



SEC REPORTING AND THE IMPACT OF XBRL: 2013 SURVEY

WILLIAM M. SINNETT

SENIOR DIRECTOR RESEARCH

FINANCIAL EXECUTIVES RESEARCH FOUNDATION

The Source for Financial Solutions

1250 Headquarters Plaza
West Tower, 7th Floor
Morristown, New Jersey 07960

www.ferf.org

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EXECUTIVE SUMMARY

The U.S. Securities and Exchange Commission (SEC) requires XBRL tagging of quarterly and annual reports on Forms 10-Q and 10-K, and certain other filings. This requirement was phased in over three years, and the phase in period ended in June 2012. The rule also provided a temporary limitation of liability for XBRL filings, which has now expired for virtually all companies.

To find out how companies are handling SEC reporting and compliance with XBRL tagging requirements, FERF has surveyed the members of FEI and other reporting companies annually since 2011. Executives and SEC reporting professionals from 442 unique companies responded to the 2013 survey as compared to 416 in the 2012 survey.

Survey responses were broken out by SEC filing status (a proxy for company size), annual revenue, XBRL solution provider, XBRL solution approach (disclosure management or stand-alone solution), and other attributes. Large accelerated filers were more heavily represented in the survey response than their representative market shares. Organizational differences such as size of team, complexity of document, and other considerations will impact XBRL practices.

HIGHLIGHTS

XBRL EXPERIENCE

- Continuing the trend from prior surveys, companies have reduced the amount of outsourcing services used to create their XBRL filings, and they expect to further reduce outsourcing over the coming year. Significantly, over half of large accelerated filers do not expect to use XBRL professional services for their next annual filing. This trend suggests that larger filers continue to become confident that they can be self-sufficient with the preparation and review of their XBRL reports.
- Companies reported that solution provider support and training, XBRL U.S. GAAP taxonomies, and review of other companies' filings were the most helpful resources for preparing XBRL filings. However, education and training continue to be a real concern, and increasing their internal levels of knowledge continues to be challenging.
- XBRL and late changes were reported as the most significant SEC reporting bottlenecks in 2013 and were also the top reported bottlenecks in 2012. The most challenging aspects of XBRL continue to be the final review process, validation, and mapping and tag selection. Proper handling of negative values was a greater concern in 2013, which may be related to concerns about receiving comment letters from the SEC.
- Companies' top concerns about XBRL compliance continue to be the cost / benefit proposition of the XBRL mandate and the possibility of receiving an XBRL-related comment letter from the SEC.
- With the end of limited liability for XBRL exhibits, some companies are making changes to their processes for creating XBRL filings. While the majority of companies have not made changes, 31 percent have added process documentation.
- Most companies have not made changes to their financial statements or footnotes in response to XBRL requirements, but 33 percent of companies have converted text disclosures to tables, and 30 percent removed non-GAAP disclosures from footnotes as a result of the XBRL requirements.

EXPERIENCE WITH XBRL SOLUTION / SERVICE PROVIDERS

The trend observed over the last few years toward adoption of disclosure management solutions continued to gain strong momentum.

- 71 percent of survey respondents reported using a disclosure management solution (78 percent of large accelerated filers). Of the respondents that use a stand-alone solution, 48 percent are considering changing their solution provider over the next year, and 82 percent of those expect to switch to a disclosure management solution. 7 percent of the respondents using a disclosure management solution expect to change service providers in the next year -- with two thirds of those companies planning to change to a different disclosure management solution.
- Consistent with 2012 results, filers using a fully integrated disclosure management solution, on average, continue to report the highest satisfaction ratings with their service providers.
- The number of solution providers offering disclosure management solutions has increased, with several established stand-alone vendors offering or announcing plans to offer a disclosure management solution. Disclosure management solutions are offered as a web-based or client / server product. The majority of respondents using a disclosure management solution are using a web-based solution.
- Challenges with pencils down periods and working with outsourced service providers have decreased over the last two years and were significantly lower for users of disclosure management solutions compared to stand-alone solutions. 90 percent of companies using a disclosure management solution report a no pencils down policy compared to 20 percent for those using a stand-alone solution.
- A relatively small number of companies (~5 percent) indicated that they had engaged an external accounting firm to review their XBRL filings for their most recent annual filing. A slight increase was projected for next year across virtually all SEC filing status levels, which may reflect the end of limited liability on XBRL filings and increased concerns about receiving comment letters from the SEC.

SEC REPORTING

- The size of SEC reporting teams remained relatively unchanged from the 2012 survey responses, and companies continue to increase the level of internal XBRL competency within their organizations.
- Most companies expect to maintain their current SEC reporting timelines. However, 22 percent of respondents expect to submit their filings earlier next year, with 16 percent expecting to file two or more days earlier. 3 percent expect to file later.

PURPOSE AND DESIGN OF SURVEY

The 2013 SEC Reporting and Impact of XBRL survey addressed two aspects of financial reporting. The first set of survey questions requested operational reporting details other than XBRL, including the following:

- The size of the SEC reporting team
- The number of days necessary to close the books
- The number of days to file financial reports with the SEC

The second section of the survey focused on respondents' experiences in meeting XBRL requirements, including:

- The organization's level of understanding and involvement in the XBRL tagging process
- The type and amount of resources the organization used and the amount of time the organization invested in creating, reviewing, and submitting the XBRL reports to the SEC
- The actual and potential impact of the XBRL requirement on the organization's ability to meet its filing deadlines, including any pencils down requirements
- Areas of greatest concern about XBRL
- The approach used for preparing and creating XBRL reports
- The name of the company's XBRL solution provider and the level of satisfaction with that solution provider
- Anticipated changes of XBRL solution / service providers
- Engagement of external accountants for XBRL-related agreed upon procedures
- Changes made to processes in response to the end of limited liability on XBRL filings
- Changes made to financial statements and footnotes in response to the XBRL filing requirement

The survey was launched on July 29, 2013 via e-mail to over 5,000 FEI members and approximately 3,500 additional SEC reporting professionals with data collected by Cvent, an independent survey firm. There was significant company overlap in the mailing lists which included multiple individuals for many companies. The survey was closed on September 25, 2013. We received 509 total responses to the survey, 442 of which represented responses from unique companies that are reflected herein. In addition to exclusions of multiple responses from the same company, two respondents which do not file with the SEC were not included in the report.

The first section of questions presented to respondents requested specifically identifiable information, including the:

- Name and position of the person completing the survey
- Company name
- Ticker symbol
- E-mail of reporting person

Ninety-five percent of the respondents provided this information which enabled:

- Control for multiple responses from the same company
- Determination of missing public information about the reporting company
- Request missing non-public information about the reporting company or use of public information from SEC filings
- Request clarification or corrected information from the reporting company

Personal and company information of all respondents will be protected. As stated in the survey, FERF:

- Was collecting company specific information solely for the purpose of improving survey quality
- Would not publish or otherwise disclose identifiable information without the express written permission of the respondent

In certain instances, outliers and inconsistent responses for a particular question were excluded from the analysis for the particular question (e.g., where the reported number of working days required to close the books was more than the number of days to file the 10-Q), and follow-up clarification was not received from the respondent.

PROFILE OF SURVEY RESPONDENTS

Throughout this document, survey responses are summarized by SEC filing status: large accelerated filer, accelerated filer, non-accelerated filer, and smaller reporting company. XBRL status (Tier 1, 2, and 3) was not broadly included in the summaries, as XBRL filing requirements are now fully phased in for all filers. The temporary limited liability on XBRL filings has expired for substantially all filers, and XBRL filings now carry the same liability as the rest of the SEC filing.

SEC Filing Status:

- *Large Accelerated Filer* – public float of \$700 million or more
- *Accelerated Filer* – public float between \$75 million and \$700 million
- *Non-Accelerated Filer* – public float of less than \$75 million
- *Smaller Reporting Company* – a sub-set of non-accelerated filers

In general, companies that responded to this survey are larger and have more experience with XBRL than the population of SEC reporting companies taken as a whole. Large accelerated filers represent 24 percent of reporting companies subject to XBRL yet represent 62 percent of the respondents of this survey. Smaller reporting companies represent 44 percent of reporting companies subject to XBRL but only 7 percent of the respondents to this survey. These distributions are similar to the responses to the 2012 and 2011 survey.

PROFILE OF RESPONDENTS

SEC Filing Status	Number of Respondents	Percentage of Respondents	Distribution of All XBRL Filers
Large Accelerated Filer	276	62%	24%
Accelerated Filer	96	22%	21%
Non-Accelerated Filer	39	9%	11%
Smaller Reporting Company	31	7%	44%
Total	442	100%	100%

PROFILE OF RESPONDENTS: REVENUE FOR THE MOST RECENT FISCAL YEAR

SEC Filing Status	Less than \$500 Million	\$500 Million to \$1 Billion	\$1 to \$5 Billion	\$5 to \$10 Billion	More than \$10 Billion	Number of Respondents
Large Accelerated Filer	7%	16%	38%	18%	21%	276
Accelerated Filer	54%	23%	17%	3%	3%	96
Non-Accelerated Filer	49%	13%	33%	5%	-%	39
Smaller Reporting Company	90%	10%	-%	-%	-%	31
Total						442

Companies were also asked whether they used a disclosure management solution or stand-alone solution to prepare their XBRL filings. For the purposes of this question, we defined these solutions as follows:

- Disclosure management solutions typically refer to software solutions that integrate collaborative document drafting, XBRL tagging, and may also integrate EDGARizing and direct filing of both EDGAR and XBRL reports with the SEC.
- Stand-alone XBRL solutions typically refer to software solutions that create XBRL filings using financial statements and footnotes which have been prepared using other software.

Disclosure management solutions continue to gain a significant share of users, which is consistent with the trend reported in 2012. 71 percent of all respondents (compared to 54 percent in 2012), and 78 percent of large accelerated filers (compared to 63 percent in 2012), reported using a disclosure management solution in 2013. These are not necessarily representative of the overall market rate of usage but the reported trend is reflective of varied market observations.

TYPE OF SOFTWARE SOLUTION USED IN MOST RECENT FILING

SEC Filing Status	Disclosure Management Solution	Stand-Alone Solution	Number of Respondents
Large Accelerated Filer	78%	22%	276
Accelerated Filer	68%	32%	96
Non-Accelerated Filer	59%	41%	39
Smaller Reporting Company	42%	58%	31
Total	71%	29%	442

MOST CHALLENGING ASPECTS OF XBRL

Survey respondents were asked to indicate the most challenging aspects of XBRL in the most recent quarter, with the level of challenge indicated as follows:

5=Extremely challenging

4=Moderately challenging

3=Somewhat challenging

2=Slightly challenging

1=Not at all challenging

0=Not applicable

In 2012, respondents were asked to indicate the top three most challenging aspects of XBRL in the most recent quarter, but not indicate the level of challenge.

Consistent with the 2012 results, the most challenging aspects of XBRL continue to be the final review process / validation and mapping / tag selection. Proper handling of negative values was reported to be a greater concern among filers in 2013, which may be related to increased concerns about receiving comment letters from the SEC or due to their taking more direct ownership of the responsibility with in-house stand-alone solutions or disclosure management solutions.

Education and training continue to be a meaningful concern, with companies reporting that their internal levels of XBRL knowledge and getting educated continue to be challenging. The focus and concern associated with XBRL education and on the internal team's level of XBRL competency are consistent with the ongoing trend for most companies to reduce the outsourcing of the preparation and review of XBRL filings.

The level of reported challenges with pencils down periods and working with outsourced service providers have decreased over the last two years and were significantly lesser challenges in 2013 amongst users of disclosure management solutions than stand-alone solutions.

MOST CHALLENGING ASPECTS OF XBRL

	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company	Number of Respondents
Final Review Process / Validation	2.9	3.0	3.5	2.9	
Mapping / Tag Selection	2.7	2.8	3.2	2.9	
Proper Handling of Negative Values	2.7	2.6	3.0	2.5	
Internal Teams' Level of XBRL Competency	2.6	2.8	3.0	2.9	
Getting Educated on XBRL	2.4	2.8	3.1	2.6	
Tagging / XBRL Exhibit Preparation	2.3	2.4	2.5	2.3	
Pencils Down Period Associated With Outsourced XBRL Services	1.2	1.7	1.8	1.8	
Experience Working With Outsourced XBRL Service Provider	1.2	1.5	1.8	1.4	
Number of Respondents	267	91	37	29	424

There was reasonable consistency, with two exceptions, in the ratings of most challenging aspects for most issues when viewed by XBRL solution type (disclosure management solution versus stand-alone XBRL solutions). Companies using disclosure management solutions reported significantly reduced challenges with pencils down periods and working with outsourcing service providers than companies using stand-alone XBRL solutions. Experience working with outsourced XBRL service providers was the most challenging aspect of XBRL reported by users of stand-alone solutions and the least challenging aspect mentioned by users of disclosure management solutions.

MOST CHALLENGING ASPECTS OF XBRL

	Disclosure Management Solution	Stand-Alone Solution	Number of Respondents
Final Review Process / Validation	3.0	3.0	
Mapping / Tag Selection	2.8	2.7	
Proper Handling of Negative Values	2.8	2.4	
Internal Teams' Level of XBRL Competency	2.7	2.7	
Getting Educated On XBRL	2.6	2.5	
Tagging / XBRL Exhibit Preparation	2.4	2.1	
Pencils Down Period Associated With Outsourced XBRL Services	0.9	2.3	
Experience Working With Outsourced XBRL Service Provider	0.8	3.0	
Number of Respondents	307	117	424

MOST FREQUENTLY USED XBRL RESOURCES

Survey respondents were asked to indicate the helpfulness of various XBRL resources, with the level of helpfulness indicated as follows:

- 5=Very helpful
- 4=Helpful
- 3=Neutral
- 2=Unhelpful
- 1=Very unhelpful
- 0=Did not use

In 2012, respondents were asked to list the most frequently used resources for XBRL filings, but not indicate the level of helpfulness associated with each resource.

Respondents reported the helpfulness of a number of resources in developing the most recent XBRL submission. Companies reported that solution provider support and training, XBRL U.S. GAAP taxonomies, and review of other companies' filings were the most helpful resources for XBRL filings, which is consistent with the 2012 results. Material differences were not noted when comparing most frequently used resources by users of disclosure management and stand-alone XBRL solutions.

MOST FREQUENTLY USED RESOURCES IN DEVELOPING MOST RECENT XBRL SUBMISSION

SEC Filing Status	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company	Number of Respondents
XBRL Service or Tool Provider Support	4.5	4.4	4.2	4.6	
XBRL U.S. GAAP Taxonomies	4.1	4.1	4.0	4.1	
Training Provided by Software or Service Providers	4.0	4.2	3.9	4.1	
Review of Competitor or Industry Public Company Filings	3.9	3.9	3.8	4.2	
Educational Webinar	3.6	3.8	3.6	3.6	
XBRL US FAQs or Other Web Tools <i>(Sample Instances, Articles, etc.)</i>	3.4	3.3	3.8	3.2	
XBRL US Preparer's Guide	3.2	3.3	3.4	3.6	
SEC Resources	3.1	3.2	3.3	3.3	
EDGAR Filer Manual	2.9	2.9	3.1	3.0	
Number of Respondents	255	84	32	26	397

MOST FREQUENTLY USED RESOURCES IN DEVELOPING MOST RECENT XBRL SUBMISSION

	Disclosure Management Solution	Stand-Alone Solution	Number of Respondents
XBRL Service or Tool Provider Support	4.5	4.3	
Training Provided by Software or Service Providers	4.1	3.8	
XBRL U.S. GAAP Taxonomies	4.0	4.2	
Review of Competitor or Industry Public Company Filings	3.9	3.9	
Educational Webinar	3.7	3.7	
XBRL US FAQs or Other Web Tools <i>(Sample Instances, Articles, etc.)</i>	3.4	3.4	
XBRL US Preparer's Guide	3.2	3.4	
SEC Resources	3.1	3.3	
EDGAR Filer Manual	2.9	2.9	
Number of Respondents	297	100	397

CONCERNS REGARDING XBRL COMPLIANCE

Survey respondents were asked to indicate their primary concerns regarding XBRL in the most recent quarter, with the level of concern indicated as follows:

- 5=Extremely concerned
- 4=Moderately concerned
- 3=Somewhat concerned
- 2=Slightly concerned
- 1=Not at all concerned

The 2013 results were consistent with the 2012 survey, where the biggest concerns were the cost / benefit proposition of the XBRL mandate and the possibility of receiving an XBRL-related comment letter from the SEC. Non-accelerated filers reported a slightly higher rate of concern regarding XBRL filings in nearly all areas as compared to other SEC filing categories.

Reported concerns were consistent between users of disclosure management and stand-alone solutions.

PRIMARY CONCERNS REGARDING XBRL COMPLIANCE

SEC Filing Status	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company	Number of Respondents
Cost / Benefit Proposition	3.4	3.5	3.5	3.6	
Potential of Receiving an XBRL Related SEC Comment Letter	3.3	3.3	3.2	3.2	
Legal Liability	3.1	3.3	3.3	3.1	
Need to Get Better Educated on Detailed Tagging	3.0	3.4	3.5	3.1	
Resource Availability to Meet Ongoing Processes	3.0	3.2	3.5	3.2	
How to Better Define and Control the Process	2.9	3.0	3.3	3.0	
Risk / Liability for Having the Same Financial Statements Available to the Public in Two Different Formats	2.8	2.9	3.2	2.9	
SEC Validation Process	2.8	2.7	3.1	3.2	
Availability of Help and Support Services	2.5	2.6	3.0	2.5	
Number of Respondents	256	85	33	27	401

PRIMARY CONCERNS REGARDING XBRL COMPLIANCE

	Disclosure Management Solution	Stand-Alone Solution	Number of Respondents
Cost / Benefit Proposition	3.5	3.4	
Potential of Receiving an XBRL Related SEC Comment Letter	3.3	3.4	
Legal Liability	3.2	3.2	
Need to Get Better Educated on Detailed Tagging	3.1	3.2	
Resource Availability to Meet Ongoing Processes	3.1	3.1	
How to Better Define and Control the Process	3.0	3.0	
Risk / Liability for Having the Same Financial Statements Available to the Public in Two Different Formats	2.9	2.8	
SEC Validation Process	2.8	2.8	
Availability of Help and Support Services	2.5	2.5	
Number of Respondents	296	105	401

CHANGES DUE TO THE END OF LIMITED LIABILITY

XBRL exhibits are part of a company's disclosure controls and procedures for financial reporting. With the end of limited liability for XBRL exhibits, some companies are making changes to their processes for creating XBRL filings. The majority of respondents have not made process changes, although 31 percent of filers have added process documentation.

Temporary limited liability for XBRL exhibits allowed these exhibits to be treated as furnished, not filed, as long as filers made a good faith effort to comply with the rules and promptly corrected any errors they became aware of. As the limited liability provision expires, the XBRL exhibits are considered to be filed and carry the same liability as the rest of the filing. Limited liability has expired for virtually all filers.

PROCESS CHANGES IN RESPONSE TO THE END OF LIMITED LIABILITY FOR XBRL FILINGS

SEC Filing Status	More Involvement by Senior Management/ CFO	More Involvement by Board of Directors/ Audit Committee	More Involvement by Auditors	Added Process Documentation	None	Number of Respondents
Large Accelerated Filer	10%	2%	5%	35%	55%	256
Accelerated Filer	13%	1%	2%	33%	55%	85
Non-Accelerated Filer	9%	6%	3%	21%	70%	33
Smaller Reporting Company	11%	4%	11%	4%	79%	28
Total	11%	2%	4%	31%	58%	402

CHANGES DUE TO THE XBRL REQUIREMENT

Companies were asked whether they had made any changes to their financial statements or footnotes as a result of XBRL filing requirements. While approximately half of respondents have not made any changes to their financial statements or footnotes, 33 percent have converted text disclosures to tables and 30 percent removed disclosures which are not required by U.S. GAAP.

FINANCIAL STATEMENT OR FOOTNOTE CHANGES AS A RESULT OF THE XBRL FILING REQUIREMENTS

SEC Filing Status	No Changes	Converted Text Disclosures to Tables	Removed Disclosures Not Required By GAAP or Other Regulations	Added Disclosures Not Required by GAAP or Other Regulations	Number of Respondents
Large Accelerated Filer	51%	33%	31%	2%	253
Accelerated Filer	49%	41%	32%	2%	82
Non-Accelerated Filer	59%	28%	22%	3%	32
Smaller Reporting Company	64%	21%	29%	—%	28
Total	52%	33%	30%	2%	395

XBRL OUTSOURCING APPROACH

Continuing the trend from 2012, companies expect to reduce the amount of outsourcing services used to create their XBRL filings over the next year. Over half of large accelerated filers do not expect to use XBRL professional services for their next annual filing. This shift suggests that larger filers continue to become confident that they can be self-sufficient with regard to preparation and review of XBRL reports.

Interestingly, the opposite is true for smaller reporting companies, which expect to increase the usage of full-service outsourcing. This may be a reflection of the smaller size of SEC reporting teams and lower levels of XBRL competency reported by these companies.

XBRL OUTSOURCING APPROACH – ANNUAL FILING

SEC Filing Status		No Outsource	Limited	Moderate	Full-Service	Number of Respondents
Large Accelerated Filer	Most Recent Annual Filing	45%	12%	9%	34%	268
	Expectation Next Annual Filing	54%	16%	9%	21%	
Accelerated Filer	Most Recent Annual Filing	18%	8%	21%	53%	91
	Expectation Next Annual Filing	31%	16%	19%	34%	
Non-Accelerated Filer	Most Recent Annual Filing	28%	13%	6%	53%	37
	Expectation Next Annual Filing	41%	16%	21%	22%	
Smaller Reporting Company	Most Recent Annual Filing	34%	8%	3%	55%	29
	Expectation Next Annual Filing	28%	7%	7%	58%	
Total						425

XBRL OUTSOURCING APPROACH – QUARTERLY FILING

SEC Filing Status		No Outsource	Limited	Moderate	Full-Service	Number of Respondents
Large Accelerated Filer	Most Recent Quarterly Filing	51%	12%	9%	28%	268
	Expectation Next Quarterly Filing	55%	16%	7%	22%	
Accelerated Filer	Most Recent Quarterly Filing	27%	18%	14%	41%	91
	Expectation Next Quarterly Filing	31%	18%	18%	33%	
Non-Accelerated Filer	Most Recent Quarterly Filing	32%	17%	8%	43%	37
	Expectation Next Quarterly Filing	38%	19%	19%	24%	
Smaller Reporting Company	Most Recent Quarterly Filing	24%	7%	14%	55%	29
	Expectation Next Quarterly Filing	28%	6%	7%	59%	
Total						425

The trend toward the reduction of outsourcing does not appear to be affected by the type of XBRL solution a company uses, with both users of disclosure management solutions and stand-alone solutions showing a shift towards reducing outsourcing.

XBRL OUTSOURCING APPROACH – ANNUAL FILING

		No Outsource	Limited	Moderate	Full-Service	Number of Respondents
Disclosure Management Solution	Most Recent Annual Filing	48%	15%	13%	24%	308
	Expectation Next Annual Filing	60%	20%	10%	10%	
Stand-Alone Solution	Most Recent Annual Filing	5%	1%	8%	86%	117
	Expectation Next Annual Filing	10%	3%	18%	69%	
Total						425

XBRL OUTSOURCING APPROACH – QUARTERLY FILING

		No Outsource	Limited	Moderate	Full- Service	Number of Respondents
Disclosure Management Solution	Most Recent Quarterly Filing	57%	20%	10%	13%	308
	Expectation Next Quarterly Filing	63%	19%	8%	10%	
Stand-Alone Solution	Most Recent Quarterly Filing	3%	1%	9%	87%	117
	Expectation Next Quarterly Filing	4%	7%	16%	73%	
Total						425

Companies were asked to report the hours spent to prepare and review XBRL reports. Large accelerated filers reported a median of 32 hours to prepare filings and 28 hours to review those filings. This is higher than the median of combined preparation and review hours reported in 2012, which was 40 hours for large accelerated filers.

PREPARATION HOURS IN XBRL REPORTS FOR THE MOST RECENT ANNUAL FILING

SEC Filing Status	Preparation			Number of Respondents
	Average	Median	Maximum	
Large Accelerated Filer	49	32	600	244
Accelerated Filer	42	20	500	80
Non-Accelerated Filer	44	24	200	31
Smaller Reporting Company	23	24	65	23
Total				378

REVIEW HOURS IN XBRL REPORTS FOR THE MOST RECENT ANNUAL FILING

SEC Filing Status	Review			Number of Respondents
	Average	Median	Maximum	
Large Accelerated Filer	16	28	280	244
Accelerated Filer	10	23	200	80
Non-Accelerated Filer	16	22	150	31
Smaller Reporting Company	8	11	50	23
Total				378

Companies using a disclosure management solution reported higher preparation and review hours than companies using stand-alone solutions. This is consistent with lower levels of outsourcing for companies using disclosure management solutions.

PREPARATION HOURS IN XBRL REPORTS FOR THE MOST RECENT ANNUAL FILING

SEC Filing Status	Preparation			Number of Respondents
	Average	Median	Maximum	
Disclosure Management Solution	49	32	600	280
Stand-Alone Solution	31	20	280	98
Total	46	25	600	378

REVIEW HOURS IN XBRL REPORTS FOR THE MOST RECENT ANNUAL FILING

SEC Filing Status	Review			Number of Respondents
	Average	Median	Maximum	
Disclosure Management Solution	15	15	280	280
Stand-Alone Solution	23	14	210	98
Total	25	15	280	378

The level of outsourcing significantly affected the number of hours spent preparing XBRL filings, but did not have a significant effect on the number of review hours. Companies which fully outsourced this process spent an average of 28 hours to prepare filings, compared to companies which had no outsourcing and spent an average of 65 hours.

PREPARATION HOURS IN XBRL REPORTS BY LEVEL OF OUTSOURCING FOR THE MOST RECENT ANNUAL FILING

Level of Outsourcing	Preparation			Number of Respondents
	Average	Median	Maximum	
Full-Service	28	20	280	146
Moderate	39	20	440	42
Very Limited	43	40	300	42
Not Outsourced	65	40	600	146
Total				376

REVIEW HOURS IN XBRL REPORTS BY LEVEL OF OUTSOURCING FOR THE MOST RECENT ANNUAL FILING

Level of Outsourcing	Review			Number of Respondents
	Average	Median	Maximum	
Full-Service	21	12	210	146
Moderate	26	16	200	42
Very Limited	23	10	100	42
Not Outsourced	30	16	280	146
Total				376

The costs associated with using outside services to prepare and review XBRL filings have increased from 2012. On average, large accelerated filers spent \$21,000 for services, compared to \$14,000 in 2012.

OUTSIDE SERVICES FOR XBRL REPORTS FOR THE MOST RECENT ANNUAL FILING (USD IN THOUSANDS)

SEC Filing Status	Average	Median	Maximum	Number of Respondents
Large Accelerated Filer	\$21	\$10	\$125	229
Accelerated Filer	\$15	\$10	\$65	90
Non-Accelerated Filer	\$19	\$10	\$50	34
Smaller Reporting Company	\$10	\$2	\$50	29
Total				382

OUTSIDE SERVICES FOR XBRL REPORTS FOR THE MOST RECENT ANNUAL FILING (USD IN THOUSANDS)

SEC Filing Status	Average	Median	Maximum	Number of Respondents
Disclosure Management Solution	\$18	\$8	\$100	258
Stand-Alone Solution	\$20	\$10	\$125	124
Total				382

XBRL SOLUTION PROVIDERS

Survey respondents were asked to indicate whether they use a disclosure management solution or a stand-alone XBRL solution. They were also asked to name their XBRL solution provider from a list (which included all of the XBRL solution providers with more than 100 customer filings in the second quarter of 2013) or to designate a different solution provider that they use. The solution providers mentioned by respondents include both in-house and outsourced approaches and are not necessarily indicative of relative market share. There are a number of XBRL solution providers, for example, that cater primarily to smaller reporting companies that were not well represented or perhaps not represented at all in the survey responses. Survey results for service providers used by fewer than 10 respondents are combined as “other” in the tables below and reflect 6 percent of the total responses.

The trend observed over the last few years toward adoption of disclosure management solutions continued to gain strong momentum.

- Disclosure management solutions typically refer to software solutions that integrate collaborative document drafting, XBRL tagging, and may also integrate EDGARizing and direct filing of both EDGAR and XBRL reports with the SEC
- Stand-alone XBRL solutions typically refer to software solutions that create XBRL filings using financial statements and footnotes which have been prepared using other software
- 71 percent of survey respondents reported using a disclosure management solution (78 percent of large accelerated filers). Of the respondents that use a stand-alone XBRL solution, 48 percent (compared to 27 percent in the 2012 survey) projected making a change in the next year compared to 7 percent of users of disclosure management solutions.
- 82 percent of the stand-alone XBRL solution users projecting a change in the next year indicated an expectation to change to a disclosure management solution, and 13 percent indicated considering disclosure management solution(s) and another stand-alone solution with 5 percent planning to change to another stand-alone solution.
- The number of solution providers offering disclosure management solutions has increased with several of the established stand-alone vendors offering or announcing plans to offer a disclosure management solution. Disclosure management solutions are broadly architected as web-based or client / server. The majority of respondents using a disclosure management solution are using a web-based solution.
- Reported use of disclosure management solutions was highest among large accelerated filers (78 percent) and decreased for each class of smaller reporting companies.

BREAKOUT OF XBRL SOLUTION BY DISCLOSURE MANAGEMENT AND STAND-ALONE XBRL SOLUTION

	Disclosure Management Solution	Stand-Alone Solution	Total	Disclosure Management Solution	Stand-Alone Solution
Large Accelerated Filer	215	61	276	78%	22%
Accelerated Filer	65	31	96	68%	32%
Non-Accelerated Filer	23	16	39	59%	41%
Smaller Reporting Company	13	18	31	42%	58%
Total	316	126	442	71%	29%

XBRL SOLUTION PROVIDER FOR MOST RECENT FILING

XBRL Solution Provider	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company	Number of Respondents	Percentage of Respondents
IBM Cognos	15	2	1	—	18	4%
Merrill	19	8	5	1	33	7%
Rivet	14	3	1	2	20	5%
RR Donnelley	31	19	10	4	64	14%
Thomson Reuters	5	4	—	2	11	3%
WebFilings	186	54	20	10	270	61%
Other	6	6	2	12	26	6%
Number of Respondents	276	96	39	31	442	100%

* Note: XBRL solution providers are listed in alphabetical order. The following companies were included in "Other": Advanced Computer Innovations, Compsci Resources, Datatracks, DG3, EZ-XBRL, Issuer Direct, Neoclarus, Novaworks, RDG Filings, Securex, and Vintage Filings

80 companies (18 percent of respondents) expect to change XBRL service providers in the next year. Almost half (48 percent) of respondents using a stand-alone solution expect to change service providers, and 82 percent of those anticipating a change expect to change to a disclosure management solution. 7 percent of the respondents using a disclosure management solution expect to change service providers in the next year -- with two thirds of those companies planning to change to a different disclosure management solution.

ANTICIPATE CHANGES IN XBRL SOLUTION PROVIDER IN THE NEXT YEAR

Anticipate Change From	Solution Type Under Consideration			Percent of Respondents Anticipating a Change in the Next Year	Number of Respondents Anticipating a Change in the Next Year	Number of Respondents
	Disclosure Management Solution Only	Disclosure Management and Stand-Alone Solutions Considered	Stand-Alone Solution Only			
Disclosure Management Solution	5%	1%	1%	7%	24	326
Stand-Alone Solution	40%	2%	6%	48%	56	116
Total				18%	80	442

Of the respondents expecting a change, 82 percent of those using a stand-alone solution indicated they were only anticipating changing to a disclosure management solution.

BREAKOUT OF ANTICIPATED CHANGES IN XBRL SOLUTION PROVIDER IN THE NEXT YEAR

Anticipate Change From	Solution Type Under Consideration			Number of Respondents Anticipating a Change
	Disclosure Management Solution Only	Disclosure Management and Stand-Alone Solution Solutions	Stand-Alone Solution Only	
Disclosure Management Solution	67%	16%	17%	24
Stand Alone Solution	82%	13%	5%	56
Total				80

PENCILS DOWN EXPERIENCE

“Pencils down” refers to the number of days (typically referred to in business days) prior to a planned filing when an outsourced XBRL solution provider requires a final version of the document. Respondents were asked whether their XBRL solution provider has a pencils down policy in order to ensure timely filing and if so, the amount of time required. The tables below break out the pencils down period by solution type (disclosure management solution and stand-alone XBRL solution) and XBRL solution provider.

The percentage of companies reporting a no pencils down policy for their XBRL service providers increased significantly from 2012. 90 percent of companies report a no pencils down policy when using a disclosure management solution compared to 20 percent for stand-alone solutions.

PENCILS DOWN EXPERIENCE BY TYPE OF SOFTWARE SOLUTION

	No Pencils Down Policy	Less Than 24 Hours to Filing Time	1 to 2 Business Days to Filing Time	3 to 4 Business Days to Filing Time	5+ Business Days to Filing Time	Number of Respondents
Disclosure Management Solution	90%	6%	2%	2%	—%	243
Stand-Alone Solution	20%	23%	44%	9%	4%	114
Total						357

PENCILS DOWN EXPERIENCE BY XBRL SOLUTION PROVIDER

Provider	No Pencils Down Policy	Less Than 24 Hours to Filing Time	1 to 2 Business Days to Filing Time	3 to 4 Business Days to Filing Time	5 or More Business Days to Filing Time	Number of Respondents
IBM Cognos	83%	9%	8%	—%	—%	12
Merrill	7%	28%	52%	13%	—%	29
Rivet	88%	6%	6%	—%	—%	17
RR Donnelley	13%	22%	45%	13%	7%	60
Thomson Reuters	50%	25%	13%	12%	—%	8
WebFilings	95%	3%	2%	—%	—%	206
Other	28%	36%	32%	—%	4%	25
Total						357

XBRL PROVIDER SATISFACTION

Consistent with 2012 results, filers using a fully integrated disclosure management solution, on average, continue to report the highest satisfaction ratings. Some solution providers offer disclosure management solutions only, stand-alone solutions only, or both. Even within in the broader solution approaches, satisfaction ratings varied by solution provider.

SATISFACTION RATING BY XBRL SOLUTION APPROACH

	Very Satisfied	Satisfied	Neutral	Not Satisfied	Number of Respondents
Disclosure Management Solution	61%	33%	4%	2%	246
Stand-Alone Solution	38%	33%	16%	13%	104
Total					350

SATISFACTION RATINGS BY XBRL SOLUTION PROVIDER – ALL RESPONDENTS

	Very Satisfied	Satisfied	Neutral	Not Satisfied	Number of Respondents
IBM Cognos	25%	50%	—%	25%	8
Merrill	45%	45%	7%	3%	29
Rivet	31%	50%	6%	13%	16
RR Donnelley	21%	32%	26%	21%	61
Thomson Reuters	40%	40%	20%	—%	10
WebFilings	69%	29%	2%	—%	201
Other	60%	32%	8%	—%	25
Total					350

**LARGE ACCELERATED FILER (TIERS 1 AND 2)
SATISFACTION RATINGS BY XBRL SOLUTION PROVIDER**

	Very Satisfied	Satisfied	Neutral	Not Satisfied	Number of Respondents
IBM Cognos	29%	57%	—%	14%	7
Merrill	47%	37%	11%	5%	19
Rivet	50%	40%	10%	—%	10
RR Donnelley	21%	38%	24%	17%	29
Thomson Reuters	25%	75%	—%	—%	4
WebFilings	68%	29%	3%	—%	138
Other	57%	29%	—%	14%	7
Total					214

**ACCELERATED, NON-ACCELERATED, AND SMALLER REPORTING COMPANY (TIER 3)
SATISFACTION RATINGS BY XBRL SOLUTION PROVIDER**

	Very Satisfied	Satisfied	Neutral	Not Satisfied	Number of Respondents
IBM Cognos	—%	—%	—%	100%	1
Merrill	36%	55%	9%	—%	11
Rivet	—%	80%	—%	20%	5
RR Donnelley	19%	26%	29%	26%	31
Thomson Reuters	50%	17%	33%	—%	6
WebFilings	69%	29%	2%	—%	62
Other	60%	30%	10%	—%	20
Total					136

USE OF EXTERNAL AUDITORS FOR XBRL REVIEW

A relatively small number of companies (~5 percent) indicated that they had engaged an external accounting firm to review their XBRL filings for the most recent annual filing. A slight increase was projected for next year across virtually all SEC filing status levels, which may reflect the end of limited liability on XBRL filings and increased concerns about receiving comment letters from the SEC. A smaller number of respondents use or plan to use external accounting firms for quarterly reviews.

PERCENTAGE OF RESPONDENTS THAT ENGAGE / PLAN TO ENGAGE AN EXTERNAL ACCOUNTING FIRM FOR FINDINGS AND RECOMMENDATIONS AND AGREED UPON PROCEDURE XBRL ENGAGEMENTS

SEC Filing Status	Most Recent Annual Filing	Expectation for Next Annual Filing	Most Recent Quarterly Filing	Expectation for Next Quarter Filing	Number of Respondents
Large Accelerated Filer	6%	7%	4%	3%	263
Accelerated Filer	2%	6%	2%	3%	89
Non-Accelerated Filer	3%	3%	—%	—%	35
Smaller Reporting Company	3%	7%	3%	3%	29
Total					416

SATISFACTION RATING FOR XBRL REVIEW SERVICES BY ACCOUNTING FIRMS

While a fairly small number of respondents engaged an accounting firm to perform XBRL review services, 87 percent of large accelerated filers that used such services reporting being satisfied or very satisfied with the services performed for the most recent annual filing.

SATISFACTION RATINGS FOR XBRL REVIEW SERVICES PROVIDED BY EXTERNAL ACCOUNTANTS

SEC Filing Status	Very Satisfied	Satisfied	Not Satisfied	Number of Respondents
Large Accelerated Filer	27%	60%	13%	15
Accelerated Filer	50%	50%	—%	2
Non-Accelerated Filer	—%	100%	—%	1
Smaller Reporting Company	—%	100%	—%	1
Total				19

SEC REPORTING TEAM

The question regarding the size of the SEC reporting team asked “How many individuals, including yourself, are directly responsible for preparing and reviewing SEC filings?” compared to the 2012 question “Number of employees who are directly involved in the SEC reporting process.” As expected, the reporting teams were generally larger for larger companies, and the size of teams remained relatively unchanged from the 2012 survey responses. The range of the reported size of SEC reporting teams is likely due to varied interpretation of what constitutes someone directly involved in the preparation and review of SEC filings.

NUMBER OF EMPLOYEES WHO ARE DIRECTLY INVOLVED IN THE SEC REPORTING PROCESS

SEC Filing Status	Average	Median	Minimum	Maximum	Number of Respondents
Large Accelerated Filer	5	4	1	40	276
Accelerated Filer	4	3	1	15	96
Non-Accelerated Filer	4	3	1	10	39
Smaller Reporting Company	3	2	1	10	31
Total					442

NUMBER OF EMPLOYEES WHO ARE DIRECTLY INVOLVED IN THE SEC REPORTING PROCESS

Annual Revenue of Respondent	Average	Median	Minimum	Maximum	Number of Respondents
More than \$10 Billion	7	6	2	40	61
\$5 to \$10 Billion	5	4	1	30	56
\$1 to \$5 Billion	5	4	1	20	133
\$500 Million to \$1 Billion	4	3	1	10	73
Less than \$500 Million	3	3	1	9	119
Total					442

Respondents for all classes of SEC reporting companies increased the level of internal XBRL competency within their organizations compared to the 2012 survey, and responses were fairly consistent with the above number of employees who are directly involved in the SEC reporting process.

In the 2012 survey, companies predicted the number of staff with XBRL knowledge, and the extent of that knowledge for the coming year (2013). Overall, companies expected to have more extensive internal XBRL knowledge than was reported in this survey. Compared to the 2012 predictions, companies reported a slightly higher number of staff with basic XBRL knowledge in 2013 but fewer staff with intermediate or advanced knowledge. This appears to reflect the challenging aspects of XBRL regarding educational resources and resource availability to meet XBRL filing requirements reported in the section on concerns regarding XBRL compliance.

Companies again predict that they will increase the level of staff XBRL competency in the coming year, with the greatest predicted increases at higher levels of knowledge.

The three levels of competency identified in the survey question were:

- Basic Knowledge** Understanding of rendering and concept definition
- Intermediate Knowledge** General understanding of dimensions, mapping, and tagging
- Advanced Knowledge** Comprehensive understanding of all facets of preparation and review process

**AVERAGE NUMBER OF CURRENT AND PROJECTED INTERNAL STAFF
AT THE NOTED LEVELS OF XBRL COMPETENCY**

SEC Filing Status		Basic	Intermediate	Advanced	Total	Total Number of Respondents
Large Accelerated Filer	At Present	2.3	1.8	1.3	5.4	266
	In One Year	2.6	2.3	1.9	6.8	
Accelerated Filer	At Present	1.8	1.4	0.7	3.9	88
	In One Year	2.0	2.2	1.3	5.5	
Non-Accelerated Filer	At Present	1.8	1.6	1.1	4.5	37
	In One Year	2.3	2.0	1.8	6.1	
Smaller Reporting Company	At Present	1.3	1.1	0.6	3.0	28
	In One Year	1.3	1.3	1.0	3.6	
Total						419

ACCOUNTING CLOSE

Large accelerated filers closed their books for quarter-end and year-end periods a few days faster on average than accelerated, non-accelerated, and smaller reporting companies, with greater variation noted at year end. Companies with best in class accounting close processes closed their books on the first or second day of the quarter—substantially faster than most other registrants.

NUMBER OF WORKING DAYS TO CLOSE THE BOOKS (THE ACCOUNTING CLOSE) – QUARTER-END

SEC Filing Status	Average	Median	Minimum	Standard Deviation	Number of Respondents
Large Accelerated Filer	8	8	2	4	276
Accelerated Filer	10	10	2	5	96
Non-Accelerated Filer	11	9	2	7	39
Smaller Reporting Company	11	10	1	7	31
Total					442

NUMBER OF WORKING DAYS TO CLOSE THE BOOKS (THE ACCOUNTING CLOSE) – YEAR-END

SEC Filing Status	Average	Median	Minimum	Standard Deviation	Number of Respondents
Large Accelerated Filer	11	10	2	6	276
Accelerated Filer	15	14	2	10	96
Non-Accelerated Filer	19	15	4	17	39
Smaller Reporting Company	18	17	1	11	31
Total					442

SEC REPORTING PRACTICES

Large accelerated filers typically require less time to produce and file their annual and quarterly reports than accelerated, non-accelerated, and smaller reporting company filers. The actual number of days to file for the most recent filing was used in the analysis (instead of the survey data) where available and was sourced from the SEC's EDGAR system. Filings submitted after the due date were excluded from the analysis.

NUMBER OF CALENDAR DAYS AFTER QUARTER-END TO FILE FORM 10-Q

SEC Filing Status	Average	Median	Minimum	Maximum	Standard Deviation	Number of Respondents	Due Date
Large Accelerated Filer	34	36	18	40	6	267	40
Accelerated Filer	36	38	18	40	4	95	40
Non-Accelerated Filer	41	43	30	45	5	38	45
Smaller Reporting Company	42	45	26	45	5	29	45
Total						429	

NUMBER OF CALENDAR DAYS AFTER YEAR-END TO FILE FORM 10-K

SEC Filing Status	Average	Median	Minimum	Maximum	Standard Deviation	Number of Respondents	Due Date
Large Accelerated Filer	53	54	29	60	7	267	60
Accelerated Filer	64	65	40	75	9	85	75
Non-Accelerated Filer	69	68	45	90	12	36	90
Smaller Reporting Company	77	80	48	90	12	26	90
Total						414	

TIMING EXPECTATIONS FOR SEC FILINGS OVER THE NEXT YEAR

The majority of respondents indicated an expectation to maintain their current SEC reporting timelines. However, a significant number of companies expect to file earlier next year, with 16 percent of respondents planning to file two or more days faster and 6 percent expecting to file one day faster, putting even more pressure on reporting teams.

EXPECTATION FOR THE TIMING OF SEC FILINGS OVER THE NEXT YEAR VS. THE CURRENT YEAR FILINGS

SEC Filing Status	2 or More Days Faster	1 Day Faster	Same	1 Day Later	2 or More Days Later	Number of Respondents
Large Accelerated Filer	15%	5%	79%	—%	1%	241
Accelerated Filer	15%	8%	73%	3%	1%	76
Non-Accelerated Filer	30%	3%	64%	—%	3%	30
Smaller Reporting Company	12%	8%	76%	—%	4%	26
Total	16%	6%	75%	1%	2%	373

BIGGEST BOTTLENECKS IN THE SEC REPORTING FUNCTION

Survey respondents were asked to indicate the biggest bottlenecks in the SEC reporting function, with the level of difficulty indicated as follows:

- 5=Extremely difficult
- 4=Moderately difficult
- 3=Somewhat difficult
- 2=Slightly difficult
- 1=Not at all difficult
- 0=Not applicable

In 2012, respondents were asked to list the bottlenecks in the SEC reporting function but not indicate the level of difficulty associated with the bottleneck.

XBRL and late changes were reported as the most difficult SEC reporting bottleneck in 2013 and were also reported as top selections for respondents in 2012. The internal review process, data collection, and auditor review process were reported to be moderately or extremely difficult for many filers. The accounting close and consolidation and the legal review process, while reported as bottlenecks, had less of an impact on filers.

Responses were relatively consistent across SEC reporting categories as well as based on the XBRL solution approach.

BIGGEST BOTTLENECKS IN THE SEC REPORTING FUNCTION (CONT.)

BIGGEST BOTTLENECKS IN THE SEC REPORTING FUNCTION

	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company	Number of Respondents
XBRL	3.1	3.3	3.3	3.0	
Late Changes	3.1	3.1	3.3	2.9	
Internal Review Process	2.8	2.4	2.6	2.1	
Data Collection	2.7	2.6	2.9	2.6	
Auditor Review Process	2.7	2.8	2.9	2.9	
Consolidation / Closing the Books	2.4	2.5	2.6	2.2	
Legal Review Process	2.1	2.2	2.0	2.2	
Number of Respondents	275	94	39	31	439

BIGGEST BOTTLENECKS IN THE SEC REPORTING FUNCTION

	Disclosure Management Solution	Stand-Alone Solution	Number of Respondents
XBRL	3.1	3.2	
Late Changes	3.1	3.1	
Consolidation / Closing the Books	2.8	2.7	
Internal Review Process	2.7	2.4	
Data Collection	2.7	2.6	
Auditor Review Process	2.5	2.3	
Legal Review Process	2.2	2.1	
Number of Respondents	314	125	439

ABOUT THE AUTHOR

William M. Sinnett is Senior Director, Research for Financial Executives Research Foundation, Inc. (FERF). He received his Masters of Business Administration degree from the University of Pittsburgh. Prior to joining FERG, he held positions in financial management with Mellon Bank and Carnegie-Mellon University in Pittsburgh.

Bill can be reached at bsinnett@financialexecutives.org or (973) 765-1004.

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For additional information regarding FERG, contact:

William M. Sinnett
Senior Director, Research
Financial Executives Research Foundation (FERF)
(973) 765-1004
bsinnett@financialexecutives.org
www.ferf.org