Hello!

Thanks for downloading the HelloSign Cheat Sheet: eSignatures. Here you’ll find all the info you need to master eSignatures and start optimizing your workflow. At least, that’s the fancy way of saying it. We’d also like to call this our “What the heck are eSignatures and what do they have to do with my business?” intro guide.

This eBook will give you eSigning savvy, answer common questions, and help you learn how to save time and money by using eSignatures. We’ll go over the basics and provide plenty of examples throughout.

Enjoy!
Let’s start out with a little scenario...

Imagine for a second that you’re the captain of a giant cargo ship. Yes, you! Ahoy there. Suddenly and unexpectedly, you notice that you’ve been given the wrong coordinates for your destination. You’re floating several miles off course and the crew awaits your direction.

You have a number of options (ie. “Eat all the food!”), but you narrow it down to the top two:

**Option #1:** Adhere to the shipping schedule and keep on sailing to the incorrect destination.

**Option #2:** Take a minute or two to recalibrate your course so that you arrive at the correct destination.

Seems like a pretty easy choice, right? By spending a few minutes recalibrating you can get back on the correct course and arrive exactly where you want to be.

But as most leaders know, decisions like this aren’t always so cut and dry. There’s a lot of thought that goes into every single strategic decision. What about security? Safety? Scheduling? Winds? Seagulls?

### The Common Challenge of Updating a System

Just like changing the direction of a large ship, it can be challenging to change course in your business. And when it comes to updating outdated systems, integrating new tech (even if it helps your business) is still a big decision.

But small changes or calibrations can have a huge (and positive) impact on the future of your business. Conversely, waiting to make small adjustments can result in drifting even farther off course.

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**REMEMBER**

Being 5 degrees off course when mapping out a route results in a 4,600 ft drift every 10 miles.
How Businesses Can Use eSignatures to Calibrate For Success

We’re all navigating our own ships. At least, that’s how we see it at HelloSign. Business owners, HR managers, sales directors - everyone’s in charge of a specialty fleet. And everyone is faced with navigation choices on a daily basis. What software to choose; which systems to update; how to maintain a tightly running ship when it seems like things are changing on a regular basis... these are all common challenges.

HelloSign's mission is to empower anyone to use online tools in a way that supports their business goals. In other words we agree with George William Curtis when he says,

“It is not the ship so much as the **skillful sailing** that assures the prosperous voyage.”

— George William Curtis

We’re here to give you the skills (and the tools) to not only use eSignatures, but to use eSignatures in a way that makes your professional journey as prosperous as possible. Think of it like putting the wind in your business sails.

Ready to rock this eSigning thing? Let’s get sailing.
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eSignatures - The Basics or “What the Heck is an eSignature!?"

First step in marking out your prosperous journey: understanding the basic layout of the land ahead.

Getting the basics down is a crucial part of integrating any new digital service. You’ll want to know what kind of online territory you’re about to enter and what changes a new technology may result in. Ideally, you’ll also want to know exactly which tools you can use to make your business more efficient. In the case of streamlining paperwork and taking your documents online, that means understanding what exactly an eSignature is and how it fits into your existing business structure.

Here’s the definition for eSignatures a la the U.S. Federal ESIGN Act (don’t worry, we’ll break it down for you):

**eSignature n.** “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.”

All that’s just a fancy (but legal!) way to say: an eSignature holds the same legal weight as a regular signature… an eSignature just happens to be completed online. This definition comes from the ESIGN Act of 2000, an act passed to recognize the legality of eSignatures nationwide (and in foreign commerce).

You’ll also run across a few other terms as you explore eSignatures. Here are two of the most common you’ll see:

1. **Electronic signature vs. e-signature vs. eSignature**

   You’ll often see eSignatures referred to as “electronic signatures” or “e-signatures” Both terms refer to the same function as an eSignature. At HelloSign, we prefer eSignatures.

   It’s important to note, while some terms are interchangeable, others carry different meanings. Electronic signature and digital signature are two terms that sound similar but differ in definition.

2. **Electronic signature vs. digital signature**

   While eSignatures are attached to the intent to sign (by a person or a company), a digital signature refers to an algorithm that determines the authenticity of a document or software. This helps to authenticate the signature and verify that it’s retained integrity when sent between separate recipients.

   You can think of a digital signature like a fingerprint scan an employee might use to get into a building and eSignatures like their photo ID. Both are valid ways to gain access, but one relies on a more technical system. Just as fingerprint scanners are reserved for highly confidential companies, digital signatures are generally employed by banks and government systems that require a more complex protection system.
When did eSignatures Start Rolling Out?

At HelloSign, we’re deep in the business of eSignatures which means we’re sailing on a hypothetical sea of eSignature info. But that doesn’t mean that everyone knows about eSignatures – yet. And even though eSignatures are picking up speed, eSigning is the new kid on the block when it comes to the preferred way of processing paperwork.

It makes sense, people have used a pen and paper to get their paperwork processed... for a long time.

For anyone still wary about using eSignatures in lieu of signing with a “wet” signature, we always like to take it back to the timeline of paper signatures. Signing a contract with pen (or quill) and paper goes way, way back. Paper signatures have been around for thousands of years. Comparatively, eSignatures have been around for less than 100. But while it’s a relatively new service, consider this:

The first version of the Apple computer was released for sale to the public in 1976. Now the majority of homes in the US have a computer or digital device. AND

The first cell phone was purchased on March 13th, 1984.* Now 90% of American adults own a cell phone (58% of those being smartphones).**

*Source: Mashable.com  **Source: Pewinternet.org

Tech moves fast! Companies are catching up quickly. Ever since courts legally recognized eSignatures, businesses have continued to adopt eSignatures as a means of signing contracts, completing paperwork online, and booting old paperwork processes. If you’re the pioneer in your industry, adopting an online strategy sooner rather than later gives you the competitive advantage.
Sooo... Are eSignatures Legal?

Yes, eSignatures are legal! The ESIGN Act was the first US federal law to recognize eSignatures nationwide.

eSignatures are regulated on a state-by-state basis through the Uniform Electronic Transactions Act (UETA). This act was created to give state courts a uniform guide in how they determine the legality of eSigned documents. 47 states have adopted the act (excluding Illinois, New York, and Washington), but all 50 states have statutes pertaining to eSignature validity and legality.

Truth:

If you sign a document online using a validated eSignature service, proceed as if you’ve signed it in person.

eSignatures are considered legal across all 50 states

Other countries have also recognized eSignatures as a valid form of signing. The UK recognizes eSignatures under the UK Electronic Communication Act, and the EU recognizes eSignatures under the European Directive 1999/93/EC.
What Problems Do eSignatures Solve?

eSignatures will solve all your business problems! OK, we might be biased. But eSignatures play a key role in modernizing businesses and updating outdated paperwork systems. eSignatures solve paperwork bottlenecks and give flexibility to how documents and contracts are signed by different parties and individuals.

Most business owners can agree that paperwork is an “argh-worthy” process. eSignatures help to alleviate some of the common paperwork pains. Plus, they have a few more “hidden” benefits which we’ll get into.

The average office worker still uses the paper equivalent of 6 40-ft trees a year.”

*Source: The Economist*
Here are a just a few age-old frustrations that eSignatures relieve:

**Increase productive hours**

The volume of paperwork in most industries can quickly become inefficient and costly. Passing a document back and forth, waiting for a client to sign, shipping or mailing paperwork – those are all areas where businesses feel a pain point for productivity. eSignatures increase productivity by decreasing the need for redundant back and forth paperwork. As a result, cycle times are cut down because there are fewer errors or missed fields that need filling out.

**Slim down the time spent on common paperwork processes**

eSignatures help to remove the friction of paperwork and give a little breathing room for your company or for employees. Removing the back and forth of paperwork frees up time. An extra minute saved per document may not seem like much. But if you apply that single minute to even 60 documents per week, you can see the huge opportunity to save large pockets of time.

**Address cost issues**

The monetary cost of paperwork has become such an issue that the US government passed a “Paperwork Reduction Act” to keep government offices accountable for the labor and resource cost of processing paperwork. Applying the cost of processing, employee hours, etc. it’s easy to see how quickly the cost of paperwork grows. Signing takes away the cost of printing, maintaining equipment, labor costs for processing. eSignatures can help to make your admin leaner and meaner.

**Increase revenue**

On the flip side of saving money, eSignatures can also help increase business revenue. Most companies working with clients know that getting paperwork processed can slow down the momentum of a deal or a contract. And companies that live and die by effectiveness of paperwork cycles know exactly how crucial that momentum is.

Taking paperwork processing online encourages faster turnaround times for a document or contract cycle times. The result? Reduced resource overhead and recouped revenue.

As for those hidden benefits?

Switching to online paperwork processing helps to boost efficiency and mental productivity. In other words, you as a leader can get a much needed breath. Closing deals faster frees up more time to pursue new deals. Alleviating the stress of paperwork means more mental energy to process new tasks and projects.

Additionally, eSignatures are the updated way of signing. As a company, your brand depends your relevance to the market. And those with digital tools are speaking to the new tech savvy world.
What’s The Deal With eSignature Security?

Security is a top concern for those newly intro’d to eSignatures – and for good reason too! You always want to ensure all your info is safe, especially when you’re dealing with sensitive documents.

The Answer

eSignatures are considered legal and secure, but the level of security depends on your eSignature service provider. In other words, eSignatures are secure when you work with a secure company (HelloPlug: we’re security freaks at HelloSign).

Sound a little scary? Don’t be scared! Remember, almost all industries offer different levels of protection. Just as you’d likely put in some work to pick the bank that will best protect your $$, it’s always a good idea to do some background research on any service provider. As a consumer you’ll want to put on your Sherlock hat in order to find the best and most secure service for you.

The ESIGN Act of 2000 passed measures to protect the legality of eSignatures (the Act covers when and where an eSignature is permissible in the US), but the security of eSignatures is based on the level of security and protection offered by the company. Choosing a company devoted to providing high-level security will ensure your information and eSignature is protected.

Here are some specific security checkpoints you want your eSignature provider to hit:

1. **SSL Encryption**

   SSL Encryption is the same level of encryption used by banks. This encryption ensures that your documents are unreadable/inaccessible if an unauthorized person attempts to tap into an online document.

2. **Physical security**

   You also want to choose an eSignature company that has state of the art protection for its physical equipment. In other words, you’ll want to verify that your eSignature provider isn’t storing information in a vulnerable location. At HelloSign, stringent measures are put into place to protect not only your online info but the physical database.

3. **Secure financial processing**

   The security of financial transactions is also incredibly important. For example, at HelloSign we work with a leading payment processing company called Stripe. This is a PCI compliant company that provides bank-level security for any financial transactions.

4. **Additional security options (like 2-factor authentication)**

   Companies offering extra security features also give a padding of protection. For example, 2-factor
authentication gives an added layer of protection for your account. Since it requires an extra sign-in step, it gives you the authority to authenticate your account and your documents.

5 Support before and after eSignature adoption

Company support is also a crucial part of security. It’s kind of like having the best crew onboard your business ship. People there to assist you before and after you calibrate your course. And, of course, there to help you maintain a secure experience for yourself and your customers and/or employees.

We’ll get into the hows and whys for choosing the best service a little bit later, but suffice it to say, **eSignatures are secure when the proper security precautions are taken by the service provider in accordance with personal security precautions.**
Who’s Using eSignatures?

eSignatures help different users in different ways.

- **Maybe you’re in HR** and you want to get a new hire on board quickly. You can use eSignatures to help speed up the onboarding paperwork and get your new hire up and running as quickly as possible.

- **Maybe you’re a freelancer** who wants to “aaaaarrrrrrgh” every time you receive yet another contract that needs to be printed, faxed, and signed. eSignatures resolve the frustration by allowing online signing of contracts and agreements.

- **Maybe you’re a real estate agent** juggling several large clients. Waiting for a contract can put pressure on your sales and slow down the signing process. Using eSignatures for your signing process can keep clients looped in and accountable.

While all these roles are vastly different, they all have one thing in common – paperwork is a crucial element in the industry. Taking paperwork online can not only help your customers, it can help you and your employees run a more efficient business. eSignatures help to streamline workflow, reduce costs, and create a more efficient system in your business or your company.

As for who uses eSignatures? That’s an easy answer. Lots of people.
How Do You Pick An eSignature Software?

So now that you’ve got the layout of the eSignature land (or sea) and an idea what kind of tools you can use to get there, it’s time to choose which tool is the best one for you. How can you make the decision?

Here’s a short checklist to peruse when picking a provider:

Legality

The legal protection of eSignatures is what differentiates a secret handshake agreement from a legally permissible eSigned document. Any service that promises legality should deliver on that and provide legitimate credentials for all promises of compliance. If they don’t, send ‘em on their way.

- Am I choosing an eSignature service that meets the federal standards for eSignature legality?
- Is the provider compliant with my signing needs? (HIPPA, etc.)
- Is there a way to authenticate the eSignature via digital proof? (A verified audit trail, for example.)

Security

Companies taking measures to protect your documents and your eSignature authenticity are crucial.

- SSL Encryption
- Works with PCI compliant companies for financial transactions
- Maintains a secure physical database
  (Ask: where is the information stored?)
- Offers additional security features
  (like 2-factor authentication).

Functionality

This is the fun part of choosing an online software or service... what’s the user experience like? You want a service that can give you a killer experience without sacrificing the basics. Some online tools depend on snazzy design without retaining the core functionality.

- Does this service provide the features that will aid my business? (Branding? Team features? Audit tracking?)
- Can I integrate eSignatures easily into my existing workflow (With Google Docs or Dropbox, for example).
- Can I use the service within my own website? (API options allow you to make the eSigning process seamless with your own website).
- Will the service be easy for my customers or clients?
  You want a company with an easy user experience.
Support

What support services a company provides in the beginning are just as important as the support services provided after you adopt a new tool. A robust support team to help answer any questions or guide you through difficulties is an important factor when choosing a provider. HelloSign has a big ol’ support family who closes help tickets like crazy. There’s also a technical support team to answer any engineering questions for our API users!

☐ Once you have the eSignature system in place, what kind of support will I get?
☐ Is there a resource center or a blog to supplement my eSignature knowledge?
☐ Does the eSignature service provide technical support? Before? After? During?
☐ Are there resources to help me use eSignatures to my best ability?
☐ Can I talk to REAL people (yes!)?

Bonus: The Friend Test - There are a lot of options out there, but ultimately you want to choose a service you’re proud to pair with your own business. A favorite trick for choosing a service? Passing it through the friend test.

☐ Would I recommend the site to my friend?
☐ Would my friend recommend the user experience to another friend?
Learn More About eSignatures

Like we said in the beginning, we want to empower any user of eSignatures to use online technology to better their business and reach their professional goals.

Sail on, readers! Sail on and eSign

P.S. Since we geek out on productivity and making our users awesome, we’re always happy to provide resources to answer your questions. If you have any thought or suggestions for how we can help you to use eSignatures to your advantage, send ’em our way.

For anyone interested in learning more about eSignatures, you can request a demo, check out the HelloSign Blog, or visit our resource center!