



## *Digitech Systems White Paper*

2014

### **Electronic Signatures, Essential for Paperless Processes**

Picture this: you have got enterprise content management (ECM) figured out. Your documents are stored electronically, you route them electronically and you have abandoned the world of paper. You have arrived! That is, until, BOOM, one of your electronically stored documents needs a signature. Now you have to stop in your tracks, print a document, sign it and get it back into the electronic system somehow. This is a huge waste of time and it also throws a wrench in your paperless prerogative. Don't worry, signatures can be added to the electronic mix! Thanks to the birth of electronic signatures, you can sign a document without having to print! With a few simple clicks you can sign a document and get it on its merry way. Plus, it's safe and secure. What more could you ask for? This whitepaper will teach you everything you need to know about what electronic signatures are and how to add them to your ECM system.

How often do you find yourself having to print a document, sign it yourself or get it signed? It typically involves printing a document signing it yourself, faxing it to another party and waiting for them to print, sign and fax it back. Then it's printed yet a third time and stored in a file cabinet forever. You may not even realize it, but this is a substantial time waster. There's a better way! Electronic signatures allow you to skip the tedious steps of printing, signing, faxing, and repeat. Everything is done electronically. It's becoming popular too. The electronic signature sector is on track to grow to more than \$5 billion by the end of the decade.<sup>1</sup>

## What is an Electronic Signature?

While systems vary from provider to provider, the general idea behind the technology is the same. In technical terms, an electronic signature is an electronic indication of intent to agree to or to approve the contents on a document.

### Electronic Signature Definition:

"The term 'electronic signature' means 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."<sup>2</sup>

*-FDIC Compliance Manual*

## How does it work?

You simply upload a document, whether it is a Word document, PDF or even an image file, to an online service, and then tag it with special annotations where signatures eventually need to go. The marked-up file is then sent to the appropriate recipient, who "signs" it with a few clicks. This can be accomplished with stock cursive fonts or with a scrawl they actually draw, using a mouse or their finger when it's a tablet. The method of electronic signing will depend on the provider. After the file is signed, it is sent back to you. It's that simple.<sup>1</sup>

## Is This Actually Legal?



Using electronic signatures to speed up your document approval process boosts efficiency and reduces headaches, but is it legal? Yes! In 2000, the Federal Deposit Insurance Corporation (FDIC) signed into law The Electronic Signatures in Global and National Commerce Act (E-Sign Act). This act provides a general rule of validity for electronic records and signatures for transactions in or affecting interstate or foreign commerce. Basically, if there is a law or regulation that requires you to provide information in writing, the E-Sign Act says you can legally do so electronically.

Although every state has at least one law pertaining to electronic signatures, federal law lays out the guidelines for interstate commerce. The general intent of the E-Sign Act is spelled out in the very first section (101.a), that a contract or signature "may not be denied legal effect, validity, or enforceability solely because it is in electronic form." This statement signifies that electronic signatures and records are just as good as their paper equivalents, and therefore subject to the same legal scrutiny of authenticity that applies to paper documents.

Prior to obtaining their consent, financial institutions must provide the consumer a clear and conspicuous statement informing the consumer:

- of any right or option to have the record provided or made available on paper or in a non-electronic form, and the right to withdraw consent, including any conditions, consequences, and fees in the event of such withdrawal;
- whether the consent applies only to the particular transaction that triggered the disclosure or to identified categories of records that may be provided during the course of the parties' relationship;
- describing the procedures the consumer must use to withdraw consent and to update information needed to contact the consumer electronically; and
- informing the consumer how the consumer may nonetheless request a paper copy of a record and whether any fee will be charged for that copy.<sup>2</sup>

## Global Adoption

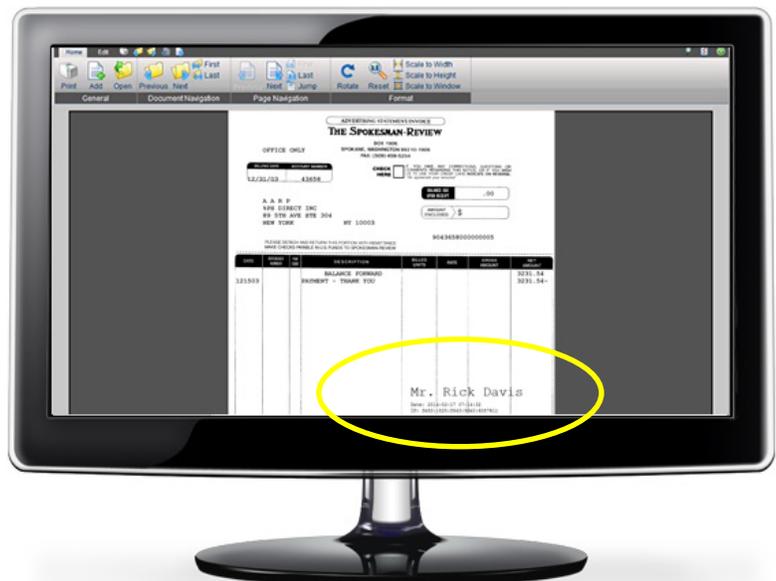
Since the E-Sign Act was signed and brought into effect, the adoption of electronic signatures across business has increased at an exponential rate. In fact, most of the world's major industrialized nations have incorporated electronic signatures into their business practices, as a way to expedite commerce across the internet. Obviously, each country adopts its own legislation approach dedicated to electronic signatures, but some are following in our footsteps. In the following countries, electronic signatures have the same legal status as written signatures: Australia, Canada, Chile, Colombia, Finland, Hong Kong, Ireland, New Zealand, the Netherlands, Peru, Philippines, Portugal, Singapore, South Africa, South Korea, Spain, Switzerland, United Arab Emirates, United Kingdom and the United States.<sup>3</sup>

"More than 15 million people have electronically signed more than 120 million documents in 188 countries."<sup>4</sup>

- The Next Web

## Now, Just Sign the Dotted Line

To meet the many demands of our customer base, Digitech Systems has made sure to be on point, and eliminate the need for a ballpoint. PaperVision® Enterprise includes electronic signatures capabilities. The PaperVision Enterprise electronic signatures addition allows users to include a validated electronic form or signature with a document as part of a review or approval process. When you need a document signed, you can simply stamp the signature right on the document and continue it on its path. No printing needed! For example, a business executive might sign a contract with a legally-binding electronic signature as part of the process of completing a large sale to a client.





Electronic signatures offer the following abilities:

- Add electronic signatures to any document type including e-forms
- Graphically display signatures on .tif, .bmp, .jpg, .png and .pcx images
- Clearly validate that the signature and document have not been altered
- Add a Sign Document step to any workflow process to seamlessly integrate electronic signatures into daily task flows
- Set user permissions to allow them to sign documents electronically

“Time is money... especially in the world of enterprise level document management. Electronic signatures are an easy way to get the critical documentation you need without sacrificing the inherent efficiency of your document management system.”

*-Scott Matthews  
Founder and CTO, Digitech Systems*

Incorporating electronic signatures into your document routing and approval processes will save you time and headaches. It's quite surprising how much time you wasted printing a document, sending it to the appropriate individual, getting it signed and waiting for its return. Make sure to take all the legal precautions and research necessary before incorporating electronic signatures. Then start reaping the benefits of a business day with much more time on your hands!

## Works Cited

<sup>1</sup> E-signatures: The complete guide to paperless signing, PCWorld, April 26 2013, <http://www.pcworld.com/article/2035744/e-signatures-the-complete-guide-to-paperless-signing.html>

<sup>2</sup> The Electronic Signatures in Global and National Commerce Act (E-Sign Act), FDIC Compliance Manual, January 2014, <http://www.fdic.gov/regulations/compliance/manual/pdf/X-3.1.pdf>

<sup>3</sup> Global primer and best practices for deploying electronic signatures worldwide, International e-signature summary and best practices, Adobe EchoSign, <https://www.echosign.adobe.com/en/misc/international-Esignatures.html>

<sup>4</sup> Happy Birthday, Electronic Signature; by Ekaterina Walter, The Next Web, Thursday June 28 2012, <http://thenextweb.com/insider/2012/06/28/happy-birthday-electronic-signature/>



## Additional Resources

There are a lot more opportunities to learn about electronic signatures! The resources below provide additional guidance while navigating your way through the world of understanding electronic signatures.

### Digitech Systems

At Digitech Systems, ECM is our bread and butter. We want to help you understand what ECM is and our website is one of the best places for you to learn more about the technology, accompanying products, education and expertise we offer.

[www.digitechsystems.com](http://www.digitechsystems.com)

#### *Digitech Systems White Papers:*

##### **Enterprise Content Management for You!**

<http://www.digitechsystems.com/wp-content/uploads/2013/10/ECM101-WhitePaper-2012-FINAL.pdf>

##### **Ten Security and Reliability Questions to Address Before Implementing ECM**

[http://www.digitechsystems.com/wp-content/uploads/2012/12/TenQuestionsBeforeBuyingECM\\_2012Updated.pdf](http://www.digitechsystems.com/wp-content/uploads/2012/12/TenQuestionsBeforeBuyingECM_2012Updated.pdf)

### AIIM

Get more information on ECM news and industry research from the ECM industry perspective. This organization follows the industry closely, including the capture market, for news, updates, market watch and more.

<http://www.aiim.org/Research-and-Publications/Research/AIIM-White-Papers/Digital-Signatures>

### Nucleus Research

Nucleus Research, Inc. provides investigative information technology research and advisory services. Advising both vendors of technology and technology users, Nucleus Research provides information and data to help you make the best-informed decisions. Their analysts are experienced technology experts who review many topics and benefits in the ECM space, electronic signatures included!

<http://nucleusresearch.com/>

<http://www.digitechsystems.com/wp-content/uploads/2014/02/Nucleus-PVE-R77-Review-Sheet.pdf>

### Buyers Lab

Buyers Laboratory (BLI) is a leading source for unbiased and reliable intelligence for the global digital imaging industry. Today, BLI provides critical intelligence on the imaging industry and continually renews its commitment to provide the highest quality products and services that include comprehensive reports, “pick of the year” awards, private testing and advisory services.

<http://www.buyerslab.com/>

### FDIC

The Federal Deposit Insurance Corporation (FDIC) preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions, identifying, monitoring and addressing risks to the deposit insurance funds; and limiting the effect on the economy and the financial



system when a bank or thrift institution fails. The FDIC employs more than 7,000 people. It is headquartered in Washington, D.C., but conducts much of its business in six regional offices, one temporary satellite office and in field offices around the country. The FDIC is managed by a five-person Board of Directors, all of whom are appointed by the President and confirmed by the Senate, with no more than three being from the same political party.

<http://www.fdic.gov/>



## Digitech Systems, Inc.

Digitech Systems, Inc. enables businesses of any size to more effectively and securely manage, retrieve and store corporate information of any kind using either PaperVision Enterprise content management (ECM) software or the world's most trusted cloud ECM service, ImageSilo. By significantly reducing the cost, Digitech Systems has moved ECM from a luxury convenience to an essential element for every well-managed business.

Digitech Systems continues to raise the standard of excellence in the ECM sector, as evidenced by the numerous awards they have received including the InfoWorld 100, CRN's Emerging Tech Dynamos and multiple Nucleus Research ROI Awards. In addition, Buyer's Lab recognized PaperVision Capture as the Outstanding Enterprise Capture Product for 2012. To learn more about the company's software and services that deliver any document, anywhere, anytime, visit [www.DigitechSystems.com](http://www.DigitechSystems.com).

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