**Case Analysis: Symantec**

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**Problem Statement**

Throughout the 1980s and 1990s, Symantec faced internal issues regarding communication and information flow between different departments and level, leading to a decreased productivity. These problems increased as the company grew larger, and it became evident that the company needed a solution to improve information flow across departments. Many employees had various opinions and ideas on what the company should do, such as establishing the right technology or training managers on how to communicate in a corporate setting. This case analysis will explore the various solutions possible for Symantec to implement.

**Industry Competitive Analysis**

I. **Mission Statement**

Symantec is a software company focused on designing, developing, delivering, and supporting various types of software for business users’ needs in productivity and information management through a differentiation strategy. A differentiation strategy focuses on creating a differential advantage to compete against competitors by making themselves unique, whether through their service or product (Tanwar 12). Symantec had competitors producing similar products and thus did not need to employ a cost-leadership strategy, where they would be producing a commodity for as least as possible nor a focus strategy where they would produce one product or service so well no one else would be able to compete.

**II. Five Forces**

Porter’s five forces are power of suppliers, power of customers, threat of new entrants, threat of substitutes, and competitive rivalry. The following is an analysis of each force and how it affected Symantec and the company’s environment.

The first, power of suppliers, explains the relationship between supplier and buyer where if the supplier holds bargaining power, then they can influence prices in the market and availability of supplies (Team FME 23). Symantec produced software, which meant they were not concerned with the bargaining power of suppliers, who would have not existed and therefore had none against Symantec. Any products Symantec bought were a one-time fixed cost.

The second force, power of customers, explains the relationship between customer and seller, where if the customer holds bargaining power, then they can influence prices and quality of products in the market (Team FME 25). In Symantec’s case, the customers would have had some sort of bargaining power as they had other options for software through Symantec’s competitors, which included the firms Ashton-Tate and Lotus.

The third force, threat of new entrants, describes the threat companies face when there are new entrants in the market who can increase the bargaining power of customers. Current sellers in the market will try to erect entry barriers, such as copyrights, patents, or contracts (Barker). Although Symantec was up there with the more well-established firms, software and IT management was growing rapidly at the end of the 20th century and would have been a concern for companies like Symantec as there would be new entrants in the market, even if they were less established.

The fourth force, threat of substitutes, explains how the threat of substitute products or services, which meet a consumer’s need but in a different market, can affect the competitive environment and subsequently profitability for the producers of current products or services by allowing consumers to choose the substitute products or services instead. Because Symantec employed a differentiation strategy, they were always concerned with providing a unique product that would be preferred by customers over any substitutes that came about. Software development was fairly new at the time, but there was always a possibility of a substitute entering the market that could replace the current practice of developing software and supporting information management systems.

The last force in the model, competitive rivalry, describes the threat to existing sellers in the market by other competitors in the same market. This was the force Symantec would have been most concerned with as there were some significant competitors like Lotus and Ashton-Tate at the time. Symantec had to ensure that they were competing adequately with their rivals in order to stay in the market, which they were able to do, and thus grew rapidly in the late 1980s.

**III. Organizational Structure**

A firm’s organizational structure is determined by the environment. It is the way in which businesses deploy assets in an environment in order to achieve their organizational goals (Barker). Symantec’s organizational structure was a matrix structure, which is evident for a few reasons. First, the company was organized around product groups that focused creating specific products that would best suit their clients. Matrix organizations must be highly reactive to the market, which in this case can be incredibly dynamic depending on the need of the customer. Second, Symantec had a narrow division of labor, fixed and rigid organizational boundaries, and had information flow cross-functionally. These are core characteristics that define what structure the organization is composed of, and in this case, Symantec had a matrix structure.

**Key stakeholders**

A stakeholder of an organization is anyone who is affected by the organization’s operation and performance, and he or she typically has a vested interest in the company, either internally or externally. The key stakeholders in Symantec consisted of all board members, top executives, employees, and customers. The top executives include: the CEO, Gordon E. Eubanks; the executive vice president (EVP), Rod Turner; VP of Advanced Technology, Gary Hendrix; VP of sales, John Lang; Director of Corporate Communications, Loretta Wagner; VP of Finance and Operations, Bob Dykes. Their subordinates include: VP of Data Management Group, Ted Schlein; Director of International Sales, Dana Siebert; Director of US Sales, Fred Angelopoulos; Director of MIS, Ed Paige; Director of HR, Dave Sornson; Corporate Controller, Marty Chillberg; Facilities Manager, Ron Smith; Director of Operations, Gordon Ciochon; Director of Outlining and Presentation Group, David Whitney; Director of Utilities Group, Lee Lensky; Director of Language Products Group, Julie Bingham; Manager of Financial Analysis, Ron Kisling; Order Administration Manager, Fran Stewart.

**IV. Possible Solutions**

Symantec needed to find a solution to improve communication and information flow across departments. Specifically, one of the problems was that, despite the fact that there were many communication channels, some information was still not shared with the necessary personnel and certain groups such as the product groups, did not communicate with each other, and this led to almost every employee remaining frustrated with the current system of communication. Some employees also expressed that they did not have time to communicate in such a fast-paced and high-pressured environment.

Additionally, the phone-mail system Symantec used would crash regularly, leaving it impossible for employees to get any work done at least once a week. There were other technological issues as well. Symantec used a Hewlett-Packard (HP) system for accounting, manufacturing schedules, and inventory control, and a Novell LAN system connected to all employees, allowing them to communicate through e-mail. The HP 935 system worked well, but as the company grew, the system began to break down as it could not process the influx of orders. All these issues ultimately led to a disorganization of communication and information flow. The following is an analysis of the possible solutions Symantec could employ to solve these problems.

**Technological Innovation**

The first possible solution is for Symantec to replace their current technological systems. The current HP 935 system is not able to handle the growing company and will soon become a hindrance rather than a benefit. Fried’s Seventh Rule states that the bigger the size, and the more communication channels there are, the less that gets done (Fried). Symantec needs a highly advanced technological system to deal with the many communication channels present. The company will only continue to grow larger, and as it does, it needs to replace its current communication systems in order to keep up with every factor. This solution, if implemented, would be costly, dependent on how they acquire the new technology. Symantec’s current architectural decisions are those of an “inventor,” as they would write their own software for the HP system. Inventors create the new technology that will fill a business need (Barker). This is different than for adopters, who wait until everything has been tested before they invest in the new technology, or adapters, who take a new technology and alter it somewhat to fit a business need. Symantec could continue to invent new technology, which would affect internal stakeholders majorly as this would be a costly decision. They could also take a less risky path and adapt a new technology, or even wait to adopt a well-established new technology before buying, which would also be costly for internal stakeholders, only less so. Lower-level internal stakeholders would be able to do their jobs more efficiently and effectively. External stakeholders, such as customers would receive increased service.

**Managerial Training**

Another solution Symantec could consider implementing is a formal policy for managerial training. This would allow for managers to have a better understanding of what needs to be communicated in a corporate setting. Many of the current managers felt that top executives did not stress upon them the necessity of sharing information, and that the lack of guidance and instruction led to ambiguity on what needed to be done. Formal training that established procedures that could be passed onto newly hired employees could help eradicate this problem. Implementing this solution would affect stakeholders in the following ways: board members would not feel a financial impact; top level executives would need to take some time to establish this policy, but would ultimately not find it a burden; lower-level managers would need to complete the training and learn a new way of working, and would likely feel less confusion as a result; all external employees might experience an increase in customer service.

**Regular Organization Meetings**

One of the solutions Symantec attempted to implement was regularly hold meetings with the entire organization to help foster the flow of communication and information and decrease the level of confusion and disorganization. A possible solution would be for Symantec to increase the frequency of these meetings. Stakeholders would be affected in the following ways: upper-level executives would need to take more time out of their busy schedules to meet with managers and lower-level employees; external employees might experience an increase in customer service; board members would not feel a financial impact.

**Remaining As-Is**

The final option Symantec could implement is to continue current processes and change nothing. This would mean continuing to use the current technological systems and holding company-wide meetings the same frequency as they currently are. This would impact stakeholders very little: board members would not be impacted; upper-level and lower-level employees would continue to experience the same quality of communication and information flow; external stakeholders would continue to receive the same customer service.

**Recommended Solution**

The recommended solution for Symantec is to acquire new technological systems to replace the current ones, specifically the HP system and the phone-mail system. Specifically, Symantec should follow the “adapter” route and choose a new technology in existence that has not been tested much yet and adapt it in some way to fit their own needs. Inventing a new technology is too risky and would cost the company even more. And while adopting a new technology is lower risk, and would be less expensive, it could take too long to find an effective system for the company.

While managerial training would help eliminate some confusion, it would not overall impact the company much in that there would still be delays and frustrations incurred from the current technological systems, which are the main culprit of the poor communication and information flow. Along with this, increasing the frequency of company-wide organization would not help eliminate these problems much, and might in fact cause other issues. This would require all employees to give up much of their time to meet with everybody, which could slow down productivity in other ways. Additionally, choosing to do nothing and continue as-is would not help with the communication and information flow problem in any way. As the company continues to grow, Symantec needs to decide on a solution, and this solution should be to acquire new technology. This would be an expensive decision, but one that would pay off in the end.