Case 3: Symantec

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Overview: Problem, Mission, Strategy

A well-designed IT architecture can enable a company to succeed in the face of many environmental challenges by providing a sort of glue between various parts of the organization. The IT tools and data that make up any architecture can make or break an organization's ability to coordinate the differing functional areas, project teams, product groups, etc… which enable it to accomplish its goals, as "An IT architecture can support tight coordination by specifying how issues of systems compatibility, interconnection, and integration will be accomplished" (Cash). Companies need different architectures based upon their structure and overall strategy. IT architecture derives itself from the controls put in place throughout an organization to modify employee behavior, and these controls help establish norms and values that shape an organization's culture.

Symantec focused on differentiation by providing and supporting a diversified set of software solutions for the information management, productivity, and software development needs of its business users. Being able to share information across, and outside business boundaries was crucial for Symantec, as being able to effectively monitor market conditions and consumer behavior gave them the ability to more readily react to environmental changes, which is crucial for divisional/matrix organizations like Symantec. However, the company is plagued by systems that constantly prevent users from communicating with each other, which were a result of poor MIS decisions earlier in the organization's life. These problems and poor decisions can ultimately be traced back to a lack of emphasis on developing communication controls and a resulting unsupportive culture. Ensuring the smooth flow of information across, and through, the organization needs to be a priority for Symantec, so there needs to be effective systems and

controls put into place that support and modify behavior to achieve this goal, which are currently non-existent. "The purpose of control is to create a set of conditions that improve the likelihood that desirable outcomes will be achieved" (Cash).

These problems have not prevented Symantec from accomplishing much. The company has grown rapidly since its founding by Gary Hendrix in 1982, with revenues of $50 million after just 8 years of operation. The company has created and acquired a diversified line of software products over the years to offer to customers, which have allowed it to compete with other well-established firms. The CEO of Symantec, Gordon Eubanks, believed thoroughly in having the best products possible, so in 1987 Symantec acquired three companies: Breakthrough Software, Living Videotext, and Think Technologies, which were located in Novato, California, Mountain View, California, and Bedford, Massachusetts respectively. Symantec operated out of Cupertino, California, so the distance between the firms provided some difficulties in sharing information and collaborating among the various product groups.

A potential issue worth noting is the fact Eubanks let these acquired firms continue to operate in much the same way they had pre-Symantec-acquisition. He operated with a "if it is not broke, do not fix it" mentality, and this worked in some regards as it allowed the departments to retain their own unique culture that employees were familiar with, which created a more stable work environment. Eubanks believed allowing this would allow these new departments to continue to develop strong and unique products that would allow Symantec as a whole to keep its competitive edge. However, not enforcing much control over the newly acquired companies caused little to done to develop standards, procedures, and controls that would enable the interchange of ideas between the various divisions of Symantec. Because of this, product groups did not share information with other product groups, preventing potentially valuable information

from being shared across the organization. To remedy this, the company held meetings for groups like marketing and engineering, which sought to bring together teams from the various product groups to encourage free flow of ideas. While this worked to some degree, departments seemed to gravitate towards communicating with teams that more directly related to their product, limiting the benefits for Symantec as a whole.

Symantec relied heavily on email, phone mail, and traditional face-to-face communication. While top managers made a conscious effort to walk around and actually talk to employees, the systems implemented for enabling communication via email and phone were nothing short of problematic. The Novell LAN, which connected over 300 IBM-PC and IBM-PC clones throughout the company, consistently broke down; according to the case, almost once a week. Coupled with an email system, Network Courier, that would often corrupt emails and spastically and sporadically deliver emails to their intended recipients, it is no surprise employees felt frustrated with system. They could not depend on it behaving as intended when they needed it most, with the case citing an instance where a product upgrade caused an overload on the phone mail system that prevented engineering teams from being able to easily reach other. This failure at critical times could serious issues for Symantec, especially as the company grows and the demand on these already overloaded systems continues to increase.

Many employees also felt there was not enough information flow from the marketplace to the company and vice versa. Engineering employees expressed the desire to have more information from sales about what features customers liked or disliked about current products. This seems like a major shortcoming for any organization, especially for a company like Symantec, which relied heavily on being able to tailor products to customer needs. By not sharing this information, the company is almost intentionally handicapping itself and its ability to

play on its core competencies. Customer service also felt they were lacking pertinent information of potential problems with products, which caused them to hear about these issues for the first time from customers. This left them ill equipped to help customers in their times of need which most likely caused strain on customer relations. In a market focused on differentiation strategies, it would behoove Symantec to neglect customer demand.

Porter's Five Forces Analysis

An analysis of Symantec's environment will shed some light on their current situation. The software industry is highly competitive, with firms constantly to develop new and improved software packages to sell consumers, so the threat of existing competitors is moderate to high for Symantec. If customers are not happy with the products or service they are getting from Symantec, they have other viable options to choose from, so monitoring and outperforming existing competition is critical for Symantec's success. Though Symantec was able to compete with well-established firms like Ashton-Tate and Lotus, any misstep on Symantec's part could spell opportunities for its industry peers. Symantec may need to look at themselves as another potential rival, as the dysfunction they experience as an organization due to their ineffective control and communication systems could act as a severe handicap for their continued ability to compete.

With the threat of existing competitors high, the threat of substitutes is also a very real for Symantec. The products Symantec offers are likely very similar to the products its competitors do in terms of what they can accomplish and allow customers to do, so they need to recognize the need to continue offering unique and effective products to consumers. Having acquired several new companies, Symantec has expanded its offerings and have therefore diversified and differentiated themselves from their direct competitors. They may be able to offer product and

service packages that their competition cannot, which may appeal to customers, as they may have to worry less about how well various software work together. Individual products are more easily replaced than entire suites of software that work together and can accomplish a wide variety of goals.

The threat of new entrants is relatively low for Symantec, as they have established themselves in the industry and have already acquired numerous other smaller businesses. If a company emerges that offers products that could substitute or undercut Symantec, it is very likely they will be bought out by Symantec or some other larger firm; just look at what happened to Think Technologies and Living Videotext. They offered products that Symantec saw as valuable, so they were acquired. It would be hard for a new firm to compete with the diversified product offerings of Symantec and their customer base. While the market in which Symantec competes is competitive with firms constantly trying to differentiate themselves, new companies would find it difficult to break into the market. Not saying it cannot be done, just looking at Symantec as proof, but it would seem unlikely that a new firm could copy their success before being bought out.

Customers pose a considerable threat to Symantec. As discussed above, customers are not forced to purchase from one software provider or the next. If they fell their needs are not being met, they are more than able to purchase products from differing organizations, so encouraging repeat purchase behavior by lowering customer bargaining power should be a major focus of Symantec. They need to be able to continue to develop and support products that their customers view as irreplaceable, so they will be less inclined to take their business elsewhere, as Ashton-Tate and Lotus can likely offer very similar products in terms of features and functionality as Symantec. Symantec's leadership seemed to recognize this, and had begun acquiring other

companies in order differentiate themselves and diversify their product offerings. If they could offer a wide array of products that meet a wide array of customer demands, customers may feel they do not need to look to other businesses to meet their needs, and thus be more inclined to continue doing business with Symantec. An assortment of products that work in tandem with each other can provide a key advantage, as "The mix of products that a firm sells can also be a source of product differentiation. Customers who prefer one-stop shopping or variety would find such product mixes valuable," (Afuah).

Suppliers pose a less, but still notable risk. Symantec is a company that built software solutions for its customers, so its main suppliers were its labor pool and those companies they purchased hardware and software from. Symantec relied heavily on the hardware and software systems it purchased from vendors, as they did not develop their own in-house systems. For example, the HP 935 was a system purchased to help Symantec manage their financial and customer information. If suppliers of these systems started to drive up their price, there would be little Symantec could do. This is a notable threat, especially since Symantec's rapid growth had placed considerably more load on systems that were already overloaded. When Symantec has to make its next big purchase, it could prove costly especially if software and hardware providers drive up their prices.

Employees at Symantec also hold considerable power over the company as they are ones who will have to develop, sell, and support the products. If they feel their needs are not being met or get frustrated with the way in which the organization operates they may decide to look for employment elsewhere. This could prove detrimental to Symantec's ability to continue to offer top products, as people who are familiar with the systems and market up and leave. Eubanks

expressed a strong desire to keep people where they are in order to continue the successes they had experienced thus far, so acknowledging the importance of employee desires is critical.

Effects on Stakeholders

The stakeholders of Symantec are important to recognize as it attempts to fix its problems. A major internal stakeholder for Symantec are its employees. Symantec is suffering from a lack of sufficient controls in crucial areas, which has caused issues in the communication of ideas and information among various parts of the organizations. The systems purchased to enable and control communication within Symantec thus far have been acquired and utilized in such a manner as to meet an immediate demand without consideration for the future. Bob Dykes, a top executive who played heavily in the acquisition of the current systems in place at Symantec, even admits to having placed a greater focus on getting a system in place that simply worked, and focusing on the problems in the future. This type of haphazard philosophy has, in large part, caused a lot of the problems Symantec is facing, as an area they have deemed important is not being adequately controlled and supported. Employees are feeling this neglect, as the systems they rely on to do their jobs and communicate with one another are constantly failing, or preventing them from doing their jobs, and justifiably frustrated.

If more controls were put into place in regards to the channels, modes, and methods of communication, employees may benefit in the longer term. In the shorter term new controls may be met with some resistance since employees may have gotten used to the way in which they currently operate that being told, or "forced", to do something in a new way may cause some friction. People tend to not like being controlled, even when the controls work in their best

interest, so any new system put into place may be met with some contempt. As employees begin to adopt and adapt to better means of communication and control, they may experience less frustration and ambiguity in their work, as they will be able to better do the things they need to do, be it sending an emails to team members, or being able to input order information. This could benefit employees from all levels of the organization. Greater coordination among the dispersed product groups will encourage the free flow of ideas and information, and may spur continued advancement of new and existing products. Lower level employees may be able to more effectively communicate ideas with upper management, fulfilling a goal of Eubanks. The effects of tighter controls being implemented by a system that meets employee communication needs will benefit the organization's employee body as a whole.

Another major internal stakeholder are Symantec's shareholders. As a company, Symantec has an obligation to its shareholders to provide them with acceptable returns. Shareholders want to see their shares hold and grow in value, and therefore can have considerable influence in decisions made about the company. Symantec needs to be able to compete in its market and capitalize on opportunities, and in order to do so more effectively they need to better control their means of communication across organizational boundaries. Symantec has had much success in its eight years of operation, but their rapid growth has exacerbated internal issues. Symantec's lack of control over communication in the company has frustrated employees and stifled the free flow of potentially beneficial information. Symantec needs to be able to share ideas among various important groups of the organization to continue innovating and developing products that meet their customer's needs. This will enable them to better compete in the market. If Symantec can better compete in the market by being able to more

effectively and efficiently control critical functions like communication, business will improve and shareholders will see greater returns which will no doubt make them happy.

An important external stakeholder to consider are Symantec's customers. With the software market being so competitive, customer demands are the bread and butter for the products companies like Symantec develop. Being able to effectively communicate and receive input from customers, and being able react to that input will no doubt provide benefits for customers. Symantec has had trouble with this though, as the case makes note of instances where customers are the first to discover issues in products and have to suffer long wait times to fix their issues, since product had little to no knowledge of the problems beforehand. Also, software developers expressed frustration at the lack of coordination with product and sales personnel in regards to improvement or addition of features that customers desired. Occurrences like this illustrate lost opportunity and neglect in regard to customer demands. If Symantec places a priority on being able to communicate critical information that has to deal with customers among various important groups in the organization, customers will benefit which in turn will help Symantec compete in the market.

Alternatives

Symantec has several options it could pursue to fix the problems currently facing the company. One option is to do nothing, that is leave the current MIS system and policies in place. This option would make surviving in the market much harder, as currently overloaded systems would continue to break down more and more and employees would experience more frustration as doing their jobs become nigh impossible. The impact on employees would be largely negative, as there would be little to no support in accomplishing their job tasks. Email and phone mail would continue to not work and systems like the HP 935 would constantly fail preventing

employees from doing their job. This may encourage many employees and managers to leave the company which may cripple their ability to deliver unique and innovative products, as top talent may leave to find greener pastures.

Customers would likely suffer as the company would find it more and more difficult to function effectively. Customer service would decline further and the quality of products offered by Symantec may drop off. If employees cannot even communicate with each other, and perform their job tasks, how are they supposed to be able to focus on providing effective service and products to customers? Symantec's shareholders would be negatively affected as the company's ability to compete in the market declines, and they see less and less business. Less business would lead to weaker profits and smaller returns on shares. While this option is the cheapest and easiest to pursue, its impact would be largely negative.

Another option would be for Symantec to implement new controls for communication across the organization's boundaries. Currently, Symantec has no established means for the various products groups to communicate with each other, which may not seem like a major issue if all the product groups operated out of the same building, but that is not the case for Symantec. Symantec's product groups are located in geographically dispersed areas, making communication of ideas and information difficult when there is no centralized, established mode or mean of communicating. Eubanks and other top executives have expressed the desire to have a culture that promotes more open communication, that is, they want employees to be able to share with them and other managers when new ideas or problems are recognized. Right now there is no established way for employees to do this except for when the executives walk around, even then, Eubanks noted, employees would often not share what they really felt for fear of being reprimanded. Obviously the wrong behaviors are being reinforced.

To remedy this, Symantec could develop new policies and controls that encourage and enable effective communication across organizational boundaries both within and outside the organization. The new controls would modify behavior by providing either positive or negative reinforcement to either dissuade or encourage certain actions among employees. The effect on employees may be negative at first as they may naturally resist the new control over them, but over time they will likely benefit greatly as there will be less ambiguity and clearer guidelines. They will know how to communicate with others, when to do it, and most importantly why they should. The effect on management would be a greater understanding of employee's perspectives, which may lead to having more pertinent information that allows them to operate in a more effective manner. Customers would likely benefit with better products that meet their needs, and better understanding of product capabilities. Also, it may become easier for them to deal with product issues when they encounter them, as customer service will have had communication with product about product abilities and issues. Shareholders would likely benefit as the business does better and increases their competitive standing.

A third alternative would be to purchase new MIS systems for order and financial management, and email and phone mail. This alternative would put in place more reliable modes of communication for employees, as they could scale the new system up to meet the growing demands of the increasing employee body. A major problem right now for Symantec right now is the fact that their MIS systems are unreliable and overloaded leading to constant failures. This frustrates employees and hinders Symantec's ability to operate effectively. A more reliable IT architecture would benefit employees as they would be able to use a system that is reliable and dependable, lessening their frustration. Less frustrated employees may lead to better services and products being delivered to customers which would make customers happier. More fulfilled

customers mean more reliable business and a better competitive standing, which will in turn make shareholders happy.

The issue here is that employees may not use the new system in a meaningful way eliminating or minimizing its positive effects. A big reason Symantec's executives have been reluctant to adopt new MIS systems is the high cost associated with such a move. They want to make sure the new system will be easy to implement, provide the intended benefits, and be able to continue providing those benefits. With no established procedures in place on how to use their existing system, it is very unlikely the new system would provide as great a benefit to the organization as the top executives would like.

Recommendation: Implement new controls

Symantec needs to re-evaluate and updated the importance it places on communication in the organization. Eubanks and other executives have expressed interest in creating a culture that promotes the free and open exchange of ideas and information across organizational boundaries, but have done little to reinforce this behavior. They have no means of communication among the dispersed product groups, employees are hesitant to share ideas with management, and functional/project teams are not getting important information from other teams. Symantec's leadership need to understand that culture is something that is shaped and created "it must be understood as an active, living phenomenon through which people jointly create and re-create the worlds in which they live" (Morgan). If a company values something as important they will put controls around it to increase the likelihood of achieving positive outcomes. The new controls will give manages considerable power to positively influence behavior in the organization, as "an

ability to use the rules to one's advantage is thus an important source of organizational power" (Morgan).

Symantec realizes that sharing information across the organization can be a valuable thing if done in the right way, as "Accurately, timely, and relevant operating information improves organizational effectiveness by improving its members' communication and understanding" (Cash). Simply buying new MIS systems will not ensure communication improve in the company. A large purchase of new IT needs to aligned with the corporate IT strategy and supported by controls in order to ensure the new technology will benefit the organization in the way it was intended.

If the purpose of the IT architecture is to enable effective communication across organizational boundaries, then the correct tools and procedures need to be established to accomplish this purpose. Symantec never set this as the goal of their IT, and now they are paying the price as the system was never designed to enable communication among the organization, it was simply designed to work. "Although the effect of technology on business strategy may not be clear initially, it's relentless and cumulative, like the effects of water over time. Technological change comes in waves and just as the ocean erodes the shore, so too technology erodes strategies, causing business models to behave in ways difficult to predict" (Kalakota). The use of email and other systems has, over some time, shown that Symantec needs to change the way it looks at internal communication. That's why simply doing nothing is not the right choice. Establishing new standards and controls is a much less expensive option than blindly buying new systems and hoping they work, also it sets Symantec up to start redesigning and improving their current system.

Works Cited

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