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# e-Signatures: Taking Digital Transformation to the Next Level

**B**usiness challenges continue to grow for today's progressive financial institutions.

From traditional areas of focus like profitability and growth, to the needs and expectations of a new generation of customers, to alternative types of banking competition — the list continues. Now add in the heightened issues and risks associated with data security, and you gain an appreciation of the daunting elements that make up a banker's daily business life.

Regulatory requirements and the need to stay current with industry changes have not become any easier. Compliance demands and associated challenges remain perennial hurdles for banks, along with the standard objectives of driving down costs while increasing products and services.

So what can banks do to overcome the challenges they are facing and still remain relevant in their market? In more recent times, technology has often been sought to address challenges and help move the bank forward. Specifically, one such technology experiencing rapid adoption by banks is electronic signatures, or eSignatures for short. eSignatures are a proven, secure and trusted technology used across a variety of business circles today. Let's examine why eSignatures are on the rise, how they can deliver significant value and benefits across the enterprise, and ultimately drive the bank's digital strategy to the next level.

## Elevate the Customer Experience

Consumer expectations have evolved through online shopping and modern



experiences within the retail industry. These technology-driven advances now influence consumer demands in all areas of business and personal life. Banking is no exception. As a result, an increased emphasis has to be placed on the whole transaction experience.

eSignatures simplify the way consumers conduct as well as complete financial transactions (and required documents). More importantly, they enable these activities to be done when and where the consumer wants to do so. Whether opening a new account, signing a loan document or simply changing an address, eSignatures allow required documents to be electronically completed and signed in a single online session. This overcomes previous requirements to “drop out” of an online session to print, sign and mail paper documents back to the bank.

eSignatures provide added convenience, accommodating a consumer's complicated schedule. As an example, one of the parties

to a transaction, say a husband, can sign documents in person and his wife can then sign remotely while she is on business travel. Applying eSignatures to in-branch or in-person transactions, as well as opening up remote channel options, helps ensure that your bank delivers the ultimate in customer service and convenience across all lines of business.

Recently, branch innovation has become a focal point for banks. eSignatures support these initiatives by creating an enhanced and more remarkable in-person banking experience. Electronic-based transactions allow bank employees to increase their focus on the customer relationship. Staff can be “present” and focus their efforts and time on the customer, rather than shuffling documents and filing paperwork. eSignatures also support iPads and tablet devices, providing customers with a more modern and memorable in-branch experience. Positive in-

branch experiences lead to increased loyalty and your customers are then more apt to share those interactions with family and friends.

### Streamline Back-Office Processes

eSignatures streamline downstream processes and back-office functions, allowing more transactions to be processed without adding staff. Transactions that used to take days and perhaps weeks to fully complete are now wrapped up in a matter of minutes or hours after eSignature technology is in place.

Paper documents no longer have to be mailed or couriered out for customer signature, nor do you have to wait for (or track) their return. Customers are notified via email when documents are available for signature. As soon as authenticated, customers can immediately view, sign and complete the document process, that very moment, without delay.

Once signed, eSignature transactions and documents continue to flow across the back office electronically, helping eliminate delays and manual errors associated with traditional paper-based document handling. Driving new operational efficiencies while reducing costs makes eSignatures a “win-win” for both the consumer as well as the bank.

### Enhance Security and Regulatory Compliance

Data breaches, hacking and identity fraud are on the rise. Security and information protection are therefore critical business considerations. eSignature technology offers some of the highest forms of security and data integrity technologies to protect both the institution and the customer.

During the electronic transaction, signing parties can be authenticated using a variety of secure technology options, including knowledge-based or two-factor authentication techniques. These use “out of wallet

questions” or cellphone text messages to confirm identity, protecting the legal enforceability of the transaction by providing documented attribution to each signing party. In addition, eSignatures use tamper-resistant integrity validation that prevents the document from ever being altered after signing.

Audit trails of individual activities are created throughout the transaction. The activity and tasks of the signing parties during the signing ceremony are collected and documented, including the actual IP address of the machine or mobile device used for signing. The audit trail can then be stored with the completed/signed documents in the imaging or document management system for business record-keeping purposes.

Audit trails are an important consideration of an eSignature solution, effectively becoming the “insurance policy” for legal enforceability of the electronic transaction. And as a bonus, the transaction documentation provided by the audit trail has been very favorably received by both examiners and auditors alike.

### Summary

eSignatures provide banks with the technology to tackle the challenges they face every day and help give them a solid edge in today’s evolving market by dramatically improving a mundane in-branch experience. The technology directly supports driving enhanced customer interactions while streamlining downstream transaction activities across back-office operations.

With the added benefits of increased security and compliance, eSignatures should quickly rise to the high-value priority list of solutions that can drive digital transformation. This technology truly provides comprehensive benefits that enable

## CASE STUDY: Lake City Bank

According to Kevin Deardorff, executive vice president and retail banking manager of Warsaw, Ind.-based Lake City Bank, “Every bank should at the very least be examining ways to incorporate eSignatures to better serve their customers. At Lake City Bank, our goal is to move eventually to a completely paperless environment. All documents, including internal paperwork, new employee onboarding materials and even new address forms, are examined for ways to incorporate them into our digital strategy. We’ve recognized significant savings in almost every department by taking this approach, by reducing our reliance on paper across the board.”

“This is an evolving strategy, and one where we constantly look for new processes that can be digitized,” Deardorff continued. “It’s one of the few initiatives that ultimately saves the bank’s money, time and resources, while better serving our customers, improving their overall experience and providing resources that show we value their time.”

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