

Symantec

Case Evaluation 3

Paige Fenwick
9/29/2016

Mission Statement

Symantec is an organization that sells and supports a wide variety of software products for “the information management, productivity, and software development needs of business users” (Barker 157). The eight years after its founding, Symantec experienced a huge growth through business acquisitions, development upgrades, and establishing their variety of products in their respective market segment. The product line consisted of over “15 main software packages; some operated on IBM MS-DOS systems, others on Macintosh systems” (Barker 159). In order to provide their many application and systems software to the business users, Symantec operated using a cost leadership generic strategy and a combination of functional and divisional organizational structures.

Generic Strategy

As Symantec sells a variety of products in different market segments, the company must utilize a cost leadership generic strategy in order to efficiently sell their products. Symantec mass produces its products, making it a commodity, and sells its products as “off the shelf” software, meaning that it is sold ready-made to the general public. Because of this product type, Symantec must utilize a cost leadership generic strategy in order to be effective in their market segments. Additionally, their organizational structure, a combination of functional and divisional structures, must be efficient in order to grow in their market.

Organizational Structure

Symantec utilizes a hybrid of divisional and functional organizational structures to manage the growth of the organization. The company achieves this by centralizing its primary business functions while organizing the products into groups. Each product group “controlled its own product development, marketing, quality assurance, support and management” while all other

business functions “were handled by centralized departments at corporate headquarters” (Barker 158). Additionally, the product groups were located at different locations throughout the company, making them more of a divisional structure than a centralized, functional business functions. However, Symantec kept its accounting and other management services centrally located at their headquarters in California, making this aspect of their company a functional structure.

Porter’s Five Forces

Competitive Rivalry

Symantec’s rivals include any organization that sells software products. Specifically, Symantec was becoming large enough to have rivals such as “well-established companies like Lotus and Ashton-Tate” (Baker 157). As Symantec grew and entered in more markets, the threat of competition became larger as well. With a new and evolving product such as applications and systems software, Symantec had a large level of competition. However, Symantec was consistently establishing their “products as leaders in their respective market segments” (Baker 157). This help to combat the competitive rivalry within the field, but with the fast growing and changing nature of software products, this can force can still be seen as a large threat to Symantec.

Threats of New Entrants

Similar to competitive rivalry, the threat of new entrants is a large threat to Symantec because of the rapid growing nature of the software development field. These threats would include any organization that sells products similar to the 15 main software packages that Symantec offers. With the software industry just beginning at this time, the barriers to entry would be relatively low and causes the threat of new entrants to be considerably high.

Threat of Substitutes

Any product that is similar to Symantec's software products would be considered a substitute, making the threat of this force high. Symantec offers 15 products in the software industry, including packages such as data management, project management and utilities software. Similar types of products are produced by competitive software organizations such as Lotus and Ashton-Tate. However, Symantec minimizes this threat by consistently establishing their products as leaders within the given market, implying they are offering superior products at a lower cost than their competitors. If they continue to operate in this manner, Symantec can lower the threat of substitutes for its products.

Bargaining Power of Customers

As a software company, Symantec's customers include a variety of businesses in "23 foreign countries through 41 independent distributors" (Barker 161). With Symantec's products being off the shelf, this means that any business within the 23 markets, and the distributors, are customers of Symantec. These customers have a very low bargaining power however because of the types of products they are purchasing and distributing from the organization. Symantec has established itself as "product leaders in their respective market segments" (Barker 157) and, because software products offer a high switching cost, the customer would be most likely to purchase their products from Symantec. Additionally, because more customers are purchase Symantec products, distributors would be more willing to distribute the company's products because they are creating the most revenue within the given market.

Bargaining Power of Suppliers

The suppliers for Symantec would be considered anyone in the workforce, specifically the product groups, as they "controlled [their] own product development, marketing, quality

assurance, support and management” (Barker 158). This requires all of Symantec’s employees to be highly knowledgeable of the product and be able to provide a large level of support for the product to sell effectively. Because the suppliers play such a large role in the product as a whole, they hold a high bargaining power within the organization. Additionally, the switching cost for the employees to move to a new, similar company would be extremely low as the industry continues to grow. This adds to their bargaining power and makes them a threat to the organization.

Problem Statement

For Symantec, the main problem facing their organization is their current culture and communication strategy between the product groups and corporate headquarters. During this time, Symantec has experienced a merging with a similar software company and the acquisition of three smaller software companies in various locations. However, Symantec Corporation’s CEO, Gordon Eubanks, “did not believe in relocating workers or imposing a culture on the new product groups” (Barker 157) of these newly acquired organizations. This caused a disconnection between the main corporation and its product groups, beginning the problem for communication and uniting the organization under a common culture. Additionally, “information flowed across all of [Symantec’s] boundaries” (Barker 161) and information exchanges were scheduled in a variety of ways. For example, staff meetings occurred frequently for departments, executives met weekly, trainings were held weekly for sales associates, and human resources met twice weekly. Additionally, publications were sent out quarterly and informal lunches were held often by Eubanks to gather information from his employees. However, despite this constant flow of information, “employees expressed frustration that some information was not shared and certain groups (especially product groups) did not communicate with each other” (Barker 162).

This mainly had to do with the product groups' themselves because they were "formerly self-contained, entrepreneurial companies... [and] were not used to sharing information or being accountable to a parent organization" (Barker 162). Even when Symantec attempted to motivate their employees to a unified culture, they experienced additional problems and frustrations. For example, Symantec implements an incentive program that was meant to unite the organization under a common objective program. This evaluation was done through "one evaluation form for the whole company" and was beginning to prove ineffective as "some people had never had a performance evaluation, or it was done months after deadline" (Barker 164). This was causing even more of a disconnection as the incentive program was not being utilized properly and communications between managers and employees regarding employee performance was not being performed. This, along with the constant frustration from ineffective communication channels, such as email and phone-mail, caused the product groups to become more distant and the organization not having a unified culture between groups.

Stakeholders

Customers

The customers for Symantec are the distributors and the corporations that the organization markets its products too. This includes all the business organizations in the 23 foreign markets that Symantec provides to.

Executive and Managerial Team

The executive and managerial teams within Symantec have a large stake in the organization as they lead all employees in day to day processes. The executive team includes the CEO and all reporting VP's, and the managerial team includes all lower level managers that report to the VP's.

Other Employees

All the other employees for Symantec include the engineers, software developers, sales team, marketing team, and other functional teams within the organization. They have a high stake in the organization as they provide all product support, sales and marketing and essentially keep the organization growing at the rate it is experiencing.

Shareholders

The shareholders for Symantec are all the investors who own a share of the organization. These members have a high stake in the organization's performance and overall value.

Solutions**Update the existing Information Technology Processes**

Currently, Symantec has two IT systems; Hewlett-Packard System and the Network System. The HP system was used for accounting, manufacturing, schedules and inventory control while the network system was for communications such as email. However, each system was consistently experiencing problems and hindering the work of Symantec employees. For example, when running at full capacity, the HP system "could not be expanded to ingest any more information and could not accommodate all the order-entry people" (Barker 165). Even after implementing a new HP system, the organization continued to experience problems and "many employees were frustrated with the system" (Barker 166). Additionally, the network system used to communicate through email and phone, which were frequently unreliable. Because of this, projects would be stalled and communication would be nonexistent because employees in different locations would be unable to email, and sometimes even call one another. By completing upgrading and pinpointing the problem areas with these two systems, Symantec could open the lines of communication but this approach may not bring the organization under one, unified culture.

Restructure Symantec's current communication system

With this approach, Symantec would experience an entire system overhaul in order to address the organization's fundamental communication problem. In order to do this, the organization would need to restructure the organizations culture and begin by bringing the product groups closer together. Currently, Symantec has assets in locations across the world and the only form of communication is through an "unreliable system" (Barker 167). Because of this, the organization could not communicate effectively and information was constantly lost. By bringing the product groups closer to headquarters in Cupertino, California, the product groups would not only be able to communicate with one another more effectively, they would also be closer to the executives and decision makers of the organization. This would also have a great influence on bringing the company's culture together.

Do nothing

With this approach, Symantec would continue to operate as is and continuing to change the culture and communication structure of the organization through employee suggestions. These suggestions come from anyone within the company as they do currently.

Solutions Impact on Stakeholders

Solution 1

Customers

The customers would be positively affected by this solution because they would see the organization's communications skills increase and ultimately, as new ideas would flow between groups, better products and support for their businesses. This would allow the customers to invest more into Symantec products as well as see an increase in their own business.

Executive and Managerial Team

The executives and managers would be positive affected because they would be receiving more information from their groups and also, shared information would be readily available between groups. This would allow for product improved and would allow for the organization to grow into a new culture that would benefit this team.

Other Employees

The other employees would also be positively affected by this solution in a similar way as the managers. Instead of having to “recreate the wheel every time we do a new plan” (Barker 163), the different groups would have access to a variety of information that would allow them to find solutions for problems in a more efficient manner. This would also create a more unified organization as the groups would be able to communicate more effectively and frustrations would be minimized within the organization.

Shareholders

The shareholders would be positively affected as groups would be better able to find solutions for problems and could focus on customer support rather than forced communications between their internal groups. This would cause the investors value in the company to rise and possibly more stockholders to invest in the future.

Solution 2

Customers

The customers would be positively affected by this solution because once the organization comes together under one organizational culture and decides on accepts methods of communication; the customer would see an increase in customer support and product development that would benefit their businesses. However, Symantec may need a long time to relocate and establish a working

culture within the organization which could negatively affect the customer as Symantec moves toward these improvements.

Executive and Managerial Team

The managers and executives would be negatively affected by this because they would have to find new locations for their departments, hire and train new employees if needed, and decide on a form of communication that would benefit all of their departments. This would be a lot of work for a management staff and this could result in some managers and executives being replaced or quitting.

Other Employees

The employees would be negatively affected because they would have to either relocated or in most cases, lose their position within the company. Although some employees would be able to relocate as their produce group relocates, others would find the moving cost and instability of the company too risky, causing them to quit or be let go. However, with new employees a new company culture may be easier to implement and managers could hire employees based on expertise and communication skills.

Shareholders

The shareholders would see a positive change in their investments as they would be investing in a unified organization that encouraged information to be shared across groups. This would allow the new employees to create a unified culture together and focus on customer support.

Solution 3

Customers

The customers would be negatively affected as the internal problems would begin to negatively affected the day to day operations of the organization. They would not be able to handle the

increasing amount of information and orders that the market would demand and the customers would not have the support they would need for their products.

Executive and Managerial Team

The managers and executives would continue to implement various solutions to improve the communication process and would only add more noise to the system. Without one executive making the final decision with how information should flow, all communications would continue to flow without boundaries and would cause misinformation or no information at all.

Other Employees

The other employees would continue to be unaccountable to the parent organization and the sharing of information would be limited. This would hurt the employee's job functions because without sharing the information, various groups would be "wasting a lot of time and trouble" (Barker 163).

Shareholders

The shareholders would be negatively affected as doing nothing would cause the organization to continue to use resources inefficiently and could possibly increase the cost of the company's products. This would cause Symantec to lose their competitive advantage in the market and the stockholders' investments would decrease, causing them to stop buying more stock or sell the stock they currently own.

Conclusion

In conclusion, Symantec should implement a combination of the first and second solution proposed in order to restructure their organization and then solve their communication issues. Symantec is currently running as essentially 6 separate organizations, each with their own ideas and information about how their product group should run. Without a joining culture, the

organization will continue to run separate and communication will continue to be nonexistent as the company grows further. By implementing this solution, Symantec would be bringing their organization into one geographically located area and help to address the cultural disconnect the company is experiencing. Additionally, after the organization has come together more closely, the employees and managers could begin to work together to address the problems with their current IT systems, specifically the HP systems and Network system. Both of these operations affect the employees by hindering their ability with one another and cause frustrations in the day to day operations of the organizations. If Symantec continues to operate with their current culture and lack of communication, the stakeholders will begin to see a decline in the overall production of the organization and the employees themselves could leave the organization. With the need for highly trained employees being a high factor for Symantec, this would cause a significant loss to the organization. In order to keep their employees and other stakeholders, Symantec will need to address their communication and cultural problems by overhauling their system that is currently in place.

Works Cited

Barker, Robert. *Management of Informaiton Systems*. Burlington Northern: The Ares Decision (A) and (B). 29 September 2016.

Cash, James I. *Building the Information-age Organization: Structure, Control, and Information Technologies*. Burr Ridge, IL: Irwin, 1994. 29 September 2016.

Morgan, Gareth. *Images of Organization*. Beverly hills: Saga Publications, 1986. 29 September 2016.