docusign™

A Template for Building Your eSignature Business Case

Moving from paper-based agreements to Docusign eSignature is a simple way to save money. Electronic documents eliminate the need for hard costs like ink, paper and postage. Employees can also remove redundant manual steps from the signature process, which means less waste and better productivity.

Conceptually, those benefits are easy to understand. But for many teams, the decision to adopt eSignature takes more than just a general understanding of the potential impact. To make big decisions about technological investments, you need to translate those benefits into dollars and cents.

That's what this eBook provides.

If you're considering eSignature for your organization, it's critical to understand the financial impact of that decision. With a few simple calculations, you can accurately estimate the potential savings your team can realize by adopting eSignature. In this eBook, you'll see a general overview of the savings estimation process for an example company. That process will use real numbers, but the exercise will be more beneficial if you follow along and input your own data to create a customized estimate.

The information here can also be helpful to make a convincing case to colleagues who are on the fence about using eSignature. If you have questions that aren't answered or want to discuss unique circumstances, you can always **contact us**.

Notes about the numbers

The overall goal of this eBook is to arrive at an estimated dollar amount your team can expect to save with eSignature. To do that accurately, we will look at how current Docusign customers improved agreement workflows after adopting eSignature. By tracking average reductions that real customers have seen in time and money spent on agreements, we can establish benchmarks about the way eSignature will impact new customers. Any team can apply those averages to their baseline agreement numbers to estimate the potential impact of eSignature.

Keep in mind that these estimates are calculated using averages. eSignature customers use the product differently and experience a range of outcomes. The examples in this eBook will standardize on the most common results. If you think your team will use eSignature in a unique way (e.g., a higher volume of contracts, usage beyond sales and HR teams), you'll need to adjust your expectations accordingly.

Throughout the rest of this eBook, you'll see a sample company calculate the potential financial impact of eSignature. That organization is a real company and the relevant data about it is pulled from public information. Before the formulas start, here's a bit of basic information about the sample company:

- Based in the U.S.
- ~$1.6 billion in annual revenue (in 2022)

- Direct-to-consumer sales agreements
- Utility/energy industry

It's also helpful to clarify what is and is not included in the calculation of the final savings total in this document. Here's a simple breakdown:

Included	Not included
Savings from eSignature	Savings from any other Docusign product
Reduced costs of current operations	New revenue that could be generated with freed-up resources
Agreements generated and sent for signature by the B2C sales and HR teams	Agreements generated and sent for signature by other teams

This estimate is meant to be conservative. Keep in mind that once you adopt eSignature, there are plenty of opportunities to expand use of Docusign and increase your benefits even more.

Sales agreements

To start, determine exactly how much time employees are currently spending on agreement work. That calculation starts with two key steps:

1. Estimate the number of sales agreements sent per year

Using public data, we can estimate that the sample organization's sales team sends around **135,000** sales agreements a year.

2. Estimate the average time spent on each agreement

Docusign research shows that most organizations spend between **45 minutes and 1.5 hours** on an agreement. To account for that, the calculation below will use a range defined by those two endpoints. Comparable companies should fall somewhere in that range.

3. Calculate the total time spent processing sales agreements

	Sample organization		Your organization
Annual sales agreements	135,000		_____
x			
Time to process 1 agreement	.75 hours	1.5 hours	_____
=			
Total time processing agreements	101,250 hours	202,500 hours	_____

4. Calculate the cost of time spent processing sales agreements

How much does all that time cost? To estimate the total cost of agreement work, multiply the total hours spent processing agreements by the average hourly rate of the employees who do that work. The Bureau of Labor Statistics reports that private industry wages average nearly $29 an hour, but for simplicity, the sample team will assume a conservative $25/hour for that rate. Your company can insert your own average hourly rate below.

	Sample organization		Your organization
Total time processing agreements	101,250 hours	202,500 hours	_____
x Average hourly rate	$25/hour		_____
= Total agreement processing cost	$2,531,250	$5,062,500	_____

This is where eSignature efficiency standards come in. On average, eSignature reduces the amount of time a company this size spends on agreement work by **32%**.[1] Using the time and dollar totals calculated above, the sample organization can use that standard to determine expected savings in those areas.

5. Translate sales efficiency gains from eSignature into dollars

	Sample organization		Your organization
Total time processing agreements	101,250 hours	202,500 hours	_____
x eSignature time reduction	32%		32%
= Agreement processing hours saved	32,400	64,800	_____
x Average hourly rate	$25/hour		_____
= Dollars saved	$810,000	$1,620,000	_____
Average of savings range	$1,215,000		_____

Calculating the benefits of eSignature

As a bonus step, your team can translate the time savings into full-time sales employees using an estimate that an annual FTE works **2000 hours**. Using eSignature to improve efficiency will have the same impact as adding that number of full-time employees to your team.

	Sample organization		Your organization
Agreement processing hours saved $\div$	32,400 hours	64,800 hours	_____
Annual hours per FTE =	2,000		2,000
Full-time employees	16	32	_____

It's important to remember that eSignature efficiency translates directly into employee time savings, but there are other benefits that aren't factored into this calculation. For example, more efficient agreements mean faster time to cash, fewer chances for a prospect to abandon a sale, extra time for employees to create additional revenue, improved customer experience and more.

eSignature accelerates the rate of business

75%

Faster document turnaround time[2]

32%

Better productivity[1]

Sales hard costs

In its first year of eSignature implementation, the **University of Colorado Boulder** saved

1 million+ pages

and

$823,000

There's more to eSignature than just time savings. Digitizing agreements is a simple way to eliminate hard costs on materials like paper, ink and postage. While those costs are small at the individual agreement level, they add up to significant savings when scaled across all contracts in a year.

eSignature customers typically save **$4-$6**[3] in hard costs per agreement, depending on how complex those agreements are and how many revisions they go through. To simplify these calculations, this estimate will standardize on the middle of that range: **$5** per agreement. You can adjust your estimate if your team is printing off a high number of agreement copies, shipping them via expensive methods or undergoing multiple versions throughout the review process.

6. Calculate annual hard cost savings

	Sample organization	Your organization
Annual sales agreements	135,000	_____
x		
Hard cost savings per agreement	$5	$5
=		
Annual hard cost savings	$675,000	_____

This conservative estimate only includes sales contracts in this hard cost savings. If your team wants to estimate hard cost savings from additional lines of business in your estimate, all you need to know is how many ink-and-paper agreements those business units send in a year.

HR agreements

HR savings calculations will follow a similar process. To start, you need to know the total number of documents that your HR team prepares and sends every year.

7. Estimate the number of HR agreements sent per year

The sample company will work with an estimate of **25,000**. That includes two companywide policy deliveries to 12,500 employees. If your team has a different number of employees or communicates with a different frequency, you can plug in your own numbers to get a more customized savings estimate.

By multiplying the number of agreements by the amount of time spent on each one, the sample team can determine how much time is spent processing HR documents. To make this sample calculation applicable to a broader range of teams, the calculation below will again present a range of processing speeds.

8. Calculate the total time spent processing HR agreements

	Sample organization		Your organization
Annual HR agreements	25,000		
x			
Time to process 1 agreement	1 hour	5 hour	
=			
Total time processing agreements	25,000 hours	125,000 hours	

9. Calculate the cost of time spent processing HR agreements

To determine how much all those HR hours cost, multiply the hours worked by the average hourly employee rate. For simplicity, the sample team will again use a conservative **$25/hour** rate. Your company can insert your own average hourly rate.

	Sample organization		Your organization
Total time processing agreements	25,000 hours	125,000 hours	
x			
Average hourly rate	$25/hour		
=			
Total agreement processing cost	$625,000	$3,125,000	

HR teams use Docusign eSignature to simplify common agreements throughout the employee lifecycle:

Recruiting

- Offer letters
- NDAs
- Background check consent
- Applications
- Recruiting agency agreements

Onboarding

- W-4 and state tax forms
- I-9 forms
- Handbook acknowledgments
- Payroll forms/Direct deposit forms
- Travel & expense policy
- Relocation policy and execution
- Equipment requisitions
- IT provisioning
- IT access controls
- Workplace access

Compensation

- Bonuses
- Sales and variable compensation
- Stock agreements
- Relocation agreements
- Overtime requests
- Time sheets
- Direct deposits

10. Translate HR efficiency gains from eSignature into dollars

With an understanding of the total annual resources dedicated to preparing and sending HR agreements, it's easy to quantify the impact that eSignature offers. Docusign research shows that eSignature reduces the time HR teams spend on agreement work by **50%.**[4] A quick calculation will translate the impact of eSignature into potential employee time savings and cost reduction at the sample company.

	Sample organization		Your organization
Total hours processing agreements	25,000	125,000	_____
x			
eSignature time savings	50%		_____
=			
Agreement processing hours saved	12,500	62,500	_____
x			
Average hourly rate	$25/hour		_____
=			
Potential dollars saved	$312,500	$1,562,500	_____
Average of savings range	$937,500		_____

As an optional step, translate those hours into full-time employees freed up from sales agreement activities.

	Sample organization		Your organization
Agreement processing hours saved	12,500	62,500	_____
÷			
Annual hours per FTE	2,000		2,000
=			
Annual full-time employees	16	31	_____

To maintain a conservative approach to savings estimates, these savings don't include the hard costs of HR documents. Since a lot of these documents are now digitized, it's possible to distribute all of them digitally. If your team still processes ink-and-paper versions of HR documents, you can estimate your HR hard cost savings using an average of **$5** saved per document.

A more efficient digital HR workflow also has another critical benefit: faster onboarding. The average HR team using eSignature **reduces onboarding time by as much as 75%.**[5] While that factor won't be part of the estimate in this exercise, it's easy to see how more efficient HR processes can accelerate revenue by getting new employees through onboarding and into their roles faster.

Estimating total ROI

It's time to add everything up and get to a final eSignature savings estimate. Remember, this is a conservative estimate; there are plenty of other ways to save money or even increase revenue using eSignature (and other Docusign products). If you want to try to estimate the financial impact of scenarios outside the scope of this exercise, one of our experts can help you.

The table below adds up data from the previous sections. That total represents the estimated impact of eSignature savings based on the number of agreements sent by the sample company's sales and HR teams. For the calculations that resulted in wide ranges, the average value of that range is used. Enter the numbers you calculated for your team and follow along to arrive at your own estimate.

Predicting total savings

	Sample estimate	Your estimate
Sales productivity gains (step 5)	$1,215,000	_____
+		
Hard cost reduction (step 6)	$675,000	_____
+		
HR productivity gains (step 10)	$937,500	_____
=		
Total savings	$2,827,500	_____
÷		
Total documents (step 1 + step 7)	160,000	_____
=		
Savings per document	$18	_____

Do business faster, easier and cheaper with eSignature

Great news: eSignature can save the sample company **more than 86,000 hours** of agreement work in a year. Without accounting for expansion to new teams, additional products that expand efficiencies to more parts of the agreement process or new projects that can be completed with the extra time, the sample company saved **more than $2.8 million.**

Your team might look a lot like the sample company in this exercise. It might not. No matter how similar your baseline numbers are, an overarching trend is still apparent: if you spend time and money signing documents with pen and paper, eSignature offers a better experience.

Sales teams with DocuSign eSignature report:[6]

8%
increase in win rate

41%
decrease in time to close deals

"Docusign brings structure and automation to our contracting process. With its intuitive interface, we can conveniently customize agreements and collaborate effortlessly across teams. The software's incorporation of analytics powered by artificial intelligence is a notable feature, as it enables us to identify trends, potential risks and opportunities associated with how our customers sign contractual documents."

Director of system administration
Docusign customer

To learn more about how much money your team could save with eSignature, set up a time to **talk to one of our experts**.

1 Docusign – Industry Benchmarking Research, February 2022 (n=1121 Docusign customers)
2 Docusign – State of eSignature Quantitative Research, September 2022 (n=1000, 85% Docusign customers)
3 Docusign – Industry Benchmarking Research, February 2022 (n=1121 Docusign customers)
4 Docusign – Internal Analysis of benchmarks and customer reports
5 Docusign – State of eSignature Quantitative Research, September 2022 (n=1000, 85% Docusign customers)
6 Docusign – State of eSignature Quantitative Research, September 2022 (n=1000, 85% Docusign customers)