

Guide to Electronic Signatures

Now is the right time to move to e-signatures

As work evolves to take place outside the four walls of the traditional office, small and midsize organizations need to adapt to stay competitive. E-signature technology is an essential part of that evolution because it drives faster closes, shorter time to revenue, increased visibility into document management, higher customer satisfaction and increased security.

E-signature technology is simple to deploy, easy to use, mobile-friendly and legally recognized in more than 180 countries, including the United States. If you're considering deploying e-signatures for your organization, this eBook can give you all the information you need to get started. Here are the basics of electronic signatures for business, including the types of documents you can use e-signatures for, its legality, business benefits and tips for selecting an e-signature solution.

Processes and documents for which you can use electronic signatures software

E-signature solutions can be used for almost any agreement across any line of business or industry. For example, human resources can use it for onboarding and employee paperwork, sales can use it for sending quotes and invoices and real estate agents can use it to efficiently complete transactions.

How e-signature technology revolutionizes organizational processes and customer experiences across industries:

Construction and engineering

Saves time by coordinating contracts and document completion

Accounting and tax

Facilitates on-time signings in remote places while increasing document security

Financial services

Speeds up transactions, improves customer experiences, simplifies account opening/maintenance, accelerates loan applications and disclosures

Communications

Streamlines signing of invoices and work statements

Insurance

Facilitates remote signing of forms, documents, agreements and notifications

Real estate

Enables faster signing and helps agents keep contracts and agreements secure

Legal and SaaS firms

Streamlines the process of getting signatures from multiple parties and provides high-level security of confidential information

Government

Ensures confidentiality of sensitive data and streamlines paper-heavy workflows

Healthcare

Reduces costs and offers a touchless experience for patient intake and consent forms

Within your business, an e-signature solution can impact every department. Here are just a few examples of documents that can be electronically signed:



Human resources

- Offer letters
- New hire paperwork
- Onboarding/offboarding checklists



Marketing

- Event registrations
- Customer communication approvals
- Mass mailing/email approval



Services

- Account change
- Work orders
- Terms change



IT/Operations

- Asset tracking
- Change requirements
- Incident reporting



Facilities

- Work orders
- Lease agreements
- Parking permits



Sales

- Sales order processing
- Special deal terms
- Agreements



Finance

- Invoices
- Expense processing
- Audit and inventory signoff



Legal

- NDA's
- Contract management
- Internal compliance



Procurement

- Purchase order
- Statement of work
- Master service agreement



Product management

- Change management
- Release management
- Code review reporting

Ready to set up electronic signatures?

Visit www.docuSign.com to sign up for a free trial of DocuSign eSignature or schedule a call for more information.

FAQs: legality and security of electronic signatures

In 2000, the U.S. federal government passed The ESIGN Act, which, in tandem with the Uniform Electronic Transactions Act (UETA), confirms that electronic signatures constitute legally binding documents if all parties choose to sign digitally.

There are a few exceptions to this, however. As outlined by the National Telecommunications and Information Administration ([NTIA](#)), electronic signatures are not legally valid when signing:

- Wills and testamentary trusts
- State statutes governing divorce, adoption or other family law
- Court orders or official court documents
- Notice of cancellation of utility serves
- Notice of default, foreclosure or eviction for a primary residence of an individual
- Termination notice for health or life insurance policies
- Recall notices for products that demonstrate a considerable risk to health or safety
- Any document legally required to transport hazardous materials, pesticides or other toxic substances

Are electronic signatures valid in all states?

Yes, electronic signatures are valid in all U.S. states and are granted the same legal status as handwritten signatures under state laws. In other industrialized countries, electronic signatures carry the same weight and legal effect as handwritten signatures and paper documents. Laws may differ, but you can learn more about legal requirements from DocuSign's [eSignature Legality Guide](#).

Can legal documents be signed electronically?

Many legal documents can be signed electronically including court filings, medical releases, settlement documents, and a vast array of transactional agreements like closing documents, disclosures, financings and NDAs.

Are electronic signatures admissible in court?

Yes. When e-signatures are combined with tamper sealing, strong authentication, world-class security and an audit trail, they can be more enforceable than wet signatures because of the court-admissible evidence they contain.

Are electronic signatures secure?

While pen-and-paper signatures can easily be forged and tampered with, electronic signatures have multiple layers of security and authentication built into them. E-signatures come with an electronic record that serves as an audit trail and proof of the transaction. This trail includes the history of actions taken with the document, such as when it was opened, viewed and signed. Depending on the provider, if the signer agreed to allow access to their location, the record will also show geolocation where it was signed. If a signer disputes their signature or there is any question about the transaction, this audit trail can resolve such objections.

More detailed certificates of completion can include specific details about each signer on the document, including the signature image, key event timestamps, the signer's IP address and other identifying information.

How is a signer's identity verified?

Electronic signature technology offers multiple options for verifying a signer's identity before they can access the document. These include:

Email address

Signers enter their email address, which is compared to the email address used in the invitation

Access code

The sender supplies a one-time passcode that signers must enter

Phone call

Signers must call a phone number and enter their name and access code

SMS

Signers must enter a one-time passcode sent via SMS text message

Knowledge-based

Signers are asked questions about personal information, such as past addresses or vehicles owned

ID verification

Signers are verified using their government-issued photo IDs or European eID schemes

When working with companies in the EU and certain regulated industries in the United States, such as healthcare, life sciences and government, additional signature validity levels are necessary. Some providers offer two additional levels of e-signature that comply with these requirements:

Advanced

Requires identity verification and authentication to establish a link to the signatory; this includes a certificate-based digital ID issued by a trusted service provider

Qualified

An even more secure version of an advanced e-signature that uses a "secure signature creation device" and is deemed legally identical to a wet signature in the EU

Can electronic signatures be used securely on mobile devices?

Yes. The same safeguards for devices such as desktop and laptop computers protect documents accessed on smartphones or tablets. Signers can complete document fields with a simple press of their finger rather than pinching, zooming and scrolling through a PDF on their smartphone.

Electronic or digital signature?

Digital signatures and electronic signatures are not the same thing, and the terms should not be used interchangeably

Electronic signature

is the electronic legal representation of a physical signature

Digital signature

is a specific type of e-signature that offers additional verification of the identities of the parties involved in a transaction

The benefits of using e-signature instead of handwritten signatures

Not only are electronic signatures widely recognized as statutorily valid, but they also provide some advantages that improve your organization's operational efficiency.

Better customer experience

55% of businesses that use electronic signature technology reported increased customer satisfaction with the digital agreement processes.¹

Productivity improvements

E-signature solutions fully automate the document workflow, streamlining contract execution and increasing employee productivity.

Reduced costs

Paper, printing, postage and storage add an average cost of \$36 to documents.

Fewer errors and inaccuracies

Because the e-signature solution walks the signer through a document, errors and inaccuracies decrease. On average, e-signature leads to 48% fewer errors.¹

Increased privacy and security

Shuttling physical contracts from one signer to another, particularly in a multiple-signature situation, increases the risk of a privacy breach. E-signature keeps a document safely stored in one digital location and tracks contract changes throughout the signing process. Routing rules can be specified so signers gain access in order of authorization, protecting the document from tampering along the way.

Reduced need to store paper documents

Many e-signature solutions offer unlimited digital storage that makes it easy to find and retrieve documents, so you no longer must devote storage space to signed contracts, agreements and other documents.

Fast implementation

Many electronic signature solutions fit smoothly into your workflow and work alongside the tools you already use. This allows you to deploy e-signatures for business processes quickly.

Reduced environmental footprint

By reducing your paper use, you're immediately decreasing your carbon footprint.

The impact of e-signature

Improved customer experience

55%

Lowered error rates

48%

Shortened deal cycles

51%

Reduced turnaround time

46%

80%

of all successful transactions on the DocuSign platform were completed within 24 hours

44%

were completed within 15 minutes

“We’ve achieved a 60% increase in work with an 18% decrease in staff with DocuSign—that’s a 34% efficiency improvement ... a huge accomplishment.”

Steve Collins

Global supplier relations contract and compliance director
Kelly Services

¹ State of Systems of Agreement, 2020.

The benefits for customers

The streamlined digital nature of electronic signatures means your customers can quickly, easily sign their document on practically any device, from almost anywhere, at any time. Rather than sitting down at a table to wade through a pile of paper, they simply follow along as the e-signature system walks them through the document, clearly showing them where to sign.

Signers don't need to print, scan, email or mail documents, which can introduce the possibility of security breaches. Signers also don't need to interact in person with a company representative.

Time to sign is significantly reduced and signers are less likely to miss a field, so they're less likely to need to return to that document later to fill in the missing signatures or information.

\$36

saved per document
on average by
DocuSign eSignature
compared to traditional
paper processes

“Clients have raved about [DocuSign]. I’ve had the CEO of a corporation we send policies to say he couldn’t believe how awesome it was. I’ve had another who just thought it was the coolest thing in the world to be able to sign these documents on her iPad.”

Edward Caruso
Owner
Caruso Insurance

Choosing an electronic signature tool: What you should look for

Most electronic signature software solutions are easy to use, integrate with the other apps and document management systems you use, have identification verification and give you access to premade templates.

What differentiates the different e-signature solutions? And what should you consider when choosing an electronic signature tool?

1/ Mobile capability

Agreements that are easier to view, read and sign on any mobile device are completed faster, have higher completion rates and offer a better user experience.

2/ Security

The best e-signature software will meet the most stringent global security standards. Robust security and protection should be weaved into every area of the vendor's business:

- Physical security that protects the systems and buildings where the systems reside
- Platform security that safeguards the data and processes that are stored in the systems
- Security certifications/processes that help ensure the provider's employees and partners follow security and privacy best practices

3/ Privacy

Protecting the business and personal information entrusted to the electronic signature service is critical. Is the vendor committed to General Data Protection Regulation (GDPR) compliance? What other data protection practices do they employ?

4/ Compliance

You want an electronic signature vendor that provides continuous monitoring of the security and privacy landscape to ensure your agreements comply with the latest state, federal and international requirements.

5/ Integrations

Your chosen e-signature vendor should integrate with the software systems your organization already uses. Prebuilt integrations and APIs for custom-built integrations are easy ways to adopt digital signature technology into existing workflows.

6/ Innovation

The vendor should invest in research and development. Does the company consistently deliver innovations that make the product more helpful and easier to use, not just for signers but for senders and system administrators, too?

7/ Scalability

The digital signature management tool should enable continuous modernization of the way you do business. You may only be considering electronic signature solutions for one department. However, it's helpful to think about possible future uses for e-signature software.

8/ Extensibility

You may not be thinking about all the manual, disconnected steps both before and after the signature—steps that slow down the process, increase costs and undermine your customer experience—but you want a vendor that is. Consider how your business will grow and change, then choose a solution built on a robust and extensible technology platform that integrates with the systems you already use for contracts.

9/ Free trials

Most vendors offer a free trial period with their tool. Take advantage of this and try a few of the products you are considering.

How to send a document for electronic signature

The exact signing process varies depending on the e-signature provider, but the underlining workflows of more robust solutions are similar.

Sending documents for e-signature:

- Upload the document, such as a Word document or PDF file
- Tag the sections that require initials, signatures, phone numbers and other input
- Select the methods of signer authentication you want to use
- Send the file via the service to your designated recipient's email

Signers:

- Receive an email notification to review and sign a document
- Verify their identity (if the sender selects that option)
- Read the disclosure documents and agree to use the electronic process
- Review the document and complete necessary fields, including attaching required documents
- Adopt the signature style to use (if it's the first time they've used a service)
- Sign the document

E-signature software is a full software-as-a-service (SaaS) solution that authenticates, tracks and stores signatures and signer information at every stage of the contract lifecycle.

Once the signing process is complete, all documents are digitally sealed using Public Key Infrastructure (PKI), an industry standard technology. This seal indicates the electronic signature is valid and the document hasn't been tampered with or altered since the date of signing.

Get started with DocuSign eSignature

With remote work taking over the business world, electronic signatures for small and midsize organizations is more than just a convenience—it's a requirement. Customers expect the remote experience electronic signatures provide. On the business side, e-signatures streamline administrative procedures, reduce risks and save resources and time.

“What could take weeks, now takes hours if not minutes from the moment I push send. My clients love the convenience of DocuSign and digitally completing and signing documents.”

Pamela Schmitz
LPL Financial

DocuSign pioneered and largely defined the e-signature category. DocuSign eSignature, the world's #1 way to sign electronically, has 99% uptime, more than 350 integrations and industry leading security certifications and compliance. eSignature is part of the DocuSign Agreement Cloud that includes more than a dozen applications to simplify the entire agreement process.

“The best part of using DocuSign is the speed at which internal processes have changed, from having invoice authorizations taking up to a week to being completed in under 10 minutes.”

Brian Judd
LSL Property Services

**See how easy it is to add DocuSign eSignature to your operation.
Try it free for 30 days—no obligation or credit card required.**

About DocuSign

DocuSign helps organizations connect and automate how they prepare, sign, act on and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature: the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, more than 750,000 customers and hundreds of millions of users in over 180 countries use DocuSign to accelerate the process of doing business and to simplify people's lives.

For more information contact sales@docusign.com or 1-877-720-2040.

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