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[SYMANTEC]

Case 4.2

Executive Summary

Symantec was founded in March 1982 by Gary Hendrix, which eventually merged with C&E Software in September of 1984 and together became Symantec Corporation, with Hendrix entitled as the vice president of advanced technology, and Gordon E. Eubanks, the founder of C&E, as the CEO of the company. In time, the number of employees grew from 30 to 316 and it achieved revenues up to $50 million. Since its founding, nine new products were added and three companies were acquired. Eubanks believed in the acquisition of the best products possible, no matter where the companies were located. Although employees were pleased with this exponential growth, the operations of some of the internal processes overtime became a concern, as some claimed that there were “too many ways to communicate.” (Coursepack)

Problem

The certain issue that Symantec faced was the effect of communication problems on employees. Although the company achieved startling growth, internal processes, mostly those relating to information flow, became a concern to people at all levels of the organization. “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 Symantec.” (Coursepack)

Mission Statement

“Symantec designs, delivers, and supports a diversified line of software for the information management, productivity, and software development needs of business users.” (Coursepack)

Generic Strategy

Symantec Corporation’s generic strategy focuses on the idea of project differentiation. By doing so, creating a system that focuses more on the communication and information flow issues and less on the technology failures is the most realistic innovative structure. “A strategy that clearly shows how the organization will succeed in maintaining its rate of growth” is the way to go. (Goldratt)

Industry Competitive Analysis

Industry Rivalry

In terms of the degree of rivalry, the risk of this occurring is very high, because even though Symantec was a major player in the software industry, they competed with well-established companies such as Lotus and Ashton-Tate. Putting that aside, there will always be new companies that develop software products similar to those of Symantec.

Threat of Substitutes

If the risk of competition is high, the threat of substitutes will then be rated very high because the software packages that Symantec already provides are constantly being re-developed into more efficient substitutes.

Bargaining Power of Suppliers

When it comes to the bargaining power of suppliers, the threat is fairly low because fortunately Symantec does not require any kind of raw materials to improve its systems because they develop their own software, meaning suppliers have very little power over the corporation.

Bargaining Power of Buyers

If suppliers don't have much power over the organization, the threat of buyers also remains low because if Symantec does not compete with the pricing of its competitors, they put themselves at risk of being outsold. "Although mergers and acquisitions often increase the financial strength of the suppliers, the buyers must be aware that specific products may be discontinued or lose support as a result." (Fried)

Barriers to Entry

The threat of new entrants runs pretty high because not only is the software industry rapidly growing overtime, but with how Symantec is always striving to acquire the best products possible no matter where they're located reveals how competitive their market is.

Stakeholders

In this case, Gordon Eubanks, president and CEO of Symantec, was the most crucial stakeholder of the corporation. With Gary Hendrix also in charge of the advanced technology department, he was considered a crucial stakeholder as well. The general employees of Symantec, which included development, marketing, management, support, etc., also had a large stake in the organization because they are most affected by the lack of communication. Shareholders are also considered stakeholders in this situation because those who put money into a business contribute to the financial success of the company, so they have a right to be informed about what all is going on in the company. Lastly, the customers also have a large stake in the success of Symantec externally because without customers, the company would not survive because they act as the software distributors in this case. (Cash)

Alternatives

1) **Do Nothing:** Yes, there appear to be issues with the company's current state, but from the looks of it, not making a change won't hurt the company's ability to make money, but employees will still struggle to exchange information. This could eventually lead to the company splitting into smaller subsections.

2) **Purchase/Install New System:** Another approach Symantec could take to improve the problem is purchase a new system. In this case, the company can obtain an efficient e-mail and phone system with its customers as well as a management system to maintain its

products. This alternative could also eliminate the current communication and information flow issues and reduce the number of network problems that could potentially occur. In terms of exchanging information, employees will be in better hands and customers could also benefit from this due to certain problems being addressed earlier rather than later. However, the risk of going over budget is high and must be kept in mind.

3) **Alter Current System:** Implementing a more structured information flow system could perhaps improve the communication between the departments within the organization and the external customers. With this alternative, employees would be given specific tasks they can primarily focus on. For example, product group managers would communicate with the development team to choose special features for the product, with the quality-assurance staff to ensure that the product is effective, and with public relations to devise a product launch strategy. Marketing would then handle advertising, develop collateral material, and coordinate promotions for the distributors. (Coursepack) This strategy also allows for each product group to develop their own ‘culture’ rather than adopt the culture of the company by default, as Morgan states “Culture is self-organizing and always evolving.”

4) **MIS Department:** When there were systems failures or technological problems, the MIS department is notified (Coursepack). With this implementation, determining whether the problem was a group or an individual one and its urgency to the company’s functioning would be considered. To employees, the information flow can at times be time-

consuming, but the MIS department's priorities have a huge effect on the manager's ability to meet objectives.

Impact on Stakeholders

Taking each alternative into consideration, the effect it would have on the stakeholders in regards to the issues at stake would be a somewhat frustrating process, as lack of communication can lead to drastic measures as employees could potentially want to find employment elsewhere. So it is safe to say that the success of whatever solution is implemented is vital for this reason, because as people decide to leave and new people are hired and the business changes overtime, the structure needs modification to match the people and the business or else uncertainty will occur and lack of communication is what we're trying to stay away from.

Recommended Course of Action

Based on what I've acquired from this case, I would update the system because not only will communication and information flow no longer be as big of an issue, but this strategy would be the cheapest of options, and hiring new people would not be necessary. Choosing the alternative that allows for the company to continue to use their current system is always preferred, but this will also allow for Symantec to update their system overtime on a regular basis to keep up with demands and the rapid growths of technology. "Don't use technology just to create the product. Use technology to innovate, entertain, and enhance the entire experience surrounding the product: from selecting and ordering to receiving and service." (Kalakota)

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