Communications Audit

Introduction

Cardinal Health is a multinational health care industry services provider ranked 19 on Fortune’s top 500 companies in 2013, up from a rank of 21 the previous year. Dedicated to providing better, safer delivery of care, Cardinal Health improves the cost-effectiveness of healthcare by helping pharmacies, hospitals and ambulatory care sites serve their patients while reducing costs, improving efficiency and quality and increasing profitability.

Cardinal Health is an essential link in the healthcare supply chain, providing pharmaceuticals and medical products and services to more than 100,000 locations daily. Based in Dublin, Ohio, the company employs more than 34,000 people worldwide with total annual revenue of over $107 billion.

History

Beginnings

In 1971, Robert D. Walter founded what was originally Cardinal Food when he opened a small distribution center in Columbus, Ohio. Less than a decade later, the food wholesaler became a prominent regional food distributor before incorporating pharmaceutical distribution in 1979. That same year, the company purchased an Ohio-based drug distributor called Bailey Drug Company and became known as Cardinal Distribution, Inc.

Growth

The company went public in 1983 and changed its name again to Cardinal Health, Inc. as it continued to expand its fast-growing pharmaceutical distribution business by acquiring more U.S. drug distributors. In just a few short years Cardinal Health’s pharmaceutical distribution had grown to twice the size of its food distribution business and sold its food distribution segment in 1987.

Health Care Giant

By 1991, Cardinal Health’s revenues exceeded $1 billion and just a few years later in 1994, the company had established itself as a nationwide leader in the drug distribution sector with annual revenues of more than $6 billion. The company operates in two segments, pharmaceutical and medical.

Cardinal Health has only continued to evolve by further serving health care manufacturers and patient care providers around the world. Several of the company’s acquisitions include Pyxis Corporation in automated supply and pharmaceutical dispensing, Owen Healthcare in hospital pharmacy management, Medicine Shoppe International in pharmacy franchising, R.P. Scherer Corporation in drug delivery and contract manufacturing, PCI Services, Inc. in pharmaceutical packaging, Allegiance Corporation in medical-surgical
product manufacturing and distribution, Bergen Brunswig in medical-surgical distribution to hospitals and Bindley Western in pharmaceutical distribution.

The company had a solid year in 2013, with revenues up by 8% from 2012. In March of 2013, Walgreen, Cardinal Health’s second largest customer, announced it would not be renewing its $22 billion yearly contract. However, Cardinal Health did make some big acquisitions including Da Sheng Group, significantly increasing its presence in China, and AssuraMed, a medical supplies provider with one million patients and $1 billion in revenues. Today, One-third of all distributed pharmaceutical, laboratory and medical products in the U.S. and Puerto Rico flow through the Cardinal Health supply chain.

**Industry Overview**

Companies in the industry serve as wholesale distributors of drugs and pharmaceutical products. Demand for pharmaceutical distribution is driven by the need to treat illness and disease while the profitability of individual companies is determined by the efficient distribution of a wide variety of drugs and medications.

Large companies compete intensely on price, size of generic drug portfolio, product volume and variety and the quality of services like supply chain management. Smaller companies compete by focusing on rural areas, independent community pharmacies or distribution that requires specialty handling. The industry is highly concentrated: the top three companies (AmerisourceBergen Corporation, Cardinal Health, Inc. and McKesson Corporation) generate 85% of all revenues from drug distribution in the U.S. In 2012, total revenues from the drug distribution of these three wholesalers were $289.7 billion.

Major products include branded and generic patent drugs, over-the-counter medications, personal care products as well as surgical and medical supplies and equipment. Distributors play the role of the intermediary in the ordering and delivery of pharmaceuticals from manufacturers. Because the drug manufacturing industry is highly concentrated, some distributors may purchase inventory from a fairly small number of suppliers.

**Industry Trends**

1. **Technology will lead the way.** Paving a way for a better overall healthcare and wellness system, technology will continue to provide a more efficient and effective experience between consumers, healthcare providers, insurers, retailers and healthcare and wellness brands. The current primary concern is utilizing technology to share and exchange data for cost cutting, efficiency and environmental purposes. Technology will also allow patients and consumers to be more interactive and engaged with their doctors, insurance providers and even their healthcare retailers.

2. **Consumers are more empowered than ever.** Research shows that over 80% of U.S. Internet users have searched for health-related information. Interactivity on the web and social media are allowing consumers to empower themselves with information.
3. **Retail healthcare plays an increased role.** From pharmacies to healthcare clinics, retail establishments allow consumers to connect best with healthcare access and treatments. The ongoing consolidation of the pharmacy industry will continue to pressure wholesaler profit margins from drug distribution. Independent drugstores are a crucial customer set for drug wholesalers, because they purchase almost all of their pharmaceutical needs from drug wholesalers.

4. **Awareness and prevention have a renewed focus.** Chronic diseases have and will continue to account for the majority of healthcare issues and costs. Everyone from employers to healthcare providers will continue to encourage better health and wellness through prevention.

5. **Digital, social and mobile communication is a priority.** Both consumers and healthcare providers are turning to digital and social media to connect, learn and interact especially with the rise of smart phones.

6. **Open communication continues—from data access to cost transparency.** Days of “closed” data are quickly becoming outdated and open access, with respect to privacy, is becoming more prevalent. For example, electronic health records are becoming a monumental progression to replace the old system. This open access goes for open costs as well. As a consequence of our over-budget healthcare system, confusion and secrecy over charges will also continue to dwindle.

7. **Line between healthcare insurers and providers will continue to blur.** The merger and partnership of insurers and hospitals crosses the traditional divide that will continue as a way of cutting costs and moving towards efficiency.

8. **Increased government involvement and focus.** Government organizations and politicians have already made healthcare a focal point in the past and that will only continue as government plays an increasingly significant role in healthcare in the future. U.S. healthcare reform will increase spending on drugs due to such factors as the healthcare coverage expansion and the shrinking Medicare Part D coverage gap. Wholesalers like Cardinal Health will benefit from this projected growth.

9. **Pharmaceutical switch from “brand” to “over-the-counter” and generic.** Brand-name prescription drugs will continue to encounter tough competition from lower-costs generics.

10. **The Battle for Control of Specialty Drugs.** Third-party payers are becoming more and more dissatisfied with the buy-and-bill process for specialty pharmaceutical drugs. In response, some payers are replacing the system with a specialty pharmacy-to-provider distribution channel.
**Competitive Analysis**

The drug wholesale industry includes two primary types of companies: full-line wholesalers and specialty distributors. Full-line wholesalers purchase, inventory and sell a manufacturer’s pharmaceutical product line. Specialty distributors sell specialty pharmaceuticals primarily to physician-owned clinics and hospitals. Top competitors for Cardinal Health include McKesson Corporation, AmerisourceBergen Corporation, Owens & Minor, Inc. and Omnicare, Inc.

**McKesson Corporation**

McKesson Corporation is the nation’s oldest and largest health care services company. Founded in 1833 and headquartered in San Francisco, McKesson ranks No. 14 on the Fortune 500 list and is home to the nation’s highest paid CEO, John Hammergren. Distribution remains the backbone of the provider as one-third of all medicines used in the U.S. run through the company. McKesson is also the dominant provider in healthcare information systems: more than 70% of the nation’s big market hospitals use its technology systems to digitize prescription and patient medical records. McKesson won the Department of Veterans Affairs drug contract valued at as much as $31.6 billion in April of 2012, a contract both Cardinal Health and AmerisourceBergen vied for.

**AmerisourceBergen Corporation**

AmerisourceBergen Corporation is one of the world’s largest pharmaceutical services company focusing on the supply chain. Ranked No. 32 on the Fortune 500 list of companies and headquartered in Valley Forge, Pa., AmerisourceBergen has locations around the world and handles about 20% of all pharmaceuticals sold and distributed throughout the U.S.

**Owens & Minor, Inc.**

Ranked at No. 297 in the Fortune 500 list for 2013, Owens & Minor, Inc. is the leading distributor of medical and surgical supplies to the acute-care market and a leading provider of healthcare supply solutions. Headquartered in Richmond, Va., Owens & Minor offers a full suite of supply chain management services from origin of product to delivery to patient.

**Omnicare, Inc.**

Omnicare, Inc. operates as a healthcare services company that specializes in the management of pharmaceutical care in the United States and Canada. The company operates in two segments, Long-Term Care Group and Specialty Care Group. Founded in 1981 and headquartered in Cincinnati, Ohio, Omnicare is ranked No. 416 on the Fortune 500 list.
Environmental Issues

Cardinal Health is constantly evolving its role as a leader in environmental efforts and sustainability. With a strong track record in environmental compliance and award winning facilities, Cardinal Health initiatives focus on pollution prevention, energy efficiency, waste reduction and designing environmentally friendly products, packages and services.

Sustainable Packaging

Cardinal Health prides itself on being the only company to sell all of its surgical gloves in sustainable, half-fold packaging. This packaging provides customers with a standardized dispenser box that uses 15% less cardboard, is 30% smaller and has individual pouches that are 48% smaller than competitive, similar products. These gloves reduce waste and maximize storage space by taking up less space, fitting in existing storage bins and on shelving with the option for stacking. In addition, 95% of the surgical glove wrap material is made from recyclable and renewable paper sources—machine glazed paper and crepe paper.

Manufacturing

At its plants, Cardinal Health has many initiatives to address and improve non-hazardous waste recycling, heat recovery and water recycling. The following external third parties have recognized these energy conservation efforts:

- Two Energy Awards by King Mongkut University of Technology, sponsored by the Department of Alternative Energy and Efficiency in Thailand
- Green Industry Award – Level II certification for Sustainability by the Ministry of Industry in Thailand

Environmental Footprint

To further its commitment to environmental sustainability, Cardinal Health joined Practice Greenhealth in 2011. Practice Greenhealth is a membership organization for businesses in the healthcare industry that are engaged in reducing their environmental footprints. Practice Greenhealth provides practical guidance, training and consultation to implement environmentally responsible practices.

Reduce Pollution

In 2011, Cardinal Health also joined the U.S. Environmental Protection Agency’s (EPA) SmartWay Transport Partnership, collaborating to significantly reduce greenhouse gases and air pollution.

The SmartWay Transport Partnership brings together freight shippers, distribution companies and trade associations to work towards reducing emissions and positively impacting the environment while saving costs.

Cardinal Health was one of a select number of companies to participate in the program as both a carrier and a shipper and earned the EPA SmartWay Carrier Partnership’s highest possible score, acknowledging the commitment to fuel-saving strategies and reducing the environmental impact of its fleet.
By participating in this initiative, Cardinal Health will contribute to the SmartWay Partnership's goals to save 1.5 billion gallons of fuel, $3.6 billion in fuel costs, 14.7 million metric tons of carbon dioxide, 215,000 tons of nitrogen oxides and 8,000 tons of particulate matter. As an EPA SmartWay Transport Partner and Shipper Partner, Cardinal Health has made several commitments to reduce their carbon footprint and improve sustainability efforts.
**Search Engine Optimization Analysis**

When searching “Cardinal Health” on Google (Aug. 21), the following appeared on the first two pages. The web page that appears with Cardinal Health ([www.cardinal.com](http://www.cardinal.com)) is the company home page that appears in the first search result of Google and Bing; however, they also have a subdomain at [www.cardinalhealth.com](http://www.cardinalhealth.com). A subdomain is a third-level domain that is used to organize web site content with a special URL to access. It is likely that employees log in with their own user name and password on the subdomain because the company is responsible for the bandwidth and disk space of its employees.

**Google Page 1**

Ads:
- None

Web Pages:
- Cardinal Health homepage ([www.cardinal.com](http://www.cardinal.com))
- News — Cardinal Health CEO’s $3.9 Million Sale – Barrons.com ([www.online.barrons.com/article](http://www.online.barrons.com/article))
- Cardinal Health: Investor Overview ([www.ir.cardinalhealth.com](http://www.ir.cardinalhealth.com))
- Cardinal Health Jobs ([www.careerbuilder.com](http://www.careerbuilder.com))
- Cardinal Health Twitter ([www.twitter.com/cardinalhealth](http://www.twitter.com/cardinalhealth))
- Cardinal Health LinkedIn ([www.linkedin.com/company/cardinal-health](http://www.linkedin.com/company/cardinal-health))
Ads:

- None

Web Pages:

- Cardinal Health News – Fox Business Topics (www.foxbusiness.com)
- Cardinal Health Careers and Employment (www.indeed.com)
- Cardinal Health Foundation Facebook (www.facebook.com/CardinalHealthFoundation)
- Cardinal Health Inc. – Google Finance (www.google.com/finance)
- CAH: New York Stock Quote (www.bloomberg.com/quote)
- Cardinal Health Jobs and Careers (www.jobs.monster.com)
- Cardinal Health Media Room (www.cardinalhealth.mediaroom.com)
- News – Cardinal Health Execs’ $10.2 Million Sale – Barrons.com (www.onlinebarrons.com)
Alexa.com:

According to www.alexa.com, Cardinal Health’s main website has an estimated global rank of 204,057 and an estimated U.S. rank of 61,854. The bounce rate, which represents the percentage of visitors who enter the site and leave rather than continue looking within the site (single page view), is 45.50%. The daily page views per visitor on the site is 3.10 and daily time spent on the site per visitor is 2:23 (two minutes, 23 seconds).

Relative to the general Internet population, the demographic that visits this site most is female, has a graduate school education level and is browsing this site from work rather than home.

The majority of visitors (65.0%) to Cardinal Health’s main website are located in the United States, 14.4% are located in India and 5.9% in Canada. The percentage of traffic that comes to this site from a search engine is 27.90% and top keywords from search engines include “Cardinal Health” (25.88%), “Cardinal” (11.96%), “Presoues (1.06%)” and “Beckloff Associates Inc.” (0.75%) and “Suppliar of this products” (0.73%).

Sites that people visited immediately before visiting cardinal.com are google.com, cardinalhealth.com and Wikipedia.org. A total of 881 sites link to cardinal.com, the top five including google.com (global rank: 1), yahoo.com (global rank: 4), Wikipedia.org (global rank: 7), reddit.com (global rank: 109) and cnn.com (global rank: 70).

Sites related to cardinal.com include ctscotland.com, biochemics.com, baxterdrugdelivery.com andrx.com and emintech.com. Categories with related sites include business, biotechnology and pharmaceuticals, pharmaceuticals and delivery systems. Sites with similar names include cardinalrating.com, cardinalbitchspecials.wordpress.com, cardinals-fan.com, cardinal.com.py and cardinalhealth.com (the other domain name for their website).

As noted earlier, Cardinal Health has the same website at a subdomain name under www.cardinalhealth.com whose alexa.com rankings differ. According to alexa.com, this website has an estimated global rank of 210,751 and an estimated U.S. rank of 73,285—both figures slightly lower than those of www.cardinal.com. The bounce rate is 26.30%, daily page views per visitor is 5.40 and the daily time spent on the site is 4:57 (four minutes, 57 seconds).

Relative to the general Internet population, the demographic that visits this site most is male, has a college education level and is browsing this site from work rather than home. The majority of visitors (78.9%) to Cardinal Health’s main website are located in the United States and 10.5% are located in India. The percentage of traffic that comes to this site from a search engine is 7.50% and top keywords from search engines include “Cardinal Health” (5.66%), “Vacuum Assist Cups” (3.77%), “NU Gauze” (3.09%), “Retail Business Meeting” (2.25%) and “Order Express” (1.89%).

Sites that people visited immediately before visiting cardinal.com are google.com and cardinal.com. A total of 370 sites link to cardinal.com, the top five including yahoo.com (global rank: 4), blogger.com (global rank: 53), secureserver.net (global rank: 150), hostgator.com (global rank: 210) and xing.com (global rank: 423). Sites related to
Key Publics

Stockholders/Investors:
Cardinal Health went public in 1983 and has since issued common stock under the New York Stock Exchange symbol CAH. As of Sep. 8, 2013, a share of Cardinal Health’s stock values is $50/39.

Pharmacies:
Cardinal Health operates in two segments: pharmaceutical and medical. The pharmaceutical segment distributes branded and generic pharmaceutical, over-the-counter healthcare, specialty pharmaceutical and consumer products to retailers, including chain and independent drug stores and pharmacy departments of supermarkets and mass merchandisers, hospitals and other healthcare providers.

Hospitals/Nursing Homes:
The medical and hospital segment distributes a range of medical, surgical, and laboratory products to hospitals, ambulatory surgery centers, clinical laboratories, physician offices, nursing homes and other healthcare providers.

Providers:
The company offers supply chain services, including spend, distribution, and inventory management services to healthcare providers.

Payers:
The pharmaceutical segment also provides various consulting and other services to pharmaceutical manufacturers, third-party payers and healthcare providers.

Suppliers:
Relationships with other industry-leading healthcare manufacturers are an important part of Cardinal Health’s success. In addition to products produced by Cardinal Health, the company markets products from other manufacturers around the world. They also partner with dealers to extend their manufactured products to reach healthcare providers outside the traditional hospital setting.

Patients:
While patients are not the direct customers of Cardinal Health products, the mission of Cardinal Health is to help pharmacies, hospitals and ambulatory care sites focus primarily on patient care. By helping make healthcare more cost-efficient, customers of Cardinal Health can then focus on their patients.

Employees:
Cardinal Health employs more than 33,600 employees worldwide and is proud to offer an inclusive work environment to all employees. Everyone is provided the opportunity to
enhance their skills, broaden their knowledge and achieve a healthy lifestyle while pursuing a career at Cardinal Health.

**Regulators:**

Cardinal Health is regulated by many various sectors in different industries—as a publicly traded company and a drug wholesale company. Quality and Regulatory Affairs (QRA) professionals regulate licensing, recall management and distribution quality management. Cardinal Health has expertise in recall management has been developed through internal audit activities as well as frequent effectiveness reviews with the Food and Drug Administration (FDA). With have a proven track record as an effective recall manager, Cardinal Health manages approximately 120 corrective actions and 40 product holds annually.

Cardinal Health Specialty Solutions provides a wide range of scientific and regulatory consulting services from early phase drug development through product commercialization for the biotech, pharmaceutical and medical device industries in the U.S. and international markets.

The Securities and Exchange Commission also regulates the publicly traded company to protect investors, maintain fair, orderly, and efficient markets and facilitate capital formation.

**Stock Analysts:**

Stock analysts follow the movement of publicly traded stocks including that of Cardinal Health, analyzing market trends and other drivers that affect stock prices.
Key Messages

Stockholders/Investors:

“Headquartered in Dublin, Ohio, Cardinal Health, Inc. (NYSE: CAH) is a $101 billion health care services company that improves the cost-effectiveness of health care.”

Pharmacies:

“In today’s environment you have to maximize reimbursement in order to run a profitable pharmacy. Cardinal Health can help you capture every reimbursement dollar you’ve earned.”

“At its annual Retail Business Conference (RBC) for independent pharmacies, Cardinal Health will today announce that its retail pharmacy customers can build and diversify their businesses by providing their patients with convenient access to more than 40,000 home medical products through Independence Medical. Cardinal Health retail pharmacy customers can now develop a new source of revenue by meeting the growing patient demand for home health care products.”

Hospitals/Nursing Homes:

“As the business behind health care, Cardinal Health helps pharmacies, hospitals, ambulatory surgery centers, clinical laboratories and physician offices focus on patient care while reducing costs, enhancing efficiency and improving quality.”

Healthcare Providers:

“Time you should be spending with patients can quickly slip away. Cardinal Health is putting time and resources back on your side.”

Payers:

“Specialty healthcare expenditure is the fastest-growing segment for payers and by 2020, specialty drug spend will account for 40 percent of total health plan drug costs. Our team of specialty healthcare professionals and technology experts design business solutions to manage a payer’s medical and pharmacy expenditures. We offer proactive, innovative and technology solutions to improve the quality and cost-effectiveness of caring for patients with complex diseases.”

Suppliers:

“In the dynamic world of healthcare suppliers are confronted with new challenges every day. Cardinal Health can design a solution for you regardless of what your challenge is.”

Patients:

“Improving lives is your (healthcare provider’s) number one priority. Making sure you (healthcare providers) have the time to care for patients is ours.”

Employees:
“We work across the broad healthcare spectrum to help make healthcare more cost-effective. To do that requires inclusion. We must strive to reflect the diversity of the industry, our customers and the communities we serve. And we must create an environment where all employees can work together with confidence and trust; an environment where no matter what their background, employees will be supported to do their best work. This is a business imperative that will enable us to continue to attract and retain the most talented people and to deliver even more meaningful solutions to our customers as we work together to improve the cost-effectiveness of the healthcare system.”

Regulators:

“Cardinal Health holds our suppliers to the same standards as our employees. Each supplier providing indirect services ("Supplier") to Cardinal Health, Inc. and any of its subsidiaries ("Cardinal Health") should be aware of the following policies and able to uphold those policies when working with or acting on behalf of Cardinal Health. Individual MSAs, SOWs or Contracts may have additional requirements that apply for the period of time that the Supplier is contracted to provide goods and services.

Specialty Pharmaceutical Services has a superior record of quality control, accuracy and attention to detail. Specialty Pharmaceutical Services has documented procedures governing the handling, storage, preserving, packaging and distribution of product as well as Regulatory and state licensure support.”

Stock Analysts:

“Cardinal Health is followed by the analyst(s) listed above. Please note that any opinions, estimates or forecasts regarding Cardinal Health's performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of Cardinal Health or its management. Cardinal Health does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.”
**Communications Strategies:**

**Corporate Website**

**Home Page:** The home page features a slider that scrolls through three different slides. The current links are how Cardinal Health can help you implement cost savings and face the pressures of increasing health care costs, to learn more about how prepared you are for the future and set you on the right path and how to overcome your inventory management hurdles.

Across the top of the home page, where normally tabs for “About” or “Contact” are tabs categorized by “Who We Serve” and include links to pages for their different clients and customers: Healthcare Providers, Pharmacies and Suppliers and Manufacturers.

About these tabs is a login for employees and a search bar to navigate the site.

Underneath the large slider is a rotating line of News about the company. Underneath this News bar are tabs that link to pages “Who we are,” “About us,” “Products & Services,” “Investors,” “News & Media” and “Careers” next to a photograph with their mission statement.

At the very bottom of the home page is a condensed site navigation list with links to various product, service and business information pages as well as icons that link to their social media accounts on Facebook, Twitter, LinkedIn and YouTube.

The home page is simple, clean, organized and consistent. Since the website has so much content and links to other pages, it is important that users understand where to go for what information. Red and white are dominantly used with the addition of other colorful hues sporadically. Their home page is not crowded with too much information and is overall presented nicely.
About Us:
Cardinal Health’s About page and all other pages that their homepage link to are set up similarly to the homepage with a large picture, on this page of employees, and tabs to pages labeled:

Our Commitment: a letter from their CEO, an open letter to Cardinal Health customers and their vision and mission statements as well as links to subpages for Supplier Diversity and Ethics and Compliance.

**Vision:** To be the healthcare industry leader in providing a diverse, inclusive work environment that reflects the marketplace and communities where we do business while maximizing our competitive advantage through innovation, profit and adaptability.

**Mission:** Our mission is to identify, attract, and retain the best talent from each group, create a workplace where all talent can perform at its best, assess/understand the diversity of your marketplace, ensure we are responding and aligning to our customers, ensure our customers see themselves in our vision, actions and workplace and use external contributions to eliminate disadvantage and increase the diversity of the talent pool.

- Diversity and Inclusion: Cardinal Health includes another open letter to customers and a short video on “The Power of our People.”
- Our Leaders: They provide links to Management Team and Cardinal Health Board of Directors pages.
- Our Businesses: They distinguish their businesses into two separate segments: medical and pharmaceutical.
- Our History: They provide their history and a description of how their company evolved over time.
- Our Awards and Recognitions: They include a list of honors with pictures, sources and the date of the awards. In 2013 alone, they have won awards for 100 Best Companies, Top 100 3PL Provider, Best Employers for Healthy Lifestyle Platinum Award, Central Ohio Leadership Census Award, Business First Corporate Caring Award, Most Honored Companies, Best Companies for Leaders, Smart Business Pillar Award for Community Service and Top 50 Company for Executive Women.

Products & Services:
This page includes pictures of medical equipment being used with links to pages Topical Skin Adhesives, VitalSource, Facial Protection with other subpages that link to more information on their products and equipment.
Community Relations:

Their Community Relations page includes a paragraph about partnering with local and national organizations and further links to subpages:

- How We Help: This page includes information on how Cardinal Health supports programs that improve healthcare and links to pages to learn more on Essential to Healthcare, Essential to Wellness and Essential to Community.
- Partnerships: Their partnerships page lists their international, national, state level and local partnerships.
- Apply for Support: This page includes information on how an organization can apply for support and includes links to pages 2013 Prescription Drug Abuse and Misuse Prevention Grant Program E3 Grant Program Essential to Wellness Grant Program, Groups programs and activities not supported and Frequently Asked Questions.

Investors:

The Investors page includes an Investor Overview with a stream of current stock updates and a feed with recent media releases and upcoming events. It also links to pages:

- Press Releases: This page links to an archive all press releases from 2007-2013.
- Events & presentations: This page lists upcoming events and archived events and also links to a subpage Special Notices.
- Corporate governance: The corporate governance page links to several documents on ethics and compliance, disclosure and auditing and also links to subpages on Management, Board of directors, Board committees/charters and 2012 Annual Shareholders Meeting Vote Results.
- Annual Meeting and Proxy Information: This page links to PDFs of the 2013 Annual Report and the 2013 Proxy Statement with information on how one can vote by proxy.
- Financial Information: This page includes a summary of Cardinal Health’s latest financial information and links to subpages on SEC filings, Annual reports and Quarterly results.
- Stock Information: This page includes facts, figures, statistics and graphs on current stock information for Cardinal Health and subpages for historic stock lookup, dividend history, analyst coverage and an ownership profile.
- Investor FAQ: This page lists questions and answers for stock information.
- Contact us: The contact form includes a Google form to submit questions for the Investor Relations Department directly through the website.
News & Media:

Their newsroom includes a feed of news releases and a search bar designated to search through old media releases. This page also links to pages for a

- News Release Archive: This page includes a feed of past releases.
- Multimedia: Their multimedia content includes image, video and document galleries, a page for their Retail Business Conference 2013 and Terms and Conditions for downloading and using the content.
- In the News: They include a sample of recent news featuring Cardinal Health in 2011, 2012 and 2013.
- Facts and Figures: Cardinal Health includes an overview on their company with a list of company facts from fiscal year 2012.
- Brand Guidelines: This page includes clear and accurate uses for their name, logo, tagline and protection for media use.
- Experts: Their Experts page is also a subpage of the Document Gallery on the Multimedia page that includes pictures and summaries of key staff at Cardinal Health with links to their full bios.
- 2013 Annual Report: The 2013 Annual Report links to a separate document PDF containing all information, facts and figures from this year.

Careers:

The Cardinal Health page includes a video on how Cardinal Health is an equal employment opportunity/affirmative action employer and has links to pages with more information regarding what it’s like to work at Cardinal Health and how to apply:

- Why Cardinal Health? This tab links to subpages on benefits, people and awards and includes more information about their values and leadership essentials as well as a video clip of what successful leaders at Cardinal Health are saying about their work and people.
- How to Apply: This page includes a list of the best ways to apply for a job with the company as well as a table listing and organizing common job types, titles and years of experience within Cardinal Health.
- Job Opportunities: The job opportunities page links to more information on customer service and pharmacy and lists the corporate functions that are based at their corporate headquarters in Dublin, Ohio.
- College Students: This page links to subpages on internships, leadership development programs and recent graduates with a blurb and picture about each.
- Military Veterans: The military veterans page includes a paragraph on information for transitioning military veterans and links to other pages: Meet our veterans, Veterans and Military Advocates Employee Resource Group, Military leave benefits, Military partners and Awards and recognitions.
Each of these pages is accompanied with pictures of Cardinal Health employees and products in action. The clean look of the pictures and links to subpages establishes a sense of prestige, knowledge and status. The company explains every detail of its mission and processes and always provides further outlets to learn more. They prove to be very transparent with their information and organize the site in such a way that a user can navigate with ease. The website shows to be very inviting and does a good job at structuring and categorizing massive amounts of information into coherent pages and subpages that are placed appropriately. Cardinal Health demonstrates their strong communication tactics with a site that is visually appealing and usable as well as an effective means of sharing and distributing information.

**Social Media**

**Facebook:**

Cardinal Health has four Facebook pages but only lists three on their website under social media: Cardinal Health Foundation, Cardinal Health College Relations and Cardinal Health Independent Pharmacy Resource Center.

1. **Cardinal Health**
   - Category: Interest
   - Likes: 5,412
   - This interest page simply has an “about” paragraph but is not an interactive fan page; no posts or pictures
   - As the page with the most “likes,” it is interesting to note that Cardinal Health does not list this particular account under their Facebook accounts on the social media page of their main website, perhaps because it is simply an interest page and dedicated solely to informing about the topic and not a business page trying to build closer relationships with the audience and customers.

2. **Cardinal Health Foundation**
   - Category: Non-Profit Organization
   - Likes: 973
   - 17 Talking about this
   - This page is dedicated to the nonprofit foundation that is dedicated to giving with a purpose
• It interactive and maintained consistently with posts several times a week of articles, photos, interests, announcements, news, etc. that people post, like, share and interact with. Since the Cardinal Health Foundation is a nonprofit that supports improving healthcare for communities, the Foundation page is dedicated to posting about community involvement and fundraising.

3. Cardinal Health College Relations
   • Category: Health/Medical/Pharmaceuticals
   • Likes: 1,266
   • 16 Talking about this
   • This page is dedicated to information about internships and post-graduate opportunities. It is updated several times a month with news specifically directed towards college students about potential jobs, internships and relevant information. Since college students are a large demographic on Facebook, this page is a nice supplement to the more formal Linked In used for career information and job postings.

4. Cardinal Health Independent Pharmacy Resource Center
   • Category: Health/Medical/Pharmaceuticals
   • Likes: 1,159
   • 11 Talking about this
   • This page is a resource for community pharmacists to share insight, ideas and learn about Cardinal Health programs, products and services. They post fairly frequently and while the audience niche is narrow, the page generally engages people to like, comment and share.
Twitter:

1. @CardinalHealth:
   - The news handle for Cardinal Health on Twitter, providing up-to-date info and announcements from the public relations team
   - For Twitter disclaimer, visit their social media page on their main website
   - 1,014 tweets since April 26, 2011
   - 855 following
   - 4,310 followers

2. @RBCDiscover
   - Cardinal Health RBC
   - “Join us in a celebration of community pharmacy August 7-10 in Seattle, WA”
   - cardinalhealthrbc.com
   - 849 tweets since April 30, 2010
   - 339 following
   - 831 followers

3. @CardinalBRK:
   - Cardinal Health breaking news; part of the @intelligenceBRK network
   - 4375 tweets since September 30, 2011
   - 1 following
   - 31 followers
   - This Twitter account is for breaking news and posts very often; their audience of only 31 does not merit the attention and frequency of posts.
• However, this Twitter account is not listed on their website under social media accounts

4. @thecardinalcafe

• “Java City dedicated to making sure all of our friends at Cardinal Health have everything they need from their very own coffee shop”
• 211 tweets since July 17, 2011
• 17 following
• 29 followers
• This Twitter account’s purpose is for the coffee shop at the Cardinal Health headquarters in Dublin, Ohio. So while not directly related to the business of Cardinal Health as a company, the account has a very small and narrow audience, posts Tweets infrequently and is unnecessary.
• This Twitter is also not listed as an official Cardinal Health account under their social media page on their main website.

It is important to note that on Cardinal Health’s official website under their social media page, they have a “Twitter Disclaimer” that they do not have for other social media platforms.
Linked In:

Linkedin.com/company/cardinal-health

- 54,379 followers
- Tabs for Home, Careers, Products, Insights
- Post updates frequently about positions they are hiring for and occasionally in what geographic area
- The LinkedIn profile is a nice addition to their “Careers” section on their website because it is updated more frequently and on a platform designated for professionals to network over and look at jobs, companies and careers

YouTube:

Youtube.com/cardinalhealth

- 21 videos, 93 subscribers; created 3 years ago
- Videos in categories: Medical Products and Services, Cardinal Health Specialty Solutions, Cardinal Health Foundation
- Most popular video has 903 views, least popular video has 141 views; videos are generally short with average length of 3 minutes
- Their YouTube channel has videos on a wide variety of topics from Cardinal Health Oncology to Cardinal Health Intern Teambuilding. While the videos and the YouTube channel are a good idea for engaging an audience, there are not many subscribers and very few videos posted over a three year time period.
Special Events

Retail Business Conference

RBC is an annual pharmacy business conference hosted by Cardinal Health. The conference celebrates the history and value of independent pharmacy and provides opportunities for independent pharmacy owners to learn how to expand and thrive their business.

RBC started in 1990 as a regional show and has since grown into one of the premier conferences in the industry. Each year, it is hosted by a different city with a theme based on industry events.

In the 2012 Orlando conference, 2,862 pharmacies and 237 vendors were represented and the average distance traveled to the conference was 1115.90 miles. Cardinal Health partners with Ohio Northern University to offer a complete line up of CPE (Continuing Pharmacy Education) courses.

Throughout the four-day event, owners can gain insight from industry experts at panels and seminars, earn CPE credits from over 50 courses, network with over 3,000 industry owners and visit over 300 manufacturer, automation, software and pharmacy business vendors.

Other Conferences

In the past year, Cardinal Health representatives have been in attendance and spoken at a variety of conferences, including:

- Baird’s 2013 Health Care Conference
- Morgan Stanley Global Healthcare Conference
- Goldman Sachs 34th Annual Global Healthcare Conference
- Bank of America Merrill Lynch 2013 Health Care Conference
- Barclays Global Healthcare Conference
- Cowen and Co. 33rd Annual Health Care Conference
- Leerink Swann Global Healthcare Conference
- J.P. Morgan 31st Annual Healthcare Conference
- Credit Suisse Healthcare Conference

Although Cardinal Health does not host these conferences, their involvement and participation in many of the industry’s most notable and global conferences shows the key role they play in the healthcare and pharmaceutical industries.
Internal Events

Cardinal Health also hosts an annual meeting of shareholders and Cardinal Health Dublin Day, a small group meeting intended for professional investors and analysts to be held at the Cardinal Health headquarters in Dublin, Ohio.

Suggestions for Future Direction

Looking at the top industry trends, Cardinal Health can direct communication efforts to build and portray their stances on issues and relationships.

1. **Technology will lead the way.**

   As technological innovation appears to be the major industry trend for healthcare as well as many other industries, Cardinal Health needs to stay up to date with their technology. The company needs to continually research new technologies that can improve the efficiency and paper trail of the healthcare and pharmaceutical businesses. Using technology and social media to interact and engage with companies will also further their goals as a company.

2. **Consumers are more empowered than ever.**

   Since Internet users search for health-related information online, Cardinal Health must be careful to update their information frequently, especially information that is directly relevant to a consumer. Perhaps keeping a blog of company happenings and industry trends would engage consumers in addition to the businesses Cardinal Health provides for and works with.

3. **Retail healthcare plays an increased role.**

   Cardinal Health should look into distributing to and working with more retail healthcare companies. As they will play an increased role in the future of healthcare, starting now would get Cardinal Health a foot in the door in the same way that working with independent pharmacies has.

4. **Awareness and prevention have a renewed focus.**

   Since encouraging better health and wellness through prevention is growing in awareness and attention, Cardinal Health should seek to have a voice in the preventative measures debate. They can do this through informal mediums such as encouraging healthy lifestyles and sharing health and wellness tips through social media and a blog as well as taking part in preventative/wellness healthcare conferences in addition to the healthcare conferences they already participate in.

5. **Digital, social and mobile communication is a priority.**

   Cardinal Health does a good job at updating and maintaining their different social
media accounts overall but the company needs to continue to focus on how they can use existing mediums and accounts to better connect with customers and consumers alike using technology.

6. **Open communication continues—from data access to cost transparency.**

Cardinal Health needs to continue to be transparent about their interactions and dealings with other companies and healthcare service providers. They already do a good job sharing information on their website, annual report, and video podcasts but need to keep openness and transparency a priority.

7. **Line between healthcare insurers and providers will continue to blur.**

Cardinal Health should continue building strong relationships with insurance providers by partnering for events or sponsorships and engaging online using social media.

8. **Increased government involvement and focus.**

Cardinal Health should also continue building relationships with government regulators and employees to let their voice be heard in the healthcare debate. Cardinal Health can earn a seat at the table by engaging with the government officials that will decide much of the future of healthcare and sharing this information with citizens to keep them aware and informed of how these decisions will affect traditional healthcare and pharmaceutical industries.
Communications Budget

Introduction

Cardinal Health is going to plan a Health and Wellness Fair at the campus of the University of California San Francisco. Located in San Francisco, Ca., UCSF has been ranked as a top pharmacy school in the nation and receives the most amount of funding from the National Institutes of Health Research compared to other pharmacy schools in the United States.

As a top pharmacy school, students that graduate from UCSF will be leaders in the pharmaceutical and healthcare industries in the future. An event at UCSF will be a great opportunity for Cardinal Health to invest in the education and future of top pharmacy students. Below is a detailed explanation and budget for this event.

Event Overview

Cardinal Health will host a Health and Wellness Fair in San Francisco, Ca. on Sat., March 29, of 2014. This event will cater to the mission and goals of Cardinal Health in many ways. By hosting an event that supports health and wellness, the company is in line with the health industry trend that awareness and prevention of health-related problems having a strong and renewed focus.

They will also be hosting the event in an educational environment, building relationships with professors, healthcare professionals as well as students who are future pharmaceutical professionals. By investing in the future of education and students, Cardinal Health will also be empowering those within and outside of the industry with information about the business and healthcare in general.

The health and wellness fair event will take place on Sat., March 29 from 10am-2pm at the UCSF Pharmacy School campus. The event will consist of physical and wellness testing for college and graduate students and seminars with talks given by independent and retail pharmacists and healthcare professionals as well as a drug testing demonstration area set up for attendees while they wait for their physical consultation.

The physical consultations will be performed by local, volunteering San Francisco doctors and the seminars will be taught by several local pharmacists and doctors. Representatives for local clinics will be present to help educate attendees on maintaining a healthy lifestyle and practical ways of doing so and several pharmacy school professors will be doing demonstrations about the effects of drugs on one’s body. An expected 250 attendees will come to the event.

Personnel Salary and Benefits

The team for the health and wellness fair will consist of three full-time public relations professionals and one office assistant. The PR team is made up of one account supervisor and two account executives. According to PRSA, the average salaries for public relations account supervisors and executives are $77,800 and $52,200, respectively. Each of these
employees will receive benefits covering health, social, security and retirement funds, which includes 32 percent of each employee’s salary.

The office assistant is part-time, working 20 hours a week and is compensated with an hourly wage of $15. This team will work together on this project from Jan. 1, 2014-April 1, 2014.

The account supervisor will oversee all necessary duties and team members, delegate responsibilities, and report to the Cardinal Health Event Coordinator about the weekly status of the event. The two account executives will work together to meet with UCSF and all parties concerning the event and design marketing materials. The office assistant will be in charge of printing the marketing collateral, confirming the event space with UCSF, and paying for all necessary equipment, rentals and supplies associated with the event and aiding the team in additional ways as necessary.

Materials and Supplies Expenses

For the wellness physicals at the event, the team will need to purchase three InBody 230 Body Composition Analysis machines from Biospace, which cost $5,495.00 each; these machines are portable, lightweight and require no previous set up. Additional physical supplies will need to be purchased for the physicals including three stethoscopes ($199.00/each) and three sphygmomanometers to take blood pressure ($34.99/each).

For the seminar portion of the event, a sound system and speakers, chairs and a tent will be needed. Several tables and chairs will also be needed for the doctors and patients doing physicals. An expected 250 guests will be attending; therefore, 260 chairs will be needed and can be rented at $1 per chair for a total of $260. Three tables will be needed for the physicals and two for the drug demonstrations and can be rented at $11 per table for a total of $55. Two tents will also be needed—one where the physicals and drug demonstrations will take place and one where the seminars will take place—at a cost of $259 per tent for a total of $518. A sound system will also be rented for the day for the seminar portion of the event, including two speakers and two sets of microphones for a total of $150.

Lunch will be provided for the attendees and will consist of a Subway sandwich and bottle of water. Subway platters serve 15; so 17 platters will be purchased at $29 each for a total of $493. Twenty-one cases of water with 12 water bottles each will be purchased at $5 each, totaling $100. Additional office supplies, such as clipboards, physical forms and body composition forms, and pens will be needed. An allotted $30 a month will be provided for necessary office supplies for a total of $90.

Venue and Personnel Rates

Since the event is being coordinated in conjunction with the UCSF Pharmacy School, a venue will not need to be rented out or paid for, as it will be held on a quad on campus directly outside of the Pharmacy buildings, greatly reducing the cost of renting an indoor venue.
For risk management purposes, an on-site policeman and paramedic will be hired for the day of the event. The policeman will be hired at a rate of $35 per hour for a total of 6 hours and $210 and a basic EMT will be hired at a rate of $27 per hour for a total of 6 hours and $162.

Other Cardinal Health employees will be present the day of the event as well and will be paid for a normal work day in conjunction with their respective salaries. All doctors giving physicals and the pharmacy professors doing drug demonstrations are unpaid volunteers for the day of the event.

**Marketing and Advertising Costs**

Printing services will be required to put up 750 flyers around the UCSF campus and Pharmacy School, 250 brochures to hand out at the event and 4 banners to hang around the fair on the day of the event. Total printing costs for fliers is expected to be $750, for brochures is expected to be $200, and for banners is expected to be $90 each for a total of $360. A portion of the flyers will be mailed to independent pharmacy owners, retail healthcare stores and local health and wellness businesses for an expected cost of $77.

Advertisements will run in the student newspaper at UCSF at a cost of $75 per ad for a total of 6 ads and $450. Advertisements will also run in the San Francisco Chronicle twice a month for three months at a cost of $613 per ad for a total of 6 ads and $3,678.
<table>
<thead>
<tr>
<th>Items</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Superlative</td>
<td>6,484</td>
<td>6,484</td>
<td>6,484</td>
<td>19,452</td>
</tr>
<tr>
<td>Account Executive</td>
<td>4,350</td>
<td>4,350</td>
<td>4,350</td>
<td>13,050</td>
</tr>
<tr>
<td>Account Executive</td>
<td>4,350</td>
<td>4,350</td>
<td>4,350</td>
<td>13,050</td>
</tr>
<tr>
<td>Office Assistant</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>3,600</td>
</tr>
<tr>
<td><strong>Total Salary</strong></td>
<td></td>
<td></td>
<td></td>
<td>49,152</td>
</tr>
<tr>
<td><strong>Staff Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Superlative</td>
<td>2,075</td>
<td>2,075</td>
<td>2,075</td>
<td>6,225</td>
</tr>
<tr>
<td>Account Executive</td>
<td>1,392</td>
<td>1,392</td>
<td>1,392</td>
<td>4,176</td>
</tr>
<tr>
<td>Account Executive</td>
<td>1,392</td>
<td>1,392</td>
<td>1,392</td>
<td>4,176</td>
</tr>
<tr>
<td><strong>Total Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td>14,577</td>
</tr>
<tr>
<td><strong>Materials &amp; Supplies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>InBody Machines</td>
<td></td>
<td>16,485</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stethoscopes</td>
<td></td>
<td>597</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sphygmomanometers</td>
<td></td>
<td>105</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tables (5)</td>
<td></td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairs (260)</td>
<td></td>
<td>260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tents (2)</td>
<td></td>
<td>518</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sound System</td>
<td></td>
<td>150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bottled Water</td>
<td></td>
<td>105</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subway Sandwiches</td>
<td></td>
<td>493</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Equipment</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total Materials &amp; Supplies</strong></td>
<td></td>
<td></td>
<td></td>
<td>18,858</td>
</tr>
<tr>
<td><strong>Personnel Rates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policeman</td>
<td></td>
<td>210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMT Paramedic</td>
<td></td>
<td>162</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Personnel</strong></td>
<td></td>
<td></td>
<td></td>
<td>372</td>
</tr>
<tr>
<td><strong>Marketing Materials</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flyers (750)</td>
<td>750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brochures (250)</td>
<td>200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banners (4)</td>
<td>360</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mailing</td>
<td>77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UCSF Newspaper Ads</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>450</td>
</tr>
<tr>
<td>San Francisco Chronicle</td>
<td>1,226</td>
<td>1,226</td>
<td>1,226</td>
<td>3,678</td>
</tr>
<tr>
<td><strong>Total Marketing</strong></td>
<td></td>
<td></td>
<td></td>
<td>5,515</td>
</tr>
</tbody>
</table>
Works Cited


http://www.mckesson.com/about-mckesson/who-we-are/

http://www.mckesson.com/about-mckesson/key-facts/

http://www.mckesson.com/about-mckesson/our-history/


http://www.amerisourcebergen.com/abc/Who_We_Are/index.jsp


http://finance.yahoo.com/q/pr?s=CAH

http://ifpw.yahoo.com/q/pr?s=CAH

http://www.cardinal.com/mps/public/?p/c0/o4_SB8K8xLLMgMSSzPy8xBz9CP0os3gjA3cDAwtfZl8vZ2NTA09HL_dAYz8TQ4NQM_2CbEdFADFfU32U!/?WCM_PORTLET=PC_7_20G008MCMLCQD0I6KL912K3005_WCM&WCM_GLOBAL_CONTEXT=/mps/wcm/connect/us/en/Protexis/EnvironmentalSustainability


http://www.mdm.com/2013_pharmaceuticals_mdm-market-leaders

http://rbc.cardinalhealth.com/CardinalHealth/RBC/2014/AboutRBC

http://ir.cardinalhealth.com/events.cfm


http://www.prsa.org/jobcenter/career_resources/resource_type/tools_tactics/salary_information/salaries_pr/