OCTOBER 5, 2019

CASE ANALYSIS 4.2

SYMANTEC CORPORATION

WOODWORTH, KELLY EASH
CIS 410-50 MANAGEMENT OF INFORMATION SYSTEMS
University of Louisville, Fall 2019

Overview

Symantec was founded in 1982 and achieved meteoric growth in its first decade. The company expanded from 30 employees to 316, achieved revenues of $50 million, acquired a number of other companies, and added nine new products to its repertoire by 1987. In just a few short years, Symantec was competing among the top technology firms. Because of the rapid rate of growth, the company began to experience several issues including communication breakdown that stemmed from the company's architecture not evolving at the same rate.

The Problem

Symantec was a software company that produced and supported products designed to improve productivity, information management, and software development. Acquiring other companies caused the leadership to be dispersed, further compounding the issues with communication within the company. A project manager at Symantec is noted to have remarked that a pathway for the flow of information across the company was never established, which had the potential to topple the business even though it was otherwise performing extraordinarily [Gladstone].

The problems facing the company range from issues communicating between departments, a lack of understanding of the chain of command, a lacking evaluation system, email and phone connectivity issues, and an inability to come to a consensus on identifying problems and their solutions. With operations distributed in several locations around California and as far away as Massachusetts, it is imperative that managers cease pointing fingers to other departments when problems arise, and focus on a solution that adds structure and accountability.

If the company continues to expand as it has, the issues with communication will persist and continue to impose significant strain on the organization. Symantec must evaluate itself in its current environment and establish a control system that allows employees to understand the architecture of the organization. Doing so will solve the issues arising with communication and help keep the company from running itself into the ground following such rapid expansion.

The Solution

Symantec must reorganize and establish a structure for the company that allows it to continue to thrive, which will in turn solve its communication issues. The company must move away from its "do it now, fix it later" mentality, and understand that the stress of not having an established organizational structure could destroy all of the success they have enjoyed. Managers must understand that as the company continues to expand, departments will change dramatically and the goals and objectives should also change accordingly. It would do Symantec a lot of good to take a second to evaluate its current situation, and implement a solution, rather than continuing to work as it has, just finding stop-gap solutions as problems arise.

Industry/Competitive Analysis

Symantec Corporation

Symantec has experienced impressive growth in its first few years of operation, and has proven itself to be real competition against other companies in the information technology industry.

Threat of New Entrants

The threat of new entrants to the software industry is medium. As technology becomes more pervasive and the needs of customers expand and become more complex, more competition will enter the market. It may take a lot of effort for a new company to enjoy enough success to effectively compete with companies like Symantec, Lotus, and Ashton-Tate, but we can use Symantec as a model for how a small firm can become exponentially more successful in a relatively short amount of time.

Bargaining Power of Buyers

The power customers in the software industry is medium. Companies must first produce competitive products to attract customers, and continue to support the products in order to keep customers. The hurdle of keeping the customers is markedly lower than the hurdle of gaining the initial customer purchase because of the cost of switching.

Bargaining Power of Suppliers

Bargaining power of suppliers in the software industry is low, as the company does not consume raw materials in order to produce its product. The suppliers in this instance could be considered the engineers and knowledge workers that develop the products that Symantec produces. The company has an interest in attracting talent that can continue to help Symantec be successful in developing popular and useful products, and if Symantec does not continue to be a successful company, it will have difficulty attracting and maintaining its talent pool.

Threat of Substitutes

Threat of substitutes in the software industry is medium. It would take a new company quite a

bit of talent and resources to develop a repertoire of software that can compete with

Symantec's products, but as more people enter the information technology industry, the

possibilities of a small company becoming competition on the level of Symantec rises. If

Symantec fails to support its current products and the customers that use them, the threat of

substitutes rises substantially.

Competitive Rivalry

Symantec's threat of competitive rivalry is medium. Although they are a relatively new entrant

to the industry, they have proven to be able to compete with larger and established technology

companies such as Lotus and Ashton-Tate.

Stakeholders

Symantec Corporation

Symantec, its stockholders, and its management have a huge stake in the success of the

company. If the company continues to be dysfunctional, it will affect its product, which will

cause customers to abandon their products in search for a company that offers better and

more effective support. Because of the fast growth of the company, there is a lot to lose in

failure, but so much more to gain if the company continues to enjoy success. Success in finding

a solution that helps Symantec continue to grow would mean they are better able to compete with other companies, and can control a larger part of the information technology market, making it more difficult for other companies to be competitive threats.

Employees

Employees of Symantec would be hugely impacted if the company were to fail. Because the number of employees has expanded so rapidly, the stakeholders here are growing exponentially. The failure of the company would result in lost wages of employees, and so employees must understand their interest in finding a solution, continuing to train and learn about the company and their own career evolution, and setting goals that will see their continued success. The company has established an incentive program that should motivate employees to adopt solutions proposed by management.

Consumers

Customers of Symantec products have a stake in the success of the business, as they rely on the company to develop and support the systems they use. The stakes here are less high than for the corporation itself and its employees, but customers may experience high switching fees if forced to abandon the technology they rely on from Symantec.

Potential Solutions

Do Nothing

Symantec could continue to operate as it does – with a dispersed workforce divided between product groups and functions. The company already has an established system and infrastructure that has allowed it to sustain the amount of growth it has experienced, and perhaps there is some merit in not making so many changes that it changes the very nature of the company.

Centralize Employees in one Headquarters Location

Though CEO Gordon Eubanks was steadfast in his decision not to relocate workers of the acquired companies in order to maintain normalcy for workers, it could be argued that having such a dispersed workforce has greatly contributed to the breakdown of communication across the company. Though his thinking in not centralizing the workforce was that they wanted to continue developing and delivering quality products, which included maintaining the systems and environments in which they were developed, it should be considered that the company would be able to maintain the same level of productivity even though the workforce may experience a shift when the change takes place. The risk of losing some of the workforce that may be unwilling to move to a more centralized headquarters could be a gain for the company, as they would be able to continue recruiting a stellar workforce. The company is experiencing growth regardless, so hiring on new workers to replace any lost may not have that big of a financial impact on the company. New workers will better be able to acclimate the company to a new organizational structure that would facilitate better communication.

Change Organizational Structure

Because Symantec is distributed amongst a wide geographical area, with some departments clustered together, I would recommend that the organization continue to modify their matrix structure that would interweave location leadership as well as departmental and product leadership. The management by objectives approach is a good start in helping departments and individual employees identify objectives for continued growth and success, but the evaluation system definitely needs to be updated so that objectives are specially defined for each department.

The changes made must be made with confidence, or else the employees will not have faith that the changes are serious. There must be a re-evaluation of the hierarchy of managers within the different product and functional divisions, with clear definitions on who is in a decision-making role, which manager employees are to answer to, and where input should be directed. There should be no ambiguity between what is a policy and what is an opinion. Managers and employees should be trained on set policies, and continued education about how to effectively perform their jobs should be completed on a regular basis [Gladstone].

Problems such as the issues with MIS should be addressed by firmly establishing policies and procedures that managers should ensure are followed. If employees feel there are too many avenues to communicate through, there should be a paring down of the systems used, and managers should clearly communicate to employees the preferred methods of communication for each type of issue. If these problems are addressed, employees can focus on moving forward with objectives rather than putting out fires as they arise.

Employ Technology to Facilitate Communication

Technology can be used by companies today to facilitate telecommuting, enabling employees that are geographically dispersed to work better together. Symantec can take advantage of collaboration tools on the market such as Microsoft Teams in order to better communicate between departments and divisions. Because there has been some argument about the best email client to use, and there have been ongoing phone issues, Symantec should re-evaluate its technology and hardware needs. The email client should not be decided by anyone that might have a conflicting interest in the adopted service, rather there should be a committee that works with the Chief Technology Officer to evaluate the best solution amongst a handful of options. The company should work with their local phone providers to find a solution to their connectivity issues. There should be rules and procedures established about the best lines of communication.

Selected Option: Employ New Technology & Reorganize Structure

I believe that the company must first evaluate its environment and agree to restructure in order to establish a clear line of accountability and communication. Symantec should use its status as a well-respected information technology company as motivation to use technology to continue solving its internal problems.

If Symantec identifies a representative from each department that can come together and decide the best structure to use, they can establish a chain of command, more appropriate evaluation standards, and do it in a way that encourages employees to embrace change. Symantec can employ the ideas of Leavitt's Diamond to best ensure they make changes that will be successfully implemented and continued by employees. There should be plenty of training and information sessions to ensure it is clear what everyone's responsibilities are, who they report to, how they are evaluated, and for setting goals [Thakur].

Rejected: Do Nothing

Staying the course could be disastrous for the company. If the leadership of Symantec choose to make no changes, the problems with communication and structure will surely destroy the company. A business with such promise would be foolish to not assess the situation and make changes accordingly. A company must evolve with its environment, and when a business grows as rapidly as Symantec has grown, the environment in which they operate also changes dramatically [Morgan]. The company must be agile and respond to its environment, or it will perish.

Rejected: Centralize

I believe that Eubanks is correct that centralizing the workforce into one headquartered location will not solve the issues facing Symantec. If the workforce already employed by Symantec and its acquired child companies are what have made its products successful so far, it would be wise to reward those employees by not adding the stress of choosing between

uprooting their lives or losing their jobs. Technology available to companies today allow for

great communication channels, and Symantec would be wise to invest in some that could help

lift the burden of miscommunication.

Resources

Cash, James I. *Building the Information Age Organization: Structure, Control, and Information Technologies*. CIS 410 Course pack; Dr. Robert Barker. Print.

Fried, Louis. *Managing Information Technology in Turbulent Times*. CIS 410 Course pack; Dr. Robert Barker. Print.

Gladstone, Julie A. and Professor Nitin Nohria. Case 4.2: Symantec. Harvard Business School case 491-010. 1990 (Revised 1991). Management of Information Systems, CIS 410 Course pack. Dr. Robert Barker.

Goldratt, Eliyahu M., and Jeff Cox. *The Goal*. North River Press Publishing Corporation. 1984. Print.

Morgan, Gareth. *Images of Organization*. Sage publications, 1997. Print.

Porter, Michael. "Porter's Five Forces".

Thakur, Sidharth. "Leavitt's Diamond: An Interactive Approach to Change." *Bright Hub PM*, 18 Nov. 2018, www.brighthubpm.com/change-management/122495-a-look-at-the-components-of-leavitts-diamond/