1.6. Benefitting from Using XBRL

One of the early adopters of XBRL was the U.S. Federal Deposit Insurance Corporation (FDIC), which is a member of the U.S. Federal Financial Institutions Examination Council (FFIEC). The FDIC took the time to collect and communicate information about its implementation of XBRL to help others understand any benefits that existed. (This information is available on the Web at http://xbrl.org/us/us/ffiec%20White%20Paper%2031Jan06.pdf.)

As an example of the benefits XBRL can provide, here is a summary of the advantages of using XBRL that the FDIC found:

- **Decreased total cost of ownership:** The FDIC reduced the total cost of ownership of their system from $65 million to $39 million, a savings of $26 million.

- **Greater timeliness of information:** The FDIC reduced the time it took to make information available from 45 days to 2 days. The FDIC achieved this time reduction by validating information as part of submission, using XBRL's ability to express business rules; providing those rules to software vendors so that those creating submissions could validate their own information; verifying information; and only letting valid information be accepted by the system.

- **Higher quality of information:** Contributing to the greater timeliness of information was the reduction of mathematical errors from 18,000 to 0 in the very first filing period XBRL was used. The FDIC reduced errors by, again, expressing the rules, making those rules available during creation of the information, and then not allowing information that violated the rules to come into the system. This higher quality of information also reduced the number of analysts needed to detect and correct mathematical errors by 33 percent because the analysts did not have to call banks and ask them to correct this type of error in their submissions. There are other types of errors than mathematical errors, so you still need analysts.

- **Greater reusability of information:** The FDIC makes the information it collects for banks available to the other five members of the FFIEC and to the public. Before XBRL, the information was converted to different formats for the different systems of the other members, and the information was made available in a format that was simple but not very usable to the general public. Today, XBRL is the format that, everyone, including the FDIC and other FFIEC members, uses, and it's accessible to the general public. Anyone can obtain a standard, off-the-shelf XBRL viewer application and use the information, or computer applications can read the data feeds to reuse the information.

- **Greater flexibility of information collection:** Prior to using XBRL, the FDIC rarely dropped irrelevant information that it was collecting or adjusted the system for new information collected. When adjustments were made, it was a laborious and painful process to not only update the FDIC systems, but also to adjust the software vendor applications. The FDIC used various formats, including Microsoft Excel, Microsoft Word, PDF, and HTML, to communicate changes in information. When XBRL was implemented, changing the system became a breeze for the FDIC. The FDIC could communicate all changes in one format: XBRL. Software vendors could automate the process of reading the changes and change their software applications to support filing financial institutions. Because changing the collected information was so easy, the FDIC could adjust the information their systems collected more often, adjusting as frequently as their regulatory needs demanded.

Although the preceding benefits are specifically for the FDIC's implementation of XBRL, you can see that the types of benefits they discovered are quite general and relate to literally every system used to collect, manage, analyze, and share business information. Although some benefits may have more value for some systems than for others, we think that you can look at what the FDIC achieved and project from it what you may be able to achieve.
Chapter 10 helps you understand ways XBRL can improve your organization’s effectiveness and efficiency and how to communicate that to your boss.