Symantec

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William Brown

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# Introduction

Symantec was founded in March 1982 by Gary Hendrix, who at the time was an artificial intelligence and language processing expert. In September of 1984, Symantec merged with a company named C&E software. In 1987, Symantec acquired three other companies: Breakthrough Software of Novato, California; Living Videotext or Mountain View, California; and Think Technologies of Bedford, Massachusetts. Once acquired by Symantec, the acquired companies were transformed into product groups and remained in their original locations.

After the acquisition, CEO Gordon Eubanks sent executive staff to the new product groups to facilitate the transition and assess the management performance. Even though some higher management was let go, the development technical support and marketing infrastructure stayed very much the same.

# Summary

Symantec is an IT company and was organized into product groups upon acquisitions and had main centralized functions for the company as a whole. There were five product groups included within Symantec including database management, utilities, project management, outlining and presentation, and language products. Each of these groups controlled their own product development, marketing, quality assurance, support, and management. Broad functions such as HR and financials were handled by centralized departments at the corporate headquarters. Some functions were centralized organizationally but not at the main headquarters like purchasing and manufacturing was in Santa Clara, California and training was in Novato, California. Despite the openness of communication channels, employees began to express frustration that information was not being shared by certain groups and some groups didn’t communicate with each other hardly at all.

Symantec adheres to differentiation strategy, and continuously grows their company offering various software products for security, storage, or backup functions. They started off “aimed as a product or service that is perceived throughout the industry as unique.”(Tanwar) This is true but with the growing market the barriers to entry are low and the threat of substitutes is high and other businesses attempt to penetrate the market.

They also follow an acquisition business strategy (Suttle). This is shown by their ability and past of buying up smaller companies to maintain competitive advantage in the market. Due to the nature of the company, they also are recognized as a divisional organization. This is shown by each new acquisition remaining its own independent facility with its own management and policies while retaining central management. This affects organizational culture, allowing each facility to create their own culture due to individuality instead of adopting the culture of the corporate company. “Culture is self-organizing and always evolving” (Morgan).

# Problem

One of the main issues within Symantec is the flow of information. Within the organization, information can flow across all boundaries with no real path. The lack of IT planning lead to inadequate communication across departments and has begun to cripple to company. Eubanks stated that “A methodology for getting information to flow among different departments was never set up at Symantec.” While the company experienced substantial growth, the technology team and communication flow was inconsistent with the needs of the entire organization as a whole.

# Porter’s Five Forces

1. Competitive Rivalry: Growing/High
   * Many other companies in the market offer the same type of products that Symantec provides, and many more are beginning to enter the market.
2. Threat of New Entrants: High
   * Symantec is a software company that provides application and system software that is replicable with the correct resources of a different firm. Symantec has tried to absorb many of their competitors but the market is saturated with IT companies who can do the same as Symantec.
3. Threat of Substitutes: High
   * There are many different products in the market that do similar functions as to what Symantec offers.
4. Bargaining Power of Buyers: High
   * Symantec bases their product on the market price and also has competition in the market. As consumers play companies against each other to force down prices, Symantec must follow the market to stay competitive.
5. Bargaining Power of Suppliers: Low
   * Symantec is a software company and so does not require any materials to be supplied to them.

# Critical Stakeholders

1. Gordon Eubanks
   * As the CEO of Symantec, it is critical for him that the company does well and succeeds.
2. Symantec Management
   * Managers include upper and lower management. Many of the managers came from the smaller acquired startups and did not have any formal training. Management will be essential to implementing a new communication flow through the organization.
3. Symantec Employees
   * Consist of product group managers, marketing managers, sales reps, sales managers, customer service representatives. These individuals all have a large stake in changing the communications flow by allowing them to have a process for which to learn and dispense information,
4. Symantec Stockholders
   * Individuals/groups that have invested into the company. Stockholders have the right to receive a return of their investment.
5. Symantec Customers
   * Consist of distributors, retailers, and end-users.

# Available Options

1. Do Nothing
   * This strategy involves remaining in the same MIS system already in place within the organization and not updating any type of communication tool. This option would allow Symantec to continue in its current state but eventually will inhibit growth and begin to erode the company down.
2. Invest into a new Communication system
   * This system involves creating a new IT system that would allow for better communication which has been a weakness of Symantec as they’ve continued to grow. “An IT architecture can support tight coordination by specifying how issues of systems compatibility, interconnection, and integration will be accomplished” (Cash). Instead of patching MIS, this option would allow for a long-term plan to be created and for an entirely new IT communication system to be implemented. This plan would be the most expensive due to the purchase of an entirely new system and the implementation of that system.
3. Hire a new MIS director
   * CEO Eubanks supported this strategy and this is based on finding a way to work with and continue using the current system while working to solve the company’s communication problems.
4. Update the current corporate strategy
   * Entails institutionalizing a unified corporate philosophy that emphasizes communication and establishing a policy where managers are expected to communicate the new policy to all employees. This would allow Symantec to continue using the current MIS system while updating their communication policies to meet the requirements of their growing communication needs for their organization.

# Recommendation

I would recommend that Symantec update their corporate strategy to promote more communication. This strategy would be cheaper than other options and would allow Symantec to create a companywide policy for promoting communication channels between teams and divisions. This strategy allows the employee to learn how to use the new system as it continues to grow and be developed. “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). This strategy allows Symantec to react to their specific needs as a company rather than investing in more employees or systems to fix their problems.

# Works Cited

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