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Case 4.2 - Symantec

Summary of Corporation

Symantec is a for-profit corporation, who still exists today. Symantec was founded in 1982 located in California by Gary Hendrix, who was an expert in artificial intelligence and language processing. The company was merged and changed its name to Symantec Corporation in 1984 with C&E Software, Hendrix became a VP of advanced technology whereas C&E Software founder, Eubanks, became the CEO. Symantec has grown fiercely and very quickly. The company started with thirty employees and now has 316.

In 1987 Symantec acquired three companies, which resulted in the huge growth of the company: Breakthrough Software, Living Videotext, and Think Technologies. Symantec, Breakthrough Software, and Living Videotext was based in California, Think Technologies however was in Massachusetts. All of the companies stayed in their respective locations. Eubanks did not believe in forcing culture or relocating employees.

Symantec was organized into product groups, all of which handled their own product development, quality assurance, support, and management. Symantec's product lines included 15 main software solutions on various operating systems. Each team operated independently. These software solutions were broken into five categories: data management, project management, outlining and presentations, language products, utilities. Marketing managers of each group handled the product's advertising, developed collateral material, seminars, and coordinated promotions with distributors. The product groups budgeted or profits, revenues, and costs of product development, quality assurance, marketing, and the group's marketing strategy. Other functions such as finance, sales, and human resources was centralized in headquarters. Purchasing, Manufacturing, and training was in different locations in California.

Since the way the departments are organized they are a divisional organizational structure. Symantec had two basic IT systems: a HP system for accounting, manufactory schedules, and inventory management; and a networking system linking all employees and allowing them to communicate through email. After upgrading their legacy HP software which was over-capacity to an HP 935 which included A/R, A/P, order management, GL, and manufacturing modules. They also created a custom system called POPS (prepaid order processing system) which interfaced with ASK.

Business Problem

Symantec is a company that grew dramatically and quickly. They have merged with several other companies and have a vast geographical reach. They also do not have set policies for communication and all software groups act independently, many employees comment on how communication is not a priority or they are too busy. They also heavily rely on IT systems, which according to a lot of staff is constantly cutting out. When all of these issues combine result in a company with cultural, communication/informational flow problems.

Industry Competitive Analysis

Mission Statement

Symantec designs, delivers, and supports a diversified line of software for the informational management, productivity, and software development needs of business uses.

Competitive Rivalry

Symantec is in the market of business use software, which at the time was software companies such as Lotus and Ashton-Tate. Lotus created software such as database, word processing, and

various other business tolls (Funding Universe, n.d.). Ashton-Tate created software called

dBASE which was a hugely popular database software (eWeek, 2013). Symantec had Q&A

(question and answer) which is a database and word processor product, which was the software

suits they were competing against at the time (the Quick Answer, 1995). The competitive rivalry

is high.

Threat of new Entrants

As most software companies are fairly cheap since all you need is resources to purchase a

computer, coding skill, and other requirements. Due to the cheapness and vastness of the

business use industry the threat of new entrants is very high.

Threat of Substitutes

Since some of their software is project management I think they could be substituted with a

regular spreadsheet processor software such as Lotus 1-2-3 (Funding Universe, n.d.). It could

also be substitute with paper fairly easily depending on how the company operates. The threat of

new substitutes is high.

Bargaining Power of Suppliers

Since software at the time was most likely floppy disks or tape I believe the bargaining power of

suppliers are low since there would be many suppliers of these materials.

Bargaining Power of Customers

The bargaining power of customers, depends on the software suit. If they use a database solution,

the cost of switching is much higher as you have to be able to convert your data, and change

software products, which means their bargaining power is low. However if they were using the

software products as stand-alone products like word processing, then the bargaining power would be much higher, due to not having high switching costs other than learning new software.

Stakeholders

Symantec was a private corporation until 1989 there was no stockholders, except equity in the business by owners (Symantec). So the only stakeholders Symantec had was the employees, board members, and customers.

Options

Do Nothing

One option Symantec has is to do nothing. The IT systems would not be fixed which according to many people is a major problem. This is in part to communication and culture of setting out fires. This is a major problem many employees job require having access to communication and IT systems. One employee was quoted on not being able to work because the HP system was down, or the systems are down and then employees have nothing to do. In fact the communication between certain groups was very bad because they utilized different emailing systems which could not communicate with each other.

Employees would probably not like this because they would continually have the same issues they have currently. Many already stated that communication between all staff was a problem because they weren't sharing information appropriately. Board members would not like this because the employees are unhappy and the way the systems are now could damage sales. Customers would not like this because if email or other support services go down they have nothing they can do on their software products they purchased.

Incentive Communication

Incentivizing staff by communicating could be done with their incentive program. A new incentive program was established in 1990, which was when Symantec made a new bonus program. All employees participated in this program, the bonus was 2 to 25 percent of their base salary. One-third of this was based on product group performance and two-thirds on company performance. Modifying this program to include benchmarks for communication, and making a policy to uniform communication standards by MIS by forcing all staff to use the same email clients would increase the possibility of communication. Staff communicating could help all departments from "recreating the wheel" and foster innovation (Cash, 1994). This would help all staff and possibly decrease costs of doing the same things through all branches of the company.

Employees would like this because they would be able to be more productive and allow for less work as someone in another department would have a solution for similar problems. Customers would like this because features would be able to be discussed from research and customer support services. Board Members would like this because it would create unity in the business and increase profits from happier clients.

Upgrade Systems

Upgrading the technology would be costly. However, the benefit of having less down time would increase productivity. As of now the systems have down time all the time, including email and production systems.

Employees would enjoy the uptime and productivity. Customers would appreciate active communication with the company. Board Members would not like the price, but the benefits surpass the cost so I believe they would be happy.

Recommendations

My recommendation is to Incentive Staff to Community and also upgrade the systems. This would be the best of both worlds for this company. It would increase the likely hood of improving the environment and culture by fostering communication, increasing staff satisfactory by getting more accomplished and increasing commission which will increase all staffs bonuses.

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