Symantec

CIS 410-02

Case 3

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Table of Contents

[Overview 3](#_Toc506413550)

[The Problem 3](#_Toc506413551)

[Industry Competitive Analysis 3](#_Toc506413552)

[Mission Statement 3](#_Toc506413553)

[Generic Strategy 3](#_Toc506413554)

[Organizational Structure 4](#_Toc506413555)

[Competitive Rivalry: High 4](#_Toc506413556)

[Threat of New Entrants: High 4](#_Toc506413557)

[Threat of Substitutes: None 4](#_Toc506413558)

[Bargaining Power of Suppliers: Low/None 4](#_Toc506413559)

[Bargaining Power of Customers: Medium 5](#_Toc506413560)

[Key Stakeholders 5](#_Toc506413561)

[Symantec Management 5](#_Toc506413562)

[Symantec Employees 5](#_Toc506413563)

[Symantec Stockholders 5](#_Toc506413564)

[Symantec Customers 5](#_Toc506413565)

[Solutions 6](#_Toc506413566)

[Do Nothing 6](#_Toc506413567)

[Train Managers 6](#_Toc506413568)

[Develop new IT System via MIS Team 6](#_Toc506413569)

[Outsource development of new IT System 6](#_Toc506413570)

[Recommendation 7](#_Toc506413571)

[Work Cited 8](#_Toc506413572)

# Overview

Symantec, a company that has designed, delivered, and supported a diversified line of software for 36 years now, founded in 1982 by Gary Hendrix, an expert in A.I. and language processing, merged with C&E Software, headed by Gordon Eubanks, in 1984. The company grew using an acquisition strategy, and has grown too large for the IT systems that support it.

# The Problem

The main problems for the case of Symantec is the lack of reliability of the I.T. management systems, specifically data transfer and the rate at which transactions are processed, and the lack of communication between separate groups and between different levels of management. These problems will be addressed using “three simple questions: ‘what to change?’, ‘what to change to?’, and ‘how to cause the change?’” (Goal pg343).

# Industry Competitive Analysis

## Mission Statement

“Symantec helps consumers and organizations secure and manage their information-driven world. Our software and services protect against more risks at more points, more completely and efficiently, enabling confidence wherever information is used or stored” (Symantec.com). The goal of Symantec, as is with any organization is “to make money now and in the future” (Goal pg301).

## Generic Strategy

Symantec follows the differentiation strategy. Each product is specifically designed to support a different need for its users. The users may also receive exclusive custom versions of the software for their company.

## Organizational Structure

Symantec has a matrix organizational structure. A matrix organization is defined as an organization “that systematically attempt[s] to combine the kind of functional or departmental structure of organization found in a bureaucracy with a project-team structure” (Morgan 51). As an I.T. firm, this is very ideal for supporting a diverse number of I.T. projects as the requirements of each project vary from the number of developers, to the type of Q.A. tester based on specialty.

## Competitive Rivalry: High

Of Symantec’s competitors, the most well-established companies it competes with includes Lotus and Ashton-Tate. These firms offer several applications offering similar functionality.

## Threat of New Entrants: High

The threat of new entrants is high. The cost to start up and support a firm that provides custom software-based solutions is low. There are no notable barriers to entry.

## Threat of Substitutes: None

The threat of substitution is non-existent. The services provided to Symantec’s customers are unique and not duplicatable by any dissimilar products.

## Bargaining Power of Suppliers: Low/None

Symantec delivers custom software-based solutions which require only computers and phone communication to operate. This machinery is purchased when the firm grows beyond the capacity of its currently available machinery. The competition for computers is high, so the lowest price wins. Landline communications are fixed. This leaves the only suppliers with little to no bargaining power.

## Bargaining Power of Customers: Medium

Customers have some bargaining power, but are limited in that they must have a software based solution for their problems and what Symantec’s competitors are willing to sell at.

Key Stakeholders

## Symantec Management

Management stakeholders exist throughout the firm at various levels of authority. Many come from smaller companies that were acquired by Symantec. They are concerned with their own group’s performance and the company performance. This concern is incentivized by the bonus plan instituted in 1990, a profit-sharing plan that includes all employees.

## Symantec Employees

Employees have a variety of similar concerns related to product quality, feedback, and other information. They are concerned with their performance, the performance of their peers, and the company performance overall. This concern is incentivized by the bonus plan instituted in 1990, a profit-sharing plan that includes all employees.

Symantec Stockholders

Stockholders are concerned about the overall status of Symantec, what is happening, why it is happening, and what is being done about it, and earnings per share, which until 1990, was a loss.

Symantec Customers

Customers are concerned with the quality and reliability of the products they purchase and the support of those products they receive.

# Solutions

## Do Nothing

Allow Symantec to continue operating as is with continuing volatility in communication and lack of decision making as the firm grows and acquires other firms and products.

## Train Managers

Managers need to know when they can make decisions, and have certainty in what statements the higher ups consider policy and what statements are merely opinions that may be disregarded.

## Develop new IT System via MIS Team

The new IT system would need to complete transactions at a faster rate, and support an ease of communication about the status of the system and its data throughout Symantec as needed.

## Outsource development of new IT System

Outsourcing the development of a new IT system could add benefits such as lower development costs, however there would be less control/support of the new system.

# Recommendation

It is my recommendation that Symantec take multiple steps to resolve their problems. I recommend that Symantec provides training for managers to inspire confidence and to teach them to make decisions for their own areas, and that Symantec develops a new IT System internally using its MIS team. "Technology is a necessary condition, but it's not sufficient. To get the benefits at the time that we install the new technology, we must also" (Necessary 125) train our employees and our users on how to use that new technology. “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).

# Work Cited

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