

Closing the XBRL Rendering Gap

A JUSTSYSTEMS WHITEPAPER

XBRL has quickly evolved from a somewhat vague future concern to an immediate imperative that has organizations scrambling. With the recent SEC announcement of a phased mandate for XBRL filing (beginning in December 2008 for companies with a \$5 billion-plus public float), corporations are actively seeking guidance on how to meet this mandate to remain compliant with the SEC.

What is becoming clear is that XBRL is far more than an implementation detail for IT organizations to sort out. XBRL has broad implications for people, process and technology—it requires new skills, practices, and IT infrastructure for supporting fundamentally new and different requirements.

An Absence of Solutions

XBRL provides powerful benefits in the access, control and reuse of financial information. Despite the fairly broad benefits XBRL affords, most organizations have prioritized their top concern as the ability to effectively file in this new format. But as they peel back the layers, it becomes clear that there is a conspicuous absence of tools and technologies to support this need. While technology vendors are working overtime to deliver solutions to address this problem, one of the most apparent gaps relates to solutions for rendering XBRL, allowing people to view, analyze and collaborate around this data.

What many people don't recognize is that XBRL wasn't designed for human consumption. Where XBRL thrives is in providing a common standard for the seamless exchange of information between systems and applications—machines talking to machines. Where the standard falls short is where people get involved—"eyeballs on the glass"—to review, approve, analyze and collaborate around XBRL data.

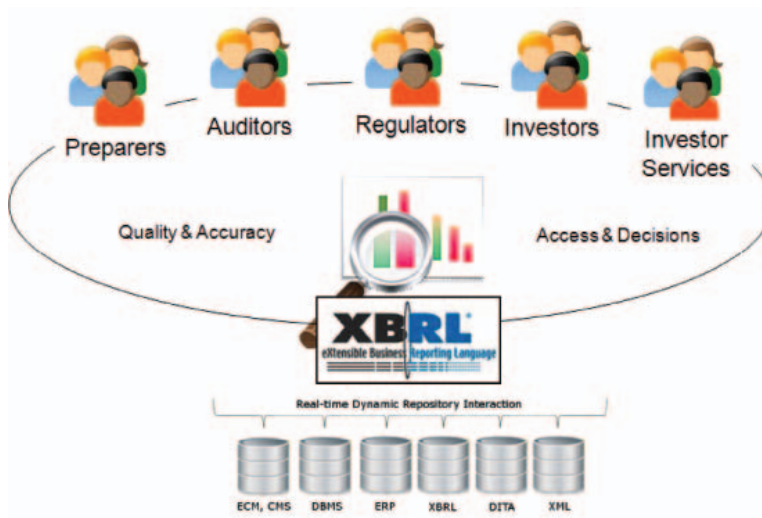


Figure 1 | Multiple stakeholders across the financial information lifecycle must be able to easily view, analyze and work with XBRL data—both to avoid the risk of filing mistakes and to make key decisions.

The Danger of “Flying Blind”

In the world of XBRL, flying blind can be a very risky proposition. People need to be able to review XBRL filings—both instance and duration documents—in real time and in human-readable, richly rendered formats. This isn't a matter of choice—this is a fundamental aspect of maintaining internal controls and procedures and remaining in compliance with corporate and regulatory mandates such as Sarbanes Oxley. Business stakeholders must review and attest to the accuracy and authenticity of filings before they're submitted. Presenting barely legible tagged data is simply an unacceptable solution. This is the XBRL rendering gap that organizations facing this impending mandate must take action to address.

The Hidden Cost of Automation

We all know that automation has the potential to take significant cost, time and risk out of business processes. What may be less apparent is the fact that automation can actually create risk by causing errors to proliferate at blinding speeds. To be sure, XBRL has the potential to dramatically streamline business processes by eliminating rekeying of information and improving the transparency and comparability of financial data. In the world of XBRL, hiding behind complex accounting and obfuscated footnotes becomes far more difficult. But this sort of access and fluid exchange of information also means that errors propagate through the information supply chain at an alarmingly fast rate.

For example, imagine a substantive tagging error making its way into public filings and causing regulators, investors and value-added investing and rating services to form erroneous impressions about the state of the business. In a manual world, this sort of error could be contained because of the inherent latency of information exchange. With XBRL, information is exchanged instantaneously—once the mistake is made, the damage is as good as done.

Closing the Rendering Gap

This is why there is simply no substitute for eyeballs on the glass. People need to be able to thoroughly review and make sense of XBRL filings before the trigger is pulled. They need to be able to review this data, not only as static tables, but as fully abstracted information in the form of charts, graphs, etc. The reality is that errors aren't always apparent in flat, tabular data—but when the data is visualized, the story it tells becomes very clear as patterns and trends emerge.

But this rendering gap isn't only about pre-filing review and analysis. It's also very relevant to the downstream stakeholders and entities that make use of this data. Again, heavily tagged XBRL only makes sense to machines. Richly formatted, multi-dimensional rendering and visualization of XBRL data is what people need to process and make decisions from this information.

Rendering Solutions Emerge

JustSystems Multidimensional XBRL Viewer (MXV) is the first and only application for rich rendering and visualization of XBRL and non-XBRL data across the financial information lifecycle. The fact that the XBRL standard wasn't designed for human readability creates risk at every phase of the information lifecycle, from preparation, review and sign-off of regulatory filings to review and analysis of information for operational and investment decision making. JustSystems MXV provides a trusted rendering and visualization solution for filers, preparers, auditors, regulators, institutional and individual investors to comply with and take advantage of the XBRL standard without adding new costs, risk and complexity.

JustSystems Multidimensional XBRL Viewer is designed for:

Filers – Providing complete visibility throughout the filing process with a rich environment for rendering and visualizing XBRL data to ensure filings are free of errors, oversights and omissions

Preparers – Enabling internal reviews of XBRL filings and providing a value-added service for client-facing reviews, validation and sign-off

Auditors – Bringing together XBRL and non-XBRL data in a rich visual environment, providing a means to manipulate and abstract information for complete review, analysis and attestation of corporate filings

Regulators – Providing both an internal tool for reviewing XBRL filings and a value-added service for investors and other constituents to make use of XBRL data

Investors – Allowing high-end individual and institutional investors to take advantage of the transparency and comparability XBRL data provides by rendering and visualizing XBRL and non-XBRL data from multiple entities and providing a basis for making informed investment decisions

The Rendering Imperative

Rendering of XBRL data may seem like an obscure detail that shouldn't materially impact a company's risk exposure or the viability of mainstream adoption of this standard. But when you think about the practical realities of how business is done and the importance of human judgment for decision making, it becomes exceptionally clear that this rendering gap could become a major risk factor for organizations and the very linchpin to the success of the XBRL standard itself. Responsible organizations will prioritize rendering as a foundational investment on their XBRL enablement roadmap. Those who don't will experience the hidden cost of automation and learn that—in the heavily regulated and high stakes world of financial information—there is simply no substitute for eyeballs on the glass.

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