



# Accelerating XBRL Adoption

## An intelligent approach to business reporting

### The business reporting crunch

#### **The demand on businesses to report more information is growing.**

Across the world, external organizations—including tax authorities, regulators, investigators, public record and business registry keepers, lenders, and investors—are requesting an increasing amount of detailed information from businesses. This new information is being requested for various reasons. For example, securities regulators need it to implement transparency measures to ensure financial statements are freely available to shareholders and monetary and tax authorities, and statistics agencies need it to support their roles and decision making requirements. At the same time, businesses are facing internal pressures to quickly deliver more information about their organizations. For instance, parent companies are requiring additional data from their subsidiaries.

In today's litigious business climate, all businesses are deluged with more requests to provide a wider variety of information, yet most businesses are ill-equipped to deliver it.

#### **The burden on businesses and regulatory agencies to capture, exchange, and analyze business data is also growing rapidly.**

Businesses and regulatory agencies requesting detailed information must implement rigorous reporting processes and commit substantial resources to support multiple requests for business information.

Traditionally, the complex processes businesses and agencies have put in place to create, analyze, and act on financial reporting information have involved gathering data from multiple sources into multiple formats. From there, each organization has been responsible for managing multiple data sets through many parties, workflows, and review cycles. This exchange has typically involved a variety of user and system environments. As a result, much of the data is reentered manually, which can be both costly and error-prone.

Invariably there are discrepancies, misunderstandings, and variations in the interpretation of rules and concepts. This often requires that an individual physically go to the location of the business or agency that provided the information to ensure its accuracy and clarify its meaning.

Financial staff, IT organizations, auditors, and analysts throughout the reporting chain—including business units, headquarters groups, lenders, investors, and regulators—are spending more time clarifying, compiling, validating, and correcting information. As a result, efficiency and productivity are being severely impacted. In addition, expensive and cumbersome processes are creating an environment where analysis and decision making are burdened by the effort and expense required to collect, error check, and integrate information.

To make matters worse, many of the information requests are redundant. Different parties often request the same information in different formats.

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In the short term, organizations in the reporting chain have added resources to address the increasing information demands and the growing need to verify data accuracy and integrity. However, most organizations recognize that adding staff is expensive and that additional resources do not address the long-term goal, which is to automate the capture, exchange, and analysis of business information.

#### XBRL: A first step

##### **Regulators, businesses, lenders, and investors believe that XBRL can help them to achieve long-term goals.**

To reduce resource burdens and increase efficiencies, organizations throughout the reporting chain need a business reporting environment that:

- Reduces data rekeying and other manual tasks
- Helps manage document versioning and auditing
- Ensures transparency within the reporting chain
- Allows the creation of multiple dynamic reports from the data
- Offers programmatic access to report information
- Integrates statements and forms with legacy environments

In addition, the environment must ensure data consistency, authenticity, and security throughout the extended information ecosystem. For analytic purposes, the business reporting environment must enable groups to easily exchange, compare, and extract information from multiple sources. And, in many cases, it must also support multilingual requirements.

eXtensible Business Reporting Language (XBRL), an XML-based standard developed to define and exchange business and financial performance information, promises to help achieve these goals and enable more sophisticated and automated analysis, thereby reducing the costs, burden, time, and errors involved in business reporting processes.

Specifically, XBRL provides for the structured exchange and validation of business reporting information. It also ensures context and integrity of the data's meaning across multiple processing and reporting environments. With XBRL, businesses and agencies can attain higher levels of data accuracy and information reuse, which results in faster turnaround times and decision making.

Across the globe, organizations in today's reporting chain are increasingly viewing XBRL as the enabling technology that will allow them to automate the capture and analysis of financial information.

#### XBRL challenges

##### **XBRL comes with its own set of challenges.**

XBRL, in its native form, is not easy to use. The specifications and data structures are complex and require technical training to understand and manipulate. Furthermore, there are multiple vendors with different approaches to creating, collecting, and viewing XBRL information. There is no standard way to protect the integrity and validity of the XBRL data once it is created nor to easily reconcile it with physical representations of the information. These barriers must be overcome to achieve widespread adoption of XBRL.

To start, information exchanged using XBRL must be understandable and usable by both individuals and systems without requiring those responsible for gathering and analyzing information to be XBRL technical experts. In addition, visual integrity between presentation and the XBRL data must be maintained to preserve the intent and context of the data. Finally, securing and managing the information, as well as being able to verify its integrity, must be consistent and easy to implement.

## The need for a common XBRL exchange platform

**To gain rapid adoption and achieve its proposed benefits, XBRL must be enabled by a common infrastructure that makes using and exchanging XBRL reporting information easy and secure.**

Information requestors want to adopt a reporting infrastructure that reduces the cost of reporting to multiple agencies or organizations, while at the same time improves the consistency and integrity of the reported data across reporting environments. The ideal infrastructure will make it easy for both individuals and systems to work with the data in automated and interactive processes.

Data should be easier to review and enable both the information provider and the recipient to focus on analysis, forecasting, and decision making rather than the time-consuming tasks of gathering, compiling, and preparing data. To accomplish this, the infrastructure must ensure that the presentation layer of the report or form (the part that individuals use) and the XBRL data layer (the part that systems use) provide referential integrity, meaning they are verifiably the same.

Additionally, this infrastructure must allow information requestors to create, manage, and deploy XBRL-enabled electronic forms. These forms help streamline and simplify business' ability to provide information using either manual or automated input. It should also enable them to attach relevant files and electronically submit forms and related information back to regulators.

The chosen infrastructure must be easy to use and flexible to deploy, and it should ensure that both individuals and systems can understand the information easily. The infrastructure should also be globally available, so that organizations gathering, exchanging, analyzing, and reporting information have a common information exchange environment.

Without a common, easy-to-use infrastructure, businesses are likely to see each new XBRL reporting request as just one more new, complex reporting burden on their already overtaxed financial staff. This has the potential to slow adoption and make automated information processing difficult to achieve, even though organizations should be able to exchange and reuse XBRL information across multiple environments.

## Adobe and business reporting

**PDF has been the world's business reporting platform for years.**

Adobe provides a globally deployed infrastructure for information sharing that is accepted and used by businesses and governments around the world. The Adobe infrastructure enables secure information exchange and forms-based data capture and processing.

Businesses, lenders, investors, and regulatory organizations routinely rely on intelligent PDF documents to more securely and reliably exchange financial information. Specifically, they use Adobe® Acrobat® to create PDF versions of financial reports and regulatory forms and free Adobe Reader® software, which is distributed on virtually every computer in the world, to view PDF documents and forms without the expense of acquiring the original authoring application. Perhaps most importantly, PDF ensures that documents received by recipients look exactly like their paper counterparts.

Adobe also offers information requestors and businesses the ability to capture and exchange information using interactive electronic forms that can exchange data with enterprise systems using industry standards for XML data. Today, Adobe PDF is the de facto standard for government forms. Governments throughout the world leverage Adobe Acrobat to create Adobe PDF-based forms that are then used in combination with free Adobe Reader software to capture and share information with constituents, businesses, and other governments.

Adobe software enables powerful information sharing and exchange across a wide variety of systems and applications. Furthermore, it allows that exchange to take place more securely inside, outside, and across organizational boundaries and firewalls. Using Adobe Acrobat and Adobe

LiveCycle® software, organizations and individuals can digitally sign, encrypt, and set access rights for documents and forms and even set user and role-based policies and permissions.

Using Adobe software, organizations can create simple forms (forms to be downloaded, printed, completed, and mailed) or they can create sophisticated forms (dynamic forms that can be completed interactively and submitted electronically). Sophisticated forms can contain comprehensive business logic and validation, and can initiate and conduct active data exchange with multiple enterprise systems, depending on whether information needs to be gathered from and/or submitted to other systems.

Furthermore, advanced forms can be based on industry XML data standards, allowing organizations to leverage PDF as a platform for interoperability and data exchange. With Adobe PDF forms, organizations can also contain and more securely transport multiple file attachments in both PDF and native formats.

By leveraging Adobe LiveCycle software to create, populate, secure, and manage permissions of forms and documents in a server-based environment, organizations can deploy proprietary workflows that automatically route documents and automate processes.

### Bringing XBRL to the Adobe platform

#### **Adobe and CoreFiling team up to deliver XBRL solution.**

Over the years, Adobe has worked extensively with its partners to extend the Adobe platform. To augment its already robust PDF platform, Adobe has teamed up with CoreFiling to deliver XBRL extensions.

Specifically, CoreFiling has developed a transformation capability that enables regulators to use XBRL schema within an Adobe PDF form. The result is even more comprehensive intelligent PDF forms that leverage Adobe's information-sharing infrastructure to provide businesses and regulators with a well-known, more secure environment that enables XBRL reporting through structured forms, as well as financial statements. Financial data is captured and exchanged via Adobe PDF files, which provide high-quality visual representations of the information and also contain XBRL data sets, maintaining referential integrity between the presentation layer and the XBRL data layer.

The solution provides information requestors with an easy way to develop and deliver sophisticated Adobe PDF forms that support the capture and exchange of XBRL data. XBRL-based forms can be generated automatically; then they can be enhanced to align with the organization's look-and-feel guidelines by Adobe LiveCycle Designer, a form design tool. This enables information requestors and businesses to work with a single document that supports both readable Adobe PDF files and XBRL data representations of the information.

The joint Adobe CoreFiling solution combines the accuracy and consistency of XBRL with the portability and convenience of Adobe PDF. It enables information requestors to create powerful and easy-to-use XBRL documents that can be automatically or semiautomatically processed and analyzed by multiple parties. These documents can be stored in their original formats—with presentation and data combined—but easily separated based on the requirements of the process. In addition, interactive form interfaces can be created to guide businesses through the completion process. The forms can contain logic that validates data as well as navigation aids and links to supporting information or user guides. These forms and documents can be intelligently searched and digitally signed as well as rights-enabled and access-protected. Using Adobe LiveCycle software, documents and forms can be managed within workflows, and their assembly and routing can be automated.

Since the XBRL-based forms are Adobe PDF files, users need only the free Adobe Reader software to use them. Business users can complete forms manually or import data directly into them in XBRL format. Before submitting information, the forms created using the joint Adobe CoreFiling solution can require users to check that their filings pass the customized data-validation quality

checks. Finally, the information is then passed more securely back to the agency or financial institution for further review and analysis. The easy-to-use solution includes sophisticated drill-down and analysis features, faster and less error-prone data aggregation, and faster, more accurate audits and analysis.

By leveraging the Adobe PDF platform, regulators and businesses can produce intelligent XBRL business reporting forms that can be used on any of the approximately 800 million Microsoft® Windows®, Apple Macintosh, and Linux® or UNIX® computers that have free Adobe Reader software installed.

The CoreFiling technology marries the inherent capabilities of Adobe PDF with the powerful reporting and automation capabilities of XBRL. The combined solution offers regulators and other information requestors a more effective intelligent business reporting infrastructure that helps to accelerate XBRL business reporting adoption by delivering a common, familiar, and more secure platform that enables individuals and automated systems to exchange XBRL data.

#### Why Adobe for XBRL?

**The Adobe platform with CoreFiling XBRL extensions provides organizations with an accepted and proven business information exchange infrastructure that reduces the cost and training required to build and support XBRL-based processes.**

By taking advantage of the already familiar Adobe software to enable XBRL business reporting, regulators can accelerate business adoption of XBRL reporting, and businesses can use the same documents and forms to provide information to multiple parties.

Adobe and CoreFiling provide a more secure and highly manageable environment that makes it easy to exchange financial information more securely. Businesses and regulators can dramatically reduce costs and time requirements by enabling straight-through processing of forms and documents that work with common desktop office software environments, and that present a high-quality visual representation of the information and the XBRL data in a single Adobe PDF file.

Adobe PDF documents and forms containing XBRL data can be completed online or offline. They can also be managed within a workflow inside and outside of a firewall, with security and policies added. They can also be exchanged and reused electronically across a wide variety of organizations and processes.

Adobe PDF documents and forms containing XBRL data enable both individuals and systems to access and interact with reported information, and ensure integrity between presentation and data. The solution also provides a variety of ways to deliver audit trail information to support various reporting requirements.

For businesses and regulators as well as the public, Adobe and CoreFiling provide a highly transparent, common, flexible infrastructure that makes reporting information more accessible and less costly to produce and analyze.

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**Adobe Systems Incorporated**  
345 Park Avenue  
San Jose, CA 95110-2704  
USA  
[www.adobe.com](http://www.adobe.com)

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