

TRANSFORMING FINANCIAL REPORTING AND ANALYSIS
WITH XBRL

June 29, 2006

**Microsoft Briefing Center, 1290 AoA, 6th Floor
NYC, NY**

Analyst track 2:45 PM – 3:15 PM

Panel Discussion 3:30 PM – 4:45 PM

GENERAL INTRODUCTION QUESTIONS

(For Mike Skutinsky) What is RIXML.org, how does it relate to XBRL and how is it expected to benefit the information supply chain?

Organizationally, RIXML.org (the acronym stands for Research Information eXchange Markup Language) is currently comprised of 20 Firms that represent major players on the Sell-side, Buy-side, and Vendor/Aggregator/Distribution partners.

We are focused and committed to the “Research report product” and its creation, distribution, and consumption within the financial services community. Our current schema version 2.2 has over 660 enumerated data items that cover about 7 Asset classes and pertain to the Research product and its definition.

XBRL & RIXML are closely related relatives, and if you look at the “DNA” behind both technologies you will find many points of interest and intersection that are common to the financial reporting and use of financial documents within the “Wall Street” community. As presented in the “XML Financial Analysis Lifecycle” session, RIXML & XBRL are both vital to the efficient and effective delivery of data to professionals who use this data in their work environment.

I like to think of XBRL data as the “present in the box” that you would get on your birthday, while RIXML is the “wrapping paper, To/From card, and the mailing address” data that complements the “what’s in the box” gift. Both items are necessary, useful and work well together to serve a common cause.

ANALYZE

(For Mike Skutinsky) Taxonomy – what are the issues for RIXML pertaining to taxonomy definitions, how are you addressing them, and what are your views on where this is going to end up?

Taxonomy - The classification of things in an ordered system that indicates natural relationships.

In the world of Research, you often end up with as many taxonomy preferences equal to the number of people you ask. This, by far, is the major hurdle that has to be addressed and agreed upon by all Members up and down the Information Supply Chain.

On the front-end (Sell-side) Taxonomy decisions can be driven by many factors: where does a Company “fit” in a hierarchy that has Sector, Sub-Sector, Industry, sub-Industry as bucket definitions. Are the Taxonomy decisions driven by Industry “polls and surveys” that might not align with your Firm's idea of structure, or do you have companies that are in a “legacy” category that may not reflect what they are really doing today (ex: Photography & film, Data Processing, machinations of “the Internet” categories).

Products from companies like ICB (Industry Classification Benchmark – FTSE Group & DJ Indexes) and MSCI/S&P GICS (Global Industry Classification System) certainly help in the matter of Taxonomy definition. If you go beyond the world of the “Research report” you will find the Revenue areas of many Firms (Sell and Buy side) are trading market baskets of stocks that align with either of the two leading standards, ICB or GICS.

To me it makes sense to align with the Revenue arm of the company and agree on a common definition – when they say we want to trade baskets of “Industrial sector” stocks, you should be tagging the Research for “Industrial stocks” with the same tag as the Revenue end of the business. RIXML.org would like to have a limited set of “Taxonomy providers” and I can see them being both ICB and GICS – if it makes business sense and they price the product right.

ANALYZE

(For Mike Skutinsky) **Analysis Lifecycle** – In the earlier “Analysis Lifecycle session” it was demonstrated that XBRL and RIXML can be very beneficial to an Analyst. How do we make this integration happen and what are the “next steps” that need to be taken?

It has been my experience over the past few months that RIXML and XBRL are often viewed as “similar but vertical” technologies that SEEM to address similar business problems but never intersect – like railroad tracks. Our Users have not yet done a Venn analysis (**Venn diagrams** are to show the logical relationship between different groups of things) to understand how both RIXML and XBRL can help them do their job.

Education & Awareness – it’s the responsibility of BOTH RIXML.org and XBRL.org to present, define and display the use and intersections of both technologies to our financial audience. The earlier session today was a watershed event for both organizations, it was a collaborative effort, presented by individuals who are leaders in their fields of expertise, and it was a very good pictorial representation of the intersect points of RIXML and XBRL - I am confident that the railroad tracks are disappearing.

Collaboration – RIXML and XBRL presentations have been done together at least four times since April. Major venues such as the recent SIA show, NYSSA sponsored events and others have featured both Organizations as “side-by-side” sessions – and it makes all of the sense in the world to continue these efforts.

Next 6 months – I believe that we need a real “boots on the ground” effort in introducing both technologies to the Financial Services Industry. We need to talk with decision makers, the people who plan and track the budgets, and the **technology** people who need to be involved to make all of this happen. The 2007 Budget cycle often starts in July and is cast in stone by late September – with number tweaking happening for the rest of the calendar year. In my opinion, if we don’t get the word out and get financial commitment to do all of this within the next 3 or 4 months we will easily bump into the 2008 budget cycle – that doesn’t mean its wrong, it just moves the implementation goal further down the field.

MARKET ADOPTION

(For Mike Skutinsky) Since RIXML and XBRL will broadly span three groups of “Wall Street” users – Sell-side Firms, Distribution/Vendors/Aggregators, Buy-side firms, how do you suggest getting started to obtain some traction and acceptance for both technologies?

Building on what I covered earlier, I feel that we need to bring all three groups into our camp and make them part of the decision process. RIXML.org was initially started as a “peer-to-peer” organization, “Sell-side going directly to the Buy-side” circumventing the Vendors and Aggregators of information. The organization changed a few years ago and we now have Vendors/Aggregators as members of our organization – and they play a very important role in making our technology happen.

Offer something small, understandable and can be easily implemented - as I mentioned earlier our Schema has over 660 enumerated data points, much to large to get your hands around all at once. RIXML has released a Level One product, RIXML for Equity research if you will, and it is still true to the Schema definitions BUT has a smaller data set to get someone started.

We have commitment dates from BOTH Sell-side and Vendor members (which will be posted shortly on our Web site for all to see) and this seems to be working well with getting a “Lite” version of the RIXML product going across the board.

You need a “Quick Start Guide” analogous to what you get when you buy a new software package. You have a thick, technical manual that contains EVERYTHING you would want to know about something (Our Schema’s), but you often just go to the thin, easily understandable “Quick Start Guide” to get you going very fast and with minimal frustration – I believe that this is what both groups need.

Of course you need the “technical specifications” for those professional who need to make it happen within IT, but you need something that the folks who prepare the budgets and assign the projects understand and can see opportunity and benefits.

LOOKING FORWARD

(For Mike Skutinsky) Based on the RIXML.org experiences over the past few years, do you have any suggestions or comments for the XBRL organization? Where would you like to see from both the XBRL and RIXML efforts by the end of 2006?

Comments – Stay true to the course that you initially charted from the start. It's easy to loose your way and go down paths that will take you away from your charted course. Always ask your Organizational self – are we still attempting to accomplish everything that we were created to do. Example: RIXML does NOT attempt to define “Financial data” or “Market Data”, we leave that to the XBRL and MDDL organizations.

Suggestions - Consider the “Lite” approach for Schema acceptance. I am sure that XBRL like RIXML has its purists that bristle at the idea of “getting small to start” and feel that it has to be “all or nothing”. Well my friends – be prepared to accept NOTHING because it very well may happen with that approach to implementation.

Boots on the Ground - Leave no stone unturned, talk to everyone, and have a multi-approach game plan to get into an Organization at all levels. Prepare a storybook that can be useful to all different types of decision makers – Financial staff, Business decision makers, and Technical professionals. They all need very different type's tools and documents to understand your technology.

XBRL & RIXML by the end of 2006 - More collaboration, more joint presentations, taking the presentation tract from earlier today and make that our joint “calling card” to spread the word. Developing contacts and identifying decision makers through the relationships of BOTH organizations.

I promise to continue to spread the XBRL story when I talk about RIXML, and I look forward to the reciprocation from the XBRL organization.

Thank You!!