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Case Study of CVS Health

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Background of CVS Health

Consumer Value Stores (CVS) Health Corporation is based in America and has specialized in the healthcare sector. While health is among the leading industries requiring special considerations, CVS Health was established to provide health solutions that no other organization can offer. The company was first established in 1963 in Lowell, Massachusetts. The initial store was selling health and beauty products; however, it has transformed the healthcare sector through immense innovation and reinventing pharmacy. CVS Health (n.d) stated that the first stores were started by two brothers Sidney and Stanley Goldstein, and one partner Ralph Hoagland. The company is now well established with several stores worldwide and listed on the New York stock exchange. Also, more companies have invested in CVS Health and are now shareholders, with most of the shares taken by institutions such as Blackrock Inc. and Vanguard Group Holdings.

CVS health's headquarters is in Woonsocket, Rhode Island, segmented into pharmacy services, CVS Caremark, Aetna, retail pharmacy chain, and health insurance provider. The business is controlled by its mission and vision statement. The vision statement is to assist individuals on their route to better health, and the mission statement is to work on enhancing the quality of human life (CVS Health, n.d). Although the company works to improve the lives of every individual by ensuring they assist individuals in navigating the health care system, they also progress health access and reducing costs. In 2021, Karen Lynch succeeded Larry Merlo as the chief executive officer of CVS Health. They all work to ensure the employees are working in a safe environment during the coronavirus pandemic. The company provides diversity in the

workplace, especially from developing the stores and employees comprising almost 300,000 and over 40000 health professionals.

Executive Summary on Current Global Operations of the Company

CVS Health plays a vital role in improving individuals' health because of the exemplary services it offers. The company operates globally and offers its health services to many people. For instance, one of their operations is the retail pharmacy, which attends to millions of consumers and patients to assist individuals on their way to better health. Moreover, the pharmacy provides products and services that aids in supporting every individual's unique health journey. CVS Health (n.d), other services operations provided are pharmacy care, Health Hubs, immunization, and health and wellness journey.

Globalization has become common in the current modern world, and this has come with immense benefits to organizations that move their business globally. Similarly, although globalization does businesses thrive, it also comes with some challenges. These challenges are likely to create hurdles for businesses entering foreign markets and require variations to their daily operations. CVS Health's benefits in operating internationally include access to new customers, acquiring new technology and innovation, and access to new talent and markets (Ruggie, 2018). On the other hand, the challenges for the global position of CVS Health are tariffs and export fees, language problems and barriers, legal challenges, partisan issues and cultural barriers, and supervisory oversight requirements. Also, CVS Health utilizes technology to support the current global position of the company. Technology is vital in the current business operations because it makes the company stay at the front line of technology and provide customers with simple and convenient service. Some of the technologies used are CVS mobile

app filling and refilling prescriptions, CVS vending machines for easy access of products outside the retail locations, and Epic Systems.

Executive Summary on Current Cybersecurity Position

Technology is vital in providing CVS Health the computer security tools required to safeguard themselves from cyber-attack. Therefore, in CVS Health, several points will need to be safeguard: network, endpoint devices such as phones, computers, routers, and finally, the cloud. Since CVS Health deals with patients' data that requires special consideration and protection, it is important to implement the best cybersecurity strategies to safeguard patients' data and maintain the company in operation. Some of the cybersecurity strategies implemented comprise risk assessment procedures such as penetration testing every year, patch management programs, use of antivirus. Other cybersecurity strategies are network monitoring, file system integrity monitoring and prevention, and employee training.

Every company can easily face cybersecurity challenges because of the advancement in cyber threats. While many attackers are improving their skills and tools to steal data, extortion attempts, and identity theft, every company needs to enhance their security strategies and update the antivirus software every time. CVS Health has recently been challenged because more than one billion health records were exposed to a misconfigured cloud database (Brewster, 2021). The records could help the attackers recognize and target CVS customers because they contain device information, configuration, and medication data. Several technologies are used to support the cybersecurity infrastructure; however, based on the current CVS cybersecurity strategies, the technologies used are antivirus software, malware protection, and firewalls (Ct gov, n.d). Improving cybersecurity in the organization is always a challenging task to many companies; however, it is recommended that supporting the cybersecurity team in the organization prioritize risk evaluation, frequently review policies and procedures, and evaluate and performing yearly staff awareness training.

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CVS Health has offered its services in the healthcare industry for more than fifty years now; therefore, they have learned through experience and transform their operation. Although the company was started in the United States as the CVS Pharmacy, they have provided innovative, community-based solutions that ensure the healthcare industry is unpretentious, within individuals' means, and accessible. The company has expanded to other states across the United States, which provides them with more benefits of working globally. Technology plays a vital role in current businesses because of the vast utilization of smartphones, and people need personalized health services. However, this comes with security challenges that make CVS Health keen on protecting their customers' data. Improving market share and retention is also a critical thing that has advanced the use of technology; this comprises making every service as simple as possible and will drive customers to feel they can get quality service and products efficiently.

Benefits of CVS Health in Operating Globally

The world is becoming small each day because of globalization. Businesses are expanding to other countries to improve their market share as they benefit more talented customers. According to Meyer (2017), globalization allows businesses or other companies to create international inspiration or begin operating on a global scale. Therefore, this allows an open stream of information, products, and technology from one nation to another. Although CVS Health started in the United States as a family pharmacy store in the early 1960s, it expanded its operations to eleven countries. Similarly, CVS Health (n.d) emphasized that the company has over 8100 stores in America and 4500 more in other countries. The company's presence in several countries worldwide provides several benefits, such as access to new customers.

When CVS Health was operating in the United States alone, it could only acquire and utilize the customers around the American region. However, through moving to other countries, the company has access to the new market. Meyer (2017) states that organizations obtain more advantages from globalization because of new customers and increased profits. Consequently, companies such as CVS Health have a new way of increasing their revenue stream through utilizing simple and innovative methods to develop their business in foreign countries. Even though companies previously had the challenge to expand their operations in other nations because of the need to start an overseas entity, it is currently simple because they can quickly get employees compliantly, using the international professional employer organizations (PEOs).

Another way CVS Health benefits from operating globally is to gain great technology and innovation from other countries. Knowledge sharing plays a vital role in every business; therefore, through global operations, CVS Health can quickly obtain the best technologies in other countries or take them to where they are operating. Since nations are continually connected, they make it easier for scientific advances made in one country to be taken to another nation. A company like CVS Health faces stiff competition from companies such as Express Scripts and Avella Specialty Pharmacy; through globalizing their operations, they can easily access new talents and utilize them to increase the capacity to satisfy their customers effectively. Furthermore, access to new markets allows organizations to get a specialized skills in their present need. This opportunity to explore more talent provides them with a competitive advantage against the competitors.

Technology Used to Support Global Position

The business world is changing, and technology is used in almost every part of the organization's operations; therefore, CVS Health is no exception. The global position of CVS

Health is through the implementation of better technology that makes the customers feel secure, and they trust that their information is in safe hands. Nevertheless, the use of different systems can make CVS Health be at risk from attackers. Therefore, CVS uses several technologies to ensure the customer's data and other operations are secure and safe. For instance, the company uses CVS mobile App to provide customers with a modest and suitable way of filling and refilling their medicines (CVS Health, n.d). Through the mobile software application, which saves all the prescriptions, customers will not need to carry paper prescriptions because of the risks of getting lost. According to Hofman-Kohlmeyer (2016), using technology to save customers time is one way to maintain company performance against the competitors. CVS Health also uses the ScriptSync in the mobile App to coordinate their refills to ensure they can pick all of them in one day.

Also, CVS Health uses next-generation firewalls to protect its systems from cyber-attacks. The organization uses several technological devices that support its global position; therefore, they must be covered efficiently. While network allows CVS Health systems to work and maintains its international standing, it needs to be protected from malicious or unnecessary network traffic. Ct gov (n.d) stated that a firewall is a vital network security system that checks and controls arriving and departing network traffic according to prearranged security procedures. Similarly, in CVS Health, a recognized firewall and perimeter network is organization ideals is developed, executed, and preserved for assessment, control, and decrease the risks of cyber-attacks.

Moreover, all the stores use computers to run their operations; however, they are subject to threats. Ct gov (n.d) stated that CVS Health supports their computers from virus attacks through antivirus software. The same source says that all windows computers have a standard antivirus

managed by CVS. There is a plan developed to download the antivirus from the seller's website to virtual delivery servers.

IT Strategy to Gain Market Share and Retention

Every company works to get the largest market share as well as increase customer retention. Therefore, they need to use strategies to compete among other companies and attain a competitive advantage. CVS Health has implemented several methods to obtain the largest market share against their competitors; however, to retain customers, the company should continue innovating on new ways that will make their customers continue to come and seek their services. Customer retention is a critical element in any business's success (Hofman-Kohlmeyer, 2016). If CVS Health needs to enhance its customer retention, it will be essential to view its behavior and trends. Furthermore, the best way to get customers' attention is by bringing them where they are because technological advancement has made them always be on their phones, shopping, communicating, or browsing.

Customer service is crucial in every business because it will ensure the company saves customers' time. Technology is vital in customer service because companies can use the inline help desk to address all customer issues on time. Gaur et al. (2019) stated that CVS Health is implementing Epic software to enhance customer service in MinuteClinics. They provide individuals with health advice and help on minor diseases and injuries. The Epic software will help reduce the amount of time a patient will use to wait because there will be no need to fill out forms. This makes them enjoy a consistent healthcare experience. The diagram below indicates the market share for CVS Health.

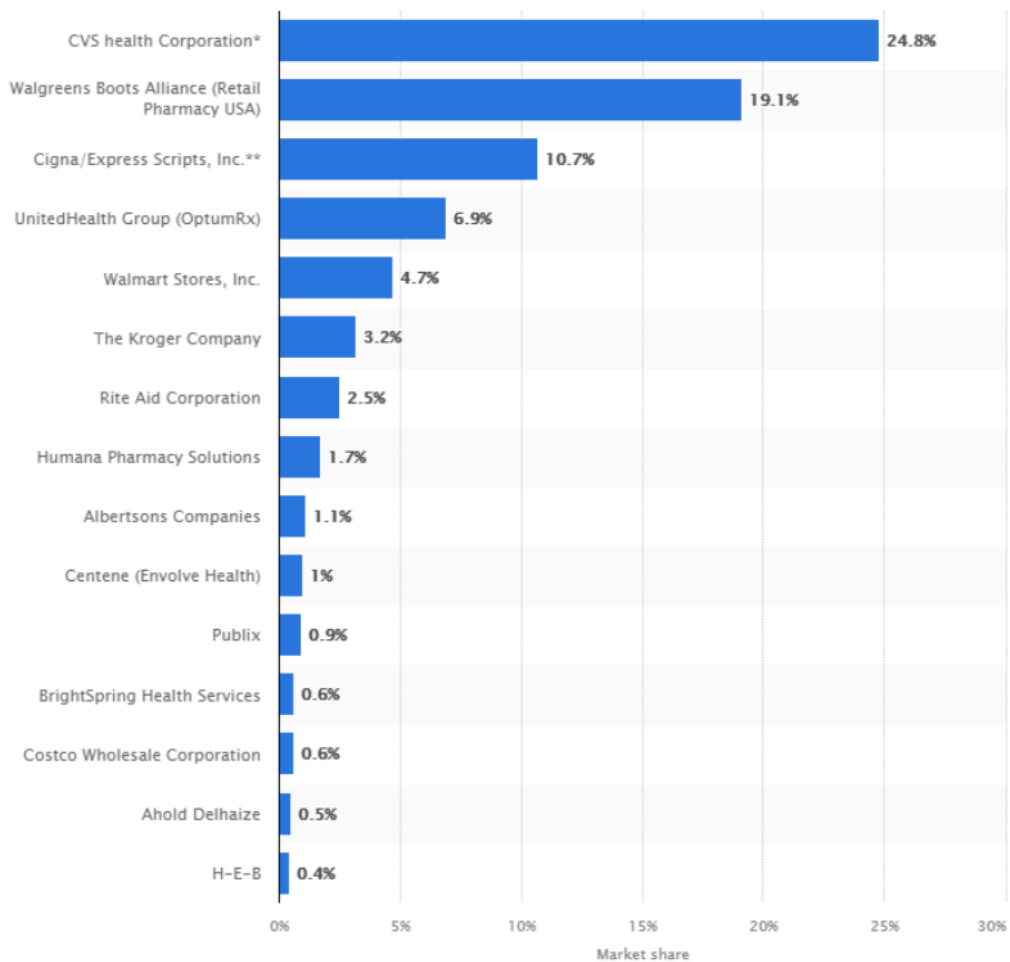


Figure 1: Top U.S. pharmacies ranked by prescription drugs market share in 2020, (2021).

One of the best strategies is to utilize mobile marketing strategies to improve customer satisfaction. One way of doing this is through optimization of the website for mobile. Hofman-Kohlmeier (2016) claimed that many businesses are shifting their operations to mobile sites; therefore, more customers will be on the website because it is optimized for mobile utilization. CVS Health can optimize its website to fit mobile usage and avoid losing it to competitors to retain customers. Also, the websites should not take long to load. Another strategy is to send deals through mobile. Many customers can be maintained when the company can provide

discounts and coupons to their mobile phones. Hofman-Kohlmeyer (2016) emphasized that sending notifications to the customer's mobile phones in case of discounts and offers is becoming more common and erudite because the organization can quickly know the client's location and what they purchase most through their purchase history.

Another way of retaining customers is through using mobile payment in CVS Health. Mobile payment has become one of the most common payment methods because people have easily forgotten their wallets than their phones. Gaur et al. (2019) stated that through the CVS Health mobile App, customers could get loyalty schemes, coupons, and discount codes. Also, the same mobile application has a CVS pay that allows customers to make payments through their mobile devices.

Finally, social media plays a vital role in the retention of customers. Social media connects individuals across the world where CVS Health is operating. The company can use social media and create groups for wellness, making people live like a community. Also, another source by Hofman-Kohlmeyer (2016) stated that the easier one makes purchasing experience for their customers, the more chances they will retain them. Therefore, CVS Health can use buttons on social media to indicate the buy it now messages to allow customers to purchase the products when they need them without going to other pages to fill out forms.

Recommendations on Type of Technology to Benefit CVS Health

CVS Health has a significant role in the healthcare industry because it ensures all individuals live healthy life. Furthermore, the organization needs to ensure they implement customer-centric technologies to get more consumers hence increased revenues. Also, this technology will aid in creating an improvement in patient experience and establish proper and

comprehensive patient care. The recommended technology is a secure messaging program and a vending machine. The vending machine is vital in ensuring the customers can easily access products when they are out of the products. Furthermore, CVS Health can install the vending machines in locations that have high traffic, such as at hotels, and malls to provide the passing traders to purchase products such as snacks and other health products.

On the other hand, the secure messaging program is a vital technology that will allow CVS Health customers to get an individualized message alert to their mobile devices with data concerning the manageable symptoms, probable side effects, and management of the condition. Moreover, this technology will aid a physician as close as possible to the patient. The information provided to the patient is obtained from the clinical trial data, other individuals' responses, and drugs tag; however, the message is sent when there is a possibility of experiencing certain situations. Also, the technology should include a commend feature to allow the patient to ask other therapeutic associated questions.

Methods the technology will support decision Making

CVS Health needs to ensure the technologies they implement can help them make effective decisions that will impact their health and wellness. Although patients always have detailed requirements that will necessitate complex resolutions to control the health problems, technology, and data incorporation have made significant progress in the healthcare industry. Patient relations with CVS Health to better manage their illness. For instance, the secure messaging program can help make important decisions that allow all-inclusive patient care and enable enhanced observance. A safe messaging program will provide efficient information such as patient history information. Also, when the program is linked with the electronic health record system, the physician can obtain the patient's health information and make decisions about the

patient's treatment that will enhance their experience. Moreover, through secure messaging, the physician can decide when the patient should begin therapy, preventing severe health conditions.

On the other hand, the vending machine is benefitting CVS Health customers. Therefore, the company can help in more sales and revenues. However, the vending machine can make crucial decisions for the company, especially when they need to make significant community development or research choices. Since CVS Health is among the fortune 500, it is also involved in giving back to the community Kaufman (, 2018) through doing more research about their customers, primarily based on the products they use the most.

Challenges of Operating Globally

When companies move their operations globally, they are also faced with challenges. These challenges may pose significant risks to the business, for instance, the legal challenges and considerations because CVS Health will need to know the other nations' laws. Ruggie (2018) stated that the business would need to pay more taxes and other import duties when importing products to another country where they want to trade. CVS Health has to get legal advice from international lawyers to avoid significant fines and penalties in its operations. Similarly, cultures are different and thus have varying values that might require one to challenge the organizational culture. For instance, the organization was established in the United States; therefore, it has adopted Western culture. However, upon expanding globally to other countries, they will need to find other methods that align with their culture, such as marketing styles.

Political challenges are another problem of operating globally because the majority of the individuals sturdily battle with outsourcing and other transnational business procedures. For instance, CVS Health may lose their loyal customers when they sell their products to another

nation with a strained relationship with the United States. Similarly, before CVS Health expands their business to another country, they need to consider another factor such as the association between the United States and the other nation if America is involved in human rights abuse which might affect their publicity.

Suggestions on Improving the CVS Health Standing

CVS Health has worked to provide the best customer experience and improve their health and wellness. However, although all the technology implemented makes it simple for customers to access the services, more work needs to be improved, including cost and quality. Technology innovation is vital to healthcare delivery; therefore, CVS Health should concentrate on implementing technologies that reduce patient costs. For instance, implementing the vending machine in locations such as airports and colleges where customers can access health products easily can help reduce the cost to the customers. Another way is to reduce the cost by focusing on patients with chronic conditions. On the other hand, quality of care delivery should be enhanced through the Secure Messaging program because physicians can make upfront decisions based on patients' health information, minimizing the cost to treat severe conditions and improving patients' quality of health and wellness.

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