (Business Dictionary 2018). Symantec has some stakeholders when it comes to their company. Below, are a few of their stakeholders and why they are classified as one.

The first stakeholder is Gary Hendrix. He is the founder and current Vice President of Symantec. Gary was making all the decisions for the first two years of their existence before turning the keys over to Gordon Eubanks. He still believes Symantec to be profitable and can grow into an industry leader when it comes to business productivity software. He was the CEO and President until 1984 when Gordon Eubanks took over as the new President and CEO (Wikipedia 2015).

Gordon Eubanks is the next stakeholders for Symantec. He has been making decisions since he took over in 1984. Eubanks wanted to continue the company’s profitability, so he acquired Breakthrough Software, Living Videotext, and Think Technologies to make sure Symantec minimized some of the competition within the different product networks (Wikipedia 14).

When Symantec bought out Breakthrough Software, Living Videotext, and Think Technologies their employees became theirs. The employees of Symantec are the third stakeholder. They are important to Symantec because without their hard work and dedication to the company, the company wouldn’t be able to continue out the daily operations. The employees make sure their company has a product that their customers can purchase.

Customers of Symantec is another important stakeholder. We can see how customers are important to companies when Anna Dizon said, “There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else” (Dizon 2018). This quote signifies the importance of customers and their buying power. Customers make the decisions that can make or break a company when it comes to what goes on in and outside of the company. If customers do not like a product or price, they can spend their money at a competitor. Companies can only operate and function if there is a substantial customer interest and following. Symantec’s customers, like the others mentioned above, are stakeholders because they meet and exemplify the definition of what are stakeholders.

**Possible Solutions:**

Symantec has a variety of problems that need to be addressed, but there are solutions that can be made to improve the current situation. Here are a few of the possible solutions that Symantec can take to resolve their problems.

The first possible solution that Symantec can do to improve their situation is do absolutely nothing. Symantec is having issues with their communication between the departments and other internal employees. The lack of communication is causing the business to falter, but Symantec is continuing to grow, making money, and thus, being successful. As Goldratt states in *The Goal, “So this is the goal: To make money by increasing net profit, while simultaneously increasing return on investment, and simultaneously increasing cash flow*” (Goldratt 1984). Symantec will continue to grow even if these communication issues stay around. So, a do-nothing approach could still be beneficial for Symantec.

The next possible solution for Symantec is to replace their communication system. Currently, they are having issues with their LAN Network and phone mail delivery system which can easily be fixed to better improve the communication. These issues are causing the company to lose valuable time and resources to ensure that all their employees are informed with the latest news and updates. They should also involve the scheduling departmental meetings to strategize new thoughts and ideas. Symantec wants to be the leader in business productivity, but they don’t want to help themselves out. They should be worried that this will make them weaker than the competition. Fixing these issues will better help Symantec as whole between their day to day operations to improving their business strategy overall.

There is another possible solution to Symantec that they can implement to better improve their business. This solution is to cut down their communication channels to one way of communicating. According to James Humes, *“The art of communication is the language of leadership”* (Paymar 2012). Currently, Symantec has multiple ways that they are communicating to each other, but it is causing the employees to lose track of meeting times, meeting locations, and other business aspects. Symantec could decide to use one of their current communication systems and ditch the other system. Whichever system they decide to keep wouldn’t require any training because their employees would already know how to use it. Symantec could remove one of the two communication channels to streamline the communication system in the company which would minimize the confusion and loss of valuable time and information.

**Recommendation:**

The recommendation I would make for Symantec would be to make a change in their communication system. The change may cost Symantec more money upfront or some push back from people when transferring over to a new system, but in the long run it can be profitable and create a positive employee morale and higher productivity. I originally thought do nothing would be the best approach, but after rereading the case, the employees need a change to better express themselves and understand the business goal of Symantec. By having one communication system, the company can effectively run the business and make sure the employees are up to date. Symantec needs a change before it is too late, and they begin to fall behind their competitors and substitutes for their products.

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