



## Microsoft and Rivet Software Work Together to Pioneer Streamlined XBRL-based Financial Reporting for SEC

### Overview

**Company:** Microsoft Corporation  
**Country or Region:** International  
**Industry:** Computer Software

### Customer Profile

Microsoft Corporation develops, manufactures, licenses, and supports a wide range of software products for various computing devices. With 57,000 worldwide employees, its 2004 revenues were U.S.\$36.8 billion.

### Business Situation

As a leader in employing technology for financial best practices, Microsoft wanted a solution to streamline its Extensible Business Reporting Language (XBRL)-based financial reporting.

### Solution

Rivet Software's user-friendly solution enables Microsoft workers to tag documents in XBRL from an add-in within Microsoft® Office Word and Microsoft Office Excel®.

### Benefits

- Simple, efficient XBRL report generation
- Streamlined ability to meet U.S. Securities and Exchange Commission (SEC) financial reporting requirements
- Consistent with the Microsoft commitment
- Flexible to handle custom extensions

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Michael Ohata, Director of Reporting Standards, Microsoft Corporation

On February 3, 2005, the U.S. Securities and Exchange Commission (SEC) announced that it would begin accepting corporate financial reports tagged with Extensible Business Reporting Language (XBRL). Always seeking to maintain its leadership in financial best practices, Microsoft Corporation chose to participate in the voluntary filing program. It needed a solution that would enable its employees to quickly create XBRL-formatted reports from within the familiar Microsoft® Office tools they already used. To convert its Form 10-Q into XBRL, Microsoft worked with Rivet Software. Rivet's product enabled Microsoft employees to tag financial documents in XBRL directly from within Microsoft Office Word and Microsoft Office Excel®. By making it easy to employ XBRL, the application is helping Microsoft participate in the SEC program and supporting the company's commitment to financial leadership.

“The SEC now has a system that receives XBRL, and we can quickly build XBRL-formatted financial statements and submit them. Our goal is to share our experiences with other companies.”

Michael Ohata, Director of Reporting Standards, Microsoft Corporation

## Situation

When the U.S. Securities and Exchange Commission (SEC) announced that it would begin accepting corporate financial reports tagged with Extensible Business Reporting Language (XBRL), Microsoft Corporation, one of the founding companies and ongoing supporters of XBRL, took a leading role in the program. The voluntary program, announced in February 2005, encourages companies to furnish financial information in the worldwide standard language to assess the use and adoption of XBRL technology.

XBRL consists of a publicly available specification that uses XML to describe financial statements and business reporting information for both public and private companies. In March 2002, Microsoft became the first technology company to report its financial results in XBRL and has been a strong supporter of this open standard from its inception.

According to Michael Ohata, Director of Reporting Standards at Microsoft, the company sees the SEC program as further opportunity to use innovation and technology to improve financial reporting processes and understand how all companies can benefit. “At Microsoft, we are always looking at the trends in financial reporting,” says Ohata. “We saw this as an opportunity to take an active role in providing best practices and leadership in this area.”

With the decision to create XBRL-formatted financial reports for the SEC, Microsoft sought technology solutions that would enable its employees to tag documents in XBRL directly from within Microsoft® Office programs, and do so quickly. “In the finance teams,” Ohata continues, “we have a lot of folks who use Microsoft [Office] Word [2003] and Microsoft [Office] Excel® [2003] to produce reports and wanted to continue to use these familiar tools. So how do you

extend their functionality to create XBRL-formatted reports? It is critical that the market provides tools that match a financial reporting team’s workflow.”

The challenge was to take any company’s financial statements and 10-Q documents and convert them into what are known as XBRL “instance documents.”

## Solution

Rivet Software’s Dragon Tag provided Microsoft financial reporting professionals with an application for tagging XBRL reports from within existing Microsoft Word 2003 and Microsoft Excel 2003 documents.

### “Drag-and-Drop” XBRL Tagging

Dragon Tag provides a graphical interface for applying XBRL tags from within the document. As an add-in to Microsoft Word 2003 and Microsoft Excel 2003 spreadsheet software, the solution offers financial professionals the ability to create XBRL-formatted reports without re-keying information or having to leave the Microsoft Office environment. The product allows employees to quickly associate XBRL information to existing financial data using a simple drag-and-drop (i.e., “drag and tag”) interface.

### Customizable Taxonomy

The product supports the latest XBRL Specification (2.1) and XBRL standard base taxonomies such as U.S. generally accepted accounting principles (GAAP) and international financial reporting standards (IFRS). For industry-specific or other “nonstandard” reporting items, Dragon Tag provides a “wizard” interface that helps to create company extension taxonomies.

### XBRL Validation

Dragon Tag offers comprehensive review and validation functionality that automatically performs checks to help ensure that reports are accurate and meet defined standards

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Rob Blake, Vice President of Product Marketing, Rivet Software

before being published. This enables financial experts to focus on the content of the reports, instead of the format.

### **Benefits**

Microsoft has realized a number of important benefits using the Rivet Software solution as part of its efforts to make its financial statements available in XBRL.

#### **Simple Creation of XBRL-Formatted Documents**

For Microsoft employees who regularly create and update financial statements using Microsoft Office 2003, the Rivet Software solution is helping make conversion to XBRL simple. “Financial professionals do not want to be bothered with understanding the technical complexities of XBRL,” says Rob Blake, Vice President of Product Marketing for Rivet Software. “The power of the Dragon Tag solution is in its simplicity. With the application, users can quickly tag financial information in XBRL without ever leaving the Microsoft Office interface they work in every day.”

Ease-of-use was also a critical consideration because the benefits of any solution are only realized when employees readily adopt them. By working within Microsoft Office 2003, Dragon Tag offers a way to publish in XBRL without any significant changes to their existing procedures.

#### **Streamlined SEC Compliance Efforts**

By providing Microsoft financial professionals a way to convert reports into XBRL from within Office 2003, the solution is helping the company participate in the SEC voluntary program. Because XBRL tags contain data that categorizes and describes financial information in a standard way, it reduces the need to manipulate data manually as it moves from one location to another. Once a company’s financial statements are released in XBRL, the information can be quickly

published, consumed, and analyzed without the need for re-keying. This makes for seamless transfer of consistent, standardized information and frees up more time for financial professionals to spend on value-added tasks.

“The SEC now has a system that receives XBRL, and we can quickly build XBRL-formatted financial statements and submit them. Our goal is to share our experiences with other companies,” says Ohata.

#### **Customizable to Meet Specific Reporting Needs**

One important benefit of the Dragon Tag solution is its ability to handle “company extension taxonomies,” or additions to a financial reporting taxonomy that are not part of the standard information set. Company extensions are a common part of financial reporting and cover items that are specific to a given industry or business type.

Creating company extension taxonomies is an integral and integrated part of marking up data using Dragon Tag. A “wizard” interface guides finance staff through the entire process of creating the extension. “Having company extension functionality available as part of the markup process allows users to address company-specific reporting situations when they encounter them,” says Blake. “The wizard allows users to click their way through the process, quickly and easily creating their extension.”

The Rivet company extension taxonomy wizard makes it possible to accomplish this step directly from within Microsoft Office programs.

#### **Demonstrates Leadership in Financial Reporting**

The Microsoft adoption of XBRL-based financial reporting is consistent with the active role the company has taken in

## For More Information

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[www.microsoft.com](http://www.microsoft.com)

For more information about Rivet Software products and services, visit the Web site at:

[www.rivetsoftware.com](http://www.rivetsoftware.com)

For more information on how to improve financial reporting and analysis using XBRL and Microsoft Office programs, visit the Web site at:

[www.microsoft.com/office](http://www.microsoft.com/office)

providing best practices and leadership in finance and technology. Ohata says, "Making our SEC filings available in XBRL is another way of demonstrating our commitment to XML-based standards. We believe XBRL will play an important role in changing how companies share financial information and how they can increase their financial transparency as a result."

The company believes that financial reporting is only a first step in the use of XML-based standards for information sharing. "XBRL has many long-term benefits," Ohata adds. "XBRL has the ability to transform the communication of financial information. We believe that financial information can be more widely distributed and easily understood, and standards such as XBRL can help facilitate that process."

In the future, Microsoft will continue to support the XBRL standard. The company is leading the way by employing best practices in financial reporting and continuing to use technology as a strategic tool.

## Microsoft Office System

Microsoft Office is the business world's chosen environment for information work that provides the software, servers, and services that help you succeed by transforming information into impact.

For more information about the Microsoft Office System, go to:

[www.microsoft.com/office/system](http://www.microsoft.com/office/system)

### Software and Services

- Microsoft Office System
  - Microsoft Office Excel 2003
  - Microsoft Office Professional Edition 2003
  - Microsoft Office Word 2003

### Partners

- Rivet Software Dragon Tag

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