



Experts Outlook 2024 and Beyond:

The Cure for Common Procurement & Finance Pains

Moving The Technology From Passive
Awareness To Practical Adoption
In The Digital Age



Panel



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Richard Waugh

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Kate Vitasek

Creating Highly Collaborative Win-Win Business
Cultures | Internationally Recognized Keynote
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Ashutosh Kumar

Senior Solution Consultant (Zycus)

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Introduction

"I think that's because a large market segment is a replacement market. They've already been using digital signatures but found they can't scale it. They want some alternative. So they're kind of already sold on the idea of eSignature."

- Richard Waugh, VP, Corporate Development (Zycus)



Jon Hansen

I have been in the high-tech industry for more than 40 years, and procurement almost as long.

For this reason, I undertook the task of investigating, analyzing, and understanding Certinal's move into the eSignature – now digital signature, space through their smart technology.

The original plan was to focus on digital signature use in the following sectors: legal, IT, Finance, Human Resources, Sales and Marketing. I was then planning to close with a case study from Nissan.

However, when I contacted some of the leading minds in the industry, it quickly became apparent that even though an Esignature capability has been around since 2000, the overall percentage of organizations adopting the technology will continue to be relatively low into 2023.

In other words, for the existing market – made up mostly of early adopters, the interest is in creating cost-effective scalability with advanced digital capabilities regarding critical areas such as security. However, based on research – including polls and interviews with senior industry executives from organizations like World Commerce & Contracting and Deloitte Legal- this technology's current user base is estimated to be about 20 percent of the total market. What this means is that despite knowing that digital signature technology exists, the majority of the market remains in a long-term "holding pattern."

Moreover, the current client base is limited to primarily small pockets of users within the larger enterprise rather than a company-wide adoption. This finding explains why meaningful traction has been and continues to be challenging.

As a result, the scope of this eBook has been broadened to address the needs of existing digital signature users and inform and encourage new users to look beyond the technology itself and understand its practical application in everyday business.



It's About Data & Workflow



Tim Cummins

I think now we're seeing a very different volume of utilization of Esignature, and I don't see barriers per se any longer to people saying, oh, it's too risky, or it's not allowed. To the extent there are barriers, it is because of the ongoing fragmentation of the technologies that you then have to put in place.

It's trying to create integration across a digital process. In the case of things like contracts, it isn't about contract lifecycle; it's about contract data management, of which the signature component is one piece. However, moving beyond internal utilization and across the gamut of trading relationships is to think of that as a platform that enables internal data flows and, of course, as with signatures, it's also about external data flow. And we've got systems that have been designed for internal enterprise activity, usually on a functional disciplinary basis. And here we're looking at things that absolutely need to give organizational blow and to operate not only coordinating across the business but also between businesses.

For Esignature solutions to be totally effective, their use has to extend well beyond the enterprise to third-party partners from Tier 1 through to Tier 2 and 3; otherwise, they become an internal functional tool instead of a data and workflow facilitator not only within but external to the enterprise.



Kate Vitasek

A big challenge is the physical task of scanning in that physical signed contract to then upload it into your contract management system. Now, you can do that with just a click of a button. It just goes right in. So it goes from your signature. And some of the newer contract management systems actually have the Esignature stuff built in. It just makes that workflow more efficient. So, again, it's the transaction cost. How long does it take your secretary to scan in the contract? Because maybe there's a filing cabinet, but you're scanning, e.g., copying it into a stick in your worst case, or your OneDrive or Dropbox or whatever system of record you're using. But most modern companies today are bigger companies and have contract management systems. So you're having to scan that in to log it into your contract management system.

Of course, getting rid of the physical document and having it scanned using a PDF format is one thing. But you have the field if you can integrate it into your contract management system. It is exponentially streamlined. There is nowhere to streamline workflow better and reduce transaction costs.

There's a fun HBR article that I would challenge anyone to read. It's an oldie but a goody. It's called "Staple Yourself To An Order." But I'd think of it as stapling yourself to a contract and watching every step. How long did that take? What was the amount of time that took? And I think you'd find people would find themselves astounded how long it takes this death by 1000 cuts when you do not have an Esignature solution.



Ashutosh Kumar

Usability, e.g., ease of use and security, were our first criteria when we designed the Certinal solution. In short, it should be very easy to use and security-compliant so that anyone anywhere can use our Esignature solution with optimal trust and confidence across the globe. So, this has always been our priority.

For example, a medical industry client – a hospital, was printing the forms they gave patients to fill out. As you can imagine, relieving the congestion of this somewhat manual process was their top priority.

By focusing on solving their problem, we were able to help them adopt the Certinal technology to refine their process successfully. A result of taking this process or workflow improvement approach, it opened up an opportunity to address more and more use cases within the larger institution. This latter point was critical because enterprise-wide adoption of Esignatures has been challenging for the industry over the years.



Craig Conte

To start, virtually everyone knows or at least has heard about Esignature technology. Some may have already used a version of it. For example, you hear things like I see why Bank X uses it for their “consumer thing,” or why technology companies use it. I get it, but it is not for us.

Not for us?

It's strange, right? On the one hand, everyone seems to acknowledge that the technology has merit – even value. Its value proposition is relatively simple, even straightforward, from the standpoint of being tracked and traceable. Yet, on the other hand, most shy away from it.

In many ways, the wider adoption of Esignature technology is following the same “lag track” of buy-the-drink or SaaS P2P technology.

In the early SaaS days, people had trouble accepting that, unlike the overarching ERP-based implementations of the past, the idea that a simple, easy-to-use, on-demand solution could be up and running within weeks or days was hard for many to fathom initially.

Another similarity is how the advent of online buying personally led many to ask the question – why can't we buy things at work as easily as we can at home?

If you think about it, up-and-coming generations will likely be asking the same thing about using an Esignature solution. They are already asking why we have been doing it this way for so long. Why can't I click a button? Why can't I press something on my phone? I'm doing how many bank statements a day for myself? Or I'm tapping a phone to buy a coffee; I'm tapping a phone to do this. I'm buying things just by clicking. Why can't I sign a contract that way, too?

It makes sense because Esignature software streamlines the entire CLM process and enables you to work more efficiently and securely manage data. As I said earlier – it is more trackable and traceable.

As a result, there is a growing fear of the impact AI, such as ChatGPT, and other noteworthy breakthroughs, will have on other professions, e.g., change management and potential job loss. It is a fair bet that the law industry is not exempt from similar concerns. Maybe not to the same degree as other industries, but certainly, there is an underlying concern regarding a loss of some control over the contracting process and the power to say no.

I am speaking as if we are 20 years in the past. However, some of that DNA is still in people. There is a fear that "wait, if I don't have my stack of papers if I don't have the ability to say no, if I don't have the ability to stop it and huddle a team for five days to review things line by line, then I'll be out of a job, right?"

How effectively an organization addresses this last question to overcome the "stack dilemma" will link directly to how soon they adopt emerging technology. And, as I am sure it will be covered somewhere in this eBook, given the increasing volume of data with which companies must deal, a lack of adoption of any useful technology will create considerable exposure in areas such as compliance and ESG reporting.



Enterprise/CLM Integration



Craig Conte

When they hear the word "integration," most people immediately think of technology. However, integration has as much to do with people and processes as it does with tech.

For example, lots and lots of companies are adopting CLM. Based on a June 2023 article, “nearly two-thirds (65%) of company in-house counsel utilize a CLM.” The report then goes on to state that in-house legal professionals consider "contract lifecycle management (CLM)" to be the "most effective legal tech tool" available.

However, the real question isn't the rate of adoption. But how people are using the technology.

If you look and see what they're using it for, you will note that it is being used as a basic file site or SharePoint. They're using it as a document repository and a place to keep their templates.

The same June 2023 article would seem to support the above statement, indicating that 54% of in-house legal departments use legal software as a "document repository." They're not using all the bells and whistles that make generating contracts and automating contracts better. In fact, relatively few companies are using these solutions to the max out there, even though the technology is now even better. So again, implementing technology and not using it to its full potential is not “true” integration.

However, because of COVID, I see some companies leapfrogging and saying, hey, look, if I could automate this template, why do we even have to be in negotiation? We know the backup plan; we know the backups have the vendors, so why not just negotiate off this template and choose the clauses they want within certain parameters? Groups like these didn't even exist ten years ago. They do now, and their people are pushing the company to optimize new tech usage.

Hopefully – and I see this happening, people will start realizing if you're going to have all this AI, and you're going to have all this technology, why do all this and not just have your “signature” be as simple to use as pressing a button? The only difference with emerging eSignature tech is that it is data smart, network secure, and easily scalable.



Richard Waugh

The point of view from a certain perspective is that the prevailing business models have been a disincentive for widespread enterprise-wide adoption of Esignatures. Because, for instance, if you're doing a DocuSign or Adobe – sort of the predominant models, you're paying the same per wrapper rate when you do a high-value external transaction like a contract signing as if it's an internal approval sign-off process. Right. One of the differences from the Certinal approach is you shouldn't pay as much for an internal Esignature as you do for these high-value external transactions.

Of course, you shouldn't have to give the cost points a second thought anytime you need a signature – it ought to be electronic rather than an offline inefficient wet signature. But the economic model has to incentivize you to scale up the use. Sometimes, when a basic Esignature will suffice, it is available at the right price. Other times, especially based on the country of origin, when you need a qualified or advanced signature, the pricing aligns with that requirement. So, it's having the flexibility in the model to use the right tool at the right time.

One of the main things to consider when selecting an Esignature partner is that they do not see the Esignature activity in your organization as a static point or a static exercise or process. The best approach is one that grows, expands and extends to the entire organization. There's a clear path as you transition from simple Esignatures to the security of digital signatures. And that part isn't just the technology. It's Certinal's expertise to become a partner in that journey and help you set the right digital pathway for Esignatures.



ESG Compliance



Richard Waugh

Not All Esignatures Comply

There's a difference between a basic Esignature and qualified and advanced solutions that meet regulatory compliance.

The reality is, if you were a US-based company and you only operated domestically, you could get by with Esignature. Right. Because we don't have the same regulations in the US that have cropped up in other parts of the world.

But suppose you're a company of any size with multinational operations. In that case, you will need to meet these regulations for qualified and advanced signatures that vary from country to country. Except for some of the relatively small organizations, most of any size will have global operations, and Esignature will not suffice.



Ashutosh Kumar

Is Your Signature Smart?

In the US, they're using Esignatures widely. Still, apart from that, if you look into Europe, there is a requirement that said signings be CSC compliant, which is a signature consortium compliant digital certificate that is a USB token cloud-based digital certificate. Our solution supports that and other existing and, yes, even emerging legislative requirements on a global or individual country basis. We are not just talking about electronic signatures. What we are talking about is – for lack of a better term, "smart" signatures that are both trackable and traceable.



Craig Conte

A Ripple Responsibility

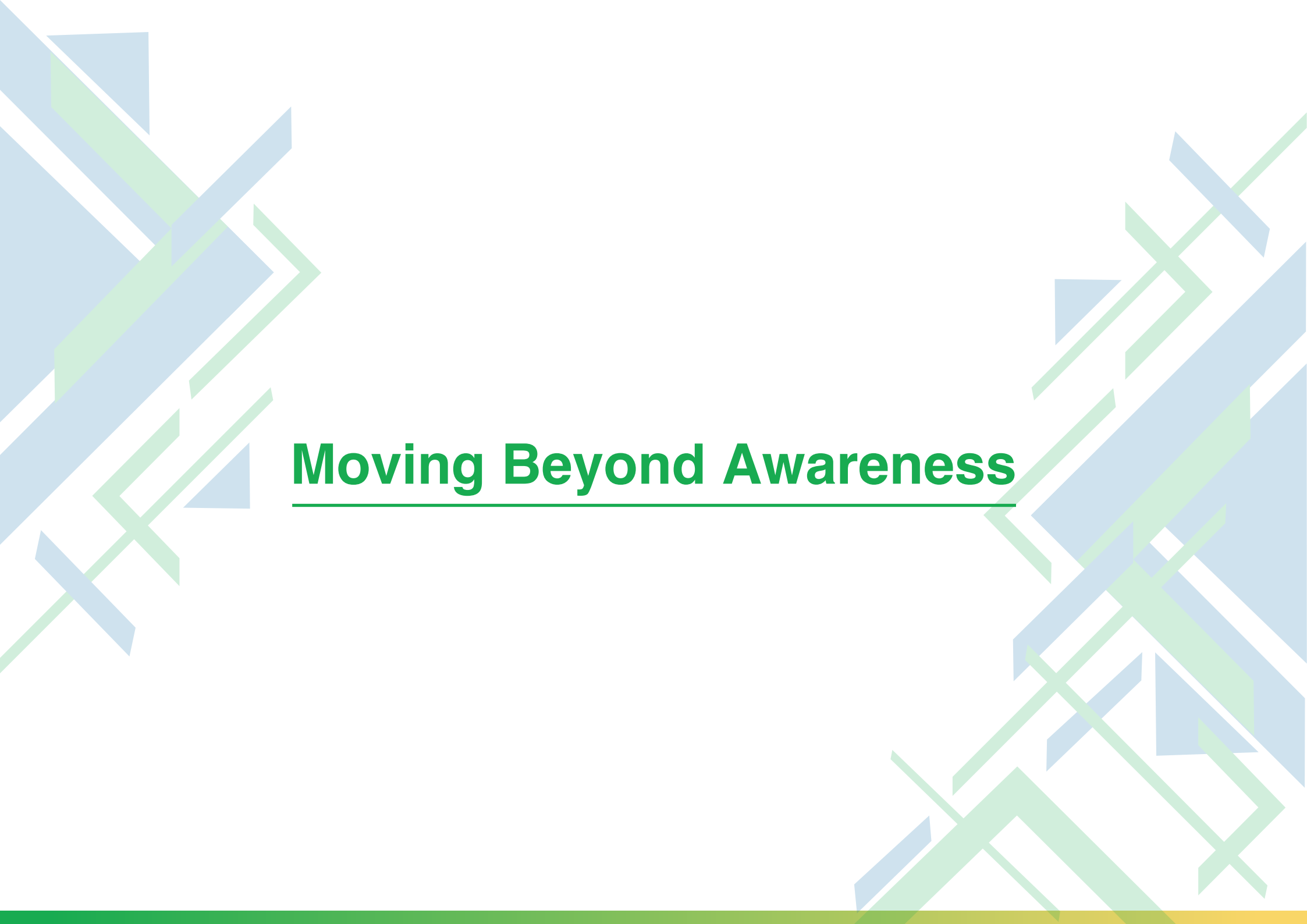
From now on, we're getting all this legislation, e.g., ESG, where I think for the first time I've really seen a ripple responsibility in the industry that extends through to second and third-tier suppliers. These "extended" legislative requirements make these "smart" signatures very important. Ultimately, when you sign contracts and start dealing with second and third-tier suppliers and Scope 3 reporting, you have to have solid visibility and proof in what I'll call the chain of ownership. You have to be able to do that, and you need to do that with signatures.

Think about the sheer amount of "accountability" data that must go through your supply chain to ensure and prove ongoing compliance. Unlike the GDPR, for example, where you could say, Oh, I have a policy, and then click and say you do, was sufficient, but that is not the case anymore.

What is different today with the second and third-tier suppliers chain is your compliance and reporting extends beyond your main supplier to include all of their subcontractors within your chain.

Some government agency will audit one of these companies; whether it's in oil and gas or the financial services industry, it doesn't matter. Someone down the line is going to get audited at one point. You can almost hear the regulators for ESG just getting excited at one point to do this.

And that's where the convenience of the technology comes in, the anytime, anywhere, mobility, AI, chasing down suppliers capability. Because if you think about it, you're actually increasing the volume of workload by having to go to second and third-tier suppliers and then with that workload, you're increasing the exposure and risk. In other words, your risk is growing exponentially the more inefficient you are at dotting the I's and crossing the T's, and this is where Esignatures – smart signatures come into play.

The background features a complex pattern of overlapping geometric shapes, primarily triangles and parallelograms, in shades of light blue and light green. These shapes are arranged in a way that creates a sense of movement and depth, particularly towards the corners of the frame. A solid green horizontal bar runs along the bottom edge of the image.

Moving Beyond Awareness



Craig Conte

Two-Part Awareness

I'd say there are two parts to awareness.

One is operational awareness, which includes the actual laws in most countries accepting Esignatures as binding and the confidence that the security of the process and solution is solid. For example, we're all getting used to two-party authentication. With earlier programs, someone could hack into my computer and compromise the process. It is important to understand that's a risk that's out there all the time – criminal activity is always a risk. So, awareness of compliance with the law, awareness that it's secure and that it's easy to implement and use, I'd say those are the three things within the framework of operational awareness.

Your second priority should be an awareness of which emerging companies provide a next-generation Esignature solution that you can seamlessly embed into your existing platform.



Tim Cummins

Time, Integration and Data Management

I know it is true, with quite a number of our 80,000 members, that the operational overload, particularly now created by the Pandemic, supply chain shortages, inflation, and the Ukraine situation, has created such an overwhelming amount of work that people aren't actually able to look beyond their immediate workload. Generally speaking, they don't feel they have the time to find solutions to their "own overload," which, to be honest, is a sad state of affairs. As an aside, our research shows that the 50 to 60-year-olds often seem more interested in how technology can be transformational than the 20 to 30-year-olds.

In the context of eSignatures, we're seeing a very different volume of utilization, and I don't see barriers per se any longer to people saying, oh, it's too risky or it's not allowed. To the extent there are barriers, it is because of the ongoing fragmentations of the technologies that you then have to put in place. It's trying to create integration across a digital process. In the case of contracts, it isn't about contract lifecycle; it's about contract data management, of which the signature component is one of the core pieces.



Kate Vitasek

Understanding the “E” and “D” Difference

If somebody wanted to forge something, you scan your signature anyway, and an unauthorized person could still get a copy of that and copy and paste it into another document. From a security standpoint, one of the main differences between digital and electronic signatures is the encryption of the former, which has built-in protection.

Of course, if someone wants to find a way around security, they will, as protection is an ongoing process of vigilance and process and system development to stay one step ahead. However, digital signatures make the possibility for unauthorized use more difficult by creating a clear path of trackability and traceability.



Ashutosh Kumar

Apart from the Esignature, Certinal also provides digital certificate-based signatures. Based on our initial research, we introduced the solution for the following three reasons.

- The national ID-based signature will have a huge rate of adoption. In India, we have a card linked to every citizen that they can use to sign a document, and it is legally binding. This card provides an acceptable type of signature using your national ID.
- National IDs will also be "adopted" worldwide, where individuals will use their ID cards to sign documents.
- And third is the previously mentioned certificate-based signature, which – like a fingerprint contains encrypted information unique to each person signing a contract.

Interestingly, while our initial client focus is to update early Esignature adopters, we also recognize that wider adoption within those enterprises and the larger market overall has been developing at a glacial pace.

For example, I recently had an interaction with a client. They had been using a first-generation competitor solution in their department. However, the rest of the company didn't because there was a belief that the Esignature technology was "not safe." and that they could not retain the documents, nor was it compliant with emerging or anticipated legislative developments. While we will continue to work with existing Esignature users referencing our Gartner-recognized solution, we also know that creating greater awareness beyond the pockets of departments using the technology is equally important.

Our goal in introducing our next-generation solution is to make "smart" Esignature use the accepted standard across all industries instead of an exception.



Tim Cummins

Time, Integration and Data Management

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Conclusion

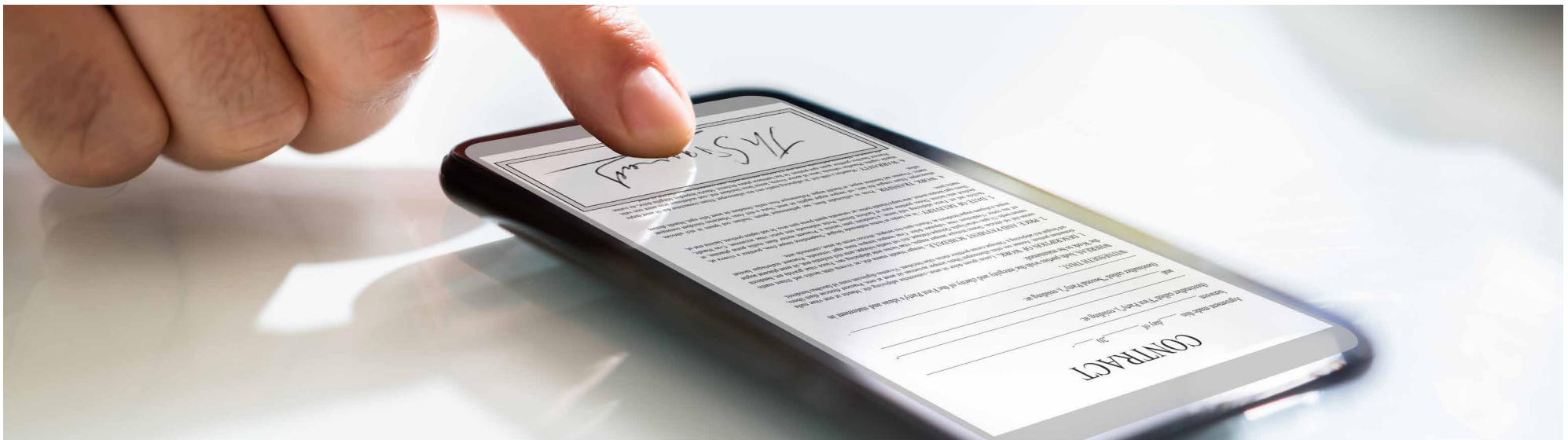
As stated in the introduction, my original focus for this paper was to highlight the differences between electronic and digital signatures and how different industry sectors can utilize the added features.

However, through research and corresponding interviews with the thought leaders highlighted in this paper, it became clear that general market adoption was the leading obstacle organizations face regarding Esignature technology. As a result, a features, functions and benefits analysis by industry sectors is equivalent to highlighting the features of a product for which only a handful are existing early adopters.

Based on this revelation, I have expanded the scope of this paper to address the following three specific market requirements:

- Early adopters who want to update and upgrade their current technology to a data-smart, network-secure, and easily scalable next-generation solution.
- Early adopters who want to expand the use of their technology to their wider enterprise.
- The majority of prospective users that are "technology aware" but unsure how to integrate Esignatures/digital signatures into their business to drive tangible outcomes beyond convenience to ensure compliance.

To start the process, the Nissan case study in the following section will provide an overview of the practical implementation of a next-generation Esignature solution.





Case Study

\$90Bn Automaker Switches Lanes From DocuSign to Certinal

Challenges

- Higher cost of ownership
- Higher turnaround time
- Gaps in the existing solution

Business Objective

- Integrated eSignature solution for contract execution
- Global roll out with a single eSignature solution
- Competitive pricing

Benefits

- Lower total cost of ownership
- Reduced turnaround time
- Addressing the gaps in existing solution



Certinal is a wholly owned subsidiary of Zycus, the pioneer in Cognitive Procurement. A familiar name and market leader with years of experience in managing critical contracts & agreements, Zycus boasts of over Fortune 1000 enterprise clients and deployments of procurement and sourcing suite of products. Digital Signing has always been a focus area for Zycus. Thus, Certinal was born with the stated goal of offering a best-in-class Digital Transaction Management solution that will be easy-touse, 100% secure to deploy, and legally compliant around the world. We stand committed to providing a one-stop solution to large enterprise customers, compliant with various security standards and conforming to different regional regulations.

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