

23RD XBRL INTERNATIONAL CONFERENCE



# **XBRL23: Enhancing Business Performance**

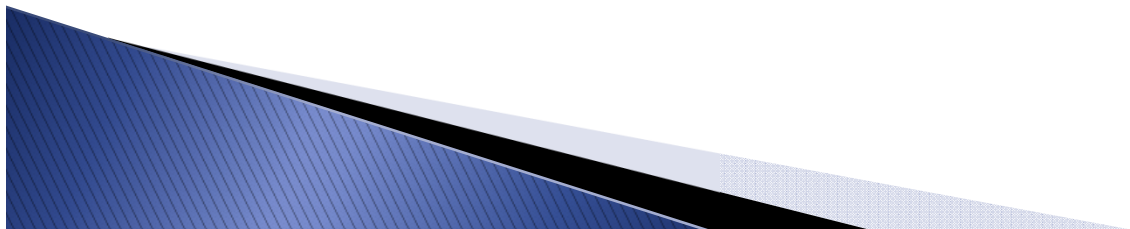
October 25-27, 2011

Le Centre Sheraton | Montreal Canada | Hosted by XBRL Canada

## **Three Easy Steps To Achieve Real Value From XBRL For Your Business**

Track 2 – Global Implementation and Case Studies

Gianluca Garbellotto, IPHIX – Eric E. Cohen, PwC





# Digging Down Deep

## Digging Down Deep: XBRL GL – the Anchor of Internal Reporting



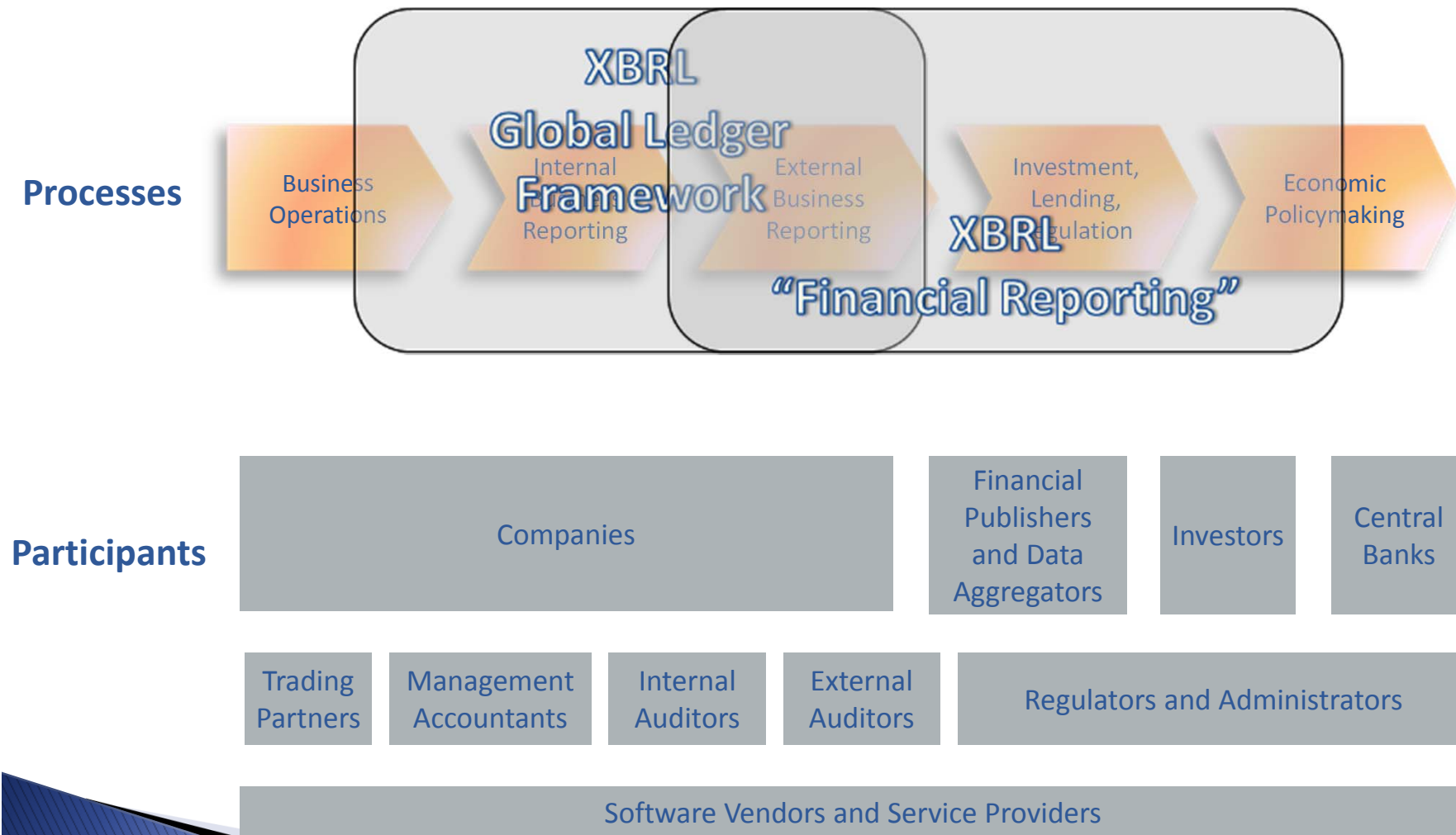
# Deeper XBRL: The True Foundation of Interoperability

- ▶ From “Highlights” of Initial XFRML Steering Committee, 10/14/99
  - [XFRML] should have its roots in the "Audit Supply Chain." XFRML as technical standard for seamless process of exchange across all audit processes.
  - Our opportunity is to address things internationally at the level below the financial reporting level since there is more commonality at that level.





# Business Reporting Supply Chain

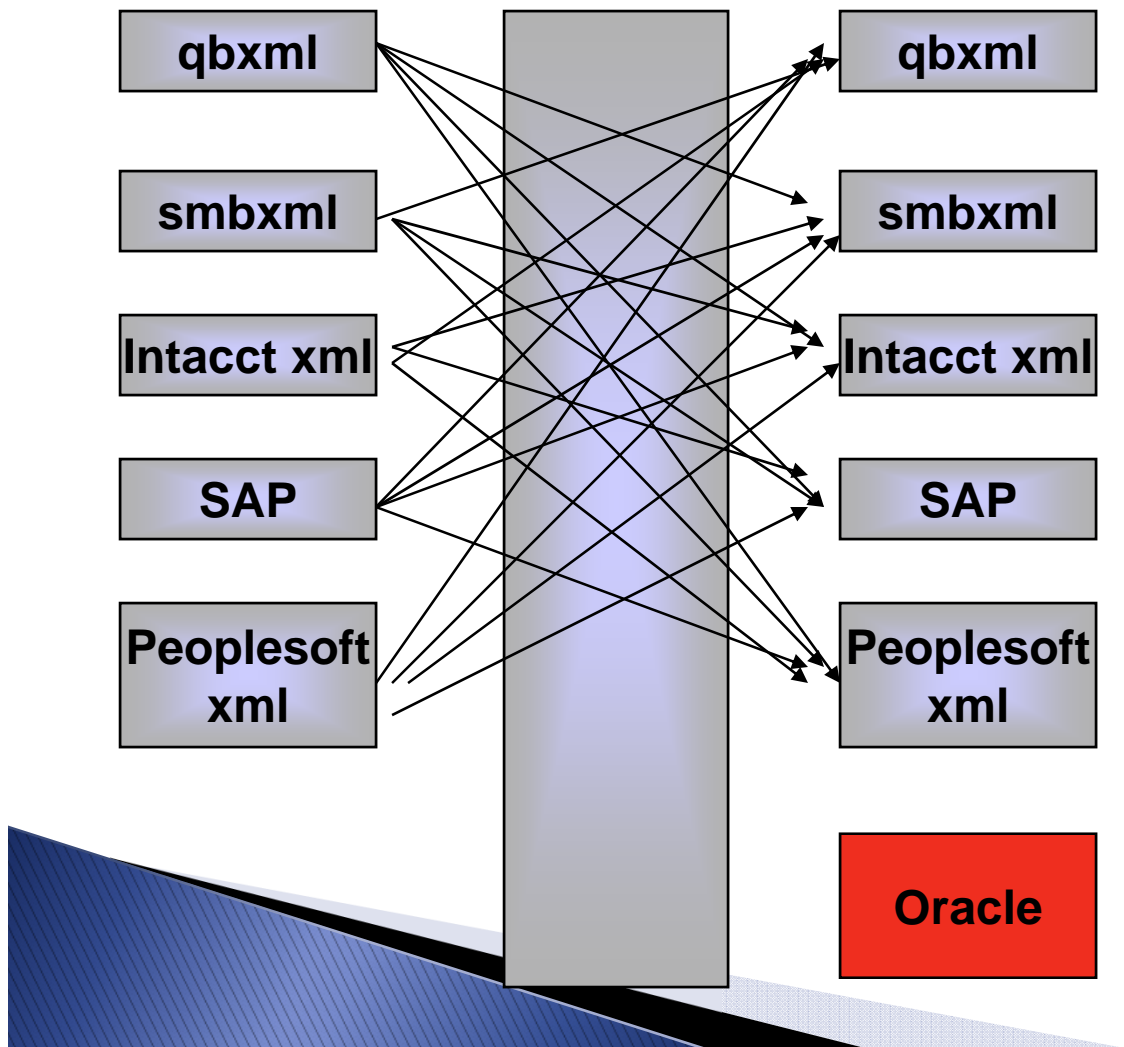


# Proprietary Formats: XML Alone

Point A

Point B

... Point n+1





# Basic Challenge: Similar Data, But

...

## Similar Data

Account, Amount, Date

XBRL GL provides platform for agreed-upon and well defined list of concepts – make sure my “Account” and your “Account” means the same thing (not bank account or customer account but GL account.)

## Different Data Dictionaries

System 1: AccountNo, Amount

System 2: MonetaryAmount

System 3: PostingDate, Amount

System 4: Date, Journal, Account, Amount

Based on XML, XBRL GL is order independent; sharing element names for import/export means that AccountNo, AccountNumber, Account# and Account will all be express as one common name; applications will know what to expect in publishing and consuming data files.

## Different Data Formats

CSV

ASCII

WKS

So many external data formats; XML provides a popular and increasing supported / demanded data format.

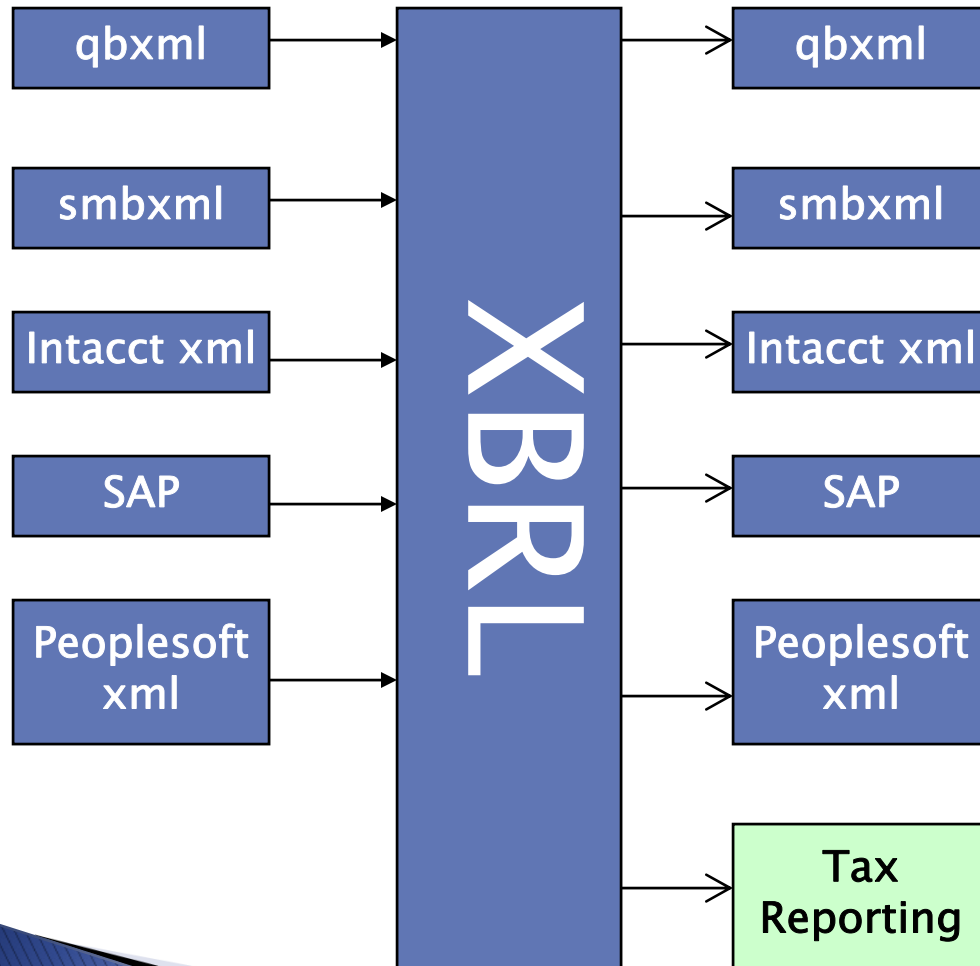
## Different Representations of the same concepts in common data dictionary

Journal: PJ, Payroll Journal, Payroll

Date: 12-31-03, 20031231, 12/31/03

Once you have agreed on data field standardization, software applications require agreement on content in many cases. XBRL GL provides enumerated values to supplement XML data standards to help in this area.

# ENTER EXTENSIBLE BUSINESS REPORTING Language's Global Ledger Taxonomy Framework

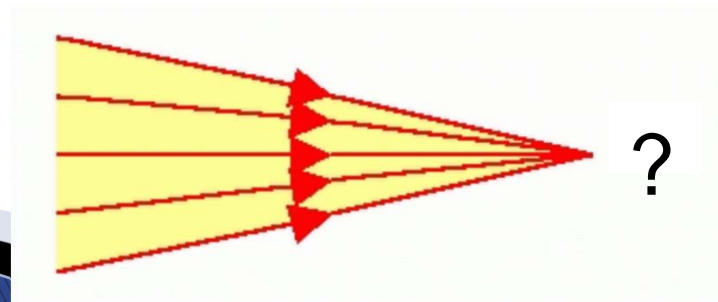


- ▶ XBRL GL is
  - XBRL
  - A RECOMMENDATION from XII
  - To represent the DETAILED data in ERP systems
  - Fully integrated with and supporting the drill down detail from external taxonomies
  - How we support the vision:
    - *A piece of business information, once entered into any system, anywhere, never has to get retyped as it flows along the information supply chain.*
  - The WIIFM for companies



# Building Blocks and Reconciliation

- ▶ Journal entries
  - Account, amount, date, description
- ▶ Parties/agents
  - Customers, vendors, employees
- ▶ Source documents
  - Document number, dates, file location
- ▶ Resources
  - Inventory, services, fixed assets, KPI
- ▶ Mappings to and between
  - Accounts, Classifications, XBRL reporting taxonomies



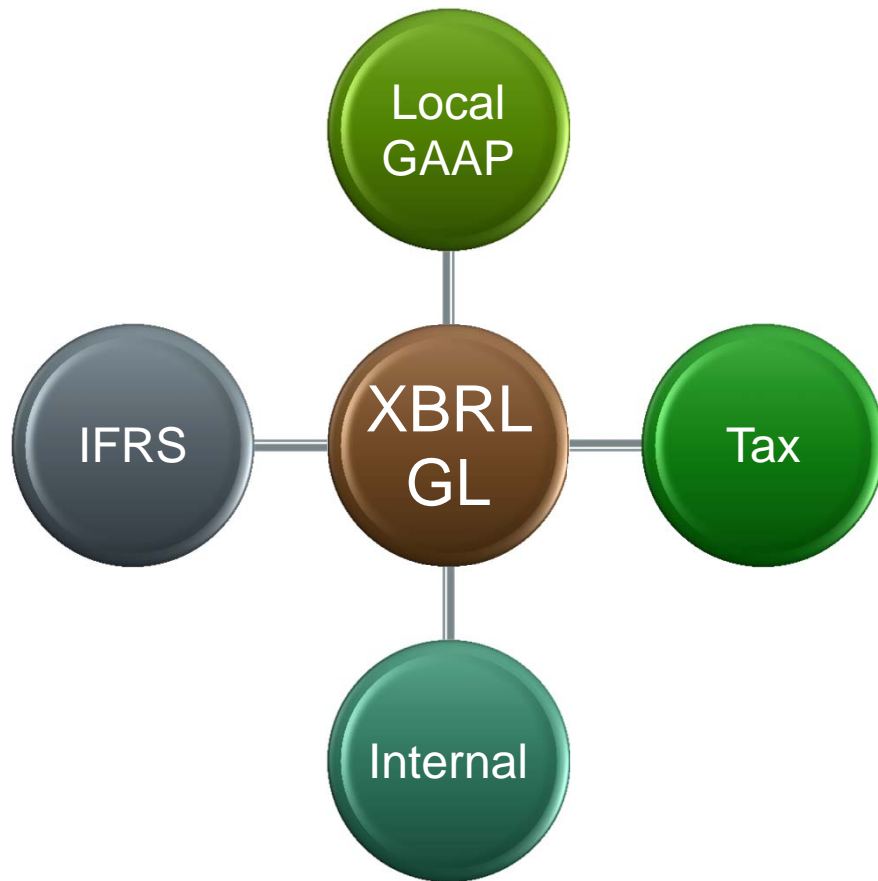
# Every System as XBRL

*Across language  
Across data definitions  
Across file formats*

System 1 XBRL GL	System 2 XBRL GL	System 3 XBRL GL
Account# accountMainID  Description accountMainDescription  Amount amount  PostDate postingDate	Account Number accountMainID  Account Description accountMainDescription  Entry Amount amount  Posting Date postingDate	Identificador de la Cuenta accountMainID  Descripción Principal de la Cuenta accountMainDescription  Monto Monetario amount  Fecha de Asignación/Ingreso postingDate



# Getting the Whole Picture



# Moving the Focus Back

FACTS - RECORDING

CLASSIFICATION

INTERPRETATION

ESTIMATION

VALUATION

SUMMARIZATION

Electronic Data

“Standardized” Electronic Data – format

“Standardized” Electronic Data – data fields, structure

Standardized Electronic Data – XBRL (format)

Standardized Electronic Data – Framework

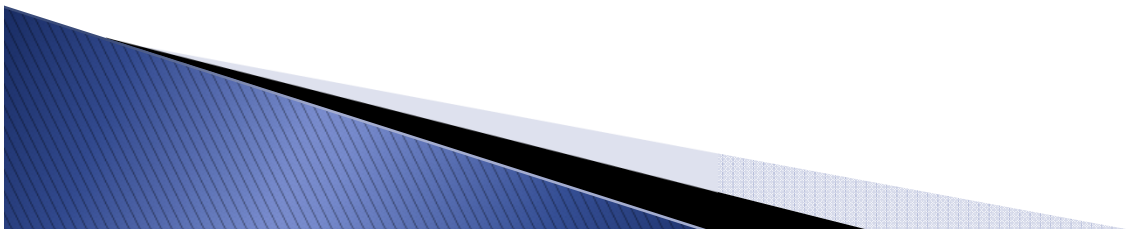
Standardized Electronic Data – XBRL GL (fields, structure)

Standardized Electronic Data – XBRL GL and XBRL GL Profiles

**TYPE DATA  
TWICE?**

# Challenge

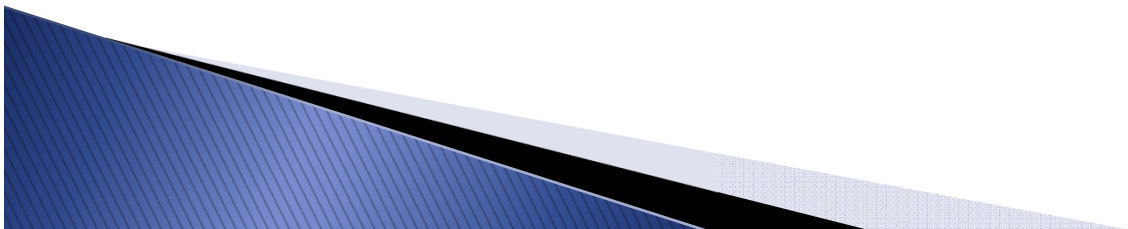
- ▶ Businesses recognize the benefits of internal standardization and simplification
- ▶ They understand the relevance of XBRL as a catalyst to automate/streamline manual and inefficient data-related processes for internal reports, not only external reports
- ▶ Moving from recognition to adoption has so far proven slower than the potential benefits might indicate





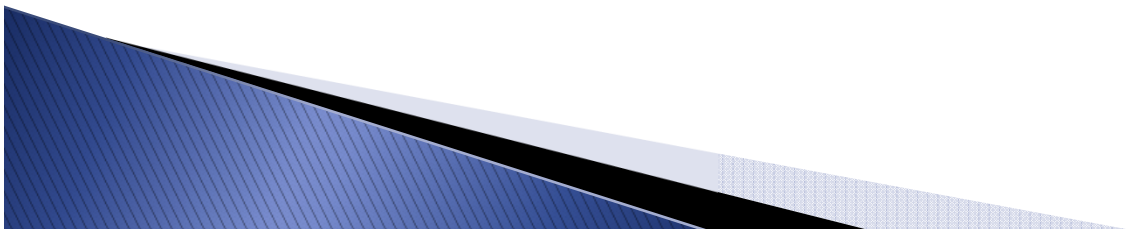
# Reasons

- ▶ Internal use of XBRL considered too difficult to learn and too innovative, with insufficient guidance and best practices available
- ▶ Technology is not the only barrier to embracing a standards-based approach
  - Businesses are unclear on where to start
  - The effort required to create and maintain the necessary internal standardized “knowledge bases” – mappings, business rules, presentation templates, etc. – is also a strong deterrent



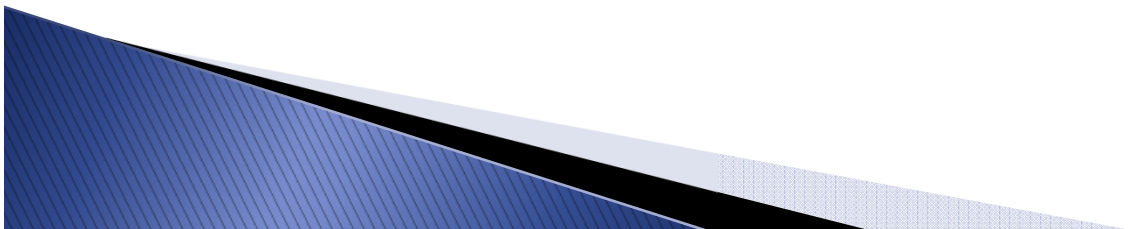
# Three Easy Steps Towards Deeply Embedded XBRL

1. Apply the 80–20 rule to identify a data-related internal process which is a common “pain point”
2. Define a proof of concept that is well defined and limited in scope and meaningful for many businesses
3. Use proven standards and pre-defined methodologies designed to support that process



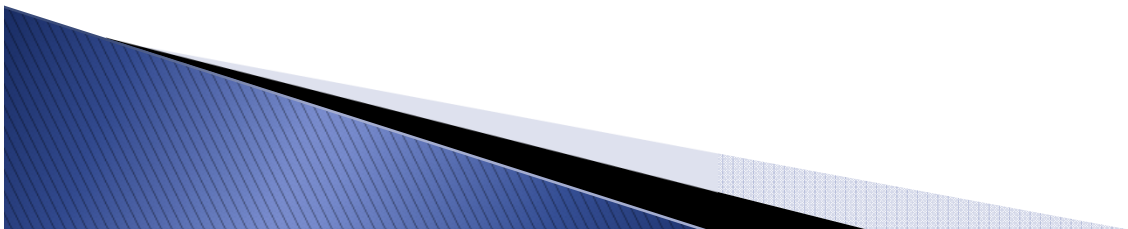
# Use Case: End Reports Layer

- ▶ The generation and reconciliation of end reports is a common pain point; related processes are heavily manual and error prone
- ▶ Even limited automation can quickly make a significant difference
- ▶ It is possible to leverage existing, freely available XBRL taxonomies and XBRL GL as a standardized “bridge” from corporate data



# Technology and Resources – End Reporting Layer

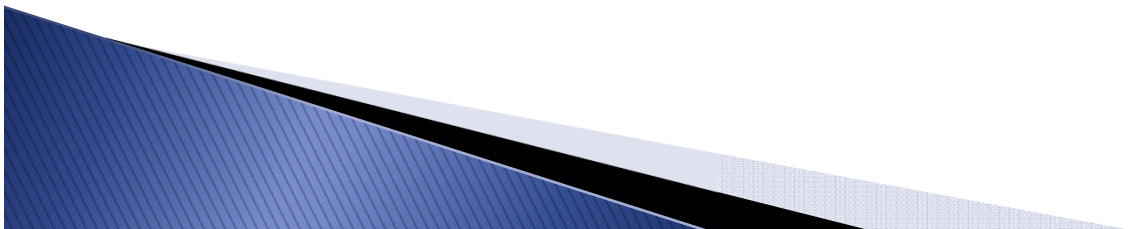
- ▶ XBRL Global Ledger (XBRL GL)
- ▶ XBRL taxonomies for end reporting purposes
- ▶ WikiAccounts – a free Web application that allows the community (or a single company) to
  - Create/upload COAs expressed in the standardized XBRL GL format
  - Create mappings, also expressed in XBRL GL format, between those COAs and end reporting XBRL taxonomies



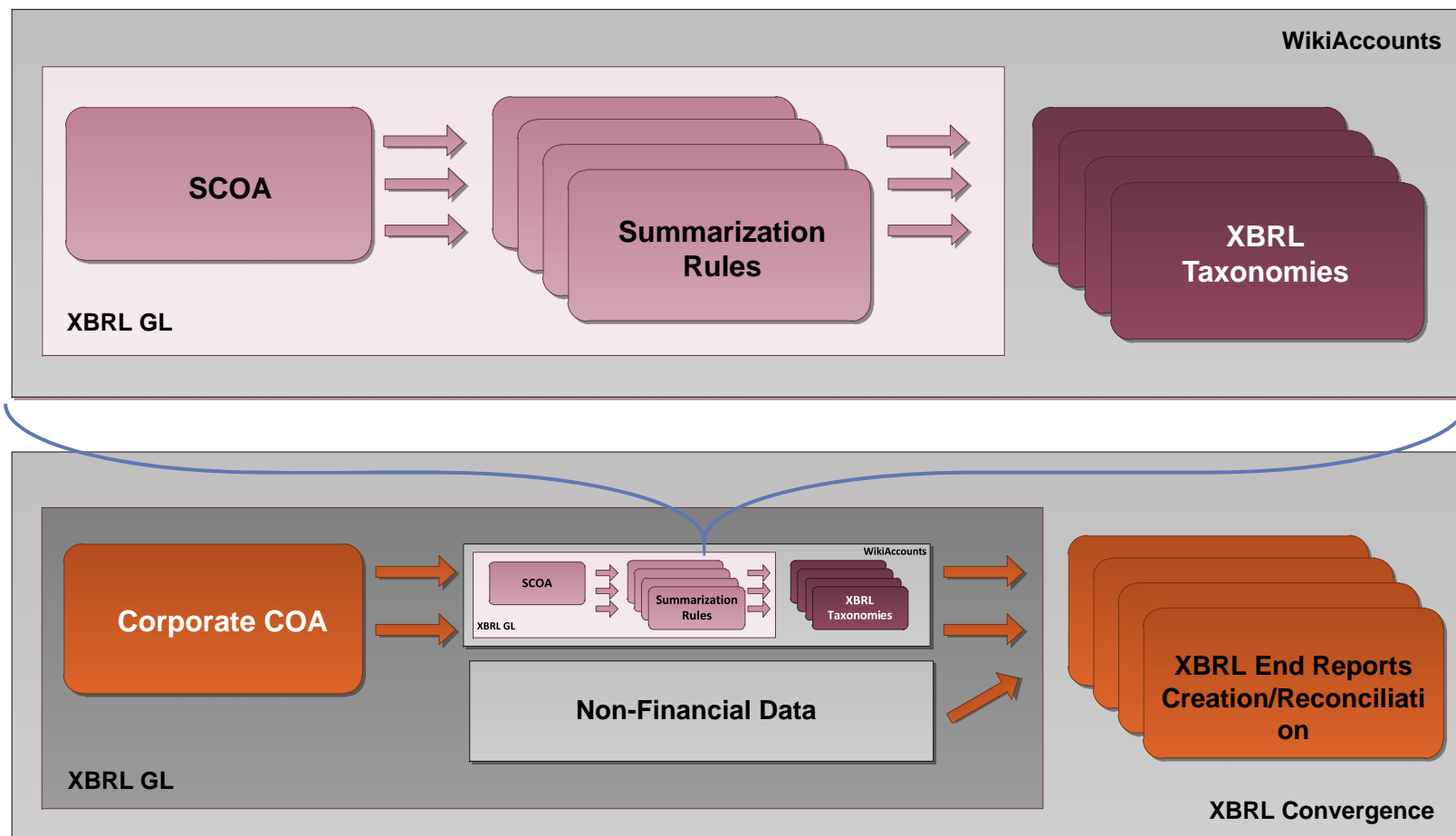


# Technology and Resources – End Reporting Layer

- ▶ XBRL Convergence: an application designed to deploy the content libraries created in WikiAccounts in a specific entity's information system by:
  - Mapping the entity's COA to one of the standardized COAs downloaded from WikiAccounts
  - Leverage the standardized mappings to end reporting XBRL taxonomies also downloaded from WikiAccounts to create and reconcile XBRL reports

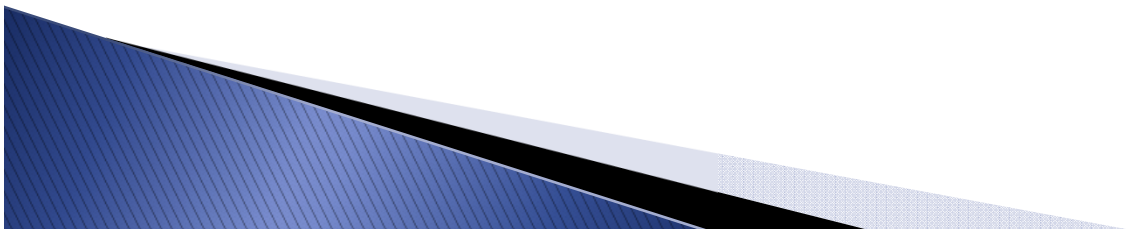


# Technology and Resources – End Reporting Layer



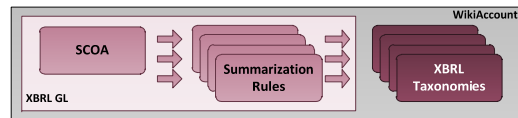
# Example of “80–20” Process: Multi-Jurisdiction IFRS reporting

- ▶ Company A reports its IFRS financial statements in Australia
- ▶ The Chinese branch of Company A (Branch B) reports the company IFRS financial statements in China
- ▶ Company A and its Chinese branch use
  - Two different accounting packages and/or
  - Two different Chart of Accounts (COA)
- ▶ Both Australia and China have created jurisdictional extensions to the IFRS taxonomy



# Steps for Company A

- ▶ Checks WikiAccounts and finds that mappings between its Standard Chart of Accounts (SCOA) and the base IFRS taxonomy already exist – created by another company, or a regulator, or a group of SMEs

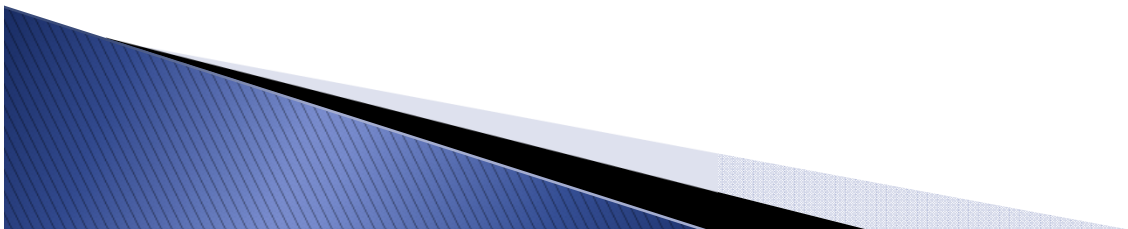


- ▶ Uploads its Chart of Accounts in WikiAccounts and maps its accounts to the corresponding SCOA accounts to leverage the existing mappings



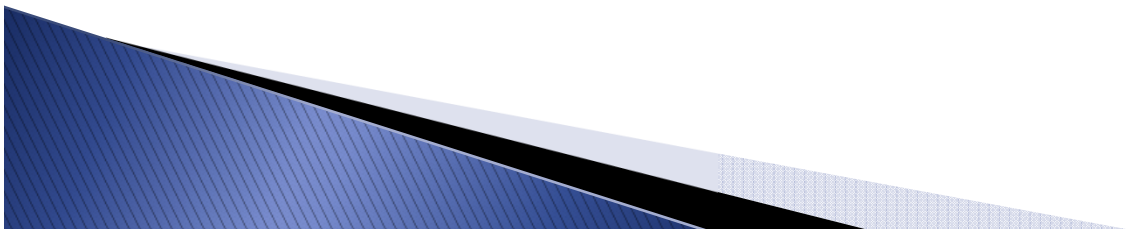
# Steps for Company A

- ▶ Creates additional mappings specific to the Australian IFRS extension – and can choose to make these available to the community via the SCOA, or not
- ▶ Downloads the mappings from WikiAccounts, and uses XBRL Convergence to generate the XBRL financial statements in IFRS AU format



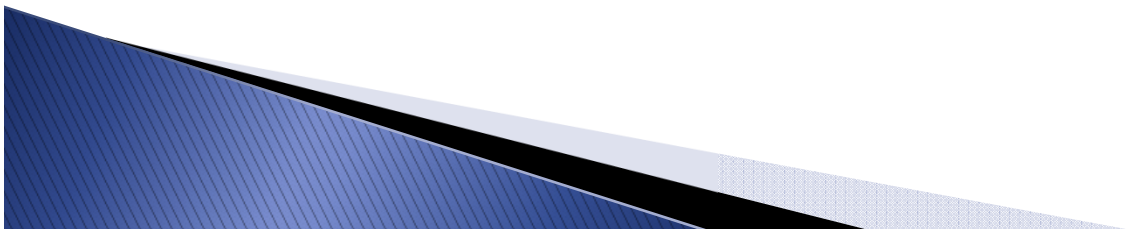
# Steps for Branch B

- ▶ Uploads its Chart of Accounts in WikiAccounts (if different) and maps its accounts to the corresponding SCOA accounts to leverage the existing mappings to base IFRS
- ▶ Creates the additional mappings specific to the Chinese IFRS extension
- ▶ Downloads the mappings into XBRL Convergence to generate the XBRL financial statements in IFRS CAS (Chinese Accounting Standards) format
- ▶ In XBRL Convergence Company A can also reconcile the AU and CAS versions of its financial statements



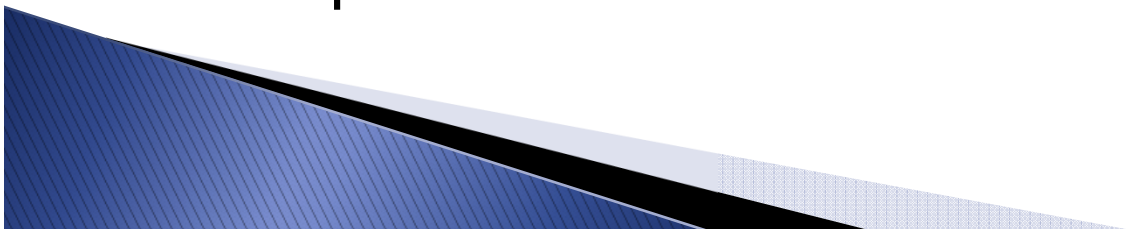
# Extension to Similar Processes

- ▶ Multi-GAAP external reporting – financial statements, press releases, proxies, tear sheets, data summaries
- ▶ Cross-domain external reporting – tax, payroll, statutory, statistics, etc.
- ▶ Internal reporting taxonomies, executive BI dashboards, KPIs, etc.
- ▶ All these additional use cases are supported by WikiAccounts and XBRL Convergence



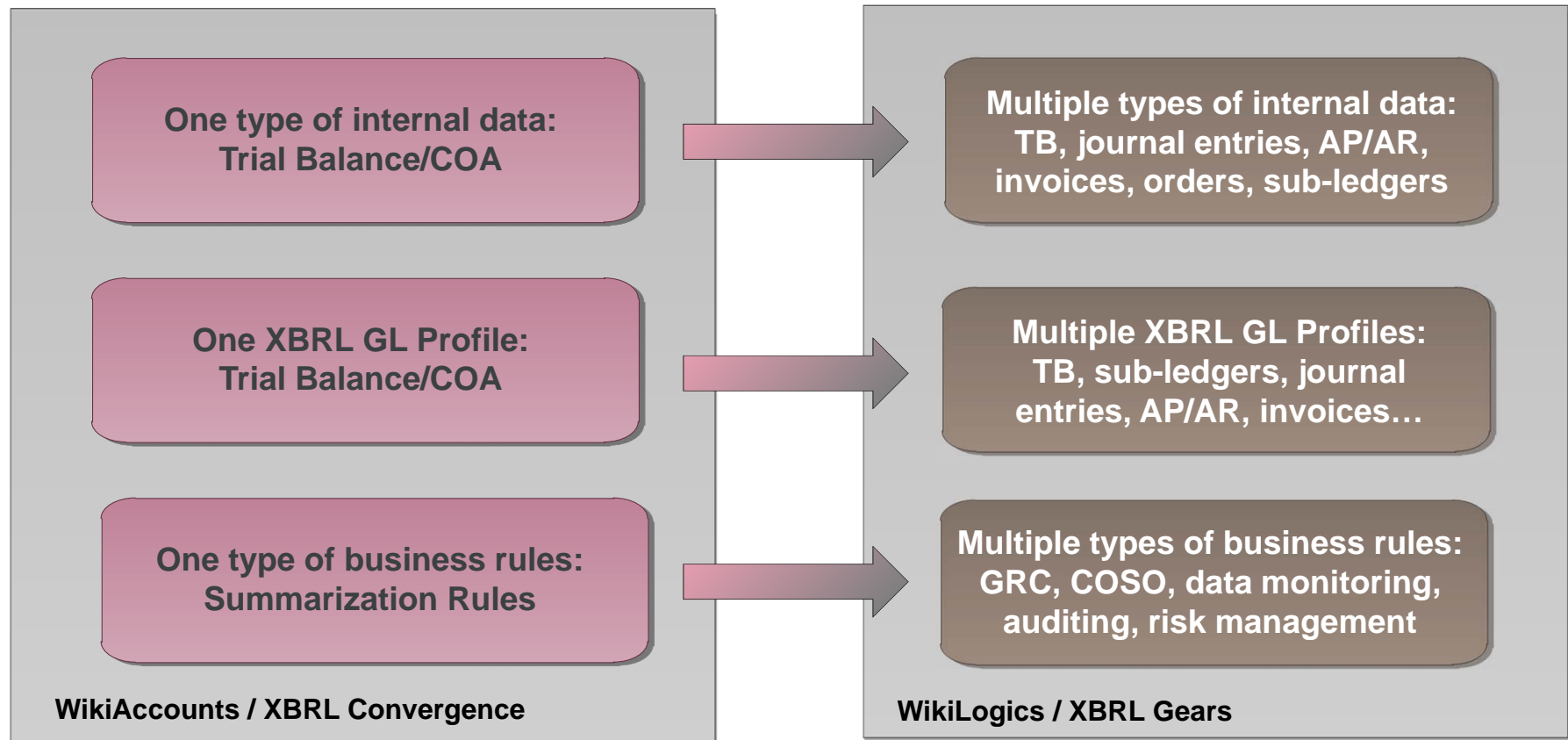
# Extension to Different Processes

- ▶ These use cases should be the starting point for their significance and relative simplicity (80–20 rule)
- ▶ They are based on
  - One simple XBRL GL profile: Chart of Accounts
  - One simple type of business rules applied to the profile: summarization/aggregation rules to generate different end reports
- ▶ The same methodology and very similar technology can be used to support different, more complex processes, also very relevant for most/all companies





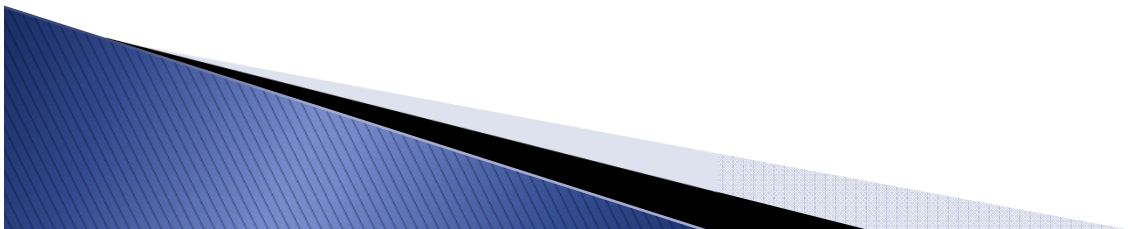
# Extension to Different Processes



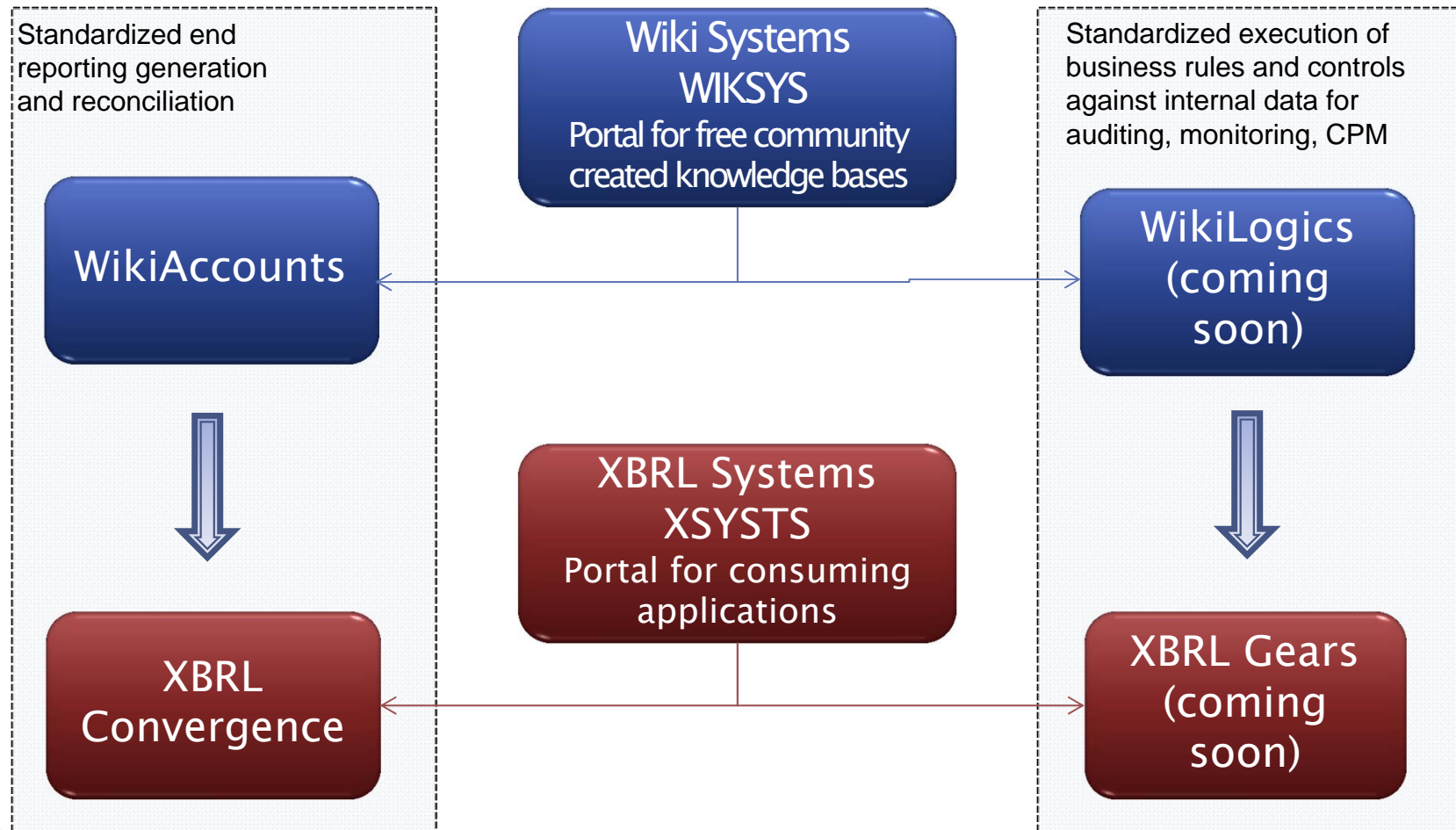
**Same approach, different complexity  
...and greater value**

# Extension to Different Processes

- ▶ Two additional applications support these additional processes
  - WikiLogics – the correspondent of WikiAccounts to
    - Create standardized business rules and controls expressed with XBRL Formula
    - Apply them to a standardized representation of ERP/internal data expressed through XBRL GL profiles for auditing, monitoring and Corporate Performance Management (CPM) purposes
  - XBRL Gears – the correspondent of XBRL Convergence that enables the execution of WikiLogics content against a specific entity's data
- ▶ WikiAccounts, WikiLogics, XBRL Convergence and XBRL Gears are all part of the Deeply Embedded XBRL Toolkit (DEXT)



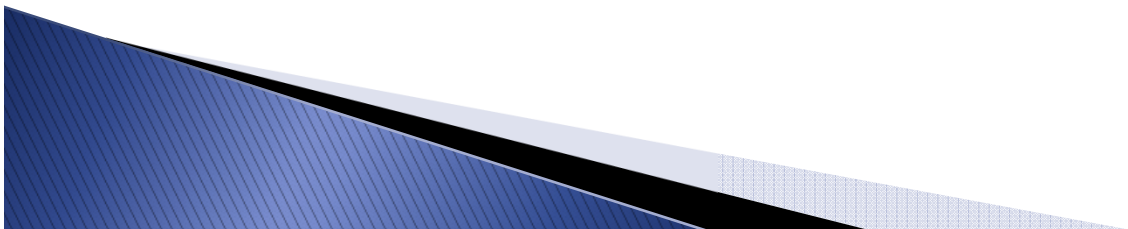
# DEXT\* – Structure



\* DEXT – Deeply Embedded XBRL Tools

# DEXT – Benefits for Businesses

- ▶ Large businesses typically have sophisticated applications in place and use DEXT as a complement:
  - To extend their functionalities to non-integrated modules of their information systems
  - To eliminate “information gaps” that cause the proliferation of spreadsheets
  - To create a standardize view across a broad range of currently disparate proprietary ledger and sub ledger applications



# DEXT – Benefits for Businesses

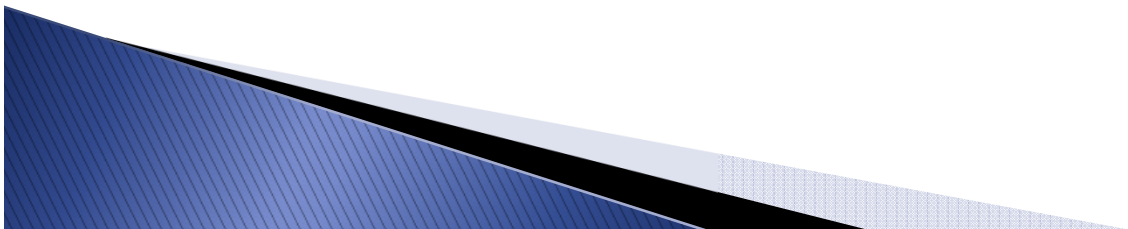
- ▶ Creation of application-independent repositories for libraries of key content — controls, validations, business rules and mappings — usually embedded in proprietary applications and thereby difficult to reuse
- ▶ This enables the standardization of those libraries and an easier deployment of, and transition to, new software packages
- ▶ Small businesses achieve advanced internal and external reporting and business intelligence capabilities currently not accessible to them, quickly and at a fraction of the cost





# Next Steps

- ▶ Identify specific use cases of specific interest
- ▶ Ensure that appropriate content is available in WikiAccounts to support the use cases
- ▶ If not
  - Reach out to the WikiAccounts community
  - Become part of the WikiAccounts community
- ▶ Just do it!



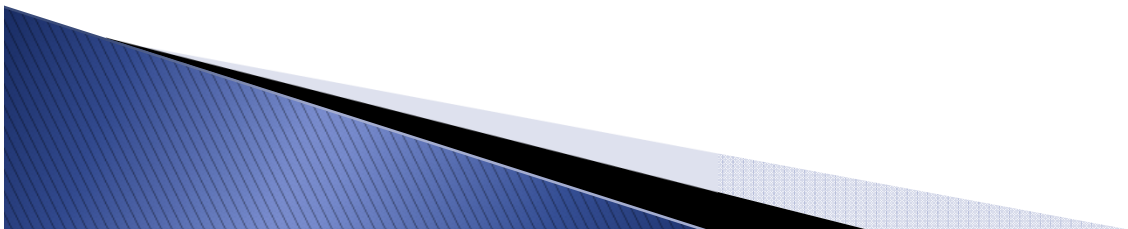
# XBRL for Internal Use – Resources

- ▶ ISACA/IFAC white paper: [Leveraging XBRL for Value in Organizations](#), June 2011
- ▶ Articles from the Institute of Management Accountants (IMA) Strategic Finance magazine:
  - [XBRL Implementation Strategies: The Deeply Embedded Approach](#), November 2009
  - [XBRL Implementation Strategies: Frequently Asked Questions](#), February 2010
- ▶ Fujitsu case study  
<http://18thconference.xbrl.org/sites/18thconference.xbrl.org/files/hanaoka.pdf>
- ▶ MACPA/Altova case study  
[http://www.altova.com/cust\\_macpa.html](http://www.altova.com/cust_macpa.html)



# DEXT Applications

- ▶ Wiki Systems <http://wiksys.org>
  - WikiAccounts <http://wiksys.org/wa>
  - WikiLogics <http://wiksys.org/wl> (coming soon)
- ▶ XBRL Systems <http://xsysts.com>
  - XBRL Convergence <http://xsysts.com/xs>
  - XBRL Gears <http://xsysts.com/xg> (coming soon)



# Questions

Gianluca Garbellotto  
IPHIX

[www.iphix.net](http://www.iphix.net)

[gg@iphix.net](mailto:gg@iphix.net)

XBRL GL WG Chair

[xbrlgl@xbrl.org](mailto:xbrlgl@xbrl.org)

