

Case Study

Vertical InstantOffice™

CVS Corporation Enhances Quality of Customer Service and Reduces Costs with Integrated Communications Platform

The largest retail provider of prescriptions in the U.S., CVS/pharmacy operates approximately 5,300 stores and is one of the leaders in market share in 30 of the top 100 U.S. drugstore markets. The company is building on its strong base with a growth strategy that calls for opening new stores annually in high-potential and existing markets.

In an effort to improve quality and service at all levels of the corporation, while at the same time reducing costs, CVS initiated a corporate-wide program to examine all aspects of the procurement of goods and services. CVS conducted an extensive review of in-store telecommunications systems as a part of the corporate-wide program. After a trial of the InstantOffice™ 3500 Integrated Communications Platform (ICP) from Vertical in its new stores and certain pilot markets, CVS decided to standardize on Vertical's solution for all of its stores nationwide.

CVS ENHANCES SERVICES

The InstantOffice 3500 provides a complete, cost-effective communications solution for stores and branch offices, integrating into one unit sophisticated voice services and high-performance data networking. In addition, the system streamlines communications with new applications and services that take advantage of the convergence of voice and data. A remotely manageable system designed specifically for stores and branch offices with limited staff and budget resources, the InstantOffice 3500 enables CVS to improve its ability to monitor and manage its voice and data infrastructure. CVS will use the Vertical system

for converged voice and data access facilities over integrated T1 lines, centralized management and convergence of voice and data applications over CVS's network infrastructure. Each InstantOffice system will be served with one T1 line and will be equipped with integrated auto-attendant/voice mail capability and call center functionality.

SUPPORTING VALUE-ADDED CUSTOMER APPLICATIONS

Vertical InstantOffice will provide CVS with complete voice capabilities, increase the capacity of its voice/data network—enabling it to support new and enhanced applications

immediately—and provide the company a migration path to voice over IP (VoIP). Because the system integrates voice and data traffic over a single T1 line, CVS can eliminate some of the multiple voice lines that now serve each store. The retailer thus expects to deploy greater bandwidth for approximately the same price it now pays for telecommunications.

The combination of increased bandwidth and the InstantOffice system will support new CVS applications that bring value to customers but require more bandwidth than the company's existing applications. The InstantOffice system allows CVS to run new business-enhancing applications right away, while integrating with the retailer's existing in-store systems, like CVS's Interactive Voice Response (IVR) system for prescription refills. Additionally, the InstantOffice system provides CVS with a migration path to new technologies, such as VoIP, when the company is ready.

A CALL CENTER FOR IN-STORE PHARMACIES

Vertical's integrated solution includes InstantOffice Call Management Suite, a software application that allows CVS in-store pharmacies, and indeed entire stores, to act like small call centers. Call Management Suite will improve communications and enhance customer interaction by quickly and efficiently routing inbound calls, based on caller needs, to pharmacies or other in-store departments. In the future, this functionality will allow CVS to continue to build custom applications that improve customer service. Vertical worked with CVS to develop customized call routing and queuing features and integrate them with existing CVS processes, such as its IVR system. Although it provides the functionality of a high-end call cen-

ter application, Call Management Suite is not as costly or complex as other products designed for larger enterprises.

ABOUT CVS

CVS is America's #1 pharmacy, dispensing more retail prescriptions in more stores than any other chain. With annual revenues of more than \$20 billion, CVS has created innovative approaches to serve the healthcare needs of all customers through its more than 5300 CVS/pharmacy stores; CVS ProCare, its specialty pharmacy business; CVS.com, its online pharmacy; and Pharmacare, its pharmacy benefit management company. General information about CVS is available through the Investor Relations portion of the company's website, at <http://www.cvs.com>.

ABOUT VERTICAL COMMUNICATIONS, INC.

Vertical Communications, Inc. is a leading provider of next-generation IP-based voice and data communications systems for business. Vertical combines voice and data technologies with business process understanding to deliver integrated IP-PBX and application solutions that enhance customer service and business productivity. Vertical's customers are leading companies of all sizes—from small to large and distributed—and include CVS/pharmacy, Household International and Apria Healthcare. Vertical is headquartered in Cambridge, Mass. and delivers its solutions through a worldwide network of systems integrators, resellers and distributors.

For more information on products and solutions from Vertical Communications, call 800-914-9985 or visit our Website at www.vertical.com.



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