

**A New Machine Readable Standard for Business Reporting**

The proposed Object Management Group® (OMG®) Standard Business Report Model (SBRM) will transform XBRL – a highly technical mark-up language - into an intuitive business-oriented syntax. A far larger audience of prospective users will be able to specify and generate human- and machine-readable reports. By having a global standard, computer systems will deal with one universal version of SBRM, rather than needing a variety of software packages to read various flavors of XBRL.

**What Does Machine Readable Mean?**

A report prepared in machine-readable format can be read by computer software so that relevant data items can be accessed, parsed, and stored directly in the correct place in a database. To be machine-readable, the data items of the document or file need to be “marked-up” with codes so that the software can interpret them.

**Holland and Australia Lead the Way**

In the past decade the Netherlands and Australia have been the leaders in moving government reporting to machine readable formats. In Australia, standardized reporting allows participating companies to reduce the volume of required data elements by 80%, from 35,000 data elements to 7,000. In the Netherlands, the drop was even more dramatic, collapsing 96% from 200,000 data elements to 8,000. Both countries reduced filing and processing costs by billions of dollars.

HTML and PDF formats allow a human to read a document on a machine – BUT – they lack mark-up codes so content cannot be directly interpreted and used by a machine.

**Why Does Machine Readable Matter?**

Today, most US businesses and financial institutions provide required government filings – including financial reports, tax documents and other regulatory reports – in HTML or PDF formats. (Notable exceptions are the SEC and FDIC, which require companies to report some financial data in a machine-readable format). It is a labor-intensive and error-prone process to convert the data in these documents into machine-readable formats.

Further, many companies must file multiple government reports, meaning that many data items (such as company name, address, financials, key officers, etc.) end up being stored multiple times across multiple agencies and databases.

With a standardized reporting model such as SBRM, companies and financial institutions can submit their filings in a form that is read directly into a database. Many data items need to be stored only once in common government-wide databases. To the extent that data is shared, it can be easily accessed for big-data applications, something that is often difficult in today’s world.

**What Is in Use Today?**

Machine readable formats have been around more than 15 years. The primary one in use today for reporting is eXtensible Business Reporting Language (XBRL). This is a mark-up language, where each field of a report is assigned a code to represent the type of data item and value reported. The codes are defined in XML-based XBRL *taxonomies* for different types of report, usually specified by regulators. Furthermore, XBRL taxonomies are not global standards. Reports compliant with one XBRL taxonomy are generally readable only by software that can process that taxonomy. XBRL, in short, is not a universal standard for content.

**Who Benefits?**

The most visible beneficiaries will be all companies that have to file reports with regulatory and other agencies, and those agencies that have to process that information. Soon after, many state and local governments will surely move to SBRM reporting, spreading similar benefits more broadly.

The less visible but more material beneficiaries may end up being corporations and financial institutions if they take advantage of SBRM to improve B2B and B2C communications.

**OMG Advances the Standard Business Report Model**

OMG is developing a SBRM standard to address shortcomings in XBRL usage:

* The definitions are in an intuitive format familiar to business analysts and accountants. This will make it far easier for business people and regulatory staff to specify machine-readable report formats independently of XML.
* Unlike XBRL, SBRM ’s foundation encourages use of enterprise information models or ontologies that are independent of how information is represented in different reports. This makes it easy to create a wide variety of business reports and ensures that a given element (such as net income) are used consistently across all reports.
* The use of existing information models enables the easy and consistent sourcing and reuse of data into different reports for different purposes.
* A model-driven approach will provide interoperability with current XBRL taxonomies, reports and software, while also enabling new formats such as JSON and RDF.

**Value Proposition**

SBRM will greatly increase the scope of reports that can be filed with government agencies in machine-readable format and simplify that process. Soon after, state and local governments are anticipated to move to SBRM reporting, spreading similar benefits more broadly. SBRM is a cohesive integrated model that:

**Join the Conversation**

OMG is an open membership organization. Members can contribute to the specification process and vote on the development. If you are interested in influencing SBRM, learn more or contact us at: www.omg.org/membership.

* + - * Enhances precision, consistency, and traceability;
			* Formalizes the practice of report development through the use of models;
			* Integrates information across tools, software and data; and
			* Facilitates shared understanding among business users and developers.

The Object Management Group® (OMG®) is an international, open membership, not-for-profit computer industry standards consortium. OMG Task Forces develop enterprise integration standards for a wide range of technologies and an even wider range of industries. OMG modeling standards enable powerful visual design, execution and maintenance of software and other processes. Visit <https://www.omg.org/> for more information.

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