

Just sign here:

# The essential guide to electronic signature

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**Take a closer look at how electronic signature technology is benefiting companies right now and, discover how to tap its potential for increased productivity and cost savings**

[docuware.com](https://docuware.com)

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## Introduction

# 1

DocuWare recently surveyed 2,000 US (United States) and UK (United Kingdom) business users who are authorized to sign documents about their use of e-signature. In the US, 34% answered that they use e-signature for many or all documents and processes; 90% use it at least some of the time. In the UK, those numbers are 23% and 83% respectively. Given the many benefits of e-signature technology, we wondered why so many companies don't rely on it more often. So, we asked.

If you like spoilers, we can tell you our conclusions now: The survey results show that businesses that haven't fully implemented e-signature or don't use it at all are influenced by outdated perceptions of the technology. This guide will dispel these myths and give you a better understanding of what e-signatures can do for your business. Then it outlines next steps so you can start using electronic signature today.

Check out our [US](#) and [UK](#) infographics which will give you a clear understanding of what the technology is used for and the major benefits of using it as well as the perceived roadblocks to full adoption.

## An electronic signature primer

### 2

When you install comprehensive e-signature capabilities that take full advantage of the technology, you can expect reduced costs, improved remote processes, enhanced security and streamlined compliance



## Doing business with electronic signature is not new

The use of a digital signature isn't a new idea. The concept of electronic signature can be traced back to the mid-1970s when cybersecurity innovators, [Martin Hellman and Whitfield Diffie](#), authored a paper [New Directions in Cryptography](#) that theorized about how digital signature might work. Even then, the belief was that digital signatures would be more secure than handwritten ones in the long run.

Use of the e-signature was authorized before the advent of the smartphone. In 2000, the [E-signatures in Global and National Commerce Act \(ESIGN\)](#) made some e-signatures legally binding in the US. The [Electronic Communications Act of 2000](#) did the same thing for digital signatures in the UK. Since then, e-signature use has exploded worldwide and is commonplace in many international transactions.

The legal models for e-signature differ from country to country. The requirements are less regulated in North America where a range of technology solutions and security levels may be considered legally valid.

The UK and European Union (EU) are governed by the electronic Identification, Authentication and trust Services regulation (eIDAS) which is more structured and has stricter standards than the US. Only a few countries, including Brazil, India, Israel and Malaysia, have particularly restrictive regulations.

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1970



Development of theories about how e-signatures might work

1980



1990



2000



The E-signatures in Global and National Commerce Act (ESIGN) made some e-signatures legally binding in the US

2010



2016



The UK and EU (European Union) are governed by the electronic Identification, Authentication and trust Services (eIDAS) regulation

2020



“eSignature use is directly associated with long-term benefits that accrue to both customers and providers.”

Aberdeen Strategy Research

With electronic signature, you create certainty for three essential factors:



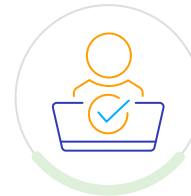
**Authenticity**

The document is genuine



**Integrity**

The contents of the document have not been changed



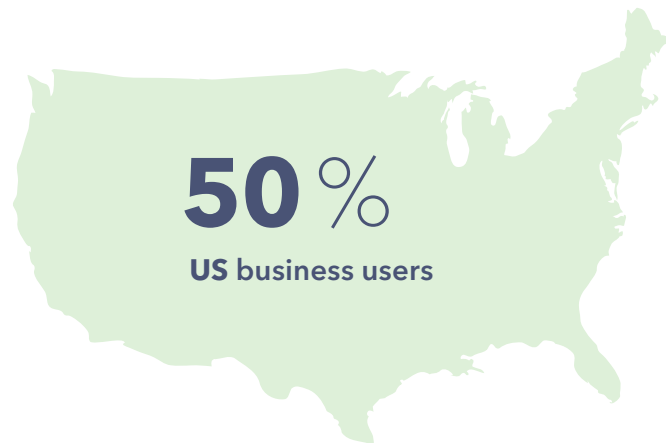
**Origin**

The person who created the document can be identified

## Why are companies glad they made the move to digital signature?

When asked about the benefits they gained from the use of digital signature tools, more than 50% of the business users we surveyed in both the US and UK overwhelmingly cited efficiency and speed as the best reasons for adopting them.

If you want to know more about the statistics, take a quick look at our [US](#) and [UK](#) infographics.



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## Benefits at a glance

- Provides advanced security through document and communication encryption, data separation in the cloud, data storage and redundancy, and tamper-proof signatures
- Uses audit trails and automated document creation features to connect securely with customers and vendors
- Enables version control to make sure you have the final signed document on file
- Enhances access to documents in real time to improve efficiency in customer service, sales and other departments
- Improves support for remote processes, including smartphone and tablet use
- Reduces costs related to managing paper processes, including paper use, scanning and postage.

That's not surprising. Compare these two examples to understand just how much e-signature can speed up processes:



**Scenario 1:** You email a contract to a client. The client prints, signs and mails the paper document back to you. Total time: 3-5 days minimum.



**Scenario 2:** As part of an automated workflow, you email a contract to your client for digital signature through a [Trust Service Provider \(TSP\)](#). The client reviews the document and signs it electronically. Then it's sent to you automatically and ready for you to process. Total time: A few minutes.

Electronic signature will have a positive effect on all of your processes, including signing of sales proposals, contracts, credit applications and internal HR forms. In fact, 39% of US and 48% of UK business users cited this as a top benefit of digital signatures.

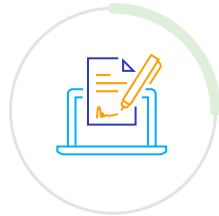
## A quick overview of electronic signature types

DocuWare offers you a range of secure electronic signatures. The security level you need depends on your legal requirements for each type of document you use in your business. Of course, you'll have to check in with your compliance officer or legal team for confirmation.



### Simple:

The typed name under an email, checking a box on a website or signing for a delivery on a mobile device are examples of a simple signature. With a simple signature, there is no proof of who signed the document. It's informal and used when there is a minor risk of its legal validity being challenged.



### Advanced:

An advanced signature is encrypted with a key provided by a qualified TSP. Data in the key is coded so only the designated individual can sign the document. Two-factor authentication of the signatory (such as email or text) is sufficient for validation of an advanced signature. Biometric signatures, which can be used for in-person signing or in a kiosk, are also in the advanced category. An advanced signature is widely used for commercial contracts in the B2B sector. This signature type offers a moderate level of documentary proof.



### Qualified:

In addition to encryption of the key, the identity of the signer is confirmed by a certificate deposited with a TSP. This type of e-signature ensures that the document has not been manipulated because the digital certificate authenticates the signer's identity. The qualified certificates are stored by the TSP and can be retrieved at any time. The signed document and a record of the transaction are archived in DocuWare. With some exceptions, a qualified signature is considered equivalent to a handwritten signature and offers the highest level of documentary proof.



## Why are automated workflow and electronic signature a power couple?

Automated workflows provide you with a structured process to manage documents that require signatures, along with the benefits of transparency, identity verification and strong security.

You set up precise rules for the handling of the document to be signed and define the triggers that launch a workflow, such as closing a sale, onboarding a new customer or a contract renewal date. Every in-house participant can view the signature process and find out which steps are complete and which are outstanding.

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“All organizations, ranging from the enterprise to the small or medium-sized entity, can benefit from digitizing and automating content-centric workflows, and eSignature software is a critical component for any workflow requiring signature and/or agreement.”

IDC TechBrief

**With workflow automation, you can:**

- Integrate the capabilities of a TSP such as [Validated ID](#) or [DocuSign](#) seamlessly into a DocuWare workflow
- Transfer signed documents automatically between DocuWare, the TSP and the signers
- Notify stakeholders by email when a document is available for signing
- Collect the e-signatures for a document from all relevant signatories right from one workflow
- Save the signed document in an audit-proof manner in the document repository



## How electronic signature supercharges your workflows with paperless processing

The following are examples of how e-signature can be used:

### Contracts

Enter contracts seamlessly and without delay. With e-signature, it becomes easier to get contracts signed and to access those signed versions remotely. You can also ensure that signed contracts are secure and can't be altered. This ensures that stakeholder like sales, accounting, purchasing and legal departments can keep work moving to close contracts on time.

### Human resources

For corporate compliance, you can have employees sign work instructions, nondisclosures or other agreements electronically as part of a workflow. If your employees work from home or in a remote office, e-signatures ensure that everyone follows company policies. It also enables new employees to complete the hiring and onboarding process 100% remotely.

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“Having to print, scan and fax just to make an electronic signature isn't only time-consuming and annoying. It's also bad for the environment. Every appliance you purchase makes your overall carbon footprint larger.”

**Forbes Advisor**

### **Manufacturing**

Using e-signature allows you to digitize paper records and instantly retrieve them. This enables engineers, factory floor managers, customer service representatives, accounting staff and others in key departments to exchange information easily and securely. Moreover, these centrally stored and searchable files facilitate easier compliance with regulatory requirements imposed by EPA, OSHA, your industry, and state and federal government.

### **Higher education**

With documents changing hands between faculty, administrators, students, and staff, centralized and remote access are essential – and the convenience frees up your staff to focus on creating a better student experience. Compliance with FERPA and other federal, state and local regulations becomes easier, too. With digital copies of essential documents, communication between financial aid, the registrar's office, admissions and other departments is smooth and simple.

## Obstacles to electronic signature use – and how to overcome them

### 3

With so many business benefits, why wouldn't a company jump at the chance to adopt e-signature processes? Turns out, many people are hesitant because of myths about the technology. In this section, we'll debunk some of the most common misconceptions. Fortunately, they are easily dispelled, as e-signatures offer significantly more benefits than their pen-on-paper counterparts.

“The user experience is important for employees and customers. As more workers continue to remain remote, they need to be able to create, send, track and sign documents and forms digitally. And it has to be easy.”

CPA Practice Advisor

## Myth: Electronic signatures are hard to use

Some respondents in our survey said the biggest roadblock to the use of e-signatures was their fear of business disruption due to a steep learning curve. Around 12% of US respondents and 10% of those in the UK made this comment.

### Fact:

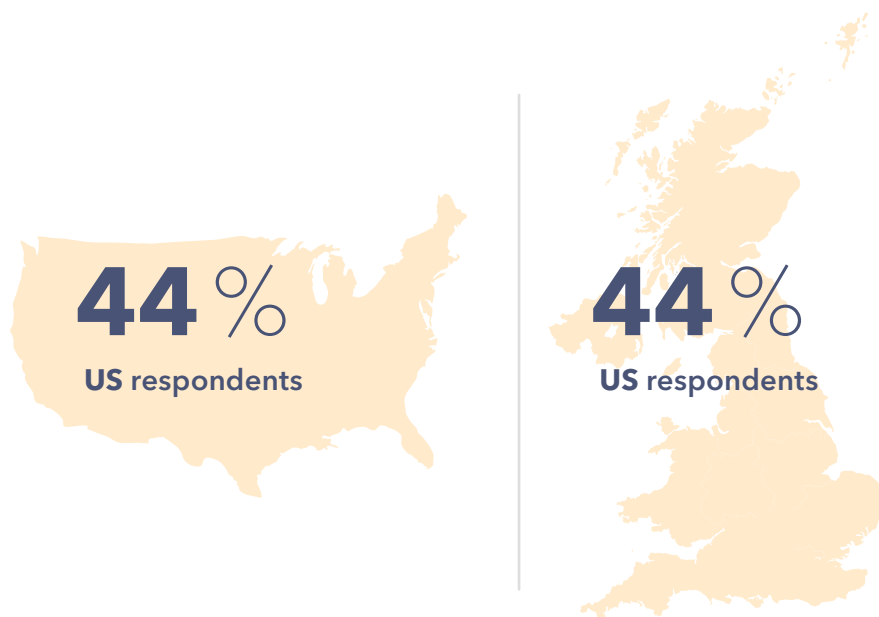
Consider this – more than 40% of people from both countries who use e-signature do so with no more than a laptop and a mouse. If you can sign into your bank account online, you can easily learn to use electronic signature tools.

About a fifth of respondents from the US and UK said they execute digital signatures with a smartphone and about 20% say they use a tablet. So, digital signature tools are as easy to use as any other app. Installing and configuring e-signature software is also quite simple.

Accessibility is made much easier with electronic signature, too. All documents are automatically transmitted to the TSP, and the recipient automatically receives a notification when a document is available for signature. By signing within workflows, you keep the time and effort your employees spend to a minimum, while accelerating entire processes.

## Myth: Electronic signature increases cybersecurity vulnerability

Around 44% of both US and UK respondents cited cybersecurity issues as the biggest risk associated with use of e-signature. This may be due to commonly mistaken beliefs: Pen and paper signatures are what we're used to, so many people believe they are more secure. Digital signatures, on the other hand, are passed through the internet potentially opening the door to cyberattacks and data breaches.



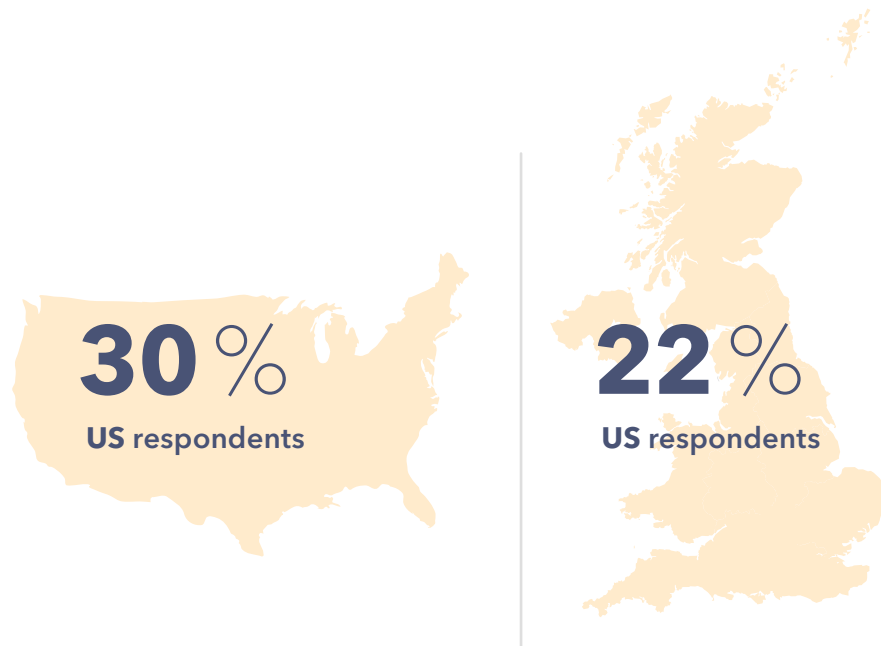
### Fact:

In reality, electronic signatures are so secure that they're used to process confidential information like patient data, banking information and legal disclosures.

The Cybersecurity & Infrastructure Security Agency notes that the [use of quality third-party digital signature products](#), such as those offered by DocuWare, protect your information and safeguard signature processes. Cloud signatures, like those provided by the DocuWare Signature Service, make security even easier. While in the past companies could only create qualified e-signatures if the necessary hardware was in place and under their control, today the secure signature creation device (SSCD) can be located at a TSP. The signing process takes place in hardware security modules (HSMs), which the signature service provider operates in a secure cloud server infrastructure.

## Myth: Electronic signature technology won't keep up with changing legal or compliance requirements

Close to 30% of US respondents and 22% of UK respondents noted that changing legal requirements or noncompliance was a concern that kept them from fully implementing e-signatures. Companies are worried about requirements such as HIPAA, SHIELD Act, GDPR and the UK Data Protection Act.



### Fact:

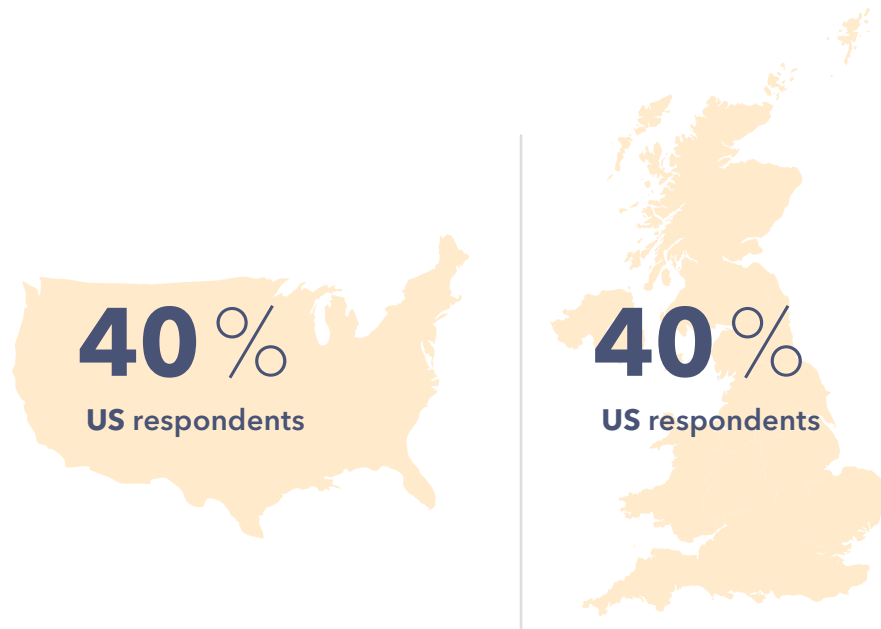
At the beginning of this document, we introduced you to the first acts that authorized the use of e-signature by the US and UK governments. But that isn't the end of the story. Numerous updates to those acts as well as new laws and best practices continue to be revised to keep up with the most current compliance and industry regulations.

If you look into it, you will find e-signatures being used in many industries, including highly regulated fields such as healthcare where digital signatures can prevent fraud in prescription use and alteration of medical records, and finance where digital signatures are implemented for audits, contracts, expense reports and loan agreements.

DocuWare will work with you to help you understand your compliance needs and ensure your document management solution is in line with those requirements. In addition to our deep knowledge of electronic signature solutions, DocuWare has earned System and Organization Controls [SOC 2, Type 2 certification](#). This means our systems and procedures have been evaluated by an independent auditor and meet rigorous standards for the security, availability, process integrity, confidentiality and privacy.

## Myth: E-signature increases the risk of unauthorized use

Close to 40% of US respondents and more than 40% of UK respondents reported being worried about unauthorized signatures. This is a misunderstanding because people think someone can simply open a device and sign something for someone else.



### Fact:

It's much more likely to run into an unauthorized signature with pen-and-paper processes.

Consider this: You send a document in the mail to be signed. You're not there, looking over the shoulder of whoever signed it.

And you may not have a copy of the authorized signature or someone capable of comparing it to the new signature for verification.

## Next Steps

### 4

With all the opportunities for improved efficiency and security that e-signature provides, you may be wondering how to adopt the technology – or how to implement it more fully than you currently do. Here are some key considerations.



## What should you consider?

If you want to use e-signature in your company, you should consider asking these questions:

- Is the electronic signature solution suitable for proving the integrity and authenticity of signed documents?
- Does the signing process take place in coordination with automated workflows in which remote employees, customers and vendors can be included?
- Does the solution offer signing on both customer and company-owned devices?
- Does the solution allow you to sign with either advanced or qualified e-signatures?
- Is the signature process data stored in a legally-compliant manner?
- Does the signature service provider use highly secure hardware security models and comprehensive audit trails for proof of compliance?



The use of e-signature reduces costs, is more convenient for all participants, provides audit trails and identity verification to make compliance easier, and results in a dramatic improvement in productivity. If you want to capitalize on these benefits, DocuWare can help.

## It's time to implement e-signature technology

As you look to the future, DocuWare can:

- Demystify e-signature use and provide guidance in choosing the appropriate signature type to meet your needs
- Identify how electronic signature can be integrated into existing or new automated workflow
- Provide a best-fit solution for quick ROI and increased business agility

If you'd like to chat about installing electronic signature capabilities in your company and experience its advantages with a free trial, **contact DocuWare today.**

About

# DocuWare

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DocuWare provides document management and workflow automation solutions in the cloud. Our solution has helped 15,000 customers across 100+ countries simplify their work through digitizing, automating and transforming key processes.



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