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**Symantec – Case 3**

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**Abstract**

Symantec designs, delivers, and supports a diverse line of software for the information management, productivity, and software development needs of business users by developing timely and innovative solutions while simultaneously acquiring smaller software businesses. The organizational structure of Symantec varies. Overall, Symantec exhibits a divisional structure due to being organized into product groups and centralized functions. However, “[Symantec] did not believe in relocating workers or imposing a culture on the new product groups” (Cash, 2012); essentially, the product groups that resulted from acquiring new companies retained their own organizational structure.

Symantec’s goal is to instill efficient and effective means of communication throughout its organization’s product groups and centralized functions while simultaneously reducing issues surrounding their IT architecture. The generic strategy of Symantec is differentiation due to the broad scope of its customer base in conjunction with its focus on features, functionality, and support in its software products that set it apart from competitors.

**Industry competitive analysis**

An Industry competitive analysis reveals the following about Symantec:

* **Threat of new entrants: High**

Symantec is a software provider; as such, their products are subject to being imitated by competitors. Due to software’s cheap development cost, there are essentially no barriers to entry in this market segment.

* **Threat of substitutes: High**

The threat of substitutes in the software industry is extremely high. With a lack of differentiation, buyers switching cost would rely solely upon product cost, there would be extreme ease in substitution, and the buyer’s propensity to substitute would be high. This is why Symantec’s generic strategy is differentiation; the only thing keeping their customers is essentially the perceived level of product differentiation.

* **Bargaining power of customers: Medium**

With the threat of new entrants and substitutes being high it makes sense that the bargaining powers of consumers would also be amplified. Switching cost between software equates to the cost of the new software. Without a high degree of differentiation, buyers would be very price sensitive in this market.

* **Bargaining power of suppliers: Low**

The bargaining power of suppliers is relatively low. Almost all resources required to produce software can be obtained from a variety of vendors. Labor would be the most vital supplier for Symantec; however there is no mention of labor being hard to come by in this area.

* **Intra-industry competition: High**

Due to its nature as a software provider, Symantec experiences high intra-industry competition. Anyone with enough knowledge and willpower can produce a substitute product to Symantec’s software. Symantec’s main advantage over smaller competitors would be the support it provides for its products.

**Stakeholders**

* **Employees of Symantec**
* **Symantec’s executive management**
* **Symantec MIS department**
* **Businesses acquired by Symantec**

**Alternatives**

1. **Do nothing.** Under this scenario, Symantec will continue experiencing issues with its existing communication systems. The ROLM phone-mail system and Network Courier email system would continue to be an unreliable, and essentially, inefficient means of communication throughout the company. This problem would only be exacerbated as the company continues to grow and require more complex communications. Employees of Symantec would continue to be frustrated by these systems and would forgo there utilization in most cases. Semantics executive management would still experience communication issues throughout the company. The MIS department would continue to be bombarded with issues surrounding these systems. The businesses acquired by Symantec, which have now turned into the product groups, would continue utilizing current processes which forgo the use of efficient, effective, and/or compatible communication methods.
2. **Switch to a single, primary source for communication.** In this scenario, Symantec would have to decide upon one primary source of communication. Rather than rely upon multiple flawed methods of communication, resources would now be poured into the primary source that would now (ideally) have the capacity to support semantic without weekly breakdowns. The ideal means of communication would be email since it allows for more than an exchange of messages; if it were not possible to increase the working potential of the pre-existing Network Courier email system, a new email system would have to be adopted that was capable of supporting Symantec. If the benefits of this solution were realized, employees of Symantec would now have an efficient system of communication that could be relied upon. Semantics executive management would now have a primary medium to conduct communications; however, they would still need to instill underlying communications policies to make the system effective. The burden of dealing with issues related to the ROLM phone-mail system would be eliminated from the MIS department. The current process for requesting MIS services and repairs was, “via e-mail, phone-mail, conversations with MIS people in the hallway, and written service-request forms” (Cash, 2012); with a newly reliable means of communication, policies regarding how issues are communicated to the MIS department could be instilled that would assist with their desire to prioritize and track requests . Businesses acquired by Symantec would be required to integrate with this form of communication as their primary source, which may conflict with how they originally operated.
3. **Modify the underlying IT architecture.** This solution would entail a restructuring of the underlying IT architecture more accurately fit their current business needs. “Just as organization structure and management control systems evolve to keep pace with changing conditions, an IT architecture must also be sufficiently flexible and adaptable to accommodate to technical, strategic, and environmental changes over time.” (Cash, 2012). Symantec’s current IT architecture was expanded upon until it was running at full capacity and could not be expanded further: “[the Hewlett-Packard 3000] was running at full capacity, could not be expanded to ingest any more information, and cannot accommodate all the order-entry people” (Cash, 2012), because of this, “the network system was constantly crashing, and the HP 3000 was overloaded” (Cash, 2012). This seems to be the case with the ROLM phone-mail system and Network Courier email system, which also experienced repeated breakdowns and failures. It was mentioned that one product group utilized CC mail system instead of Network Courier; this can further the communication gap since “Information sharing may be difficult because incompatible software and hardware are selected by separate organizational units.” (Cash, 2012). Incompatible email systems could potentially be the underlying cause behind some of the lost emails. Rather than simply expanding on systems that are no longer suitable to Symantec’s business needs, an underlying IT architecture should be established that can grow with Symantec. “Information is a critical resource. Accurate, timely, and relevant operating information improves organizational effectiveness by improving its members’ communication and understanding” (Cash, 2012). Additionally, implementing a wide-area network (WAN) would be beneficial, “[Wide-area networks] connect distant locations and may combine cable, microwave, and satellite transmission.” (Cash, 2012); This would be beneficial for Symantec since three product groups are geographically separated from headquarters. This solution would affect the employees of Symantec who would be required to utilize the new IT architecture. Symantec’s executive management would be able to utilize the new architecture to administer communication policies which should now be effective since issues with the communication mediums would have been resolved. The MIS department would now support a more stable IT architecture which would essentially allow them more time to devise strategies and methods for prioritizing, tracking, and responding to employee requests. Businesses acquired by Symantec would have to be required to assimilate with the new IT architecture which could conflict with their previous methods of operation. On the other hand, it should allow them to successfully integrate with Symantec rather than be an individual company operating under the Symantec name. To successfully implement a new IT architecture, “[senior executives] need to clearly articulate for the information architect their business strategy, organizational structure, management control systems, and related IT requirements.” (Cash, 2012).
4. **Restructure the organization.** In this scenario, Symantec would restructure its current organizational structure to more accurately reflect the current state of its business. This solution has the potential to correct the underlying communication issues experienced by Symantec if implemented correctly. Employees of Symantec would be affected by restructuring the organization; this would likely require implementing new policies and job descriptions to meet the needs of the new structure. Symantec’s executive management would benefit from restructuring the organization; a new organizational structure would provide the guidelines for implementing policies, not opinions: “[Managers] exert control through organizational structure” (Cash, 2012). With capable executives leading the way, this should solve the communications issues that have plagued Symantec during its expansion. “[Organizations] must start with a clear picture of “where we are today” in order to identify the steps necessary to move to a more powerful set of tools, processes, and structures.” (Cash, 2012). The MIS department would have to change and adapt depending on the structure chosen. Businesses acquired by Symantec should be required to integrate with the new organizational structure which could possibly conflict with their original methods of operation and upset their inner balance until they became fully acclimated.

**Recommendation**

The recommendation is to restructure the organization. Symantec originated with a functional structure. This is evident because all centralize functions, in addition to its two original product groups, were housed at headquarters in Cupertino, California. When one considers that, “Two of the five product groups, database management and utilities, had been a corporate headquarters from the start” (Cash, 2012) coupled with, “Symantec acquired three companies… Once acquired, the companies became Symantec product groups and stayed in their original locations” (Cash, 2012) it becomes clear that Symantec’s expansion and the decision by Eubanks (president/CEO of Symantec) to not relocate the acquired companies conflicts with its originating functional structure. The functional structure allowed the IT architecture to be centralized (and thus, highly efficient), which explains their utilization of a single HP system (originally the HP 3000 which was later replaced with the HP 935). However, in deciding not to relocate acquired companies, the philosophy behind the centralized functional structure began to crumble due to geographic dispersion (and the resulting intrinsic decentralization). Now it would seem that Symantec’s organizational structure is divisional due to its geographic dispersion and product groups. Yet the reality is that Symantec continues to support their organization as if it were still a functional structure. This has led to issues with the centralized IT architecture as it tries to support a decentralized organization. To remedy this, Symantec executives must restructure the organization to be fully divisional or fully functional and redesign its IT architecture accordingly.

At this stage, it would make greater sense for Symantec to restructure its organization to be fully divisional. This would allow them to keep their geographic dispersion; however, would require the IT architecture to be decentralized. “Architecture choices should be based on both an understanding of “where we are” and “where we are going,” and should complement the firm’s organizational structure” (Cash, 2012). Under this decentralized structure, and resulting architecture, multiple phone-mail systems and email systems would be required that are sufficient to support each division in addition to having the capability to connect with each other through WAN. Some of the centralized functions at headquarters should also change to support the divisional structure; this would entail requiring each product group to have their own finance, sales, and MIS departments; human resources, purchasing and manufacturing, and training could remain centralized at headquarters because these functions can easily support all divisions (although, due to geographic dispersion, they also retain the potential to become more efficient and/or effective through decentralization). The biggest impact to Symantec employees would be on those who are currently in centralized functions who would now be required to be split among the product divisions. Symantec’s executive management would be able to utilize the new underlying IT architecture that resulted from an organizational restructuring to create effective policies for communication between divisions that would result in higher synchronization between product groups and supporting departments. The resulting decentralized IT architecture would require decentralization of the MIS department who would now be responsible for supporting the IT infrastructure of their division rather than the company as a whole. The decentralized architecture should also reduce or eliminate the issues that have surrounded the existing IT systems (such as with the HP, ROLM, and Network Courier systems) since these systems will now be installed divisionally. Businesses acquired by Symantec would be more easily integrated into Symantec’s divisional structure (as opposed to integrating with a functional structure) and could continue to retain their original geographic location. However, these businesses would likely have to adjust their current structure to effectively integrate with Symantec. Overall, fixing the issues surrounding the organizational structure will lead to successfully solving the issues surrounding the underlying IT architecture and allow Symantec to “set objectives, clarify accountability, and “kick ass”” (Morgan, 2006).

# Bibliography

Cash, e. a. (2012). *Building the Information Age.*

Morgan, G. (2006). *Images of Organization.* Sage Publications, Inc.