

Neal Hannon, Editor

XBRL Gets Easier | BY NEAL HANNON

Where in the world would someone go to find out about the latest advancements in XBRL software? Last month, the best place was Boston, Mass., site of XBRL International's conference on "Better, Faster, Smarter Business Reporting Using XBRL." There, more than 380 attendees were treated to 53 sessions focusing on benefits derived from the advancement of XBRL.

Keynote addresses were delivered by Peter Derby, managing executive for Operations & Management, Office of the Chairman, Securities & Exchange Commission (SEC); Colleen Cunningham, president/CEO, Financial Executives International (FEI); and Robert Herz, chairman of the Financial Accounting Standards Board (FASB). Former XBRL International Chair Walter Hamscher commented that "The big story in this conference is simple: We now have the vigorous support of the FEI, FASB, and SEC—a triumvirate of institutions that were merely interested 18 months ago. Additionally, Morgan Stanley and Merrill Lynch are telling the market that the time has come for more transparency."

Wayne Harding, vice president of Business Development for Rivet Software, concluded that the conference provided evidence that "XBRL is the format for structured business information. Kicked off over five years ago, the global momentum is such that no other company, group, consortium, or government can mandate a different standard." Harding also pointed to software vendors that are beginning to address a growing need within the XBRL community. "XBRL must go mainstream. To do this, XBRL must be simple to implement and use. New applications are coming to the marketplace to do this. To the large majority of the users, XBRL will become as easy as using Web development tools to create a website, if not easier. Adop-

tion by the creators of business information and the users will begin to accelerate."

Glen Gray, an accounting and information systems professor from California State University at Northridge and a long-term XBRL observer, agreed with Harding. "The thing that impressed me the most was the status of the growing population of XBRL tools. I would characterize them as being at the FrontPage 1.0 level—and I mean that as a compliment. In other words, the programs are easier to use, are more intuitive, and are less likely to crash than earlier versions." Observers were also pleased to hear that the FDIC's XBRL filing program for U.S. banks is on track and scheduled to start this October. Mike Bartell, chief information officer for the FDIC, said that the success and lessons learned from the project will help other federal agencies adopt XBRL in the near future.

Wilson So, manager of Hitachi America Ltd.'s XBRL Business Unit, noted that adoption in the U.S. seems imminent. "The U.S. market appears to be on the cusp of XBRL adoption; we see a similar situation to where the market was in Japan a few years ago. From our conversa-

tions with U.S. customers and partners, we expect to see a broad set of projects launched—in regulatory and commercial settings—over the next year, with adoption accelerating beyond that,” So said. His statement should also serve as a reminder that the U.S. market is behind several countries in XBRL development, including the Netherlands, Belgium, and other European Union participants.

Peter Stamps, director of the XBRL Competence Centre for Software AG, observed, “At the conference, several large software vendors such as Fujitsu and Software AG showed highly scalable XBRL solutions for the XBRL-report-collecting organizations. New, innovative PC solutions from Rivet Software and Allocation Solutions, Inc. show that the creation of XBRL reports is becoming a relatively easy and pleasant task.” He went on to say, “Notice my words: XBRL will be a disruptive standard with a high impact on many business processes. It will, however, lead to many new creative solutions and new business practices.” Stamps believes that as business tools learn how to understand and unlock the meaning packed behind each and every element of an XBRL-enabled report, analysis will fundamentally change forever. He predicts this change will happen within the next three years.

Robert Gold, president of Allocation Solutions, Inc. (for which this author serves as director of Product Development) spoke about the maturing market for both software tools and the potential impact of XBRL on financial reporting internationally. Gold said, “As a participant and software developer attending the 11th XBRL International Conference in Boston, I have seen a

remarkable transition over the last year. The tentativeness of software tool developers in the past has been replaced with an air of confidence, sophistication of product, sales assertiveness, and even a vision about how to shape and control the future direction of international financial reporting.”

As most business observers can tell you, conferences serve many purposes. Vendors come to show their new product offerings. Users typically come to the meeting for education and networking opportunities. The sponsoring organization provides the forum for both users and vendors to meet on common ground. When all goes as planned, not only do conference attendees benefit, but the greater community does as well. The momentum for XBRL is beginning to speed up, and we won't be able to truly appreciate the impact of the advancement of XBRL this year until we are several years further along.

For details on many of the exciting XBRL software products becoming available, visit www.strategicfinancemag.com for the Web version of this article. There you'll find several vendor statements regarding the current status of their products as well as links to their websites.

If you count yourself among those who don't know much about XBRL, now is the time to learn. Over the next few months, IMA will offer several conference sessions and other learning opportunities focusing on XBRL, including a hands-on lab at IMA's 86th Annual Conference & Exposition, June 18-22, 2005, in Boston. In addition, IMA is currently adding XBRL materials to the new IMA Research Centre of Excellence. See www.imanet.org for details. ■

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