

# White Paper: Make Work Flow with E-Signature

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## **FOREWORD**

This white paper discusses the concepts and methods of using electronic signature within a sales order process in order to achieve efficiency, process orders faster, lower costs and increase revenue.

## **INTRODUCTION**

A sales order process that is currently performed with paper-based forms, applications, contracts and supporting documents takes the average organization three days to complete. Many companies take 30 to 60 days to complete a paper-based sales order. The inefficiencies that result from this type of process are staggering in terms of real costs to an organization in the form of labor, shipping, handling, lost customers and errors.

Efficient Technology Inc (ETI), which is specifically skilled in designing, delivering and servicing enterprise workflow automation solutions for Fortune 500 companies, presents this paper as a discussion around the benefits, failure points and principals for implementing a seamlessly integrated e-signature into the sales order process. This paper does not intend to promote ETI's products but rather to discuss the methods, concepts and options available for making work flow more easily.

### ***Assumptions***

Readers of this white paper should have a basic understanding of their own sales order process and the current results of their operations. The technology concepts discussed in this paper do not require a technology background and should appeal to any and all readers.

## **THE EVOLUTION OF SIGNATURES**

When civilizations began using writing to assign rights and capture information about someone a signature was used as a form of credibility and acceptance of the signer and reader. Signatures took many forms, from the simple "X" scrawled by the illiterate to wax seals bearing a ring's mark to John Hancock's famously defiant signature on the US Declaration of Independence. For hundreds of years the accepted means in which a person's word, bond and liability was assigned relied upon a physical non-removable signature affixed to a document.

As technology has progressed to the digital realm and commerce has relied more heavily on electronic documents it has been a natural desire for signatures to also become electronic. On June 30, 2000 President Bill Clinton signed the Electronic Signatures In Global and National Commerce Act (ESIGN Act). On October 1, 2000 the Act went into effect as a law that made electronic signatures legally acceptable and undeniable.

The ESIGN Act defines an electronic signatures as:

*“an electronic sound, symbol or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.”*

While this definition varies by country, the basis for an electronic signature can be many different forms of electronic identification and association to a document. What most recognize as a signature when printed by hand on paper is not necessarily the case, nor is an analog representation of your signature required, for electronic commerce. In effect a sound, a symbol or a secure process can all be the basis for an electronic signature.

### ***Digital vs. Electronic Signatures***

While an electronic signature can take many different forms, a digital signature is far more specifically defined. A digital signature takes place when an encrypted key and signing algorithm are bound to a specific message or document. The signature must be bound in such a way that a change to the electronic document would void or invalidate the signature.

Digital signatures may be perceived as possibly stronger than electronic signatures however the requirement for digital signature depends on the requirements of the document, the process and the transaction the digital signature is being used within. An electronic signature with a verifiable audit-trail, encryption for all transmission and storage of the document, and a sufficient method for verifying the signer’s identity often meets the needs of most applications for electronic signing.

### **BENEFITS OF E-SIGNATURE IN THE SALES ORDER PROCESS**

A seamlessly integrated e-signature within the sales order process delivers significant results to any organization currently using paper, including:

- 95% reduction in errors
- 50 to 90% real-dollar savings
- Increased customer acceptance of contracts
- Faster receipt of revenue and delivery of services
- Reduced labor, shipping, processing and handling costs
- More time for sales agents to focus on selling
- Improved client perception

### **CHALLENGES OF PAPER-BASED SALES ORDER PROCESSING**

The typical paper-based sales order process follows these steps:

	<b>Step</b>	<b>Time</b>
1	Agent obtains set of forms to complete.	15 min
2	Agent partially completes forms.	30 min
3	Agent sends forms to client to finish and sign.	15 min to 48 hours
4	Client reviews and sends forms back to agent.	2 to 10 days
5	Agent reviews and then submits order for approval.	30 min to 2 days
6	Manager rejects (go back to step 1) or submits to Operations.	30 min to 2 days
7	Operations rejects (go back to step 2) or approves order.	30 min to 2 days
8	Order is filled (e.g. account opened, product shipped, etc.).	30 min to 2 days
<b>TOTAL TIME</b>		<b>Days to Weeks</b>

It is fairly obvious that every step in this process is fraught with the potential for errors and delays. What happens if the sales agent chooses the wrong forms in step one? How long will a client take to review, complete and send back the forms? If a set of forms are rejected by the manager or operations team due to missing or bad information, how long will it take for the process to get back on track?

Here are some staggering facts to consider in regards to relying on paper to process a sales order:

- 1 in 20 documents are lost
- 20% to 30% of time is spent managing documents
- Upwards of 75% of paper forms are rejected for errors
- A rejected paper form costs a corporation an average of \$75
- Professionals spend 50% of their time looking for documents
- Filling out five pages per day costs an average of \$12,000 per year
- 76% of documents not signed within 24 hours will never be signed
- For each dollar spent producing paper forms, \$30 to \$60 is spent processing them

Earning a client's trust and business is hard work. That hard work is put at risk when the paperwork begins. The way to mitigate this risk while improving your client's perception is to make it easy to complete, transmit, sign and approve the required documents.

## **MAKING WORK FLOW WITH ELECTRONIC SIGNATURES**

Enabling sales orders to be completed entirely online has been the dream of companies since the power of computers were first introduced in the workplace. In 1975 an article called "The Office Of The Future" was published in the June 30 edition of Newsweek. The concepts in that article portray the ability to complete all our work electronically and paper would no longer be necessary. To realize those concepts has required changes in our laws, technology and approach to working. Today, all the necessary components are here to make seamlessly integrated e-signature a reality.

Today's sales order process should be more like the following:

	<b>Step</b>	<b>Time</b>
1	Agent logs into website to automatically select and prefill required forms package	5 min
2	Forms are securely emailed to each recipient	1 min
3	Recipient completes and submits forms back	15 min to 30 min
4	Form data is automatically validated and approved	1 min
5	Document is routed to signers to sign electronically	1 to 5 min
6	Operations receives and reviews final document	1 to 5 min
7	Order is filled (e.g. account opened, product shipped, etc.).	1 min
<b>TOTAL TIME</b>		<b>Minutes</b>

The main difference between the new vs. old paper process is a dramatic increase in speed, lower costs (no shipping, no paper handling, no data re-keying, etc.) and increased capacity to sell, process and fulfill more orders.

### ***Steps To Achieve E-Signature Within Your Process***

To achieve an e-signature-enabled process, you need three components, each of which can be added over time, in steps.

Step 1: Electronically Signable Forms

Step 2: Web Application To Manage Process

Step 3: Order Processing System Integration

## **Step 1: Electronically Signable Forms**

Early adopters of digital signatures found that making the solution work required installing hardware and software at the end-user level. The technology was too complex and too expensive to be feasible on a large enough scale to reap the benefits.

Now, through e-signature service providers like DocuSign, the ability to sign documents electronically is as simple as opening a web page and clicking through a few buttons and agreements. No software or hardware is required and the process has become much simpler.

*(For a current list of e-signature service providers please do a web search for "electronic signature service").*

There are effectively two ways to enable electronic signatures on your documents:

1. DIY - Build your own documents to be fillable and signable within the service provider's interface.
2. Outsource – Have a third-party manage and deploy your documents within an e-signature-enabled solution.

The Do It Yourself approach has worked for many companies but requires a focus on training end-users to set up their documents, managing the core form-building skill in-house, and maintain the overall solution as your documents and business rules change. Relying on a third-party to manage your forms library is often cheaper, easier and more successful in the long-term, especially if you have more than five documents to manage or have a complex sales process that requires workflow and legacy system integration (per Steps 2 and 3).

## **Step 2: Web Application To Manage Process**

Companies that have already built a web application that their sales agents and other users interact with can usually add on to this application or integrate it into a separate web application dedicated to the sales order process. A sales order web application should contain the following features in order to fully enable both clients, sales agents and sales management to perform, manage and track the sales process:

- 1. Client Management**
  - a. Add / Edit client data from existing data sources
  - b. Select clients and their roles to pre-fill onto forms
- 2. Forms Library**
  - a. Find forms to send to clients
  - b. Bundle forms together based on rules
- 3. Sales Order Process Management**
  - a. Generate, distribute, complete, submit and e-sign forms

- b. Track the progress and stages of each order
  - c. Fulfill the order electronically
- 4. Separate Website For Client End-Users**
- a. Client login for securely viewing and completing forms
  - b. Customer self-tracking of order status

### **Step 3: Order Processing System Integration**

System integration can be as simple as delivering data from one system to another or as complex as building comprehensive shared processes and business logic between two systems. For the sales order process, ETI recommends separating the steps of selecting, generating, completing and signing forms from whatever legacy systems are already in place. Integration is simpler when legacy systems are used for their data and performing steps that wholly advance the process stage.

For example, a customer relationship manager (CRM) will store the client data that can appear on forms. The CRM should continue being the master record for all client data by reading the data onto the sales order forms, and not capturing or managing the data in two separate places (e.g. both the CRM and the sales order application).

Another example is the need for processing business rules. Ideally, the business rules can be run within the sales process by reading data from other systems that provide the validation data (e.g. agent licensing, existing client accounts, available finances, etc.). Or the legacy system may be available to provide a data validation function that the sales order application can call to perform the task and report the results. Either way the goal is to keep the business logic in a central place, much like keeping the data in the master database and not in two locations.

If your sales order process is currently paper based then remember that your current sales order process is already outside of whatever systems are already in place. Adding a new application to replicate and streamline the paper-based process does not have to include re-writing or re-implementing the existing systems, which may cause your implementation to be unnecessarily complicated and delayed.

### **TIPS FOR SUCCESS**

The key to successfully creating a seamlessly integrated e-signature solution within your sales order process is to start with the end in mind. What data do you want to capture on the form and why? What data validation checks are required to approve an order? Which systems contain or need this data?

Start by understanding and mapping out both your current and ideal sales order process. By mapping out who the stakeholders are, which systems need to be involved and what the actual steps are, you will be better positioned to select a solution that mirrors the entire process and provides the requisite features.

As you plan your solution it is important to consider who to partner with early on. Choose an application architect that is familiar with the sales order process, workflow, business rule and forms management. Select a top-tier e-signature partner that has implemented the highest levels of security, service up-time and trust in the industry. Below is a link to a resource for evaluating e-signature service providers that we recommend using:

### **E-Signature Vendor Comparison Checklist:**

[http://www.docuSign.com/images/resources/datasheets/eSign\\_Comparison-Checklist.pdf](http://www.docuSign.com/images/resources/datasheets/eSign_Comparison-Checklist.pdf)

## **ABOUT EFFICIENT TECHNOLOGY INC**

Efficient Technology, Inc. (ETI) provides enterprise forms-based workflow automation solutions that accommodate dynamically changing business rules, forms and workflow. ETI is the developer of Quik!, the industry-leading forms management and forms-enablement solution. By improving business processes, increasing efficiency and saving time Efficient Technology Inc makes work flow. With over 60,000 end-users ETI's customers range from Fortune 500 companies to small businesses. Efficient Technology Inc is proud to be a carbon-negative company saving over 1,000 trees each year. Visit [www.EfficientTech.com](http://www.EfficientTech.com)

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Richard Walker is the Efficient CEO and co-founder of Efficient Technology Inc where he leads customers to enterprise efficiency. Prior to starting ETI, Richard was a senior consultant with Arthur Andersen's Business Consulting unit, implementing large enterprise technology solutions for Fortune 500 companies. He also spent three years as a registered securities representative and has over 10 years of experience in financial services working in various capacities at: ING, Transamerica, PaineWebber, John Hancock and Donaldson, Lufkin and Jenrette. Richard earned his B.S. degree in Business Administration – Finance from University of Southern California, and is the author of many articles and the [www.EfficientCEO.com](http://www.EfficientCEO.com) blog.



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