



Introduction to XBRL

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Karl Best, Executive Director, XBRL-US

What's the Problem?

- Business reporting information producers, processors, and consumers all looking for increased efficiency
 - Increasing costs of manual processing
 - Increasing demands for additional processing (e.g. Sarbanes-Oxley requires SEC to do more checking)
 - Analysts need to track more firms, look at more information for each firm
- Manual processing (i.e. rekeying) prone to errors
- Reuse, repurposing of information expensive

Why Change Business Reporting?

Data Preparer Pressures:

- Users/consumers are demanding more complete, timely data
- Data is more complex
- Required to report more often, more quickly
- Need to decrease costs

Data User/Consumer Pressures:

- Greater transparency and detail
- Easier to process and make decisions
- Act more quickly
- Need to decrease costs

Tell the Complete Story

- Tell your complete story, rather than have it filtered by others

What we say to dogs

Okay, Ginger! I've had it!
You stay out of the garbage!
Understand, Ginger? Stay out
of the garbage, or else!



What they hear

Lanson

blah blah GINGER blah
blah blah blah blah blah
blah blah GINGER blah
blah blah blah blah...



Consolidated Profit and Loss Account for the year ended December 31, 2004

Blah	blah	blah
Blah blah	blah	blah
Blah	blah	blah
Blah blah blah	blah	blah
Profit	925	448
Blah	blah	blah
Earnings per share	3.6	11.0

TINA WRITES THE ANNUAL REPORT

ALL TRENDS ARE POSITIVE.



www.dilbert.com scottadams@aol.com

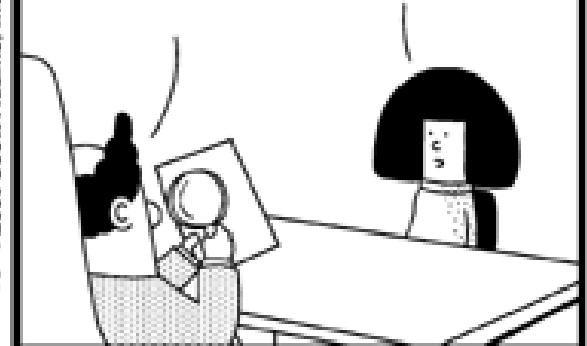
FOOTNOTE 5: UNLESS YOU CONSIDER OUR CRUSHING DEBT, MORONIC MANAGEMENT, AND AGING PRODUCT LINE.



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WHAT FONT IS THIS? IT'S SO TINY.

ENRON BEELZEBUB.



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Time to move into the 21st Century

- The Star Trek test: how should financial reporting work?
- It should not be difficult to discover...
 - What are the numbers today (not just a month ago)
 - What is behind the numbers?
 - What are the trends?
 - What's coming up?
 - Why does the bottom line look the way it does?

Can Automation Help?

- Yes, but automation requires
 1. Intelligent financial data
 2. An agreement on how to describe the information, i.e. a Standard

1. Intelligent Data

- Data that knows about itself; is self-describing
- HTML/PDF are electronic, but not intelligent
 - Simply an electronic version of a paper document; not much better than a fax
 - “The problem with WYSIWYG is that’s *all* you get”
 - PDF not any better than an OCR’d printed report; data still needs to be manually rekeyed and analyzed

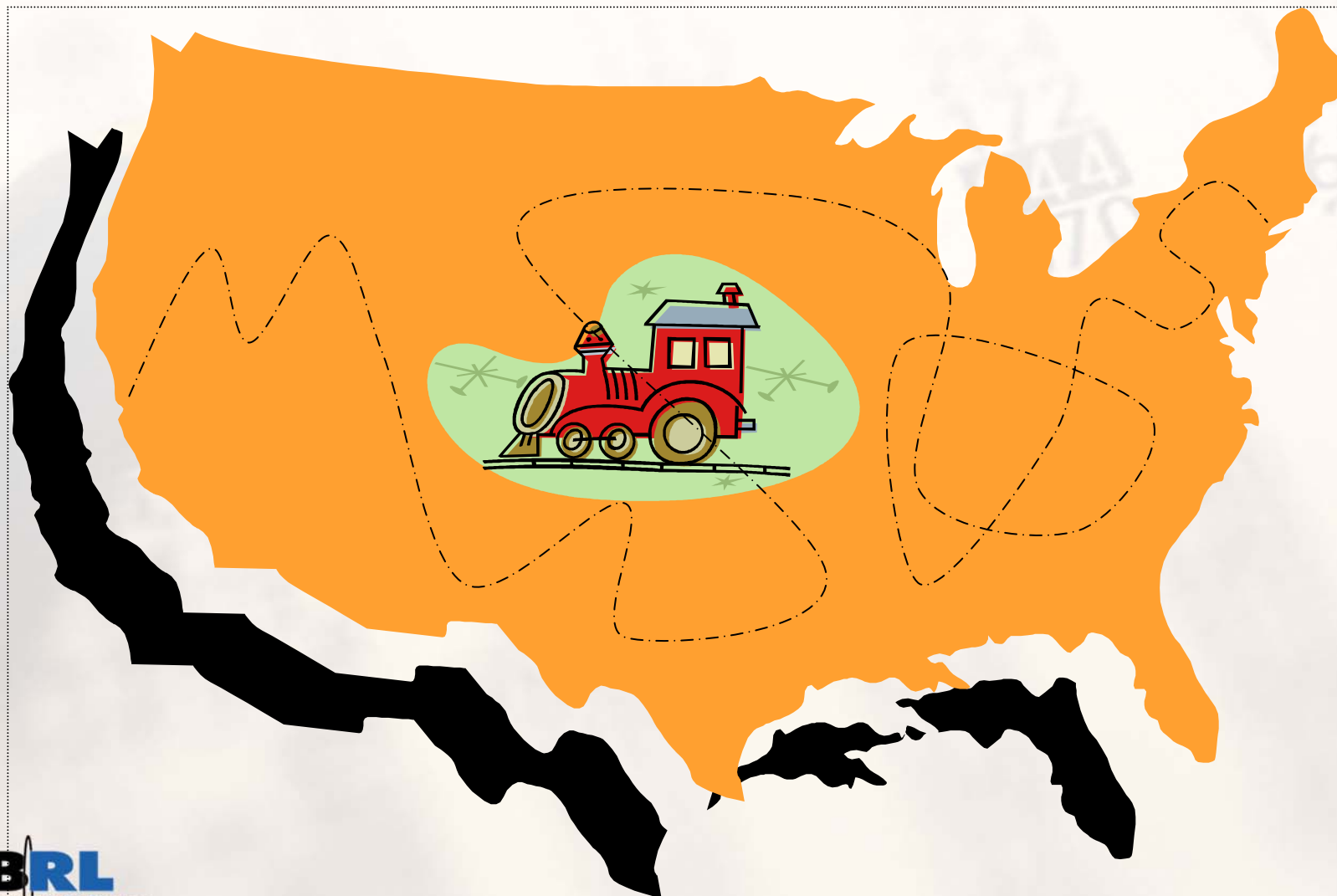
XBRL Snippet

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contextRef="AsOf20041231">37</OperatingProfit>
```

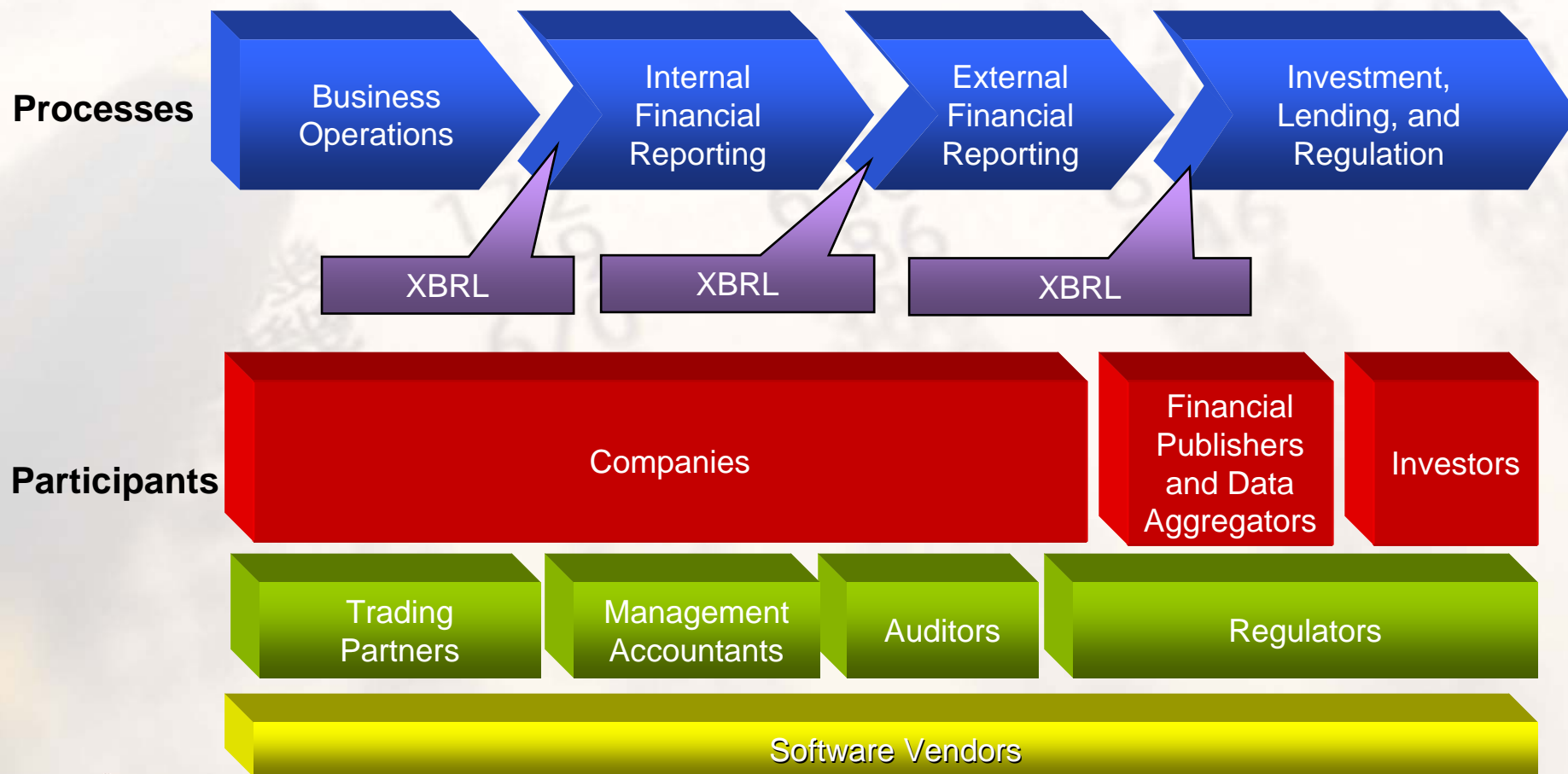
2. Need for Standards

- For intelligent information exchange to work we need agreed-upon ways to describe the information
- Examples of standards
 - Electrical plugs and sockets
 - Traffic laws
 - Fax machines
 - Railroad gauges

The Railroad Example



Business Reporting Supply Chain



Two Things Named “XBRL”

- XBRL is a technology used for financial reporting
- XBRL is a consortium formed to promote the adoption of the technology

The XBRL International Consortium

- A worldwide consortium of participants in the business and financial information supply chain; over 350 member organizations
- Oversee the creation, development, submission and maintenance of the XBRL specification and related taxonomies for business & financial reporting data
- Jurisdictions in 18 countries

XBRL US Member Companies

Adobe Systems
AICPA
AIG
Allocation Solutions
American Financial Printing
Apptis
BDO Seidman
Booz Allen Hamilton
Bowne & Co.
Business Objects
Business Wire
Capital Printing Systems
Capricorn Research
CCH Tax and Accounting
Cognos
Comand Financial Press
CoreFiling
Creative Solutions
Deloitte & Touche
Dynamic Access System
EDGAR Filings
EDGAR Online
Ernst & Young
FDIC
Financial Executives International
Forum Systems
Fujitsu
GCom2 Solutions

Grant Thornton
Highridge Technologies
Hitachi America
Innodata Isogen
Institute of Management Accountants
Institutional Risk Analytics
Ipedo
Knowlysis
KPMG
Merrill
Microsoft
Morgan Stanley
Plan-A
PR Newswire
PricewaterhouseCoopers
PTC
RIA Compliance/Thomson
Rivet Software
RR Donnelley
R.S. Rosenbaum
SAS Institute
SavaNet
SimpleX Data Technologies
Standard Advantage
UBMatrix
Upstream Software
Template Software
Xaware

The SEC XBRL Voluntary Filing Program

SEC's Interest in Assessing XBRL

- SEC's Mission:
 - Protect investors and maintain the integrity of the securities markets; ensure investor confidence in markets
- Requirements of Sarbanes-Oxley
 - Each company's filing examined every three years; some companies examined every year
 - Increasing complexity of filings

SEC Recognizes XBRL Benefits

“Very recently, the SEC has taken the lead in encouraging the adoption of XBRL to keep U.S. markets, exchanges, companies, and investors ahead of the curve. The interactive data that XBRL data tagging makes possible can help everyone in this room achieve many of your different goals: keeping investors informed; minimizing your costs and improving your productivity as analysts; and managing your own companies better with real time management control information. Interactive data can make the SEC a far more effective regulator, by helping us focus on preventing fraud, not just reacting to it.”

-- SEC Commissioner Christopher Cox, addressing the Securities Industry Association, 11 Nov 2005

Motivations to Participate

- Better understand and evaluate XBRL
- Improve usability of your reports for Stakeholders: Investors, Lenders, Regulators
 - Enhanced analytical capabilities
 - Performance versus other companies
 - Performance versus multiple prior periods
 - Lower cost of consuming information
 - Faster access to information which allows for more timely decision making
 - Enhanced functionality
- Prepare to comply with potential future mandates to use XBRL in filings
- Improve internal efficiency of financial reporting
 - Decrease costs, time and effort

Available Resources

- FAQs, tutorials, case studies, list of available tools, specifications, presentations, etc.
 - www.XBRL.org
 - www.XBRL.org/US
- Public discussion email list
 - <http://finance.groups.yahoo.com/group/xbri-public/join>
- Unofficial websites
 - <http://www.xbrlspy.org/>
 - <http://xml.coverpages.org/xbri.html>
 - <http://bryant2.bryant.edu/~xbri/>