

SIGNED, SEALED, DELIVERED: INTEGRATING ELECTRONIC SIGNATURES INTO THE B2B SALES CYCLE

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Report Highlights

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Best-in-Class sales teams are 49% more likely to receive an e-signed sales contract.

p3

eSignature users ship 117% more proposals per rep, per month, than non-adopters.

p4

Customer retention improves by 6.4% annually for eSignature-enabled firms. Non-users see a 1.3% drop.

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The Best-in-Class are twice as likely as under-performers to mobilize their eSignature deployment.

Does anyone in B2B sales still wait by the fax machine for a signed deal? Apparently so, considering the surprisingly low percentage of contracts that are signed electronically. Best-in-Class companies and eSignature adopters, however, are ahead of the curve, demonstrating measurable sales performance advantages directly associated with this developing technology enabler.

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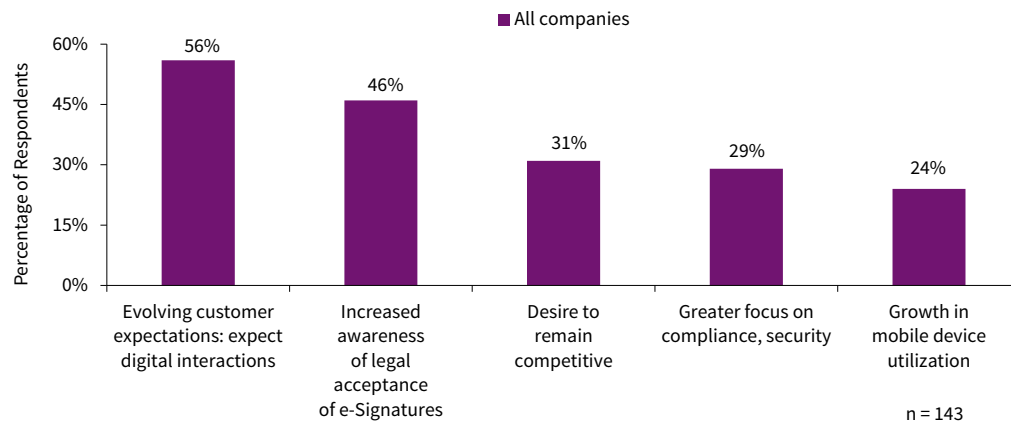
Best-in-Class companies lead All Others by 63% in planning to increase their utilization of eSignatures over the next 12 months.

In the steady march of automation that infiltrates our day-to-day business lives, there is no shortage of [Sales Effectiveness](#) technologies to choose from when contemporary Sales Operations leaders are looking for both long-term and quick-fix solutions to help control or shorten their team's sales cycle. In four cycles of research data since 2010, though, never has Aberdeen's research uncovered a majority of end-users deploying a relatively straightforward solution: electronic signatures.

The World is Changing... Are We Adapting at the Same Pace?

In fact, new Aberdeen research shows that less than one in five sales deals (18%) are signed electronically today, implying one of two potential findings: either the technology is not beneficial, or adoption is still in its early days. According to the data, the latter answer is clearly true. Indeed, Best-in-Class companies (sidebar, page 3) lead under-performing firms by 49% (24.8% vs. 16.6%) in terms of the current rate of electronically signed deals, and by 63% (39% vs. 24%) in planning to increase their utilization of eSignatures over the next 12 months. What do these top performers know that the majority of sales leaders do not?

Figure 1: Business Trends Motivating e-Signature Adoption



Source: Aberdeen Group, August 2014

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Let's begin by understanding the "why" behind electronic signatures, and then explore the "how" that drives smarter deployments. In Figure 1, we look at the top business trends that survey respondents indicated are motivating their consideration or use of eSignature solutions. In the clear lead is an appropriate call-to-action: customers expect sellers and providers to waste as little of their time as possible and, thanks to Steve Jobs and Google, they have grown accustomed to a virtually all-digital lifestyle. Aberdeen's pending report on *"Would You Buy from a 20th-Century Sales Rep?"* will address this point further; in the context of eSignature, it essentially translates into: is a fax-sending or eSignature-requesting sales rep more likely to impress his or her prospect, and win the deal? The "desire to remain competitive" element in Figure 1 complements this concept: companies utilizing eSignature solutions report sending an average of 22.6 proposals, quotes or request for proposal (RFP) responses to customers / prospects, per sales rep, per month; this compares with fewer than half that number, 10.4, among non-adopters. Even the top 20% of performers, the Best-in-Class, average a 21.2 proposal rate, lower than that of eSignature users; it is not a frequent data finding in Aberdeen's research that a specific technology user population beats the Best-in-Class in a performance metric.

The second most popular Figure 1 motivator, the reduction of institutionalized fears around legal and privacy eSignature issues, is frequently a hot business topic, particularly when large-scale corporate data breaches are publicized. In reality, where and how electronic or digital signatures are legally accepted is a bit of a moving target, and industry-specific, highly-regulated verticals such as pharmaceuticals and banking require more oversight than, say, enterprise software –but the overall trend is universally seen as less ink and more pixels, over time.

The Lead-to-Win Best-in-Class Defined

In June through July 2014, Aberdeen surveyed 143 end-user organizations to understand their sales best practices. The performance metrics used to define the Best-in-Class (top 20%), Industry Average (middle 50%), and Laggard (bottom 30%) among these sales teams are:

- 84% of sales reps achieving quota, vs. 54% among Industry Average and 18% for Laggard firms
 - 17.9% average year-over-year increase in total company revenue, vs. 7.4% for the Industry Average and no change among Laggard respondents
 - 6.6% average year-over-year increase in lead conversion rate, vs. 1.4% and 0.3% decreases for Industry Average and Laggard respondents
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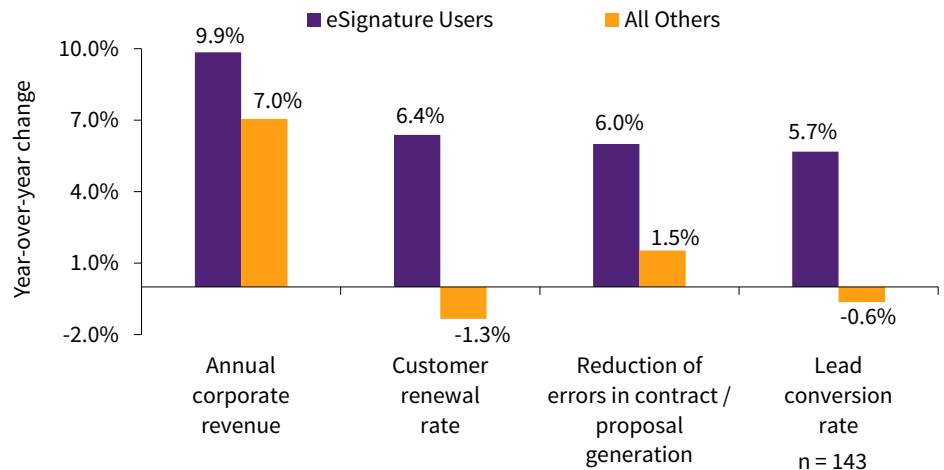
Electronic Signature Technology Defined

An important distinction should be made between the terms “electronic” and “digital” when referring to paperless signatures. While both solutions refer to the online capture of your virtual signature, electronic signatures are part of a secure and validated process that must include an appropriate audit trail; digital signatures are server certificates on the system processing the transaction. Both imply authenticity of the agreement through an audit-trail validation of a secure transaction.

Connecting Technology Adoption with Performance Results

In Figure 2, we take a closer look at eSignature users' performance, in addition to the proposal volume described above. Here, we look at annualized output changes that are contrasted between adopters and non-users, and find four significant key performance indicators (KPIs) that align with eSignature use: faster revenue growth, and stronger proposal error reduction, as well as positive (vs. negative) trends around customer retention, and lead conversion efficiencies.

Figure 2: Year-over-Year Performance Improvements Associated with eSignature Utilization



Source: Aberdeen Group, August 2014

These findings tell a clear story: eSignature use is directly associated with long-term benefits that accrue to both customers and providers. Indeed, the lead conversion rate metric is complemented by a current KPI: companies deploying eSignature selling solutions close 17% more deals (34% vs. 29%) than non-adopters. Certainly any sales leader, and his or her C-suite superiors, can appreciate the efficiency of a stronger batting average. Moreover, eSignature users shorten their sales cycle by 0.7% on a year-to-year basis, while non-adopters see a

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1.5% lengthening of the same window. This speaks directly to the explicit argument made by eSignature vendors: that closing deals faster because of the product's inherent convenience and digital lifestyle-friendliness is an expected, and measurable, outcome of the deployment. Another Aberdeen research data point further supports this value proposition: eSignature users report a 7% lower rate (39% vs. 42%) of "outgoing proposals or contracts that are eventually negotiated, instead of a win/loss." This fact supports a more implicit element of the eSignature providers' sales pitch: that the easier it is for your prospects to give you the business, the faster and more streamlined their acceptance of the deal. In other words, a buyer may be less inclined to negotiate a proposed contract if the document is more polished – see Aberdeen's *Reducing Friction in the Sales Cycle: Best Practices in Sales Contract Management* (October 2013) – and very convenient to sign. Aberdeen's pending study on *"Price Optimization 2014: How Best-in-Class Performers Add to Both the Top and Bottom Lines"* will further explore the concept of price negotiations: when and how they should be avoided, managed, and communicated.

Nuts and Bolts of eSignatures: How Should it be Deployed?

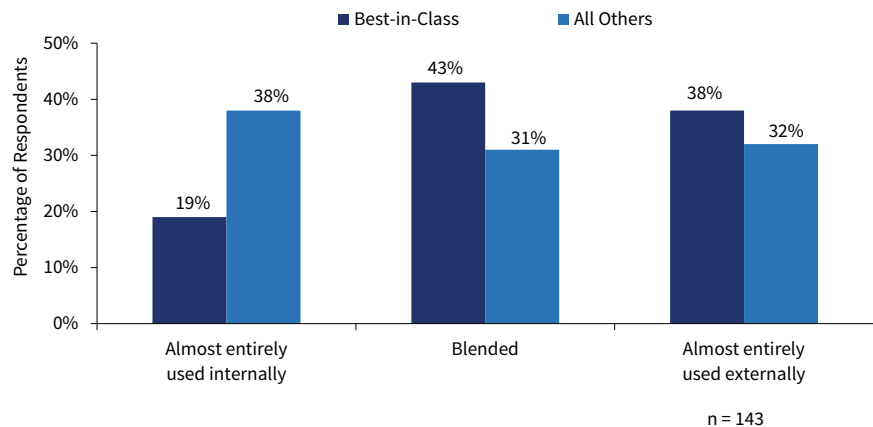
Thus far, we have discussed using electronic signatures for sales purposes, but deploying this family of technology solutions effectively means understanding that barriers to closing business-to-business (B2B) sales deals quickly exist within the firewall, as well. Aberdeen's survey queried end-users regarding the extent to which they deployed eSignatures internally – approvals on quotes, contracts, RFP responses, etc. – as well as with actual external buyers of their goods and services at the final sales "moment of truth." As we see in Figure 3, Best-in-Class companies strike a more balanced approach than under-performing firms when it comes to taking advantage of

In reality, where and how electronic or digital signatures are legally accepted is a bit of a moving target, but the overall trend is universally seen as less ink and more pixels, over time.

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electronically signing on both fronts. Industry Average and Laggard companies are twice as likely as top performers (38% vs. 19%) to not leverage eSignatures externally; in fact this is their leading answer selection. Not surprisingly, only 19% of these All Other companies are able to reduce their sales cycle from year to year, while more than three-times that number (59%) of Best-in-Class companies did so. The lesson here is that both internal and external use cases for eSignature deployment have value.

Figure 3: Best-in-Class Extend eSignature Beyond the Firewall



Source: Aberdeen Group, August 2014

One of the top-five business trends represented in Figure 1 above deals with mobility: the fact that contemporary B2B sellers, as evidenced by *Mobile Sales Enablement: Fulfilling the Promise of Untethered Selling* (February 2014), are demanding ever more flexible technology solutions as consumer-driven mobile lifestyles invade the traditional workplace. Essentially, this study finds that companies perform better when their sellers can run their territories and accounts with an "anywhere, anytime, any device" mindset. In the context of eSignature technology, this translates, for example, into an in-person meeting when a B2B rep shows a product demo, uses a proposal template to prepare a contract, and then obtains a customer's signature, all

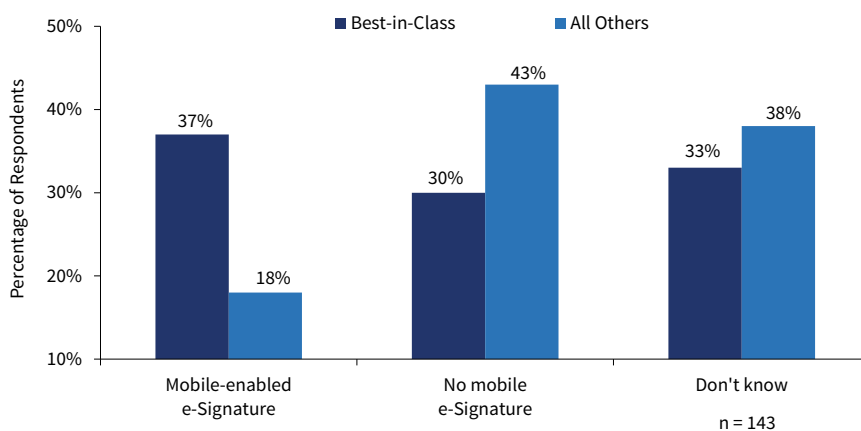
eSignature users shorten their sales cycle by 0.7% on a year-to-year basis, while non-adopters see a 1.5% lengthening of the same window.

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on a tablet computer, in real-time. *"I'll get back to you later with the contract for you to sign"* is, on the other hand, an easy way to slow down the sale and perhaps, as mentioned above, provide the buyer with too much time to reconsider or try to negotiate for better pricing options. This doesn't imply that eSignature or any [Sales Effectiveness](#) tool should be used to force unnecessary purchases; merely that, much as it is incredibly easy to buy from Amazon with their Prime or one-click products, eSignatures can simply help reduce friction in the B2B sales cycle. This is validated by Figure 4, which reveals the dramatic differences in mobile eSignature utilization between top performers and weaker companies. The fact that 37% of all survey respondents do not know if their eSignature deployment is mobile-friendly, however, suggests that companies are buying solutions but not fully leveraging what they have acquired.

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Figure 4: Mobile eSignature -- Early and Wise Adoption, Plenty of Confusion



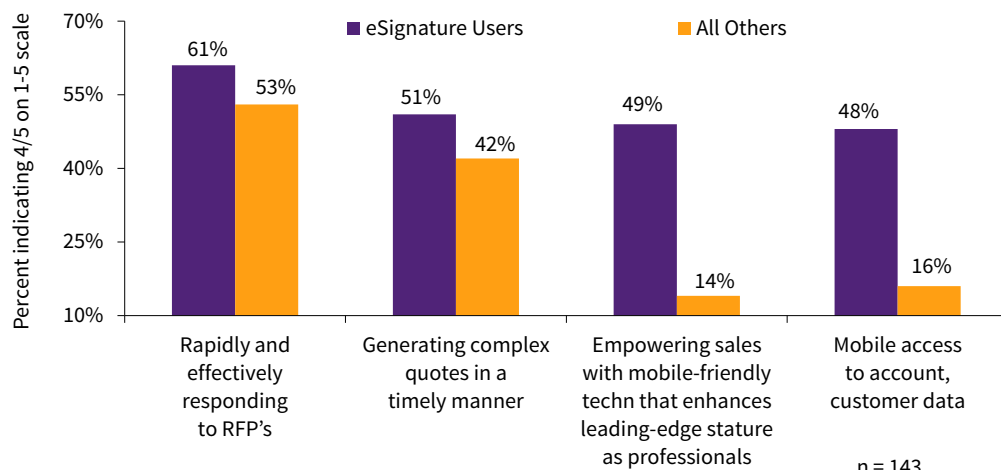
Source: Aberdeen Group, August 2014

Technology-to-Action: Best-in-Class Core Competencies Embraced by eSignature Users

Finally, let's examine the business ramifications of using eSignatures more aggressively in the kind of mobilized, multi-

instance deployment options described above. In Figure 5, we see a number best practices that both top-performing companies and eSignature users nominate more frequently as strong or very strong (4 or 5 on a 1-to-5 scale) capabilities of their sales operations:

Figure 5: Core Sales Competencies: Advantage, eSignature



Source: Aberdeen Group, August 2014

The fact that 37% of all survey respondents do not know if their eSignature deployment is mobile-friendly suggests that companies are buying solutions but not fully leveraging what they have acquired.

➔ **"Rapid response"** is a concept that is well-recognized in political, military, and entertainment circles for the discipline and speed required to stay ahead of the competition. In B2B selling, companies that have invested in shrinking their sales cycle know that inbound communications need to be addressed with the same serious attention as sending contracts out to buyers for signing. We discussed above, around Figure 3, the need for both internal and external eSignature utilization; even the basic internal routing of a complex RFP – for instance, received by Sales, addressed by Operations, Finance and other lines of business – can be streamlined with a digital audit trail within the enterprise. This also applies to...

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- **Faster quote generation**, which, in turn, helps respond to RFPs faster and help sellers stay ahead of the competition. Best-in-Class companies are 84% more likely than All Others (70% vs. 38%) to report high competency levels in this area, and eSignature users also out-pace non-adopters in breaking down internal barriers and bureaucracy that all too often creates "sales prevention" functionality.
- Aberdeen's pending report on *"Would You Buy from a 20th-Century Sales Rep?"* supports the fact in Figure 5 indicating that eSignature-enabled sales forces are 3.5-times more adept than other firms (49% vs. 14%) at **positioning salespeople as leading-edge, mobilized innovators**. Not only are buyers more inclined to do business with a modernized rep, but also from a human capital management perspective, reducing sales turnover can be assisted by empowering reps with tools of the trade they enjoy using. Considering that the [research](#) showing that B2B sales reps typically cost over \$29,000 and seven-plus months to replace and onboard, this represents measurable value to sales leaders. If your reps can close deals faster with electronic signatures, they're likely to succeed and stay around longer.
- Finally, eSignature users are far more likely than non-adopters to provide **mobile account access** to their field personnel. For example, a remote rep may arrive at a "closing" meeting early, discover the intended buyer is not available, and rather than turning around – delaying or losing the sale – the rep can check in the customer relationship management (CRM) system to uncover an alternative contact who can potentially be pitched, closed, and empowered to sign on the spot. In fact, Best-

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in-Class companies are far more likely than under-performers (27% vs. 15%) to plan increased CRM-eSignature integrations over the next 12 months, allowing for even more seamless account management and effective sales mobility.

Conclusion and Recommendations

Despite relatively low current adoption rates, companies that out-perform the competition are more aggressive in deploying electronic signature solutions. This Research Report has brought up the "cool factor": the importance of arming market-facing account managers and field sales reps with technologies that will impress customers and make them feel empowered. Yet these are only leading indicators of far more valuable, lagging metric results. Aberdeen advises, based on the crowd-sourced research model behind this data, that sales operations practitioners look to their Best-in-Class and eSignature-enabled peers for guidance on making this enabler a more significant cornerstone of their internal deal-creating, and external deal-closing, sales process.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[*Would You Fire a High-Performing Sales Jerk?*](#); July 2014

[*The 21st Century Buying Experience: Say Farewell to the Sales Cycle*](#); July 2014

[*It's a Marathon, Not a Sprint: Best-in-Class B2B Sales Training for an Ever-Changing Market*](#); June 2014

[*Gamification in B2B Sales: Is it Time?*](#); April 2014

[*You Win Some, You Lose Some: How Best-in-Class Sales Leaders Learn as They Go*](#); April 2014

[*Incenting Success: Best-In-Class Sales Management*](#); April 2014

[*Sales and Marketing Alignment: A Primer on Successful Collaboration*](#); March 2014

[*Big Data for Sales: Are We Ready?*](#); March 2014

[*Sales Enablement Technologies: Some Things Old, Some Things New*](#); March 2014

[*No More Spaghetti against the Wall: How Best-in-Class Sellers Use Social Relationships to Build a Better Pipeline*](#); February 2014

[*Mobile Sales Enablement: Fulfilling the Promise of Untethered Selling*](#); February 2014

[*Enterprise Social Collaboration: Best Practices for the Connected Sales Team*](#); January 2014

[*Beyond the Quota: Best-in-Class Deployments of Sales Performance Management*](#); January 2014

[*Making the Most of Your CRM: How Best-in-Class Sales Teams Maximize Revenue and Customer Experience*](#); June 2013

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About Aberdeen Group

Aberdeen Group conducts research focused on helping business leaders across sixteen different B2B technology disciplines improve their performance.

Our process is simple – we conduct thousands of surveys every year to identify top performing organizations and uncover what makes them different. We share these insights back with the market in the form of in-depth research reports and content assets to help our readers build business plans capable of driving better results with the right set of tools to help them get there.

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