

Accelerate Your Digital Transformation

Seven Best Practices For
Implementing Digital Transaction
Management

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Introduction

Digital transaction management (DTM) — a category of cloud services that digitally manage document-based transactions such as agreements involving signatures — is rapidly gaining steam.¹ Not only are digital processes easier, faster, more secure, and less error-prone, but they also make for a better customer experience, which is a key business differentiator and an increasingly critical priority for the majority of companies.²

In May 2014, DocuSign commissioned Forrester Consulting to conduct a global study on the need for and benefits of digital transaction management. In this study, “[Digital Transforms The Game Of Business](#),” a full 83% of respondents indicated a pressing need for DTM solutions to address challenges that were not being met by other existing solutions.³

In May 2016, Forrester conducted additional research to examine DTM deployment best practices by interviewing senior decision-makers who led successful DTM rollouts. This study illuminates the seven best practices associated with those successful implementations.

Forrester predicts that e-signature transaction volumes will exceed 700 million in 2017.

In surveying 400 IT and line-of-business (LOB) decision-makers and conducting in-depth phone interviews of successful organizations, Forrester found that DTM improves nearly every area where the C-suite is measured: revenue growth, efficiency, costs, security and compliance, and customer experience. By overcoming change management and technical challenges through a set of best practices synthesized from successful firms, companies can achieve those same gains.

KEY FINDINGS

Forrester’s studies have yielded the following key findings:

- › **The world is rapidly going digital.** Digital has transformed the ways in which customers discover, explore, buy, and engage with products and services. To win, serve, and retain these customers, companies must build out the right people, processes, and technologies to serve empowered customers across digital channels. And they are actively doing so: Even two years ago, 63% of IT and LOB decision-makers claimed that their organization

was at least a 7 out of 10 on the digital versus analog spectrum.

- › **Business leaders recognize the need for DTM.** Ninety-three percent of IT leaders and 76% of LOB leaders acknowledged that providing a DTM experience is important to the success of their businesses. The vast majority of enterprises have at least started to digitize their transactional processes for use cases across the enterprise. DTM offers faster processing, reduced error rates, and a better customer experience — while complications from poor analog processes can lead to significant lost revenue.
- › **Best practices lead to success.** In our most recent study, we interviewed a series of enterprises that have achieved widespread success in digitizing their transactional processes. Their strategies include having strong executive support for the process, restructuring processes prior to automating them, and embracing user-centered design, among others. This paper is focused on those learnings.

In 2014, DocuSign commissioned Forrester Consulting to conduct a quantitative and qualitative study of 400 decision-makers from around the world. Key findings included:

- Eighty-three percent of IT and business decision-makers have expressed a need for a DTM solution for their enterprise that is not being met with their current solutions.
- Ninety-eight percent of companies reported some revenue impact of poor transaction management when using analog processes.
- Eliminating costs, making faster changes, and improving customer experience are strong business drivers to move toward DTM.

For additional information on perceptions regarding the need for DTM by business and IT leaders, please download Forrester Consulting’s paper, “[Digital Transforms The Game Of Business](#).”

Seven Best Practices For Implementing DTM

In 2016, Forrester interviewed a number of leading enterprises that have made significant progress in their digital transformation journey and have realized significant efficiency, revenue, and customer experience gains as a result. We asked these companies a series of questions regarding learnings that they gained through the process. To successfully implement DTM, companies should:

1. Excite their executives about customer experience.

Excelling at customer experience requires sponsorship and collaboration among the C-suite to deliver the technologies that the business technology agenda demands.⁴ Being customer-obsessed requires a mix of culture, process, and technology to optimize processes across roles and customer touchpoints. These principles apply heavily to DTM initiatives and require executive sponsorship of implementations and ownership of outcomes — specifically to solve the change management challenges. The companies that we interviewed emphasized the importance of this executive buy-in and have found that executives see the value of DTM in achieving their desired business goals. The head of technology strategy for a global wealth management firm told us: “From the C-suite on down, there's a big push to find ways to become more efficient, to lower costs, and to increase client satisfaction. The business case on [DTM] became so easy because many programs cover one, maybe two of those core goals, and this one really checked all of the boxes.”

“Our executive buy-in has been from the very top. . . . [Our CIO] is definitely a big sponsor of it. We have numbers of envelopes we want to hit with [DTM], and my team is going to help hit those goals.”

— Collaboration delivery lead of a global pharmaceutical company

2. Think big, move fast.

Digital transformation can be a massive undertaking that requires fundamental changes to the way that a business operates. As critical as businesses know this effort to be, it's often more than companies are willing to bite off all at once — usually due to a combination of a lack of resources and fears about business disruptions. While ensuring that their digital initiatives tie into their firms' overall

strategies for digital transformation and customer experience, our respondents found success in starting with one or two key processes, focusing on the quick wins, and letting growth come organically. The VP of revenue for a cloud computing company told us what the key is: “Execution, not perfection. Sometimes, people try to boil the ocean. What we've learned on a number of large projects is we'd rather go for minimum viable scope, then do round two where we put in the bells and whistles.”

“[Our use of DTM] really got elevated by a couple of big projects. We used these opportunities to drive a bigger discussion about how DTM can benefit transactions in all kinds of departments.”

— CIO of a major US city

3. Embrace user-centered design.

For DTM, user-centric design means taking an “outside in” customer or internal worker perspective in designing the new approach. You must map the flow of a document or transaction and the requirements of each person across the complete journey along with the systems interacting with it. The business technology lead for a global insurance company said: “I take everything from that functional standpoint: Who are you sending it to, who is managing it, who is storing it?”

In addition, the head of technology strategy for a global wealth management firm told us: “We knew we had to integrate DTM into our existing documents and systems, and we couldn't train a field of 10,000 users on a new tool. We needed to integrate it so it was natural and part of the workflow.”

4. Restructure processes to take advantage of digital innovation before automating.

Digitization requires companies to dissect their processes for efficiency and effectiveness before automation. Respondents confirmed this was one of the most critical drivers of success. One respondent said that it is a best practice to “assume digital approaches, e.g., mobile, e-signature, to improve the analog process. Don't just

digitize a poor analog one — you're not improving the user experience; you're just creating an electronic experience of being miserable." Another respondent said, "You have to challenge why you are doing something before you automate it." Fundamentally, it's important to digitize the entire workflow, not just portions of it.

"We have a saying: If you don't know why you're doing what you're doing, maybe you shouldn't be doing it."

— VP, revenue for a cloud computing company

- 5. Include customers in the design process.** Fifty-seven percent of the IT and LOB leaders listed "improving customer experience with faster access to documents and a more streamlined experience" as a top driver for moving their enterprises to DTM. For any customer-facing process that you are redesigning, understanding the end customers' desires for interacting with your company should be a critical component of process redesign. One respondent told us: "The customer experience of near-real-time delivery of service, even when you're interacting with an account executive, is really important. When I think about prioritization, I put the customer first and think, 'Will this benefit them'? And the customer can be the internal salesperson. Anything you're doing to benefit the customer, you can gain support."

"The No. 1 thing is be user-driven. Of all the digital products we have produced, the most successful were based on user-centered and Agile design principles. It's crucial to stay close to your customer, identify their needs, and then quickly iterate as those needs change and adapt. Being able to respond to those changes really drives up user satisfaction and adoption. And when users see that, they will cheerlead it — and you will get the adoption and growth you're looking for."

— CIO of a major US city

- 6. Invest time in education.** Analog-based companies have a number of concerns about DTM. Our survey found that those included security (listed by 81% of survey respondents), compliance (50%), and privacy (44%). The good news is that DTM solutions are often

more secure, more compliant, and more private than analog processes. Therefore, addressing these concerns and gaining organizational buy-in on DTM technologies requires decision-makers to understand their firms' requirements and match them to the capabilities of solutions that exist in the marketplace, and then spread that understanding to others throughout the organization. As an insurance respondent told us: "You have to spend the time educating people on e-signature and why it's better. There are measures of authenticity you can put on e-signatures that you can't put on paper. Being able to address those concerns and explain them is critical upfront."

"Invest enough time to understand the technology that you are working with, and partner with information security early on in the process. It is a big, big deal."

— Head of market data for an American stock exchange

- 7. Align with partners with deep expertise in digital transformation.** Respondents across the board attributed much of their success to their partners' expertise in everything from integration to training to marketing. Our respondents told us they found value in partners that offered customer success managers who:

- **Are invested in your business.** Companies find massive value in working with their vendors' implementation experts. Leveraging an architect can even help companies that already have resources and experience to manage large technology and process implementations, as they may not fully understand how to optimize the full capabilities of the technology that they are implementing.

"We would not be able to deliver [this solution] without [the consultant]. He has given advice on everything from custom APIs, to how to approach new customers, to how we are going to deliver solution days and what the content for those should be, to setting up training teams and actually delivering training."

— Collaboration delivery lead of a global pharmaceutical company

- **Have experience with companies like yours.**

Companies of different sizes and in different industries have unique security, compliance, and functionality needs, and the right partner understands those needs and has experience addressing them. The head of technology strategy for a global wealth management firm said: “There’s a huge difference dealing with vendors and partners that have worked with a large enterprise-level firm [like ours]. With our IT risk procedures, our info security checks, our vendor risk management evaluation, it’s not easy getting approval for each of those steps. Many firms that we work with are very experienced with these practices, so it makes it easy for our teams to execute rather than worrying about whether a vendor has been able to pass a security risk audit or background check.”

- **Offer a true partnership.** The best vendor relationships are not purely transactional, but rather true *partnerships* structured in a way that encourages the vendor’s investment in your company’s success. Respondents told us that trust and transparency with vendors is paramount for a successful collaborative relationship. As a CIO told us: “The most valuable tools are the ones offered by partners. Those that engage with us to solve our real problems and not just to solve their quota are really important.”

“Trust is paramount — do I trust these people, do they have my best interest at heart, are they innovative thinkers, what have they done internally, how are they going to change my business? I ask a lot of my partners how they have implemented their own tools and ask them to show me what they’ve done. I think it’s really important to work with people that you trust.”

— VP, revenue for a cloud computing company

Recommendations

Analog processes are quickly becoming obsolete, and siloed digital point solutions are only adequate replacements at best in the age of the customer. End-to-end solutions that address enterprisewide needs are driving the most significant impact to organizations' digital transformations. Companies in all stages of their digital journey must seek to continually improve their tactics in order to maximize efficiencies and create exceptional customer experiences. As you continue along the path to transformation, keep in mind the following:

- › **Digital transaction management really matters.** Eighty-three percent of respondents indicated a pressing need for DTM solutions that was not being met by existing solutions. New consumer technologies have transformed the ways in which customers discover, explore, buy, and engage with products and services, allowing them to transcend traditional channel boundaries. This market dynamic fundamentally changes how enterprises must act to remain competitive. And this means that companies must build an integrated digital ecosystem that connects people, processes, and technologies in order to optimize the customer experience.
- › **Follow seven best practices of successful organizations in order to achieve success with DTM:**
 1. **Excite your executives about customer experience.** Executive sponsorship is critical to optimize the organization's culture, processes, and technologies across roles and customer touchpoints.
 2. **Think big; move fast.** Determine a vision for DTM that aligns with your business' strategic imperatives. Then start the process off with quick wins that will help to gain momentum and foster organizational buy-in.
 3. **Embrace user-centered design.** In order to optimize efficiency, DTM must be implemented with a keen understanding of end users' workflows.
 4. **Restructure processes to take advantage of digital innovation before automating.** It doesn't help to digitize a bad process. As one respondent said, "You have to challenge why you are doing something before you automate it."
 5. **Include customers in the design process.** A key driver for DTM is improving customer experiences; therefore, your process redesign must include an understanding of the end customers' desires for interacting with your company.
 6. **Invest time in education.** Understand your organization's requirements for DTM technologies, and research how the solution you are implementing can meet those requirements. Addressing this with stakeholders will speed adoption.
 7. **Align with partners with deep expertise in digital transformation.** The right trusted partners that offer expertise and transparency and are invested in your company's success are critical to accelerate and expand your use of DTM.

Appendix A: Methodology

In December 2014, Forrester conducted an online survey of 400 IT and LOB professionals to evaluate the role of DTM in enterprises. In conjunction with the survey, Forrester also interviewed five IT and business professionals. Participants included decision-makers at enterprises in North America, Europe, and APAC. Questions provided to the participants asked about their organizations' activities surrounding DTM usage, implementation, and employee adoption.

In May 2016, Forrester conducted six additional interviews of businesses that had successfully implemented DTM solutions within their organizations. Interviewees were IT and line-of-business leaders at the VP level and above with responsibility for technology implementations within their organizations.

Appendix B: Supplemental Material

SEE OUR 2014 STUDY

"Digital Transforms The Game Of Business," a commissioned study conducted by Forrester Consulting on behalf of DocuSign, March 2015 (<https://www.docusign.com/whitepapers/forrester-study-digital-transforms-the-game-of-business-digital-transaction-management>)

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"Brief: E-Signature Transactions Topped 210 Million In 2014," Forrester Research, Inc., May 19, 2015

"The Operating Model For Customer Obsession," Forrester Research, Inc., November 3, 2015

"Winning In The Age Of The Customer," Forrester Research, Inc., April 6, 2015

"Drive Unified Digital Customer Experiences With Better Technology Strategies," Forrester Research, Inc., January 22, 2016

Appendix C: Endnotes

¹ Source: "Brief: E-Signature Transactions Topped 210 Million In 2014," Forrester Research, Inc., May 19, 2015.

² Source: "The Challenges Holding Back CX Leaders And How To Overcome Them," Forrester Research, Inc., April 25, 2016.

³ Source: "Digital Transforms The Game Of Business," a commissioned study conducted by Forrester Consulting on behalf of DocuSign, March 2015 (<https://www.docusign.com/whitepapers/forrester-study-digital-transforms-the-game-of-business-digital-transaction-management>).

⁴ Source: "Winning In The Age Of The Customer," Forrester Research, Inc., April 6, 2015.