Are You A Spectator Of E-Signatures?

performance business customers

Summary: The ability to utilize e-signatures and eliminate a large amount of paper can significantly reduce time and costs. Should your bank be making this shift?

In case you were wondering, Gallup reports the top spectator sports for Americans in order are: football (37%, -14% from its peak), basketball (11%, -35%), baseball (9%, -44%), soccer (7%, +75%) and ice hockey (4%, +0%). Meanwhile, about 15% of people now say they do not have a favorite sport vs. only 8% back in 2000. Perhaps the data is reflective of the demographic shift that is occurring over time.

The banking industry is also seeing a shift in many different ways over time. In one, the industry continues to move away from paper documentation wherever possible. As such, e-signatures are proving to be a crucial part of that move.

For banks, the ability to utilize e-signatures and eliminate a large amount of paper significantly reduces the time and costs involved in processing loans. Less paper not only reduces the costs of archiving documents, it enables bankers to rapidly search through electronic documents and remotely access signed documents from anywhere.

While having customers open new accounts in a branch remains an option, fewer customers are choosing that. Customers of yours are also customers of Amazon, Apple and others, so they are rapidly embracing technological delivery mechanisms through their phones and online. Giving customers the flexibility to choose their own way of accessing and processing information allows your bank to be more competitive.

In Canada, BMO Bank began experimenting with such flexibility a few years ago by enabling customers to utilize mobile e-signatures so that they are able to remotely open new accounts. By doing this, not only has BMO been able to cut down the account opening process to roughly eight minutes, it has also automated and improved the bank's compliance process. By making the entire process digital, BMO has reduced overall errors within account opening documents by 80%, lowered scanning errors by 92% and cut its number of lost files by 66%, according to Celent Research. Perhaps most importantly, however, all of this improves the overall customer experience.

Allowing customers to complete paperwork at their own convenience and through their channel of choice also lowers the likelihood that people will abandon applications. In the case of Wells Fargo, which began electronically delivering documents to customers for home equity loans in 2013, and then added all mortgage documents in 2014, the bank has found that customers prefer completing such paperwork electronically and being able to use e-signatures to do so. Now, 99% of the bank's customers choose e-signatures for completion of loan documents, which has decreased bank courier costs by a reported 85%.

Fortunately for community banks, the costs associated with offering such services are no longer prohibitive. Banks are now even able to take advantage of software that can use a customer's own phone as a signature pad.

Making the switch to electronic signatures means work, but once that is completed, your bank should see benefits from customer retention to longer term cost savings. Perhaps it is time for your bank to stop being a spectator and come off the bench as you participate directly in the sport known as e-signature.

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