Savannah James

Dr. Barker

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Case 3: Symantec

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**Summary**

Symantec was founded in 1982 by Gary Hendrix. Shortly after, Symantec merged with C&E Software, and then acquired three more companies. Symantec designed, delivered and supported software that helped meet the business needs of users. Symantec valued innovation and did not want to centralize all product lines at corporate. Therefore, product lines were scattered across the U.S, each with their own workers, and only having centralized HR, finance, and sales at corporate. This type of business structure worked for a while, as the company grew at a startling growth. However, problems began to arise when communication was lacking, and information flow was not easy between different product groups and corporate.

**Problem**

As mentioned earlier, the main problem that Symantec faces is information flows and communication. As a geographically dispersed company focusing on different product lines, communication was needed to function as a business. Information was shared, but only to certain people and certain product groups. Many employees were frustrated with not receiving some information, which caused tension between product groups. For example, some people were frustrated that information was not shared from marketplace to company. Others were confused at what guidance to follow, since sometimes it was difficult to know if something a manager said was an opinion or a policy. Departments not only had communication issues within their department, but also throughout the organization. The MIS Department oversaw repairing e-mail, phone, etc. Customers were frustrated that there was no process of prioritizing requests, which meant that it took forever to resolve requests and answer complaints. This problem spreads over all the organization, in over 23 foreign countries, which inhibited its ability to operate smoothly.

**Industry Competitive Analysis**

**Mission Statement**

Symantec’s mission is to lead the software industry by providing diversified information management, productivity, and software development products to meet customer needs.

**Market**

Symantec was founded in 1982 and shortly after, merged with C&E Software. After several other business acquisitions, Symantec became a company with many diversified product lines. Symantec focused on five product groups: database management, utilities, project management, outlining and presentation, and language products. These product groups were located throughout the U.S. Symantec used many distributors to market their products in 23 foreign countries.

**Porter’s 5 Forces**

**Inter-Industry Competition**

The threat of inter-industry competition is extremely high. It was around 1990 when Symantec acquired three other software companies. In the 90s, personal computers were becoming increasingly popular, and with the introduction of the World Wide Web, there was a greater need to connect systems together and communicate data throughout the organization. Companies began to utilize MIS technologies to rate performance, create reports, and collect data. (Inc.) Even small businesses needed this type of technology, which created a hole in the market that companies could fill. “Waves of innovation spread the fundamental virtues of coherent information systems across all corporate functions and to all sizes of businesses in the 1970s, 80s, and 90s. Within companies’ major functional areas developed their own MIS capabilities; often these were not yet connected: engineering, manufacturing, and inventory systems developed side by side sometimes running on specialized hardware.” (Inc.) Organization’s needed the technology that software companies could offer to join functions of the organization into one information system.

**Supplier’s Bargaining Power**

The bargaining power of suppliers is low in this case. Symantec does not have many suppliers because they are a software company. They need computers to create and test the software and employees, and that is about it. Therefore, the bargaining supplier is low because Symantec only requires computers in order to operate.

**Customer’s Bargaining Power**

Customers have a low bargaining power. Since Symantec uses a differentiation strategy, many of their customers are probably cost indifferent because of the superior service and products that Symantec supplies. The consumers associate needs with the organization: when a company needs information system software, they think of Symantec and no other suppliers. As long as Symantec maintains their uniqueness in the market, customers will have no choice but to continue with Symantec.

**Differentiation Strategy**

Symantec uses the differentiation strategy. Instead of focusing on producing your products for the least cost, differentiation focuses on making your product unique and different from others in the market (Aha!). The CEO of Symantec, Gordon Eubanks, was very passionate about acquiring the best products possible. Not only was Eubanks concerned with creating innovative products and standing out against the competitors, he was also concerned with ensuring that the new products they created clearly differed from products they had produced in the past. According to Aha!, “Creating a differentiated product which appeals to your target market can help to build your competitive advantage over other brands.” (Aha!)

**Stakeholders**

One of the stakeholders of Symantec is the employees. These people rely on Symantec for a job and income. Employees need Symantec to thrive in the market to make a living. The next stakeholder is Symantec executives. The executives in Symantec are primarily at corporate, and like the employees, they rely on Symantec to do well to make a living. The third stakeholder in Symantec is the shareholders. Shareholders invest money in Symantec and want Symantec to do well in the market to get the most out of their shares that they have. The fourth stakeholder in Symantec is the distributors. Symantec is a huge contender in the market, therefore Symantec may make up a large portion of sales in the distributors company. Therefore, distributors rely on Symantec for their own company to thrive in the market. Finally, the last stakeholder is the customers of Symantec. These can be the organizations that purchase their software, or the end-users who use the software in a day to day basis. These customers rely on Symantec and put trust into their products for their own businesses to succeed. If Symantec were to go under, these organizations would have a hard time switching products because this may require them to restructure parts of their organization and require end users to learn a new software and new way of doing things.

**Alternatives and Impact on Stakeholders**

The first alternative is to do nothing. If Symantec chooses to do nothing, communication and information flow problems will continue. Although the organization may still create innovative product ideas, this type of organization can only last so long. According to Goldratt, the goal of any organization is to make money. (Winter) As of now, Symantec is growing extremely fast, and making revenues of over 50 million. Without communication and information flows, the organization will spend more money on expenses for each product group and extra employees needed to get information across. Employees will continue to be frustrated with the lack of information. Competition will continue between product groups and may impact sales. Executives will still hear how employees dislike the current way the system operates. Executives will be happy that they can operate as normal, with product groups in their respective locations with no need to move employees to keep company culture the same. Shareholders will be happy for a bit because the company is still making money, which in turn means that they are making money. Once the company begins to lose money from operating this way, shareholders will become unhappy. Distributors will be similar to shareholders. Distributors will be happy Symantec is doing well because that means that they will also be doing well since they will make money for distributing their products. Customers will be frustrated if Symantec choses to do nothing because of the service that they receive from MIS.

The second alternative is to alter the organizational structure. Eubanks was adamant about not relocating employees when they acquired new products. He believed keeping organizations in their respective locations encouraged innovative ideas and would encourage the employees to stay in the company since they would not have to relocate. If Symantec were to change this way of thinking, they could centralize more processes. This may allow information to flow through the organization in a more efficient manner. This would make employees happier, because they would know more about what was going on within and outside the company. They would feel empowered to know how their products were doing and how other decisions were being made in the company. They may be able to communicate better and not to have to go through so many channels of communication to get a message across. Executives, especially Eubanks, would be unhappy with this decision. He would feel like the organization would lose its innovation and the culture would be the same throughout all locations. Shareholders would be happy if the company were still making money. Distributors would be happy because they would know more about the organization and new ideas for products that the distributors may get to distribute in the future. Customers and end-users would be happy with the transparency that the organization would have to offer. Customers may get their questions answered faster and receive better customer service. It may be easier as well for customers to give feedback on a product so the product line can make the necessary changes to create a better product for the next release.

The third alternative is to fix the issues within MIS. A huge issue that was mentioned in the case was MIS. MIS oversaw solving technical issues or system failures. There was no correct way to report an issue within MIS: customers could send in requests via email, phone, conversations in person, or written forms. Because of this inefficient system, many requests got pushed to the side and there was no easy way of prioritizing requests. If Symantec were to fix these issues, many of the communication issues would be solved, and systems would be down for less time so that way people could communicate without worry of issues. Employees and executives would be happy since they rely so heavily on phone and email. The fix of the issues could allow them to communicate more efficiently, with more reliant services. This still would not fix all communication errors, since the errors were deeper than just non-reliable email and phone services. Shareholders may be happy because revenues may increase because the company is running more efficiently. Distributors may also benefit if the company has an increase in sales because of the better communication. End-users and customers would not be affected primarily by this change. They may receive some benefits of more timely communication.

**Solution**

The correct solution is to alter the organizational structure of Symantec and implement a more structured MIS system. With these two changes, the organization would run much more smoothly, and this may fix almost all issues with communication and information flows. If MIS is running efficiently, this would allow others to accomplish their job in a better way because their methods of communicating work without issues. Changing the organizational structure would allow employees to feel empowered and more knowledgeable about their own company, which may spark innovation by seeing where things could still be improved upon. Although executives may not be happy at first, I think that they will see that the culture is better when communication and information flow can spread easily throughout the corporation, especially as growth continues at an exponential rate.

**Sources**

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