



In this issue we highlight the production release of version 2.3 of our schema, an article contributed by Graham Millington, an updated release of our Best Practices guide, how RIXML helps in the tagging process, participation in recent industry events and a perspective from Jack Roehrig, Executive Director of RIXML.org

RIXML.org releases Production version of 2.3 Schema

RIXML version 2.3 is principally motivated by the desire to improve clarity and respond to lessons learned from using the schema in production over an extended period of time. The organization has received excellent feedback from its member firms stemming from implementation projects and substantial exposure to real instance documents produced industry-wide.

We've improved the definitions of more than 120 of the enumerated values governing restricted tags throughout the schema. We hope this will reduce confusion and corral the breadth of interpretations for these values we've seen in the field.

We've also seen many cases where publishers elected to populate tags with default values in the absence of reliable, accurate values. This practice leads to inaccurate tags, which, naturally, we view as worse than absent tags. So, we've loosened tag cardinalities where beneficial.

Version 2.3 does not break backward-compatibility with version 2.2. That is, a RIXML instance document that validates against version 2.2 will also validate against version 2.3

User Guide



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www.RIXML.org

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The purpose of the User Guide is to assist readers in their understanding of the RIXML specification. It outlines the approach we took in creating the RIXML standard and also explains some fundamental concepts such as XML, object modeling, schemas, etc. Diagrams of the RIXML object model are included as are definitions for the elements and attributes.

[Download the User Guide](#) in Adobe Acrobat format (.pdf)

Release Notes

This document highlights the changes between version 2.2 of the RIXML specification and version 2.3.

[Download the Release Notes](#) (.pdf)

Schema

The RIXML Schema is the actual XSD files that represent the relationships and components as defined by the object model. These files can also be used to validate instance documents to ensure they are RIXML-compliant. Beginning with this release, the RIXML schema is now distributed as a set of three files, as described in the Change Log

Download the RIXML Schema: [Main](#) | [Common](#) | [DataTypes](#) (.xsd)

We are grateful for the contributions from our members and the efforts of our Technical & Standards and Best Practices committees to bring about this production release.

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Interested in joining RIXML.org? Call our Program Office and 212-655-2945 or email us at rixml@jandj.org for additional information.

Investment Research---Outstanding Performance from New Behavior By Graham Millington

Extel 2009 shows that analyst numbers have fallen by 20%, yet stock coverage remains comparable with 2008. More than ever, Heads of Research must encourage analysts to deliver outstanding levels of individual performance. The only sure-fire way for analysts to achieve this is to change behavior. Action X generally results in Outcome A and Performance level 1; only when analysts adopt Action Y can they reliably achieve Outcome B and thereby Performance level 2. The often-maligned performance management process is the key to sustainable behavioral change. It involves setting goals for performance; agreeing metrics for assessment; conducting appraisals of success and failure; and allocating rewards.

Goals

It is well understood that goals must be SMART (specific, measurable, achievable, realistic and timed). To encourage new behavior, however, goals must also be owned by the analyst, i.e., he or she must be both empowered and accountable. Goals must be demanding: easy goals result in boredom, demotivation and lackluster effort. Finally, goals must cover both performance and development: firms operating in a complex market must examine what competencies and skills are required for long-term success.

Metrics

The research industry has four main sources of data for measuring analyst performance: (1) commissions; (2) industry rankings such as Institutional Investor and Extel; (3) broker votes; and (4) internal assessments. While providing useful intelligence, all four sources must be used with caution. For example, are high commission flows attributable to the analyst, the salesman or the market? Industry rankings and broker votes may not reflect an analyst's effort or true performance. Internal 360-degree ratings may be biased. The trick is to employ a balance of metrics that, first, reflects the priorities of the individual research business; and, second, feeds meaningful data re successes, failures, strengths and weaknesses into the performance appraisal process.

Appraisal

Without feedback, there is no learning: consider the child who burns himself on a hot oven door. The aim of performance appraisal is first to learn; and then, to ensure that the firm has capable people working towards strategic goals. To encourage new behavior, the appraisal process must be future-oriented rather than purely retrospective: examine the past, and then set guidelines for future performance and ongoing development. Managers must encourage a culture of performance, where transparency is valued and constructive, objective feedback is welcomed. Views on performance should be offered regularly – end-of-year surprises are almost always counter-productive.

Incentives

Rewards are allocated for past contributions and offered as incentives for future accomplishments. To be effective, rewards must be sufficient – valued by the individual analyst and aligned with his or her needs; fair – analysts must have a voice in reward strategy; allocations must be consistent and the logic behind awards must be communicated across the department; timely – offered soon after performance; “late” rewards may make analysts happy, but they do not necessarily lead to new behaviors. Ill-conceived rewards result in performance degradation.

Conclusion

In conclusion, through clear goals, relevant metrics, candid appraisals and fair rewards, performance management can generate new analyst behaviors that deliver outstanding investment research performance. What makes performance management more than a red-tape exercise is, however, not a rigorous process, but visible leadership: the credibility to set goals for senior analysts; the courage to stand by controversial remuneration and dismissal decisions; and the authority to fight for the research franchise within the larger organization.

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Graham Millington was formerly Global Head of Research Operations at UBS and Global Head of Strategy Implementation for Merrill Lynch Research. As an executive coach he now supports senior managers in developing leadership capabilities and improving

organizational performance.

Release of Updated Best Practices Guide

We are very pleased that version 0.2 of “Best Practices for Publishing RIXML” has been released and is available through our web site www.rixml.org. This guide is intended to help contributors avoid common mistakes and to ultimately produce well-tagged research in conformity with the RIXML specification. This guide has been updated to reflect the changes to our schema from our latest schema release 2.3.

Many thanks to our associate member FactSet Data Systems for contributing this useful primer, and, in particular, Alan Francis, the author of this guide.

How does RIXML help?

RIXML is an XML specification that contains the list of tags identified by RIXML-member firms as being important to describe a research document.

Some of these tags are required, while others are optional. There are some tags that are required for some types of reports, but not for others. For example, if you publish a company report, you must provide a company name and ticker, and you may choose to include the industry that the company is in; an industry overview report requires you to provide the industry, but does not require you to provide tickers. When we refer to tags, we are referring to the labels that have descriptions of the content. There are actually two different types of tags: **elements** and **attributes**.

An **element** represents a piece of data. That data has a name. It may have attributes, and it may have specific relationships with other elements

Example:

```
<Title> 3G iPhone Arrives  
with New Price Point,  
Broadening Global Reach,  
and Enterprise Focus  
</Title>
```

An **attribute** is a property

Example:

associated with an element. It provides additional descriptive information about the element.

Some elements have no attributes, some have several

In order to organize the tags, there is a type of element, called a **container element**, that does not have any real data value associated with it. It serves only as a container for grouping other elements and/or attributes.

All other elements and attributes are referred to as **data items**. Data items do have real data associated with them.

```
<Title language="eng">  
3G iPhone Arrives with  
New Price Point,  
Broadening Global Reach,  
and Enterprise Focus  
</Title>
```

Example:

```
<Authors>  
<Author> Moscovitz,  
Mark</Author>  
<Author> Smith, Jane  
</Author>  
</Authors>
```

RIXML.org Industry Events

We were pleased to see many RIXML.org members and friends at our annual "Meet & Greet" event on June 23rd in New York as well as at the June 23 -25 SIFMA Technology Conference at the NY Hilton. Thanks for the assistance of our Program Office and Jordan & Jordan in coordinating these events.

19th XBRL International Conference, Paris, June 23rd

Andrew Ling, Sell-Side Chair of RIXML.org, presented "How is XBRL Assisting the Investment Community" at this event in Paris. His presentation is available, under the "Recent Events" section of our web site, www.rixml.org

We are building out our Fall and late 2009 events schedule and welcome input from our members and

industry colleagues, particularly, at member related events and functions.

Perspective from Jack Roehrig, Executive Director, RIXML.org

PLEASE NOTE: This viewpoint is entirely my own and neither the official viewpoint of RIXML.org nor the viewpoint of any of its member organizations.

**The Research Business Model in Transition:
Mapping Out the Course for RIXML.org**

You may have noticed there is more than a subtle shift occurring to place greater emphasis on the real **business** of Research. Commerce engines for formalized content sets(ideas) are proliferating. The Global Research Settlement 5 year mandate came to a close in July, where, the automatic/windfall revenue models have come to an end---all independent research providers now must compete on a level playing field. Discretionary use of buy-side commission dollars for Research is dearer and is receiving greater scrutiny since cash payments for Research is not the preferred method for payment it used to be----that cash has to be put to more mission/business critical use, i.e., people costs, SG & A, et al.

While it may be early in the process, it appears that, in terms of packaging Research content sets, the traditional lines are blurring as it relates to sell-side research from the major broker/dealers, the alternative/independent firms, and the channel checkers and expert networks. Formal alliances are being forged to offer blended content sets to institutional consumers. These alliances may become commonplace---maybe its just building synergies---maybe its just good old "coopetition", or maybe it's just the "the client matters-

--if we don't have it here at Macy's, send them to Gimbels" approach(hope some of you are old enough to recognize that—if not, please see Miracle on 34th St—black and white version preferred).

So.....as these Research tectonic plates continue to shift, and we chart our course, it makes sense to examine where we need to be within the context of our 3 broad organizational objectives:

Adoption---ensuring broad member support of our latest schema release 2.3, prioritizing the tagging structure for our next release to include "non-traditional" content set tags, such as ESG, forensic accounting, others.

Marketing/Membership---the potential inclusion of emerging players among alternative/independent firms, the channel checkers and expert networks, others. Since buy-side firms pay for these services, their input/influence is critical

Alliances/Partnerships---beyond our XBRL partnership, formalizing and embedding our organization within investment professional organizations, i.e. the CFA Institute, NYSSA, others. Despite the business challenges that remain, these are exciting and opportunistic for the Research business at large and for **YOUR** organization, which only heightens the need for active participation and ongoing commitment of our membership, which is not taken for granted.

I look forward to your contribution and your ideas.

**"Summer ends, and Autumn comes, and he who
would have it otherwise would have high tide
always and a full moon every night."**

Alexander Barclay

