White Paper

5 BEST PRACTICES FOR HIGH USER ADOPTION IN E-SIGNATURE TRANSACTIONS

User adoption is one of the key concerns when embarking on an e-signature project. Organizations often ask, "If we offer e-signatures, what percentage of our customers will use it? And will that percentage be enough to justify the investment?"

Adoption is important for many reasons, since it determines transaction volume, cost and ROI. In this white paper, we look at best practices to ensure customers, business partners, representatives and staff opt for the digital process instead of paper. We also offer recommendations to help avoid friction points that can cause customers to abandon the e-signature process in mid-stream.

Drawing on learnings from customer implementations in business and government, we bring you the key emerging practices to achieve the highest levels of adoption. These practices are closely tied to user experience, branding, training and testing. In the following pages, we answer frequently asked questions like:

- How can we achieve adoption rates in the 80 – 90% range?
- How long will it take for us to reach our adoption targets?
- What type of change management effort and planning is involved?
- What special considerations need to be addressed when dealing with an independent field sales force?

ADOPTION BENCHMARKS

While user adoption varies from one process to the next, there are clear adoption patterns based on the channel where the transaction takes place (e.g., documents that are signed in-person, at a retail location, at home over a website, on a phone with a call center agent, at a coffee shop with an agent, etc.).

Many organizations have achieved impressive adoption rates in their e-signature processes. Adoption tends to be higher in unmediated (self-serve) use cases as opposed to mediated ones where an agent or intermediary helps guide customers through the transaction.

Within internal processes like HR, procurement, finance and administration, employers have complete control over adoption. Since they can make e-signing mandatory, it is not surprising to see high adoption. One drugstore chain reached 90% adoption by pharmacists within two weeks of implementing e-signatures.

Adoption rates are similar in the online channel. It is common for organizations to achieve close to 100% adoption in online B2C and B2B transactions.

e-SignLive™ by Silanis

Examples include:

- **100%** of the 19,000 vendors contracting with the federal General Services Administration use e-signatures to sign contracts through the GSA's e-contracting portal.
- **99%:** A State Student Loan Authority went live with e-signing at the peak of their loan season, and overnight attained a 99% adoption rate that has since held steady.
- **98%** of Signature Mortgage's loan applications are electronically signed online by customers.
- **95%:** One of the largest personal auto carriers has an e-signature adoption rate of 95% online.
- **90%:** For five years, Sunco Tanning has enjoyed a 90% adoption rate among its customers. The small number who opt to take the process to paper often do so because they do not have an email address or if they share an email address with a loan co-applicant.

These numbers confirm that consumers are ready to go digital. Not surprisingly, we are seeing a similar trend at retail and in-branch, where the majority of customers opt for e-signature.

In an interview with *American Banker*, Ron Eddy, an associate vice president for technology and operations at U.S. Bank confirmed this, explaining, "We started at 70% of all loan account openings in the branch having e-signatures, and within a year we were up to 85%, which is where we stayed for the five years after that. For deposits we're at 90% [adoption]."

While consumers are ready for electronic signatures, a challenge remains in mediated processes. Retail, call center and captive agents are all mediated channels; however, the big difference compared to an independent sales force is the organization's ability to control the systems, tools and policies being used. If a new way of doing business is being rolled out, training and support is more easily offered and ultimately, depending on how aggressive the organization wants to be, can become policy for salaried employees. For one Fortune 1000 company, 95% of their 2,200 captive agents are now using an e-app, and they are e-signing 75% of applications – a transformation that rates ahead of the company's expectations.

The bigger challenge lies with the independent sales channel. While you can't force independent agents to adopt e-signatures, you can educate them on the benefits. A growing number of tech-savvy sales agents recognize that digital tools are necessary to compete in an increasingly connected world. These advisors and agents realize that personalized service can be as simple and relevant as offering clients the convenience of doing business when, where and how they want. As a result, adoption of e-signatures in the independent sales channel varies greatly, with customers averaging 40 - 60% adoption.

When setting adoption goals for the independent sales channel, keep ROI in mind. Although 50% adoption is a far cry from the average adoption rates in direct/online channels, the benefits and savings you will realize are likely more than enough to justify introducing e-signatures. And as adoption increases over time, so will ROI.

TOP 5 PRACTICES

1-FOCUS ON CUSTOMER AND SENDER EXPERIENCE

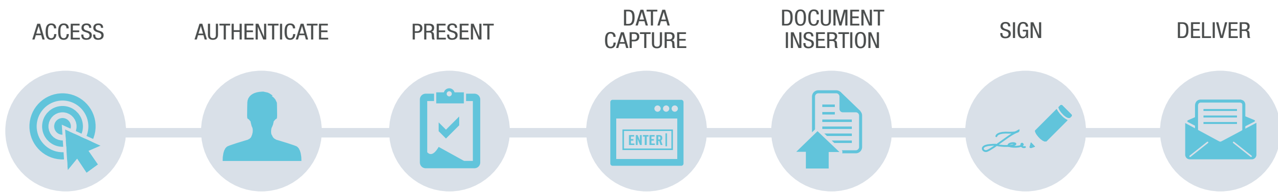
Today, customers expect companies to be easy to do business with. They want everything to be available quickly, at their convenience, in their preferred channel and on their preferred device. Everyone is busy. Few people have time to drive to an insurance agency or bank branch just to sign a piece of paper – especially when a few taps on a touchscreen device or a few clicks of a mouse can produce the same legally enforceable contract.

"Most customers see the lack of paper as a burden that's being lifted," says Keith Wilson, senior manager of sales force technology enablement at RBC Royal Bank.[1] But simply offering a digital process is not enough to guarantee a great customer experience. If given the option, most people will choose e-signatures over paper but the question becomes, will they complete the transaction or abandon it midway and revert to paper?

Forrester analyst Craig Le Clair advises organizations to, "Focus on customer experience to drive adoption."[2] Creating the best customer experience requires a flexible menu of options built in to the e-signature software. Le Clair speaks to this in a report entitled, "E-Signatures — A Few Simple Best Practices Drive Adoption".

To achieve high adoption, it is recommended to choose e-signature software that offers options for configuring the workflow to fit your process, channel and use case. Some options will be better than others in delivering the best overall customer experience for your requirements.

This diagram represents the typical steps in an e-signature workflow and will help anchor our explanation of what options are available for each step.



Examples of flexibility in the e-sign process

	Options	Impact on customer experience and adoption
ACCESS	**SELF-SERVE** • Email invitation (remote online) • Link embedded in a mobile app • Scan a QR code (events/kiosks) **IN-PERSON WITH AN AGENT** • Agent initiates the transaction, then hands the customer an iPad to sign on	The user experience will be different based on how the signer accesses the transaction. e-SignLive can provide a solution for any channel, including face-to-face, online or remote with invitations via email. A single transaction can use a combination of these scenarios. For example, the first signer may be present in person, but additional signers may be invited in via email. This is convenient for processes involving spouses, multiple business owners and student/parent co-signers, since all parties do not have to be on-site together – or even on-site at all.
AUTHENTICATE	**SELF-SERVE** • Email combined with secret questions or username / password • One-time PIN sent to the signer's phone via SMS • Dynamic KBA • Digital certificates and/or smartcards **IN-PERSON WITH AN AGENT** • In-person verification of physical credentials (e.g. driver's license); could also be paired with SMS PIN **FOR STAFF / AGENTS** • Single Sign-on (SSO) • Use existing username & password to access employee / agent portal	Overly complex authentication is one of the biggest sources of customer drop-off. Having a wide range of authentication methods and the ability to configure them according to your use cases makes it easier to provide a fast, seamless and secure experience. This includes: • Adapting the authentication to new vs. existing customers; • Ability to adapt authentication to each signer (may have a new and an existing customer involved in the same transaction, e.g. spouses opening a joint account); • Adapting the authentication for staff/agents, so they can be authenticated differently from customers; • Ability to customize the questions, if using secret question challenge; • Ability to configure different authentication methods within the same transaction.
PRESENT DOCUMENTS TO CUSTOMERS	**ON-SCREEN** • Through a browser **ON PAPER** • You can offer the option to print out copies if it's easier for customers to read documents on paper. Once the customer has read them, s/he can return to the e-sign session.	• Presenting documents through a browser means the customer won't have to download any new software (e.g., Adobe Acrobat). This eliminates any risk of abandonment due to software incompatibilities. • Another option is to take a hybrid approach that enables the customer to read the document on paper, but still e-sign. This alleviates abandonment issues for customers who have difficulty reading documents on-screen. • e-SignLive has leveraged the unique capabilities of smartphones and HTML5 to present documents through a mobile browser. This includes a responsive design for small form factor mobile devices. Providing signers with an optimal signing experience on all types of screen sizes increases user adoption.
DOCUMENT INSERTION	There should be a way to upload a scanned document to the e-signature service and have it automatically inserted into the transaction.	Businesses need a way to handle exceptions so customers aren't forced to drop out of the electronic process if they need to upload a document. For example, an insurance company may offer customers a discount if the customer shows a proof of membership. To get the discount, applicants would need the ability to upload the membership document.
SIGN	• Click to sign / click to initial • Handwritten signature image	Best practice is to give customers the ability to e-sign how, where and when they want, on any device. There are two types of signature methods available depending on the hardware that is being used. • For a standard PC, it is common to use a simple "click-to-sign" button. • If a touchscreen device is available (e.g., tablet, signature pad), then signature capture can be used. In signature capture, a dialog box opens allowing the signer to sign their name much like a retail transaction. An e-SignLive feature called Mobile Signature Capture allows customers to use their own device to capture their handwritten signature while on the go.

BUILD A GREAT SENDER EXPERIENCE

E-Signatures can be used as a standalone service or fully integrated into your processes and systems. Regardless of which implementation you choose, your staff or agents are likely triggering the e-sign transaction, especially in mediated transactions. We recommend you make it easy for them to initiate or setup the transaction. While that may seem obvious, it is not uncommon for companies to overlook sender experience. Low adoption numbers can sometimes be due to challenges that senders are having in creating the document package for e-signature. If the digital process is more difficult than the paper process, they will opt for the latter.

Keep in mind that integration with the tools and apps your staff already use is the simplest way to create a good sender experience. For example, with an e-signature app for Salesforce, documents are generated, prepared and sent to signers directly from the CRM. Or when integrated with an agency management system, agents can initiate e-signature transactions by clicking on a “Send for E-Sign” button right next to the “Print” button.

Another issue to consider is connectivity. If remote employees or agents are initiating the transaction, you may need to adapt your field force’s technology to eliminate connectivity issues (e.g., equip them with air cards or even an offline process). As well, an e-signature solution that supports Single Sign-on (SSO) makes it easy for employees to access a variety of SaaS applications without having to use different login credentials each time. Details like these can have a big impact on the sender experience and as a result, customer adoption.

2-BALANCE AUTHENTICATION WITH USABILITY

There are tremendous benefits to offering customers, vendors and partners the ability to use e-signatures to do business online. But clearly the organization initiating the transaction must know who they are transacting with. User authentication plays a critical role in electronic signature transactions. It is the layer of security that is put in place to associate an e-signature to the person signing, thereby reducing the risk of repudiation. Authentication helps to ensure enforceability of the e-signed record and directly impacts customer experience. It’s important to think of user authentication in terms of customer experience. Executed well, authentication builds trust and loyalty. Done poorly, it leads to frustration and abandonment.

However, because of the perception that the risks of fraud and ID theft are higher online, it is fairly common for organizations to want to over-engineer user authentication in e-signature transactions. The best approach to managing authentication risk is to familiarize yourself with your process, requirements and risk tolerance. Each process is different. You wouldn’t ask an HR consultant signing a B2B contract to undergo dynamic knowledge-based authentication (KBA) like you would a mortgage applicant. (And even within mortgage lending, transactions with new customers are very different from mortgage renewals with existing customers. These are two separate authentication experiences.)

Increasingly popular online, dynamic KBA harvests public records, credit reports and other sources to ask out-of-wallet questions on the fly. It is ideal for B2C transactions with new customers. However, it is not as well suited to B2B processes. Participants in B2B transactions could become frustrated if asked to divulge personal financial information as part of a B2B transaction. Using a different authentication method would alleviate this friction point. Alternatives would be secret question challenge (AKA “shared secrets” or static KBA) or a one-time PIN generated by the e-signature system and texted to the signer’s phone.

E-Signature solutions like e-SignLive have been designed to support a wide range of options. Flexibility makes it easier to calibrate the level of authentication to each process and balance security with usability. However, if legal counsel is recommending the highest levels of security, bring your legal, IT and business stakeholders together early on and work with the vendor to find an authentication method that suits the risk level of your process. Ask your stakeholders what level of risk they accept today with paper. It is surprising the number of times paper document packages are faxed to a random number and returned with a scribble of ink that is considered “good enough” – yet for the electronic process, stakeholders want a significantly higher level of security.

An American Banker article[3] broached this topic when reporting on RBC Royal Bank’s e-signature implementation, reporting, “Leaders in the business line and in information technology worked closely with colleagues in legal and compliance to address regulatory issues. [According to James McGuire, RBC’s vice president of digital strategy and experience] ‘Effectively managing all of the internal factions is as important as having a narrow focus and starting simple,’ McGuire said. When it comes to building out an e-signature system, “don’t let [legal and compliance] design it because it won’t work for your customers, but understand what you can and can’t do.’ ”

3-PUT YOUR BRAND FRONT AND CENTER

As an e-signature provider, we understand the importance of ensuring your customers have a seamless journey

through the entire digital transaction. When possible, for higher volume customer-facing transactions, it is a recommended practice to customize the e-sign user interface to match your branded application. In doing so, customers will not be concerned that they are leaving your website or portal to e-sign documents. Industry best practices have shown that a seamless, fully branded transaction reinforces the customer's trust and fosters high adoption rates.

As an example, in B2C transactions like loan applications, best practice is for the financial services provider to customize the branding in the emails inviting their customers to e-sign. This will avoid situations where customers are confused if the email domain address is branded with the e-signature vendor's name. If the email is not from the company they expected, customers might not open it.

Rather than advising customers to expect an email from your e-signature vendor, instead look for a solution that enables you to customize all touch points with your own logo, colors and design. Email messages should be configurable to use your content and should be sent from your domain name. The same applies to the "From" and "Reply-to" email headers.

4- CONTINUOUSLY TEST AND REFINE YOUR PROCESS

Whatever workflow you build, expect to monitor, test, refine and test again, until you get the adoption you want. It is important to test your e-signature process to identify the friction points, both before and after going live.

Case in point:

- According to Bank Systems & Technology[4], "RBC [Royal Bank] first piloted the solution last year with its mobile retirement planners in the Toronto area. The pilot phase **allowed the bank to work on some minor issues** such as reconfiguring the digital documents for a tablet's screen."
- A phased implementation can also help work out the kinks in your process. Many organizations, including BMW Financial Services, started with **a 30-60 day launch in one state before doing a national roll-out**.
- Continuous testing after going live helped one insurance carrier reduce customer drop-off. The carrier discovered that a large number of transactions were not being completed because their insurance portal did not support the Google Chrome browser. Once the carrier improved browser support, their e-signature abandonment rate dropped from 25% to 5%.

5- DEVELOP A CHANGE MANAGEMENT PLAN

In a 2014 AIIM survey of the financial and insurance sectors, respondents were asked about their organization's readiness related to process change, and 47% indicated that their corporate culture embraced dramatic change when appropriate, with 32% stating that it depends on the department and process involved.[5] Having an environment where there is an openness to change is key, because we have seen firsthand the adoption results that can be achieved with a proper change management plan that includes training, communication, incentives and sharing testimonials. Again, this is especially important when dealing with mediated processes.

Education is the first step to wider acceptance and adoption. Our experience shows that communicating the benefits to staff and agents in personal terms has the most impact. For example, rather than trumpeting the amount of money that the company will save, explain to agents how e-signatures help shorten the time to commission payout. Or provide specific examples of how e-signatures will help staff save time in their daily tasks.

Other recommendations:

1. **Involve key stakeholders early:** Early involvement from select staff members will ensure their feedback is captured, and they will have more personal investment

in the success of the project. It will also give the project more credibility. As you start to roll-out, you will be able to point to the participation of all stakeholders.

2. **Gain executive buy-in:** It is not uncommon to encounter resistance when moving process off of paper. Without executive commitment, initiatives can get sidetracked. To gain buy-in, focus on the business benefits: cut costs, close customers faster, avoid abandonment, generate revenue, reduce errors and risk, increase customer retention and more.
3. **Phased implementations:** It is a great idea to start with a smaller, hand-picked group of early adopters and internal technology evangelists. Get them using e-signatures, gather feedback and tweak the process. See this as an opportunity to recruit champions and advocates. Document the testimonials that will be helpful for communications efforts later on.
4. **Training** can be as simple as watching how-to tutorials, but the truth is, nothing beats hands-on practice. We think training should be designed for staff and agents in a way that allows them to gain comfort in the new process so they are not nervous with clients. U.S. Bank took a pragmatic approach to training and developed an e-signature loan simulator to train loan officers. They were encouraged to go online and try the process a few times before executing a loan live with the customer. Having the ability to practice beforehand boosted their confidence and helped gain a higher comfort level with the new process. As part of the training, you may also want to give sales representatives a script that provides the education customers need. It could include information on how e-signatures work and how the click-to-sign process replaces an ink signature.
5. **Incentives:** Although not always required, incentives can be very effective in gaining rapid adoption. One insurance carrier took inspiration from the gamification trend. Reps earned points for every electronic new business application submitted and could use the points towards prizes. A clever caveat they put in place was that points only started accumulating after six submissions, to ensure the initial learning curve was overcome.
6. **Reporting:** One organization did a particularly great job of monitoring and sharing KPIs on their e-signature roll-out. They used an executive dashboard as a tool for motivating the team and maintaining executive engagement. They reported weekly on the number of users in the system, number of transactions completed per representative and cost savings per transaction.
7. **Peer persuasion:** One insurance carrier is winning over slow adopters among their sales force by sharing positive experiences. In an interview with the SVP of life/health operations for Country Financial, *Insurance Networking News* reported that, "When they hear that their peers are having success, that makes them feel they can have success as well. Agents who embrace e-signatures also speak at company gatherings and on the carrier's Intranet site. Persuading agents to try the technology can win them over. "It's just a matter of trying to prompt them to do that first one. The reps who are using it really like it."
8. **Coaching** has been helpful for Liberty Mutual representatives. In an *Insurance Networking News* interview with the carrier's director of call center operations, INN reported, "In coaching sessions, Liberty shows each call center representative how much of his or her book of business was closed with e-signatures, and how many customers dropped out of the process. Liberty also tries to understand why some representatives favor paper documents. Knowing the representative's reason for choosing paper can help the carrier determine the best ways to coach them to choose electronic documents."[6]

In closing, consider a multi-pronged approach using a combination of the above recommendations. In the case of a diversified global insurer, the company had achieved 100% adoption online and 70% in their call center – but adoption among their agents was very low. In 2010, the company undertook a holistic redesign of their e-sign processes. After executing a series of usability improvements, as well as offering more training and carrying out an internal communications campaign, agents became more engaged. Adoption among their agents has since climbed to 50%.

Finally, leveraging technical support can also help. One carrier launched a technical support group so they could hand off customers with questions directly to experts who could walk the customer through the process, solve technical problems immediately and keep the process going to completion.

CONCLUSION

The digital transformation offered by e-signatures holds tremendous promise, but if the technology is not adopted it is of little value. After more than 20 years providing e-signatures to regulated organizations, we have learned to optimize the signing process by channel to ensure high adoption. Whether e-signatures are offered in the branch, online, through a call center or via mobile apps, the only way to achieve high adoption in each of these channels is by making sure your customers have an easier and more convenient experience than with paper.

Creating the best signer experience requires flexible workflow options – and creating a great sender experience requires change management. We encourage you to leverage our experience to develop the right incentives and training programs to ensure your staff choose e-signatures over paper. We can help you build a well-designed electronic process and put in place the type of program to help gain adoption quickly. At e-SignLive, we partner with our customers to deliver the highest adoption rates in the industry. To learn how we can help you attain high user adoption and ROI, call 1-888-SILANIS (745-2647).

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