

Symantec Corporation Case Analysis

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Introduction

Symantec was first founded by Gary Hendrix in March of 1982 (Cash 192). Symantec then began to associate with the name Symantec Corporation after their merger with C&E Software in September of 1984 (Cash 193). As the two companies merged together, Gordon Eubanks, founder of C&E Software, became the president/CEO, and Gary Hendrix became the vice president of Symantec Corporation. In 1987, Symantec Corporation acquired three companies, two with origins in California, and the other in Massachusetts. Eubanks believed that the best course of action to settle in these new product groups was to keep these companies in their original location to prevent culture shock in employees if they were to move locations (Cash 192). In applying this, Eubanks replaced a few of the top managers in product groups but kept the overall infrastructure of each product group the same (Cash 193).

Symantec Corporation seems to have a divisional organizational structure, as the company is split up into different product groups and centralized functions. Symantec Corporation is split up into five different product groups, each of them controlling their own product development, marketing, quality assurance, support, and management (Cash 193). Other company functions such as sales and human resources were mostly taken care of by departments within the corporate headquarters (Cash 193).

The current problem that Symantec Corporation is facing is that their IT infrastructure was not implemented effectively. For a company that is experiencing rapid growth, their current system is not able to handle the amount of orders that are being processed. Their current IT infrastructure makes it hard for certain employees to communicate with one another, which is important because Symantec has product lines in several different geographical locations (Cash 193). Many employees complain that communication between departments is lacking, and some complain that there are simply too many forms of communication that they need to keep track of. With the current network system, emailing is unreliable as only some people receive

them, and some numbers are not able to be reached if they reside in a certain area code (Cash 202).

Mission

The mission of Symantec Corporation is to design, deliver, and support a diversified line of software to fit the needs to business users (Cash 192). The company aims to provide the best possible product for their customers, maintaining a competitive advantage over their rivals.

Porter's Five Forces Analysis

Threat of New Entrants: High

The threat for new entrants into the business software supplier market is relatively high, as business software products are all relatively similar, and are easily replicable. Since the threat of new entrants is high, this means competitive rivalry will play a major role in the success of the company

Threat of Substitute: High

The threat of substitutes for the products that Symantec Corporation supplies to their customers is high, as the software that they supply to their customers is not unique and can be replicated by any other company looking to join the business software market.

Bargaining Power of Suppliers: Low

The bargaining power of suppliers for Symantec Corporation is low because the company does not rely heavily on materials from suppliers to create their products, as their products are software, which is a digital product.

Bargaining Power of Customers: High

The bargaining power of customers is high as there are few buyers for business software, and many sellers. Customers have the bargaining power to switch to another provider if their product and costs don't align with what the customer is looking for. Their major competitors include companies like Lotus and Ashton-Tate (Cash 192).

Competitive Rivalry: High

The competitive rivalry for Symantec Corporation is high because there are many companies that are providing similar business software products. Product pricing will reflect on the pricing of their competitor product pricing. Since there is a low level of product differentiation between business software companies, the competition between their products is high (Porter 13).

Stakeholders

Gordon Eubanks, CEO:

Gordon Eubanks became the CEO of Symantec Corporation after the merger between C&E Software and Symantec. Eubanks determines the direction that the company takes.

Symantec Corporation Employees:

The employees are a major stakeholder in the company, as if the IT infrastructure and network structure change, the employees will be affected by it.

Symantec Corporation Customers:

The customers of Symantec Corporation include those businesses that are looking to purchase software to further improve their business. Symantec Corporation relies on customers buying their products to stay in the market.

Symantec Corporation Shareholders:

Symantec Corporation shareholders play a major factor in the future of Symantec Corporation, as they support the company's finances.

Alternatives

Do Nothing:

With this alternative, the company can choose to keep their current business infrastructure. Their current IT infrastructure will remain the same, in that they will keep the HP and POPS systems. These systems have shown to work well in the past, but as the company experiences rapid growth, this system is not able to keep up with the greater number of orders that they are being tasked with. With this alternative, the company will communicate in the same manner, which has shown to be a problem for them. Doing nothing in this situation can stunt the company's growth, as their current IT infrastructure has many problems.

Hire a New Head for the MIS Department:

In this alternative, the company can choose to keep their current business infrastructure, but instead of having to hire a whole new MIS department, the company can decide to hire a new MIS director. The MIS department handled all system failures and technological problems, but was deemed to be a waste of time, given the amount of time that it would take for the department to respond to requests (Cash 202). Eubanks believed that the current problems within the MIS department arose from the current leadership, and that in order to resolve the MIS problems, they need to hire a real leader (Cash 203). In finding new leadership, the company hopes that this will rid the MIS department of long response times, and will make communicating between employees and departments easier, as there will be less system failures and technological problems.

Implement a new IT system:

In this alternative, the company can choose to implement a completely new IT infrastructure system. Gary Hendrix believed that the lack of communication within the company was due to lack of planning for their current IT system. Their current system failures are due to the evolution of the current system without correct planning (Cash 203). As the company grew, their system was not able to keep up, which led to frequent system failures. In implementing an entirely new IT system, the company will scrap their current system, and will have to start from scratch. This alternative is the most expensive, as it requires an entire infrastructure change.

Effect of Alternatives on Stakeholders

Do Nothing:

If Symantec Corporation were to do nothing, Gordon Eubanks will have to figure out a way to optimize their current system to hopefully rid the company of their current problems. The employees will still face the problem of having a difficult time communicating with other employees and departments within the organization. Symantec Corporation customers will not be affected by this alternative, as it is currently how the system is working. Symantec Corporation shareholders will likely be affected by this alternative if the company begins to go on the decline and loses money.

Hire a New Head for the MIS Department:

If Symantec Corporation were to hire a new head for the MIS department, Gordon Eubanks will have to lay off the current MIS department head and will have to find one that will be a perfect fit for the company to succeed. If the new MIS department head fixes the problems with the current system, the employees will be able to rely on the MIS department for any technological issues and will not have to experience long waits on requests. Symantec Corporation customers will not likely be affected by this alternative. Symantec Corporation shareholders will likely be affected by this if it positively or negatively affects company profits.

Implement a new IT system:

If Symantec Corporation were to implement a new IT system, Gordon Eubanks would have to hire people to implement the new system and would likely have to fire some people that are not needed for the new system. The employees will likely be affected by this, as it will change the means of communication within the company. Some employees may be fired, and new employees may be hired on with the new system. Symantec Corporation customers will be affected by this if implementing a new IT system will reduce overall cost of products. Symantec Corporation shareholders will likely be affected by this if it positively or negatively affects company profits.

Best Alternative

The best alternative that Appex can choose is to hire a new head for the MIS department. With a new leader that is able to improve the overall responsiveness of the MIS department, there will be fewer system failures and technological problems within the company, improving overall communication between employees and departments. The company has shown that the major problem that it faces is communication, and this would be a quick fix to this issue. If Symantec Corporation were to do nothing and keep their current MIS system and IT infrastructure, the company will lack communication between departments, which may stunt potential company growth. If Symantec Corporation were to implement an entirely new IT system, it could be beneficial if they plan everything correctly, but it will be costly. If the company spends a ton of money on implementing a new IT system that does not turn out in the long run, they will be wasting capital that they could be investing into something else. Overall, hiring a new head for the MIS department is the best option, as it does not involve risk, and could be a quick fix for the lack of communication in the company.

Work Cited

Barker. *Management of Information Systems*. Burlington Northern Case. 2019.

Porter, Michael. *Porter's Five Forces*. 2013.