

# Who Moved My Accounting Cheese?

**IN THE BOOK, WHO MOVED MY CHEESE? AN Amazing Way to Deal with Change in Your Work and in Your Life,** by Spencer Johnson, M.D., and Kenneth H. Blanchard, the authors discuss how to cope with changes that occur in life and what to do about them. The main point of the book is that unless you keep your eyes and ears open and constantly survey your situation, the comfort of doing the same thing over and over again can cause you to miss major changes and eventually threaten your normal way of life.

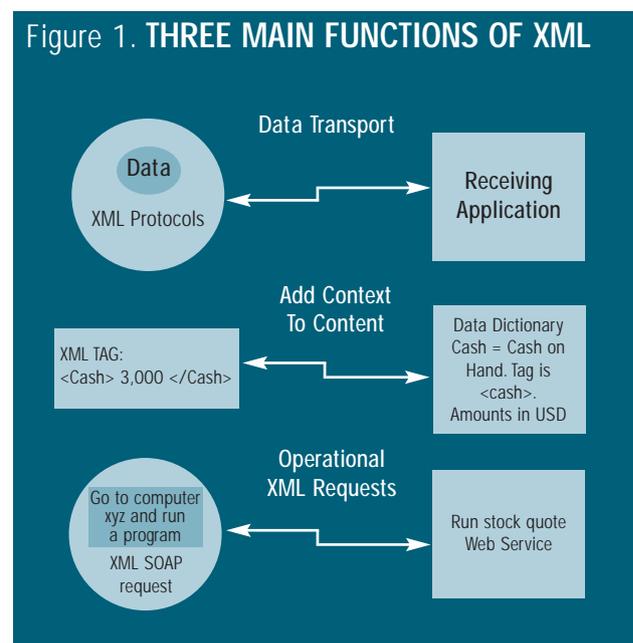
Just when you thought you were safe and comfortable with using common office productivity tools like spreadsheets and word processors to handle routine financial tasks, along comes Office 2003 with XML capability. You've no doubt heard the hype about XML, and you might even know that Microsoft is betting big time on XML, putting it into the core of its best-selling products. But I'll bet that you think there's plenty of time before you have to learn about XML. Ladies and gentlemen, someone is trying to move your cheese.

XML is revolutionary. A simple markup language that has been around for only six or seven years, XML changes fundamental things about computing. According to Kevin Dick, author of *XML: A Manager's Guide* (second edition), XML has three main functions: data transport, adding context to content, and handling operational XML requests.

*Data transport* can be facilitated with XML by taking marked up information packed into an XML file and transporting the data from one system to another. For example, a balance sheet tagged in XBRL can take the form of an "instance of XML," or instance document. This file can be transported from one computer to another and be

ready immediately for the second computer application to use or "consume" the data. The NASDAQ/Microsoft/PricewaterhouseCoopers XBRL demo ([www.nasdaq.com/xbrl](http://www.nasdaq.com/xbrl)) is an example of XML documents located on the Nasdaq website ready for transport to your PC.

The second function, *adding context to content*, is demonstrated in Figure 1. The XML tag `<Cash>` is defined in a data dictionary common to the computer system that originated the tagged data and the computer that will consume the file. This means that regardless of the originating financial data's source (such as QuickBooks, Great Plains, etc.) or operating system, the consuming computer not only can read the data, but it understands the data as well.



The third function involves getting XML to *run requests remotely* on other computers. Commonly referred to as Web Services, a set of protocols (or procedures) is used to send a request from one computer to another and return the results of that request. A common example is to send a request, written in SOAP (simple object access protocol), over the Internet to get the latest stock quote information

and display it on the requester's website. The XBRL demo mentioned above runs on a Web Service, sending a request to the NASDAQ computer to return the XBRL instance files used in the demonstration.

### Impact on Financial Profession

Why is the accountant's cheese moving? There are several reasons.

First, the spreadsheet and the word document, standard tools of the trade, are now XML enabled (with the release of Office 2003 beta 2). This means the information you create can be used as data to populate databases that can be shared by all. For example, consider the typical quarterly budget forecast procedure. Your corporate division sends you a spreadsheet template and requests your new forecast numbers. Once complete, the Excel document is consolidated at division. If the numbers don't seem to be right, hours can be consumed looking for answers.

In the new world of finance, an Excel spreadsheet or Word document would be sent out with pre-tagged cells or forms that collect the data. The division sends out the data dictionary (or schema) for the report. Once completed and sent to division, the forecast can be consolidated in minutes, leaving ample time for further analysis. In addition, supplemental information can be requested and tags developed for assumptions. The assumption data can be used quickly to populate a database for further backup of the numbers. All forecast data could be entered into a database for further analysis or report generation.

In the area of Web Services, data could be sent to outside organizations for analysis and benchmarking. For example, a small company may want to contract the services of a part-time controller. Using Web Services, the outside controller could remotely call for access to the books, perform the required analysis, and send the company appropriate reports.

To learn more about XML, visit [www.xml.org](http://www.xml.org) or [www.w3schools.com](http://www.w3schools.com).