

Symantec's erp turmoil report

[Business](#)



The Symantec Corporation specializes in security and information management. However, in 2005 Symantec acquired Veritas Software a company that specialized in storage management.

This sparked Symantec to turn towards standardization and unification of both Veritas and Symantec systems through ERP rollouts entitled Project Oasis. What made Symantec an effective business were the communication and information systems they invoke when selling their products. In this, Symantec uses a broad differentiation strategy as well as during the Project Nero Symantec reacted by implementing a decision-making model and the CRM to assist with the drop in customer loyalty. The issues faced by Symantec's ERP system overhaul can be deduced by three main elements, Management: the merging of two largely customized Oracle E-Business Suite 11d systems. Organizational: The businesses lack of preparation at the operational level for the influx of confused customer calls and the Technological: The information overload on Symantec's website and the change to the SKU system. The collection of these issues can be said to have caused the breakdown of Project Oasis.

The response to the breakdown of Project Oasis with the quick development of Project Nero can be said to be adequate in that the company had implemented strategies to rebuild customer loyalty, travelling to partnered businesses to rebuild bonds and informing customers of future updates that will take place on the system during Project Nero. This enabled Symantec to increase customer satisfaction in the long run. Overall there was no correct way to implement a successful ERP rollout as it came with many issues along the way. However, Symantec could have prepared in two main areas:

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education and preparation of staff and research into the integration of two customized ERP systems. This should have stopped the higher than usual defection rate of customers.

In analysing the customers and partners of Symantec it can be said that the relationship and past experiences will need to be taken into account. It has also been confirmed that customers with no attachments are likely to switch to a different brand. Therefore reestablishment of the brand will need to take place once the problem is solved. Symantec needs to implement control measures that can monitor the entire process, from feed forward, concurrent and feedback controls to help prevent any future problems occurring.

Therefore, this case will discuss the overall integration issues of Symantec and Veritas ERP systems in Project Nero and the future plans and recommendations for the success of Project Nero. Introduction This case study will analyse the issues faced by the Symantec Corporation in 2005 when the company acquired Veritas Software and began Project Oasis, the merging of both Symantec and Veritas customized Enterprise Resource Planning (ERP) systems.

Firstly, the case study will analyse the communication and information systems concepts within the structure of Project Oasis. These structures will involve the analysis of the differentiation strategy against the competitors and the development of Symantec's Customer Relationship Management (CRM) to fix the issues related to the integration of Symantec and Veritas. This will then lead into the discussion of the overhauling of the two ERP systems and the difficulties in this integration due to the management, organisational and technological differences between the two companies.

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The case study will then lead into the quick development of Project Nero, a strategy that became an adequate solution to the issues relating to the lack of planning between the two businesses upon unification of both Symantec and Veritas ERP systems. This will then allow the discussion of what Symantec and Veritas should have done differently, in that the planning and organisation of their operational level staff that may have lessened the defection of customer loyalty during Project Oasis.

Finally, the analysis of Symantec's customers and partners will be discussed and how Symantec may maintain and correct customer loyalty. Therefore the analysis of these key areas will allow for a proper recommendation to be discussed on what will be the best development for the business if faced with an integration of two customized ERP systems in the future. Communication and information systems concepts. What communication and information systems concepts are illustrated in this case? Symantec uses the components of people, hardware, software, data and telecommunications networks throughout their company and products. According to their website (Symantec 2013), e-commerce is available for consumers to purchase products online through their site.

These components indicate a number of inputs (package delivery information), processing (data transmitted to central computers) and outputs (package recipient) that are used. Symantec uses the broad differentiation strategy in that they are attempting to offer better products and services to a broad consumer market in the hopes that they will prefer their products to other competitors such as Avira, Comodo and McAfee in the antivirus industry. From the problems that arose after the merge with Veritas, <https://assignbuster.com/symantecs-erp-turmoil-report/>

Symantec developed decisions and strategies process to help with the growing issues. (Robbins 2011, p. 60) defines the decision-making process as a set of steps that range from identifying the problem, choosing an appropriate solution and evaluating how effective it is.

In this situation, the identification of the problem was clearly evident from the large number of customers calling up to complain about the information package given to them, along with number unexpected changes to the system. The company then had to organise a suitable solution to control the number of situations that had went wrong. Symantec wanted to implement a strategy to prove that the company had their customers at the top of their priority list. In regards to the increasing numbers of unsatisfied customers, the concept of customer relationship management (CRM) is used by Symantec as part of their implementation strategy to help fix the problem. Wang and Feng (2012) define CRM as an organisational process that primarily focuses on establishing, maintaining and keeping relationships with present and future customers.

This led to Symantec to using a management tool that allowed them to measure, increase and develop customer loyalty. In addition, the strategy to add new customer service representatives managed to drastically reduce waiting times during calls. After these various implementations, the company would then go on to evaluate how well they recovered from the various damages caused by using the data received to shape it into meaningful information that would ensure they would not make any future mistakes. ? Difficulties in overhauling its ERP systems. What management, organization, and technology factors were responsible for Symantec's <https://assignbuster.com/symantecs-erp-turmoil-report/>

difficulties in overhauling its ERP systems? Enterprise Resource Planning system (ERP) defined by Folinas and Daniel (2012) integrates the entire system of an organisation into a computerised structure and is designed to automate the flow of material, information and financial resources across all functions of an organisation.

In the case study, Symantec decided to standardise and unify its own information system with the company Veritas in order to reduce the costs of maintaining the IT infrastructure and licensing fees of both parties. However, as both companies were already using custom ERP systems, which were extremely unique to their own particular organisation, the merging of the two systems soon became problematic. A wide range of problems dealing with management, organisation and technology factors contributed to the difficulties of overhauling of the ERP systems, which were:

Management:

- Did not foresee the problems nor develop an action plan for resolving the problems after the merging of the two systems,
- Improper implementation of Project Oasis, The planning method of merging the two systems (Oracle's E-Business Suite 11d) was not researched in detail,

Organisation:

- Workers were unprepared to handle the huge amount of customers calling to complain about their problems,
- Not being able to provide a solution for customers with their troubleshooting,
- Customer service was not adequate resulting in unsatisfied customers,
- Slow response times when working with channel partners i. e. Ingram Micro,

Technology:

- Too much information provided on the website, customers became confused with the steps of purchasing products,
- ERP system could not process different products within other areas of the organisation,
- Stock-keeping unit changes created

unhappy customers due to electronic purchasing issues, ·The new software licensing program could not process orders fast enough leaving customers waiting for weeks, Thomas, Babb and Spillan (2012). Explains that companies generally failed to implement successful ERP systems because there was no correlation between the technological requirements of the ERP system and business needs of the organisation.

In effect, the Symantec and Veritas situation the technological factors and business needs of both organisations did not address the real problem areas of the ERP system installation, hence why there were so many issues. Symantec's response to the problem. Was Symantec's response to the problem adequate? Explain your reasoning. Consider the communication and business processes within the organisation in your discussion. After the ERP rollouts, Project Oasis, had left many of their C2B and B2B customers confused and struggling to handle the emergence of E-Business Suite 11i.

Symantec quickly enforced Project Nero, a Customer Relationship Management (CRM) strategy that enabled them to overcome the lack of planning and short-sightedness that lead Symantec to lose customer loyalty due to overall customer confusion. Valacich, Dwyer and Bovee (2011). The business and communication process of Project Nero strategized to rebuild Symantec's customer loyalty from the development of the organisational decision- making levels giving the company more effective and efficient responses to the unfortunate customer loyalty drop after the implementation of Project Oasis (Bititci et al. 2011). Symantec reported lower than expected earnings in the 2007 third quarter.

To improve this, Symantec added over 150 new customer representatives to assist in the influx of customer enquiries. This also enabled the reduction to wait times and increased customer satisfaction. Further to this, Symantec's executives began to travel to rebuild Symantec's reputation amongst their customers and partners around the country. During Project Oasis, it stated that Symantec had released all of the product updates all at once causing many of Symantec's customers and business partners to become angered and confused. In the implementation of Project Nero, Symantec combated this by the release of the master list, which identified to customers and partners when the release of products would be available. To further this communication, Symantec had unified and standardized the communication to the staff between the departments that enabled the staff to be updated in new projects and management changes.

Building foundations with communication is said to be a key reliance for ERP systems (Madinios, Chatzoudes ; Tsairidis 2012). What allowed this restructuring to take place was the development of Net Promoter, which measures and increases customer loyalty. It can be said that this allowed Symantec to adequately respond to the problems that developed during the rollout of Project Oasis and in turn helped to build Symantec's customer satisfaction levels through identifying customers' issues with the ERP rollout. Therefore, Project Nero allowed for the adequate response to issues faced in the wake of Project Oasis's implementation. Preventing implementation problems.

What would you have done differently to prevent the implementation problems that arose at Symantec? Symantec is specialized in security and <https://assignbuster.com/symantecs-erp-turmoil-report/>

information management software. On the contrary, Veritas is specialized in storage management software. Therefore, Symantec intended to unify the Symantec and Veritas information systems together in order to create a single enterprise resource planning system as 'Project Oasis'. Enterprise Resource Planning (ERP) is an information system for enterprise integration. The function of this system is to consolidate and integrate the information and business processes of the organization (Sarkis ; Gunasekaran 2003, p. 32).

Nevertheless, the new system led to many problems such as lack of information to guide the users to use the new structure, it was difficult to integrate and neglected to coordinate the development of the new enterprise resource planning system with other products in the company. Due to the fact that, there is no specific factors that can lead to a successful implementation of an ERP system Davenport (2000) indicates that rational approach to organizational change will help to result in a successful implementation. This rational approach has two parts, which is preparing the people and preparing the technical system. Therefore, the solutions to avoid the implementation problem that arose at Symantec are based on this approach. On the one hand, the company should communicate, educate and inform the employees, customers and distributors before launch the new system or upcoming change in order to prevent those employees, customers and distributors are not familiar with the new things. Moreover, Symantec can train some employees that are responsible for the problem solving, technical aspects and support the future users.

As a result, it can avoid customers and employees having a negative reaction of the system, reducing the demand for customer support and increase the customer satisfaction. Additionally, Symantec should also be concerned about the technical system aspects in order to prevent the implementation problems. According to Abdinnour-Helm, Lengnick-Hall and Lengnick-Hall (2003, p. 60) indicated that to follow the steps of technical system preparation can effectively prevent the problems caused by the technical. The steps are configuration, interface development, data standardization, conversion, and testing and performance management.

Therefore, it suggested do not change the systems all in one time, it should be a step-by-step approach which could potentially prevent some of the massive problems and too much change occurring all at once for the customers to handle; although the implementation in a longer period would be more expensive and time consuming. In addition, Symantec should make sure the systems were coordinate between the new structure and the other products from different division within the company, therefore decreasing the number of problems that they will face. Partners and customers of Symantec. If you were a partner or customer of Symantec, would you have switched vendors in response to the ERP overhaul issues? Why or why not? Defection from Symantec would vary dependent of the relationship held with them. Many of Symantec products are purchased through long-term licenses, or the products are intrinsically linked with other products within the organisation hence the organisation becomes reliant upon Symantec for upgrades and maintaining installations.

In this environment the factors influencing the likely hood of defection are complex and the consumer would be less likely to defect if they perceived the cost of switching was too high in comparison of the potential time constraint of the issue being fixed (Capraro, Broniarczyk ; Srivastava 2003). Whereas a single user, who does not have the high involvement or dependency to the products, may well defect if their knowledge of alternatives and the related convenience of competitor goods is greater than the cost of defection (Bogomolova 2008, pp. 3-4). Providers often will have similar investments as a business consumer, and would need to way up the cost of switching, what alternatives are available and wether their own customers are still requesting to purchase the product. Past experience with Symantec would have a significant impact on consumer perception and likelihood of future behaviour(Bogomolova 2008, p.), therefore if the partner or customer in the past has had continual good service and productivity with this product, they may also be less likely to defect and wait to see if they are able to fix the situation quickly.

The main concern Symantec will need to consider is acquisition of new customers and providers who have neither financial investment, nor past-experience with the company. In this environment, there is a high risk there may be little or no new acquisition until the problem is resolved and they are able to re-establish their brand position within the market. Conclusion Besides the inaccuracy in the assessing and planning of the merger between the two ERP systems, Symantec did manage the fallout of this oversight well by the quick response of employing additional support in the call centres and the releasing of the master list, which identified to customers and partners

when the release of products would be available. It was also set upon by Symantec to unify and standardize the communication to the staff as well as sending managers around to see their partnered businesses personally to repair damaged relationships. There is no perfect way to implement a successful ERP rollout as it comes with many issues along the way. However, Symantec should have researched and prepared in much more detail the integration of two customized ERP systems.

This would not only be in the technical environment of making sure they understood where the two systems varied and the potential corruption in data, but also in the user acceptance testing. This would mean running simulations of how the consumer would use the system and making sure it worked the way it was intended. If the research had been done they would have been able to equip their internal staff and partnered businesses with plans and skills to manage the training of consumers of the changes to the system. Overall Symantec could have avoided many issues and the potential loss of new acquisitions of consumers and partnered businesses had they conducted detailed R; D of both ERPs and the impact to their consumers.

Recommendations Moving forward from this position Symantec should consider some important changes within their current processes. Ultimately Symantec needs to implement some control measures that can monitor the entire process, from feed forward controls, to help prevent problems occurring, with also concurrent controls which would monitor work activity whilst it is in progress, thus enabling you to correct them sooner and potentially minimising poor quality and lose of consumers, finally finishing

with feedback that enables Symantec to review the process and improve any area's that may have slipped through the cracks.

For example before any further mergers of software there should be assessments done on a technical level of how the merging software's communicate with each other and any other program that may be dependant or interdependent to the system. There should be a correlation between the technological requirements of the ERP system and business needs of the organisation, Devote more time in the planning stage and identify potential issues. There should be a clear process from planning to implementation with the consideration of the time consumers and partnered business may need to cope with the change. For example many large rollouts may need to be considered to have interim rollouts over a period of months so the change is not so sudden and traumatic. Constant communication with their B2B and B2C consumers is needed, advising them and training of when and how the rollouts will occur, and also feedback to how the consumer is using the system.

By implementing these practices Symantec potentially would minimise future issues with integration of new technologies within their organisation and loss of customers.