Mcafee Associates Essay, Research Paper

McAfee Associates is a manufacture of anti-virus, network security, and management software located in Santa Clara, California. McAfee was founded in 1989 by John McAfee, who was a computer programmer for General Electric and for Lockhead.(Pitta, 1994) Bill Larson joined McAfee in 1993 as chief executive officer and President. McAfee is a fast growing company with approximately $90 million in annual revenue.(Carlton, 1996) McAfee’s method of distribution has lead to their success. McAfee lets businesses download the software and if they decide to keep it, the customer pays a licensing and registration fee.(Carvel, 1996) McAfee Associates specialize in producing products that prevent viruses on the Internet from destroying your computer software and files. More than half of McAfee’s revenue comes from Internet related products.(Marcial, 1996) McAfee commands 67% market share in anti-virus software.(McAfee Network, 1994) Two of McAfee’s best selling software packages are VirusScan which protects your computer from viruses and Netshield which helps monitor security in local area networks (LANS).(Pitta, 1994) Both programs are shareware and can be found on Prodigy, America Online, CompuServe, or the World Wide Web. All McAfee products and upgrades are downloaded in fully functional form. McAfee software is never distributed with time bombs or with encryption. Every month approximately 100,000 people download software from McAfee and about 20% will eventually pay for it.(Pitta, 1994) Customers or thieves have 2 months to pay for it and register with McAfee. Once a customer is registered, the fee of $100 entitles them to future upgrades and technical support. McAfee collects the latest virus specimens that are sent in by customers around the world. McAfee researchers find a cure and offer monthly updates for their products. McAfee Virus Researchers will kill 98% to 99% of the viruses they receive.(McAfee Network, 1994) VirusScan is used to clean personal computers of viruses found from using contaminated floppy disks and from using the Internet. McAfee’s Technical Support Department has composed a list of the most common viruses. 1. Concept 2. Antiexe 3. Monkey B 4. Wazzu.A 5. NYB 6. MDMA 7. Stealth C 8. Anticmos 9. Form.A 10. Junkie (McAfee Virus Info, 1996) One of McAfee’s most common virus is Concept, which was discovered in the United States in 1995 and attaches to Microsoft Word documents. Concept is spread through e-mail packages which allow it to spread quickly. It is prevalent among business offices and corporations. Concept doesn’t destroy documents but creates a change with the “Save As” function and it won’t let the user choose a drive or save a document.(McAfee Concept, 1996) Other indications of Concept infection is the “Templates” tool button which will be grayed and it will cause the document to act as a template file. Once infected by Concept this Macro virus will copy itself to other documents, delete files and create many problems within the system.(McAfee Concept, 1996) Scanning with VirusScan will clean the Concept virus. Antiexe is another virus that overwrites the Master Boot Record of the computers hard drive.(McAfee Antiexe, 1996) Antiexe was discovered in the beginning of 1995 in Russia. Detection of Antiexe is sometimes difficult because the virus hides from anti-virus software by displaying an uninfected sector. Antiexe is spread by booting the computer with an infected floppy disks. Once the computer displays the “non-system disk” message, the infection has already been completed. With each additional boot of the computer the virus will continue to infect each floppy disks that is used in the computer. Again VirusScan will clean the computer of this virus. McAfee’s virus researchers discover the first Macro virus capable of infecting Microsoft Excel spreadsheets on July 24, 1996.(McAfee Issues, 1996) This virus that appeared in two different corporations in Alaska and Africa is called Laroux. Laroux rapidly infects spreadsheets but doesn’t appear to damage the data. Microsoft Excel is only affected by Laroux, Macintoshes appear not to be. To determine if a computer is infected, simply choose the Tools/Macro option, and if the names “auto\_open” and “check\_files” appear, the computer is infected.(McAfee Issues, 1996) Similar to most viruses, it is spread through floppy disks and files exchanged via the Internet. Researchers from McAfee worked through the night to find a cure for the Laroux virus. Available now on the Internet, is a free working evaluation of the Laroux virus detector, offered as a public service. Also available is a Web page containing information and discussion groups about the Laroux virus. McAfee not only manufacturers software for detecting and cleaning viruses, but also for Network Management Systems. McAfee’s consultants will design a network system that is customized to the organization. McAfee will install a network that will allow the organization to choose products and services that work with the overall technology and design scheme already implemented.(McAfee Service, 1996) McAfee will help companies that struggle with the installation, transition, and learning curve of Microsoft’s Windows 95. Surveys of Industries show that transition to Windows 95 takes approximately one to three years for organizations.(McAfee Service, 1996) McAfee will provide extensive on-site training services for all McAfee products for the organization. McAfee has helped many popular organizations succeed with their technology. American Medical Association, Calvin Klein, and Michelin Tire, are only a few companies McAfee has serviced.

McAfee also launched the software program, Secure-1, which provides security for network managers that will offer anti-virus and encryption integration.(Walsh, 1996) Secure-1 will support a Windows and Unix environment. Secure-1 provides NetCrypto which is transparent encryption of data, applications, and e-mail. With Secure-1, files are self-extracted which means they can be sent to people who are not equipped with Secure-1. McAfee employs approximately 500 employees. In 1995 McAfee produced a revenue of $90,00000 at a 45% operating margin.(McAfee Associates, 1996) McAfee’s has strategic relationships with companies such as IBM, Compaq, Hewlett Packard, Novell and Microsoft. Some of McAfee’s customers are Chase Manhattan Bank, Ford Motor Company, Texaco, Mobil Oil, and Motorola. In fact, 80% of the Fortune 100 companies use McAfee software.(McAfee Associates, 1996) Computers here at SUNY Brockport have McAfee’s VirusScan installed at Dailey Computing Lab. Individual Investor Magazine awarded McAfee with the “INDI” on January 19, 1996. The “INDI” award is given to select companies that demonstrate 100+% returns in their stock value. In 1995 McAfee had stock returns of 417%.(McAfee Individual, 1996) Editor of Individual Investor Magazine, Jonathan Steinberg was quoted, “We’re very pleased that we had the foresight to select McAfee for two years in a row as a hot growth stock.”(McAfee Individual, 1996) McAfee is a company with good financial returns and it is being recognized by other companies. On March 6, 1996, McAfee announced the acquisition of Vycor Corporation of College Park, MD. Vycor is a vendor of client/server help desk solutions. McAfee attained Vycor for $9,000,000 in cash.(McAfee Vycor, 1996) With the acquisition of Vycor, McAfee will retain many of the Vycor employees, including management. McAfee announced the appointment of Ginna Gemmell to its Board of Directors on September 16, 1996. Gemmell founded and was President of the consulting firm, Glidepath Inc. Gemmell has over 23 years of consulting experience and strategic marketing. With the announcement of Gemmell, McAfee also approved a 3 for 2 stock split in the form of 50% stock dividend which will be distributed to stockholders.(McAfee Announces, 1996) Cheyenne Software Inc. based in Roslyn, NY is a major competitor of McAfee. Cheyenne is a maker of data-storage management software. In April of 1996, Cheyenne rejected McAfee’s offer of $27.50 per share, payable in McAfee stock.(Rigdon, 1996) With the announcement of a possible sale, Cheyenne’s share price rose sharply. Cheyenne rejected the bid and stated that McAfee was taking advantage of the decline in Cheyenne’s share price.(Hardy, 1996) Larson, CEO of McAfee was confident in the acquisition of Cheyenne and stated, “This deal will get done, (Cheyenne) is now for sale.”(Hardy, 1996) McAfee aborted the Cheyenne takeover on May 2, 1996 because of Cheyenne’s unwillingness to negotiate.(Carlton, 1996) If the merger of McAfee and Cheyenne was successful it would have boasted McAfee’s total earnings, despite the acquisition cost of $1 billion. Cheyenne will now be pressured from stockholders to increase stock prices by other measures. Although the acquisition of Cheyenne was unsuccessful, McAfee did acquire FSA Corporation of Calgary, Canada on September 3, 1996. FSA Corporation develops software for network security and is a leading supplier in the corporate security world. FSA Corporation was purchased for 356,000 shares of McAfee common stock.(McAfee FSA, 1996) Dan Freedom, founder and President of FSA Corporation will continue to be employed with McAfee as vice president of security products. Standard Industrial Classification (SIC) is used for classifying organizations by the type of economic activity. McAfee’s SIC number is 7371 and 7372. The 7371 refers to McAfee’s computer programming service, design, analysis, training, and custom software. The 7372 is given to organizations who manufactures, produce and install prepackaged software.(Standard Industrial, 1978) McAfee can be reached at: 2710 Walsh Avenue Santa Clara, CA 95051 Tel. (408) 988-3832 Fax (408) 970-9727 E-Mail http://www.mcafee.com.