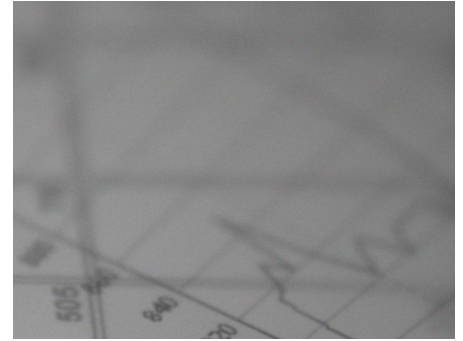


Improving the Analytical Process with XBRL



Investors and analysts today are faced with increased pressure to reduce costs, analyze more companies, and provide better, more detailed analysis — all more quickly and efficiently. XBRL, the technology standard for how business and financial information is reported, will provide an instant, accurate, unambiguous flow of information to the capital markets.

XBRL decreases the vulnerability of publicly disclosed financial information and reduces the likelihood of misinterpretation and misrepresentation. Improvements in data quality translate into better analytics for your firm and for your clients.

What is XBRL?

XBRL is an XML-based electronic language that applies tags or codes to business data such as EPS, cash flow or even elements within the footnotes of public company financial statements, with information providing description, units, currency, etc., so that every element is easy to identify and compare. XBRL has been likened to “barcodes” for financial and business information. Using XBRL-formatted information to analyze companies will result in greater efficiency, improved accuracy and reliability and ultimately cost savings for those using financial data.

Improved accuracy. XBRL eliminates re-keying errors and misclassifications by third parties. Tags with established definitions remove ambiguity as to what a data point represents. Improvements in data quality translate into better analytics for your firm and for your clients.

More granular, more comprehensive information. With XBRL, company data is defined using an agreed-upon standard so that comparing companies is dramatically easier and more accurate. While companies have the ability to create company-specific elements (called extensions) for a very unique reporting situation, the set of terms available has been created to be extremely comprehensive.

Easier analysis. Specific, pertinent pieces of information can be sought and extracted from lengthy reports. For example, you can more easily identify assumptions built into the footnotes concerning stock options, pensions and operating leases when a company tags reporting information to that level of detail.



Faster data. As-reported data is accessible as soon as filings are released.

Global coverage. With consortium participants in all major capital markets, XBRL will support reporting in both developed and emerging markets. Business information can be translated into multiple languages by data consumers around the globe.

Increased productivity. XBRL allows you to spend more of your time on analysis, and less on data collection and manipulation.

Cheaper data. Data can be pulled directly from a company's website or SEC's interactive Financial Report Viewer for free. Fewer errors and time saved increases productivity and reduces costs in your own analytical processes.

How does XBRL work?

A single sell-side analyst might cover 30 separate stocks, many of which report earnings during the same one-week period. The moment a company's earnings release is issued, the analyst is in a race to update his/her model, correct any inconsistencies, interpret the results and report back to buy-side clients. Every minute is costly. With XBRL, information from the earnings announcement can be easily pulled into the analyst's model or centralized modeling system, thus eliminating manual data entry errors, saving time and increasing the accuracy of the final report.

For the buy-side firm, XBRL allows for easy extraction of data that can expedite analysis and make corporate data easier to manage. The relative uniformity of XBRL-tagged data also means that analysts can compare as-reported data from multiple companies with greater ease, rather than relying on normalized databases that often distort corporate financials.

The SEC has already made it clear that it sees XBRL as the future of corporate reporting, as evidenced by its Voluntary XBRL Filing Program and stated intention of developing a rule proposal for its use.

Getting involved today will guarantee that you have input in the way analysis is conducted tomorrow.

How you can get started with XBRL

1. **Get educated.** Learn more about XBRL at www.xbri.us.
2. **Put together a task force** within your organization to develop your own XBRL adoption strategy.
3. **Test out the tools and resources.** Learn more about available tools at www.xbri.us.
4. **Get involved.** Join the XBRL consortium (<http://xbri.us/Pages/Join.aspx>) so that you can have a say in the future of corporate reporting and how you conduct analysis.