Applying Technology at Oracle Cerner to Eliminate a $4B Payments Bottleneck

ORACLE
Cerner

For 40+ years, Cerner, a leading Electronic Health Record platform, worked at the intersection of healthcare and information technology to connect people and systems around the world, using the latest technology to create solutions that let communities and people engage in their own health.

In June of 2022, Oracle acquired Cerner for $28B to further couple technology and healthcare innovation.

Industry: Information Technology

Headquarters: Kansas, Misssouri

Employees: 29,000+

"As a health IT company, we go through extreme efforts to be in compliance and protected. Upgrading and maintaining our own SWIFT BIC would be a continuous drain on IT resources, and our executives quickly approved the Kyriba solution."

— Leonard Nick, Assistant Treasurer, Oracle Cerner

Out of Compliance and Out of Time

Cerner's Treasury built an in-house, custom solution to manage the company's large data volumes, and they implemented SWIFT Alliance Lite2 to support all bank communications, including prior and current-day bank statements, payroll, and vendor/expense payments.

Late in 2021, Cerner Treasury uncovered that their IT infrastructure was out of compliance with SWIFT's Customer Security Control framework. Financial systems were at risk, with the large M&A deal with Oracle, Cerner Treasury needed a reliable and efficient solution to move global payments.

Key Challenges

1. Immediate and urgent need to comply with SWIFT standards and reduce reputational risk and threats of financial impact and loss; costs of maintaining SWIFT AL2 would drain IT resources 410 hours per year on maintenance, token management and the lengthy certificate renewal process
2. $4B Payments bottleneck with a lack of a scalable, payments hub for the extensive network of partner banks

3. Limited capabilities for enhanced bank reporting and accelerated visibility to cash
4. Highly manual and redundant tasks with more costly operations, creating potential challenges to M&A activities, Day 1 readiness, and the Oracle acquisition closing

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Solution: Migrate to Kyriba Service Bureau & Transform Treasury's Role

The Cerner SWIFT BIC was migrated to the Kyriba Service Bureau, and the Cerner Treasury team focused on creating a unified Treasury and Finance Liquidity reporting environment with:

1. Faster bank connectivity through Open APIs.
2. A Payments Hub to consolidate and create a consistent and automated file and payment instruction pathway.
3. ERP integration for reporting to and from related systems.
4. SWIFT BIC / Kyriba automation facilitates bank communication via the Service Bureau while having the full SWIFT BIC functionality option to expand to additional bank transactions, vendor and client real-time secure communication.

In this new, fully connected environment, full SWIFT Alliance Lite2 and continuous automation is still available and not sacrificed while data flows from ERP, Payroll, HR and Treasury solutions. All integration points established with Cerner's ERP are still in place, facilitating the current payment automation and new investment capabilities.

Productivity Gains of 930 Hours and ROI Payback in less than 9 Months

Positive business outcomes expected from this project:

- Protected and continued $4B/350k in annual payments value/volume with capacity to grow
- Protect free cash flows and low operational costs, key to Oracle acquisition
- 5 year ROI and IRR is 31.9% and 70.3% respectively, payback in less than 9 months
- 930 IT hours saved annually (410 hours of SWIFT AL2 maintenance, 520 hours of bank connectivity maintenance)

Kyriba