

Embracing E-Signatures: Maximize Your Document Processes

Technology, Privacy, and eCommerce



It has been over a decade since the New Hampshire Supreme Court set the stage for the enforceability of electronic signature (e-signature) solutions. In June of 2000, the ESIGN Act formalized the legality of e-signature solutions, highlighting the functional similarity between e-signatures and their traditionally handwritten counterparts. The act made e-signatures legal and enforceable in the United States. Today, e-signatures are legal and enforceable in most jurisdictions and most countries recognize, support, and leverage the efficiencies of e-signatures.

In the contracts-rich legal industry, keeping up-to-date with e-signature technology and regulation is vital. Lisa Konie, senior director of legal operations at Adobe Systems, Christina O'Connell, general manager at ThinkSmart, Connie Brenton, chief of staff and director of legal operations at NetApp, and Yuka Tzavaras, senior manager of legal operations and analysis at Electronic Arts, have shared essential use cases, best practices, and legal compliance guidelines for e-signatures. The group urges that e-signatures can be implemented across organizations of all sizes, resulting in high, quantifiable returns on relatively low investments of time and resources. Implementing e-signatures creates unprecedented efficiencies, engages business partners, and helps legal functions and departments be more engaged and collaborative.

According to Konie, Adobe first implemented e-signatures in human resources. This immediately saved the company a significant amount of money when they no longer had to FedEx hiring documents to potential employees. "The impact was quantifiable, substantial, immediate, and successful. It was a perfect place to pilot the e-signature software," Konie observes. "It unified the company around the ease of implementation and high return on investment." Today, Adobe actually owns the technology, Adobe Sign (formerly known as Echosign), which is one of the premier e-signature products. The company has dedicated attorneys who support and make CLE presentations to help legal departments and business units understand the benefits and efficiencies of

implementing e-signatures.

NetApp, according to Brenton, implemented e-signatures four years ago. “When we started, we were told it was illegal. We then researched and figured out that the answer on its legality is that ‘it depends,’ as is the case with most legal questions,” she explains. “It turns out that it depends on jurisdiction and agreement type.” Eventually, the benefits seemed to outweigh any drawbacks. “As we talked to the providers and had Adobe and DocuSign GCs come in to present, we also saw the technology’s potential and the many opportunities and efficiencies of electronic signatures,” says Brenton. “We got over the hump. It was clear that in the United States, there is almost no case where we can’t use electronic signatures.”

In a bold move, the NetApp legal team invested a full week, right before the sales kickoff meeting, to set up e-signature capability for NDAs. “The goal was to start with high volume, low risk use cases in the US,” Brenton explains. “We observed immediate, quantifiable, and significant results.” After implementation, it was clear that e-signatures were a vast improvement over previous solutions. “It quickly became apparent that in the past, NDAs were not moving at the speed of business,” she adds. “The process took three to five days, but our business partners needed NDAs in front of customers in their offices, as they were presenting. They needed us to reduce the cycle time from days to just minutes.”

Today, electronically signing NDAs has become a self-service technology solution at NetApp that can be used wherever and whenever the company needs it. The general counsel has even pre-signed NDA forms to avoid waiting for countersignatures. According to Brenton, this automated process has improved governance and reduced the number of NDAs that went unsigned. “All in all, it saves about US$2.9 million every year,” she says. “It was easy to set up, easy to measure, and led to significant ROI.” E-signature solutions have spread across NetApp. “We have now expanded e-signatures to 28 use cases across twelve business units,” Brenton says. “And in the process, the legal team looked innovative. It really was a win-win for everyone.”

During the process of implementing e-signatures, NetApp also gained a lot of metrics and useful data. The legal team was able to better understand what, when, and why documents were signed. “We realized that we had 15 different versions of the NDA. Over time, we reduced it to three versions, which simplified the process significantly,” Brenton shares. “Also, as we implemented e-signature processes across the company, we were able to build closer ties with other business units. We now have legal allies and evangelists in other business units.”

Tzavaras shares that before implementing e-signatures, she had to run across the Electronic Arts campus with a red folder to collect signatures. “It was awful! I kept thinking to myself, ‘there has to be a better process to get these papers signed,’” she recalls. After some research, Tzavaras discovered an e-signature technology that was first implemented in 2011 for 1200 NDAs. By 2013, e-signatures were implemented for numerous human resources documents. The business unit had fully embraced this change. By 2016, about 27,000 Electronic Arts documents had been signed electronically. “It absolutely transformed the way we do business,” Tzavaras explains.

Tzavaras especially loves the widget solution on Adobe Sign, which allows users to create a template and share the URL with business partners so the document can be signed at any time. She observes, “You don’t need to be an attorney to set this up. I am certainly not an attorney. The vendors were very helpful and take care of you.” She continues, “We have now automated numerous internal and external processes and have seen numerous savings in the process.”

Tzavaras advises companies to start with “low hanging fruit” like NDAs or internal documents, rather than immediately experimenting with high-stakes contracts. She also explains that it is very important to select a service provider who partners with and educates you. Tzavaras recommends enlisting representatives from different business units to help. Although this is an important step, it doesn’t need to be complicated. She advises companies to “take the easiest path that feels good.” For example, Tzavaras shares, Electronic Arts “went from many templates that needed to be countersigned, to just three, that no longer needed to be countersigned.” Finally, Tzavaras urges companies to be even more creative with e-signature technology. For example, it can also be leveraged for approvals, not just signatures.

By embracing new e-signature technology in these three use cases, Konie, Brenton, and Tzavaras were able to transform their business and experience great returns on their minimal investments. Their examples are not just useful illustrations of e-signature implementation. Rather, they also serve as important examples for how legal departments must continually embrace modern technologies. As the legal profession evolves, new technology such as automation and artificial intelligence (AI) will gain prominence. To ensure that our companies keep up with this future, we must be willing to strategically implement these solutions.

For more information about e-signatures, read the ACC Docket*’s September article “*e-Sign Rising*" by Adobe counsel Dan Puterbaugh.*

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