XBRL
eXtensible Business Reporting Language

XBRL-ENABLED ACCOUNTING SOFTWARE SOLUTIONS:

A Study of Leading Vendors

August 2003

XBRL US Adoption Committee

Table of Contents

Survey Methodology

The Study was based upon a telephone survey during the 2nd quarter of 2003 which obtained responses from 21 leading accounting application software vendors, covering 59 separate products. Respondents were primarily product managers of ERP, general ledger and financial reporting software.

Survey was conducted using a set of standardized questions. The survey addressed:

- **XBRL and XML enablement of specific products,**
- **Company's familiarity with XBRL and perceived user interest in XBRL enablement, and**
- **Respondent knowledge of XBRL and demographic information.**

Some of the vendors surveyed include Hyperion, JD Edwards, Microsoft, Oracle, PeopleSoft, SAP, ACCPAC and Cartesis.

XBRL-US Adoption Committee Chair: Paul Penler, Ernst & Young

                                 Contact: Jeff Naumann, AICPA, jnaumann@aicpa.org

This survey was conducted on behalf of the XBRL US Adoption Committee by the American Institute of Certified Public Accountants — the XBRL US host organization

Foreword

Recent market developments have forced senior management to reevaluate their business reporting processes. Increased economic, market and regulatory pressures are driving demand for better quality, more transparent financial information to be used by both internal and external stakeholders and in a variety of electronic formats. Companies looking for Internet technologies can bring 'better, faster and cheaper' business reporting to the decision making process.

XBRL (Extensible Business Reporting Language) is an emerging technology standard that facilitates the business reporting process. Once XBRL-enabled, the information contained in a business report is consumed more accurately, quickly and efficiently by software applications with built-in XBRL functionality. This is in part accomplished by attaching an XBRL tag to the corresponding piece of data in the report.

Widespread adoption of XBRL will permit financial analysts, investors, accountants, government agencies, internal users and other interested parties to access, compare and analyze data in ways that simply are not practical or possible today. This will result in better, faster and cheaper business reporting and decision making.

Although approximately two dozen software vendors are already developing XBRL-enabled software and tools, the depth of XBRL enablement in the overall accounting and financial software market is still relatively low. As entities assess adopting XBRL today, the rate at which XBRL enablement of software will grow is a critical input in that decision process. Although the adoption rate of XBRL among software developers is increasing, the characteristically lengthy software development cycle warrants an assessment of how the software landscape will evolve in the next 12–18 months. Therefore, the main objective of this study is to assess the current rate of XBRL enablement in certain accounting software applications.

The members of XBRL US are committed to the ongoing development, refinement and ultimate success of XBRL. We firmly believe that enhanced business reporting processes hold wide promise, and adoption of XBRL technology will not only facilitate enhanced business reporting, but it will satisfy some of the diverse, critical information needs of many stakeholders.

What is XBRL?*

XBRL, the financial and operational business reporting offshoot of XML (Extensible Markup Language), is a freely licensed, open technology standard that makes it possible to store and/or transfer data along with the complex hierarchies, data-processing rules and descriptions. XBRL also facilitates the analysis and distribution of data.

Before XBRL, reported data — whether in online digital formats such as the hypertext markup language (HTML) for web pages, as attachments such as Adobe Acrobat or Microsoft Word, or on paper — had little more utility than photocopies. That is, the data could be read by humans, but not easily or quickly incorporated into other electronic mediums. XBRL, however, makes data "smart." It can determine how information is stored and how software presents, manipulates, and exchanges that information by using a set of standards and a family of taxonomies or "dictionaries" of terms.

*For more information on XBRL and the XBRL International Consortium, please visit www.xbrl.org.

Key Findings

As a result of this study, a number of key findings emerged. The following summarizes these key findings.

XBRL is taking hold with accounting vendors

Two-thirds of the accounting software vendors (14 of 21) surveyed have already XBRL enabled one or more software products — or will do so — by December 2004. Of the 59 products included in the survey, half (29) will be XBRL enabled by the end of 2004.

Although approximately half of the vendors surveyed believe that user demand for XBRL enablement of their products is increasing, all perceived that current user demand for XBRL enablement of their products is low to moderate. Therefore, the current demand in the market is not hampering the decision of software vendors to XBRL enable their software.

Surveyed Vendors with XBRL Enabled Products
(Cummulative)
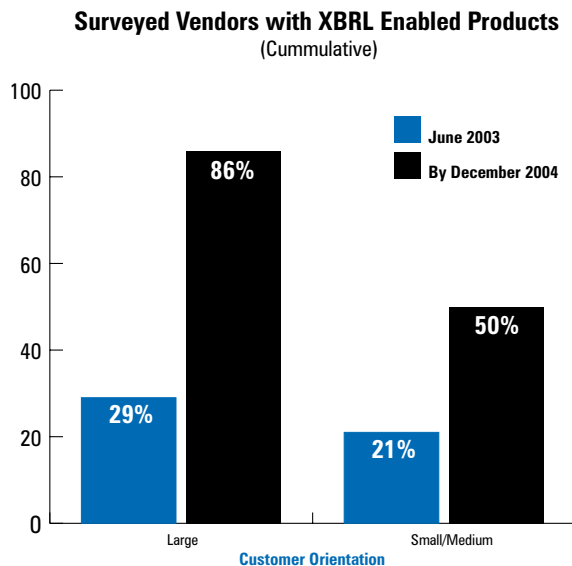
Vendors serving larger customers are XML and XBRL enabling their software more quickly

Accounting software vendors that serve larger enterprises have made more progress towards XML and XBRL functionality in their products than those that provide solutions to small-and medium-size enterprises (SMEs). Ninety percent of products for larger users are already XML enabled compared to 55% of products for SMEs.

The trend seen with XBRL is similar. The vast majority of accounting software vendors — 86% — serving larger enterprises have or will XBRL-enable one or more of their products before the end of 2004. Leading vendors have already incorporated XBRL functionality into at least one of their products. Fifty percent of accounting software vendors serving the SME market have already XBRL-enabled one or more products or plan to do so in 2003 and 2004.

> **"Hyperion has been driving adoption of the XBRL standard through its participation in the XBRL consortium for more than three years and expects to be a key provider of XBRL-enabled products and solutions."**
>
> *— John Kopcke, Chief Technology Officer, Hyperion Software*

Primary focus on XBRL export functionality

All of the vendors surveyed that have decided to XBRL-enable one or more of their products have incorporated the ability for those products to export and save information tagged in XBRL. Since it is a key characteristic of accounting software applications to create rather than consume financial information, it was expected that vendors would have the ability to export and save data in XBRL format.

This is a natural evolution of the acceptance of XBRL in the marketplace — the first step in the process is to enable software to output XBRL data, and as the market progresses, we will see demand for applications that can efficiently and accurately import and consume XBRL-tagged information as organizations begin to automate many of their business reporting processes.

Additionally, a small number of vendors indicated that they were building XBRL import functionality into their products at this time. Some vendors also indicated that their products will include the ability to render or view data in XBRL format.

> **"We see XBRL as a critical tool to help companies meet the increasing demand for greater transparency and interoperability in the information they report,"** said Rob Zwiebach, Director of Financial Applications Development at Oracle. **"We have therefore built XBRL support into our financial reporting engine, enabling organizations to automatically and efficiently produce reports in XBRL format."**

Understanding is key to XBRL Enablement

As vendors come to understand the technical side to XBRL, experience market momentum behind XBRL, and see demand among users of their products, they will begin to XBRL-enable their products. Survey results indicate that two-thirds of software vendors that have not yet enabled their products do not have a good understanding of the technical aspects of XBRL. Building upon early adoption of XBRL among leading software vendors, we believe that momentum will increase among other vendors as their understanding of XBRL technical aspects, benefits and user demand grows.

Conclusion

XBRL is making significant inroads.

Vendors who are serving larger companies are taking a leadership role by enabling software products, even though user demand remains relatively low. As larger software providers enable XBRL, we expect customer interest to increase and drive implementation in small and medium companies to drive enablement.

The vendors' decision to primarily enable their software to output or export XBRL data can be seen as a natural evolution of the acceptance of XBRL. In other words, the first step in the process is to enable software to output XBRL data, which, as the market progresses, will then need software that can consume the XBRL information. This study's results indicate that this evolution is taking place in the market.

The bottom line is that entities currently evaluating XBRL adoption in their organization should feel comfortable that accounting software vendors are also adopting XBRL aggressively.

XBRL-US Members

American Institute of Certified
 Public Accountants

Bank of America

BearingPoint, Inc.

BDO Seidman

Bowne & Co., Inc.

Bryant College

Capital Printing Systems, Inc.

CCH Tax Compliance

Covarity, Inc.

Creative Solutions

Crowe Chizek

Defense Finance and Accounting Service

Deloitte & Touche LLP

Eagle Technology Management, Inc.

EDGAR Online, Inc.

Ernst & Young LLP

F. D.I.C.

Fujitsu Laboratories of America, Inc.

General Electric Company

Grant Thornton LLP

Hitachi America, Ltd.

Hyperion Solutions Corp.

iLumen

Informatica Corporation

Institute of Management Accountants

J.D. Edwards & Co.

KPMG LLP

Lawson Software

Mergent, Inc.

Microsoft Corporation

Moody's Risk Management Services

Morgan Stanley

Nasdaq Stock Market

OneSource Information Services

Oracle Corporation

PeopleSoft

PR Newswire

Practitioners Publishing Company

PricewaterhouseCoopers LLP

Reuters Data LLC

RIA

RR Donnelley Financial

Standard Advantage

Thomson Financial

UBMatrix

Wachovia

In the preparation of this document, every effort has been made to offer the most current, correct, and clearly expressed information possible. Nonetheless, inadvertent errors can occur, and business conditions often change. Further, the information in the text is intended to afford general guidelines on matters of interest to readers. The application and impact of this information can vary widely however, from case to case, based upon the specific or unique facts involved.

The AICPA disclaims all warranties, express or implied, including but not limited to implied warranties of merchantability and fitness for a particular purpose. The AICPA have no obligation to tell you when information in this document changes or to update the document. The mere inclusion of the name of an organization in the text is not to be construed as an endorsement the AICPA.