

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

by Craig Le Clair

October 12, 2016 | Updated: October 17, 2016

Why Read This Report

Enterprise efforts to digitize transactional processes continue to drive the e-signature market. Mobile endpoints, rapid SaaS deployment, regulatory breakthroughs in Europe, and unforgiving digital expectations now contribute. The market has consolidated, leaving a small set of providers that dominate shortlist discussions. But newer entrants have entered the market via biometrics competence, European opportunity, and lower price points. This report helps enterprise architects assess the strengths and weaknesses of providers for the reshuffled 2016 landscape.

Key Takeaways

Acquisitions, Commoditization, And International Adoption Reshape The Market

Acquisitions started with Adobe's purchase of EchoSign in 2005 have not stopped. Recent European Union (EU) regulations pave the way for adoption in Europe.

The Market Shifts To Broader Transaction Management

Commoditization and a relatively small e-signature market have providers looking at adjacent areas to grow revenue.

E-Signature Providers Settle Into Four Camps

There are clear market leaders in DocuSign, Adobe, and eSignLive by Vasco, but they have stiff competition from smaller players, biometrics specialists, low-price providers, and emerging European vendors.

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market



by [Craig Le Clair](#)

with [Alex Cullen](#), [Enza Iannopollo](#), and Madeline King

October 12, 2016 | Updated: October 17, 2016

Table Of Contents

2 Digital Business And Vendor Consolidation Reshape The Market

Acquisitions, Commoditization, And International Adoption Reshape The Market

The Market Looks To Broader Transaction Management

4 The Vendor Landscape Offers Buyers Diverse Choices

DocuSign, Adobe, And eSignLive by Vasco Top Shortlist Discussions

Lexmark, SIGNiX, iSign Solutions, And Xyzmo Bridge To The Market From Biometrics Depth

Low-Cost Solutions And Niche Players Fit Many Use Cases And Enterprises

Europe Now Represents A Greenfield For Innovative Solutions

Recommendations

15 Your Competitors Are Likely To Adopt E-Signature

16 Supplemental Material

Notes & Resources

Forrester interviewed 20 vendors and user companies, including Adobe, AlphaTrust, DocuSign, EchoStar, eOriginal, eSignLive by Vasco, Euronovate, HelloSign, InfoCert, Lexmark, Sertifi, SIGNiX, Vasco, and Xyzmo. In addition, Forrester received inputs through more than 50 e-signature client inquiries in 2016.

Related Research Documents

[Brief: Four Predictions For European E-Signature Adoption](#)

[E-Signatures — A Few Simple Best Practices Drive Adoption](#)

[The Forrester Wave™: E-Signatures, Q2 2013](#)

[TechRadar™: Digitizing Operational Processes, Q2 2015](#)

FORRESTER

Forrester Research, Inc., 60 Acorn Park Drive, Cambridge, MA 02140 USA
+1 617-613-6000 | Fax: +1 617-613-5000 | [forrester.com](#)

© 2016 Forrester Research, Inc. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. Unauthorized copying or distributing is a violation of copyright law. Citations@forrester.com or +1 866-367-7378

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

Digital Business And Vendor Consolidation Reshape The Market

E-signature transactions are becoming more widespread because smartphones, tablets, and touchscreen computers have made them simpler, more accessible, and cheaper. Enterprise architects now recognize this trend as an important enabler of tomorrow's digital business.¹ Our research shows a 53% average annual growth in the use of e-signatures since 2011, with the number of transactions settled via e-signatures topping 210 million in 2014 and likely to exceed 700 million in 2017.² Factors that have reshaped this market over the past year include the following:

- › **Better customer experience has lifted adoption.** Initial e-signature deployments had complex navigation and authentication steps. In recent years, vendors have simplified and streamlined the experience.³ In addition, almost all market providers have software-as-a-service (SaaS) solutions, which offer simplified deployment. More than 65% of Forrester inquiries on e-signature are from enterprises that have opted for SaaS.
- › **Customers and employees expect to use digital technology.** Using paper in business processes sends the wrong message to the customer and is a detriment to the “digital psychology” required by today's agile business.⁴ A major hotel group customized its e-signature process for contracts, staffing, and human resources (HR) needs. More than the costs for generating shipping documents, overnight delivery, and staff hours, the move was driven by “being embarrassed that a five-star hotel would have such crappy old processes,” according to an operations executive within the company.
- › **Financial service firms are finally getting the message.** Financial services ranks first in adoption and vendor activity for e-signature. No surprise — this is where the most documents are signed, and it has C-suite attention. Mike Corbet, CEO of Citibank, says, “Citibank has adopted e-signature as part of digitization strategy for new account opening, client communication, and address changes.”⁵

Acquisitions, Commoditization, And International Adoption Reshape The Market

More than half of the providers evaluated in “The Forrester Wave™: E-Signatures, Q2 2013” have been acquired.⁶ This is not unusual for markets that are in the Creation and Growth phases for Forrester's TechRadar on digitizing operational processes.⁷ Market turmoil creates angst for enterprise buyers as we see that:

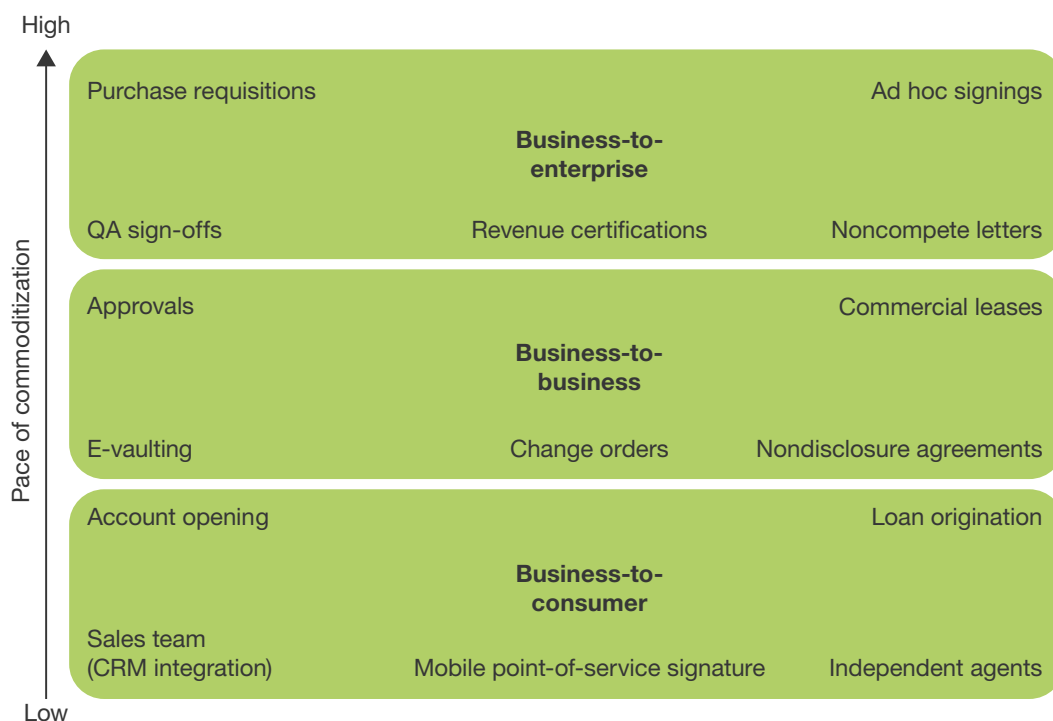
- › **Acquisitions are resulting in a wide range of parent companies.** What type of company makes the best parent for a growing e-signature software company? Apparently almost any. Four company types have waded into the market: security (Vasco and Barracuda), document management (Adobe and Lexmark), virtualization software (Citrix, with a portfolio that includes workspace-as-a-service, application delivery, mobility, network delivery, and file sharing solutions), and certification authorities (Namirial). Acquisitions started with Adobe's purchase of EchoSign in 2011. In the past two years, we have seen DocuSign purchase ARX, Comprovo in Brazil, and OpenTrust, a French trusted service provider (TSP). Citrix entered the market by buying RightSignature. Vasco Data Security, which provides digital solutions including identity, security,

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

and business productivity, recently bought eSignLive by Silanis. Kofax acquired SoftPro (based in Stuttgart, Germany), only to be acquired by Lexmark, which is now pending acquisition by a Chinese manufacturer of printer toner cartridges.

- › **Price points continue to soften.** We expect advancements in technology and increased competition to bring down the cost per transaction (or envelope) from \$1.40 per transaction in 2014 to 40 cents in 2020, particularly in the commoditizing business-to-enterprise (B2E) segment (see Figure 1).⁸ Indeed, one-third of Forrester's e-signature inquiries now concern price questions. "We signed a contract that with our expanded volume puts us at over \$3.00 an envelope. We feel we need to be less than \$1.00," said the sourcing manager of a regional US bank. Barracuda, with SignNow, a business focused on small and medium-size businesses (SMBs), leads the race to the bottom with transactions starting in the 30-cent range.
- › **The European market shows promise at last.** Brexit aside, the 2014 Regulation on Electronic Identification and Trust Services for Electronic Transactions in the Internal Market (eIDAS), effective July 2016, will foster use of electronic signatures across borders within the EU. It ensures that documents signed electronically will now be accepted throughout the 28 member states, regardless of national or regulatory approaches. DocuSign and Adobe have both made major announcements targeting the EU. Europe, the Middle East, and Africa (EMEA) are less than 15% penetrated. Japan, Australia, and India also are also experiencing expanding use.

FIGURE 1 Case Segments Will Commoditize At Different Rates

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

The Market Looks To Broader Transaction Management

Commoditization and a sub \$1 billion e-signature market have providers looking at adjacent areas to grow revenue.⁹ DocuSign has taken the lead in evangelizing “digital transaction management” (DTM), which essentially is technology to digitally manage document-based transactions. Digital document leader Adobe, with Document Cloud and the Adobe Acrobat and Reader franchises, and Lexmark, with Kofax TotalAgility, are following suit, positioning e-signature with broader document and workflow platforms. We see the following trends:

- › **DTM remains a battle for enterprises, but it's not a new market.** Digital processes that make for an easier, faster, more secure, and less error-prone customer experience are a priority for enterprises. In fact, this has been a goal for decades. In retail banking, 90% of transactions are already digitized and automated.¹⁰ Software markets such as business process management, enterprise content management (ECM), multichannel capture, customer communication management, and, yes, e-signature have evolved to address this need.¹¹
- › **Blockchain to authenticate transactions will not be transformative in the short term.** With low transaction fees, enterprises or individuals can record immutable, irreversible, and undeletable data in a public blockchain, a potentially a disruptive approach to many financial transactions. For e-signature use cases, it could replace e-vaulting solutions that ensure the integrity of certain transferable records. But there is work to do. For example, Bitcoin, which was designed narrowly for cryptocurrency, only allows 80 bytes of metadata for a transaction, and scale is a potential issue. Servers in Chinese data centers and the role of Bitcoin miners to maintain the blockchain all need vetting. Other blockchain approaches such as the Ethereum Project are geared more toward a transaction.¹² The likely path is that e-signature vendors will use blockchain as just another form of authentication — adding to the list.¹³

The Vendor Landscape Offers Buyers Diverse Choices

Market share leaders, emerging players that stem from biometrics roots, lower-price providers, and hard-charging EMEA vendors all have their place. Use case, industry, regional needs, regulation, value, and the complexity of the transaction process create lots of niches to fill.

DocuSign, Adobe, And eSignLive by Vasco Top Shortlist Discussions

The majority of shortlist discussions with Forrester clients include DocuSign and Adobe. eSignLive by Vasco is often on the list as well.

- › **DocuSign continues to show the value of a SaaS-based, business-directed solution.** The single, well-understood value proposition — digitizing your business with e-signature — continues to prove its worth. DocuSign now has over 40% of the e-signature market, followed by Adobe with 15%, and more than 100 providers share the rest.¹⁴ DocuSign's expanded focus is to

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

provide a complete digital platform to settle agreements. Support for variations to eIDAS EMEA standards will be helped by the acquisition of ARX's digital signature portfolio. ISV, global systems integrator (SI), and developer partnerships are succeeding. DocuSign lists more than 300 prebuilt integrations, and now more than 60% of its transactions are handled through APIs. During its Momentum '16 conference, the company announced partnerships with IBM, Cisco, and Deloitte Digital that add to alliances with Salesforce, Microsoft, Google, SAP, Apple, and a host of others. DocuSign has acquired market share with aggressive investment fueled by more than \$525 million of venture capital. A legitimate unicorn with valuation over \$3 billion, DocuSign's "burn rate," profitability, and valuation may become an issue over time (see Figure 2).

- › **Adobe bets on Document Cloud, global expansion, and its PDF franchise.** Forrester estimates that Adobe e-signature revenue has increased by 10x since the EchoSign acquisition. Forrester also estimates that there are both 40,000 paying e-signature customers and 400 employees who support the overall business. In addition, Adobe has about 120 solution partners worldwide that service, sell, and support e-signature solutions. Adobe's signature solutions support visual workflow design with serial, parallel, and hybrid workflows within the Adobe Sign service — a stronger process capability than that of e-sign competitors. Adobe is second to only Lexmark in overall portfolio assets to digitize operational processes. Potential bumps? Adobe will need to find the right go-to-market approach that leverages its broader Adobe capabilities (e.g., forms and analytics) without letting individual components get lost (see Figure 3). Adobe announced and heads the Cloud Signature Consortium to develop an open standard for cloud-based digital signatures across mobile and web.
- › **eSignLive's new parent company adds capital and online and mobile security smarts.** Regulated industries and demanding business-to-consumer (B2C) environments are eSignLive's sweet spots. Its strongest verticals are financial services and government — it's the only provider with FedRAMP certification.¹⁵ eSignLive's success will be at high end of market due to strong professional services and a solid platform, and that's where it will provide more customized solutions than DocuSign and Adobe. Vasco, eSignLive's new parent company, has a 60% market share with Digipass, a hardware- and software-based two-factor authentication solution. The acquisition will allow Vasco to integrate Digipass — and particularly the software version, Digipass for Apps — into an e-signature platform to extend the digital value chain. Enterprises can develop solutions with eSignLive and then deploy them in a public cloud, on-premises, or alternatively in a private cloud through IBM Managed Services — all on a single e-signature platform (see Figure 4).

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

FIGURE 2 DocuSign: Strengths, Weaknesses, Opportunities, And Threats**DocuSign****Strengths**

- **Strongest brand and market share leader:** The company name is becoming a verb.
- **Strong cloud and global SI positioning with** Google, Microsoft, NetSuite, Salesforce, SAP, and Workday as well as Accenture and Deloitte
- **Strong international expansion:** purchased Comprovo, a leader in Brazil, and OpenTrust, a French TSP
- **Real estate dominance:** strong adoption with “core system” to create end-to-end real estate transactions
- **Strong signature feature set within overall digitization platform:** integration framework, mobile, native apps, Office 365
- **Standards-based signature support** (eIDAS variations) with full digital signature appliance
- **Deep commitment to space:** 2,000 employees; the R&D and marketing teams are eight times the size of its nearest competitor.

Weaknesses

- **Profitability may become an issue:** It raised significant equity (>\$500 million) and achieved “unicorn” status with \$3 billion-plus valuation. The core e-signature market may not support the initial investment.
- **Limited process technology:** Workflow, grouping, signers, roles, data collection, and authentication are governed by templates without a visual workflow design surface.
- **Strategy of DocuSign-owned data centers may prove costly:** Competitors have selected major cloud ecosystems.

Opportunities

- Can become “the” **trusted name in e-signature**
- **Financial strength** allows it to become major international TSP gateway provider and connect global TSPs (500) for EMEA and Asia Pacific.
- **Global trust network** for global digital agreement
- **Expansion into digital transaction management** will increase the available market by 10 billion or more.
- **Industry solutions are within grasp** — for example, “Transaction Rooms,” 21 CFR Part 11 in pharmaceuticals.

Threats

- **Increasing competition:** Previously, DocuSign was the most enterprise-worthy SaaS offering, but others may catch up.
- **DTM extension may prove difficult.** DTM direction may conflict with hundreds of competitors with broader platforms.
- **Market commoditization:** Adobe, Barracuda, and others may take aggressive pricing strategies.
- **Continued confusion in international markets** may slow the expansion road map.

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

FIGURE 3 Adobe: Strengths, Weaknesses, Opportunities, And Threats**Adobe****Strengths**

- **Financially secure** compared to most in segment
- **Strong brand presence, sales, and distribution**
- **Strong Salesforce integration:** e.g., dynamic data mapping from PDFs, sender configuration from within Salesforce
- **Improving workflow:** new workflow with process design drag-and-drop functionality
- **Expanding partnerships:** e.g., Box, Dropbox, Microsoft, Salesforce, and Workday
- **Asia Pacific presence: Japan and Australia data residency** and leader of Cloud Signature Consortium TSP APIs
- **Strong positioning** within Adobe Document Cloud, the heart of the Acrobat franchise
- **Digitization strength:** Adjacent Document Cloud components — digital rights management, forms, and mobile solutions — have synergy with e-signature and allow for broad digitization capability.

Weaknesses

- Digitization components are **individually strong but not as well integrated within the overall platform.**
- **Reporting and administration are traditionally weak**, as they're based on older tools.
- **Does not sell "value" well** to tech management and business buyers; partners often overprice solution.
- **Occasion loss of focus** within larger Adobe Document Cloud portfolio
- **Improved SaaS infrastructure** (from startup EchoSign) with strong AWS direction but just gaining experience (e.g., optimize high availability with EC2)
- **Limited biometrics capability**
- **Legacy contract process** (from desktop software business) creates customer angst when negotiating enterprise e-signature contracts.

Opportunities

- **Hold steady** in market and wait for DocuSign to experience issues — a steady approach may win.
- Be a **price disruptor** through distribution to vast Acrobat installed base — Acrobat Reader is on 1.2 billion devices.
- **Continue to integrate components** like the newly released workflow and digital rights management to digitize broader transaction sets.
- **Continue innovations like dynamic forms and PDF manipulation** that leverage PDF expertise.
- **Extensive rollout on AWS fabric** will outpace DocuSign's international expansion.

Threats

- **Less engaged partner and internal sales channels** will weaken market push.
- **May get relegated to low-value**, high-volume web-oriented transactions, due to inability to penetrate the enterprise market
- UX may fall behind due to **DocuSign's investment in large UX teams.**
- Getting **out-marketed due to sharper focus** of key competitors

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

FIGURE 4 eSignLive by Vasco: Strengths, Weaknesses, Opportunities, And Threats**eSignLive by Vasco****Strengths**

- **Strong for integration into core processes** and for larger, more complex security-conscious orgs
- Vasco parent **adds security smarts and financial backing**; Vasco holds 60% of token-based two-factor authentication market with Digipass.
- **Strong in govt. vertical** with FedRAMP certification
- **Fully customizable solution** and full branding capabilities (white-labeling) with flexible delivery options
- **Deep partnership with IBM** — cloud infrastructure as well as content services division
- **Strong workflow** for current set of vendors — although scripting-language-based
- **Strong professional services teams** stemming from banking and government work
- **Experience in government and financial services**
- Plays well in more complex deals with longer sales cycles (six months to one year)

Weaknesses

- **eSignLive is a lesser known brand**, particularly in the growing SaaS segment — with 5% market share.
- **The transition from on-premises to SaaS** creates a more complex customer base to manage and migrate; however, a new single platform allows customers to now code once and deploy anywhere (i.e., on-premises or public/private cloud).
- **Behind in native cloud capabilities** compared with DocuSign and Adobe (e.g., self-service deployment, administration, billing, envelope management, and forms support) but improving; 91.6% of 2015 R&D budget invested in cloud solution

Opportunities

- **Grab high end of market for financial services** and government, which will sustain high margin.
- Emphasize customization and deployment flexibility, **deep vertical domain** expertise, and **mobile trends** focused on point-of-service workers to grow within enterprise segment.
- **Geographic expansion**: eSignLive will have data centers in six regions worldwide by the end of 2016 to satisfy in-country data residency requirements with the availability of global data centers. It has the ability to spin up new instances of eSignLive globally within a two-week time frame to meet customer data residency requirements.
- **Exploit gap in emerging SaaS** market for customizable solutions that require full branding capabilities (white-labeling).
- Exploit opportunities that want **flexible delivery options**: SaaS platform (public, private, or behind firewall).
- **Tap into European market** and capitalize on new eIDAS regulation through native support for qualified certificates and Vasco's existing customer base in that region.

Threats

- **Not positioned as competition for SMB or unmediated market**; however, it has a growing partner/OEM ecosystem to tap into these markets.
- Despite Vasco acquisition, it has **less marketing resources and reach**.
- **May be forced into specialized markets** and use cases as general market passes it by
- While Vasco is now owner, still **undercapitalized** relative to Adobe and DocuSign

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

Lexmark, SIGNiX, iSign Solutions, And Xyzmo Bridge To The Market From Biometrics Depth

Biometrics that draw from human characteristics (e.g., handwritten signature, fingerprint, face recognition, or DNA) will drive authentication and identity management, particularly in Europe. Mobile devices will be the key enabler of biometric identification. Several providers are well positioned to exploit this trend:

- › **Lexmark has a broad ability to digitize operational processes.** Softpro, acquired in 2014 by Kofax, which was acquired by Lexmark in 2015, has strong banking accounts. Payment fraud prevention (Kofax FraudOne) for B2B and consumer paper and check transactions drove early company revenues. Kofax SignDoc is the e-signature product complementing FraudOne: Kofax SignDoc is a standalone e-signature solution that can be integrated with FraudOne to capture signatures at new account opening and pass them to a database for verification. Lexmark e-signature standalone sales have not kept pace with market growth since the acquisition, with most sales bundled with the Kofax TotalAgility platform, but planned integrations will strengthen the product: Kofax SignDoc integration with the company's file sync and share offering, Perceptive Workplace, packaged with Lexmark's strong document-generation tool. Packaged frameworks for mortgage processing and onboarding will also accelerate sales. A strong European heritage, a software development kit (SDK) that supports eIDAS, and TSP integration bode well for EMEA expansion (see Figure 5).
- › **SIGNiX emphasizes full digital certificate support.** Founded in 2002 and headquartered in Chattanooga, Tennessee, its products include MyDoX, EnterpriseDoX, PharmaDoX, and NotaryDoX. SIGNiX also powers zipLogix Digital Ink. SIGNiX is strong in real estate, credit unions, healthcare, financial services (it recently established a partnership with Pershing), and insurance, including the highly regulated variable annuity sales process. SIGNiX is a top choice for technology platforms and resellers that look for granular APIs to build the platform-as-a-service (PaaS) utility into their applications. Current lack of qualified signature support may inhibit EMEA expansion (see Figure 6).
- › **iSign provides electronic signatures, biometric authentication, and workflows.** Headquartered in Silicon Valley, iSign's depth in the emerging biometrics area is on par with SoftPro and Xyzmo. iSign (formerly CIC) can deploy its software platform both on-premises and as a cloud-based service. iSign, through a five-year partnership with Cegedim, a French technology company, has a solid position as a white-label provider of B2B e-signature and workflow solutions. This partnership will help iSign participate in the emerging European market for EU-compliant e-signatures and can help stabilize the company's finances. iSign is one of the longest-standing vendors in e-signature and handles significant e-signature transactions for several large insurance and financial services customers. A public company, it needs to stabilize financially and diversify the customer base, and it may be an acquisition target.
- › **Namirial buys Xyzmo to create a digital signature and transaction solution.** Namirial, a software company and Certification Authority headquartered in Senigallia, Italy, with €40 million in revenue, acquired Xyzmo. The acquisition gave the TSP a strong e-signature platform providing a biometrics server, a secure hardware security module (HSM) for digital signature, identification, and

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

ECM with cloud or on-premises options. Identity management and verification is the core strength that builds from two-factor SMS authentication to face recognition. The combined entity sees itself as broader than e-signature — and positions its offerings to simplify how business gets done digitally (see Figure 7).

FIGURE 5 Lexmark: Strengths, Weaknesses, Opportunities, And Threats**Lexmark****Strengths**

- **Strong platform for digital transaction management** (i.e., Kofax TotalAgility), which includes strong BPM, analytics, and capture
- **Strong banking accounts:** Kofax SignDoc captures signatures for bank account opening and passes them to FraudOne, a signature verification and fraud prevention solution suite in use at 12 of the world's 25 largest banks.
- **Strong global presence outside of the US:** compliant with eIDAS SDK
- Established **EMEA integration and enabling partners** (e.g., Olivetti, Wacom, and local partners)
- **Solid engineering foundation:** depth in biometrics
- **Strong synergy with Lexmark/Kofax portfolio:** e.g., key enabler in Kofax targeted markets like mortgage and invoice management

Weaknesses

- **Kofax SignDoc is a less known brand in the US** and not normally shortlisted for US e-signature opportunities.
- **Behind in trending SaaS market**
- **Shortfalls in selected areas** compared with field (ease of use, envelope management, cloud platform, packaged apps, and global SI partnerships)
- The **product may lose focus** as part of the large, complex Lexmark Software Solutions portfolio.

Opportunities

- Through Lexmark, Kofax can become the **fourth or fifth major player** in market.
- **Lexmark US distribution can double sales** with a strong marketing and sales push.
- **European base of R&D and operations** can provide a head start in expanding the European market, **particularly the large German market**, especially with eIDAS regulations.
- **Pending Chinese ownership** may provide Asia Pacific market opportunities.
- **Kofax distribution strength and marketing expertise** will alleviate some of SoftPro's previous marketing issues.

Threats

- **Lexmark/Kofax is a laggard relative to cloud adoption** — as the on-premises market declines, it may be too late for this solution.
- The **founders have retired**, so the company may struggle to maintain key engineering talent.
- **FraudOne is based on paper checks** — while steady today, it's a declining business long term.

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

FIGURE 6 SIGNiX: Strengths, Weaknesses, Opportunities, And Threats**SIGNiX****Strengths**

- SIGNiX, headquartered in Chattanooga, Tennessee, has **full digital certificate support**.
- **Strong partner program** — 80% of volume through partners in key verticals (Pershing selected as provider for RIA market)
- SIGNiX has a digital signature standards-based process to maintain evidence that **can't expire or be canceled**, independent of the e-signature vendor.
- Strong focus on flexible **identity authentication**
- **Strong UI approach in standalone product (MyDoX)**, where users first add parties, and information such as email and signing order is set
- **E-notary solution** — both in-person and remote
- **Strong industry-specific solutions:** zipLogix Digital Ink for real estate agents; PharmaDoX for pharmaceuticals (21 CFR Part 11 compliant); TaxDoX for tax preparation, wealth management, hospitals, and credit union applications as well

Weaknesses

- **Undercapitalized and limited brand awareness** due to partner go-to-market strategy
- **Sold as SaaS (direct or PaaS) through partners** — no on-premises solution
- **Basic workflow through APIs** — often depends on partners for more extensive workflow management. When integrated via web services, organizations often tie the system to a BPM or other workflow/ECM system that can handle business rules.
- **SIGNiX produces only digitally signed PDF documents.** The PDF file format is well-known but may be limiting due to mobile adoption.
- SaaS standalone product, for self-directed deployment; **lacks full features of DocuSign and other native-born SaaS solutions**

Opportunities

- **Various interesting and highly secure capabilities** that are valuable as the e-signature market develops (e.g., e-notary, e-signature independent approach, digital signature, and signature verification)
- A smart company that **may find strong market growth in highly regulated verticals** such as pharmaceuticals, healthcare, wealth management, and real estate/mortgages

Threats

- **May miss broader SaaS commodity market** for less regulated use cases. As e-signatures move toward wide acceptance and commoditization, many will not require digital signature.
- **No qualified signature support** — partner for that — has a digital signature without EMEA-defined qualified signature; may limit international expansion

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

FIGURE 7 Xyzmo: Strengths, Weaknesses, Opportunities, And Threats**Xyzmo****Strengths**

- **Proprietary signature technology** that captures forensics: parameters like pressure, acceleration, speed, and rhythm
- **Broad platform suitable for DTM** includes identity management (two-factor SMS, biometric server, signature platform, process support, and full TSP) and digital signature support through new parent (Namirial Group)
- **Strong data capture:** Each captured signature is bound to a specific document (“document binding”) that generates a unique “fingerprint” for each document and stores it together with the captured signature.
- **Strong standards support:** Biometric signatures can be exported according to the ISO/IEC 19794-7:2007 standard for biometric signature exchange, providing vendor independence.
- **Flexible deployment** (SaaS or on-premises, use case support, signing methods) and pricing (charges a monthly or annual fee for SaaS; software licenses for on-premises); offers signature pads (does not produce them)
- **Strong in telco and banking:** BelCompany, Cosmote, KPN, Mobitel, Nashua Mobile, Phonehouse, SiMobile, T-Mobile, Vodafone, Wind; major banks as well

Weaknesses

- **Small and less known in US market** — single office in the United States; 300 employees in Italy, 25 in Austria, eight in Romania
- **Emerging SaaS support** — Azure-based SaaS solution
- **Gaps in selected SaaS feature areas** compared to primary SaaS competitors (e.g., sender configuration and envelope management)

Opportunities

- **Leverage core biometrics technology** and extend platform solution to enter the general market.
- **Similar to SoftPro** but with more signature focus and resources when combined with parent Namirial Group
- **Extension beyond signature:** A move toward the more general transaction management market is now possible.

Threats

- **Late to participate in mainstream SaaS** platform market and may be passed by
- **Limited partner ecosystem** and distribution will make it difficult to grow.

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

Low-Cost Solutions And Niche Players Fit Many Use Cases And Enterprises

Many use cases do not require “qualified” signatures, cannot support the high transaction costs of the top platforms, or target SMBs, so there’s a niche for vendors focused on these use cases. Other vendors target industry-specific use cases. Look to:

- › **Barracuda’s SignNow for the midmarket segment.** The average sale for Barracuda security and storage products is between \$10,000 and \$20,000, and the target is SMBs. SignNow fits right in with many of the core features of more expensive platforms. Limited workflow and the SMB target restrict the customization required for the enterprise market. With prices as low as 30 cents per signed document, it’s worth a look.
- › **RightSignature by Citrix for a low-priced and well-featured solution.** RightSignature was the lowest-cost SaaS solution early in the market. Now owned by Citrix, it is still a strong alternative to higher-priced SaaS solutions.
- › **Yozons’ Open eSignForms for both open source and commercial licenses.** Yozons is a World War II code talker code word that means “swift motion.” It has offered products since 2001, with a “forms store” for downloadable W-2s, nondisclosure agreements, secure records transfer forms, e-docs, and HR onboarding forms, among other things. The company charges by database size, which is primarily determined by the number, size, and retention of transactions.
- › **eOriginal for e-vaulting and digital management of financial assets.** Vault-to-vault transfers of financial assets must meet standards and legal requirements well beyond those provided by e-signature platform vendors. eOriginal receives rating agencies’ acceptance for financial transactions and has managed more than \$20 billion in electronic financial assets. Fiserv (banking), WeSuite (security alarms), and LeaseTeam (lease financing) use eOriginal to securitize and resell their income-generating products. E-signature platform providers such as DocuSign and Adobe now partner with eOriginal. E-vaulting will expand but will continue to be primarily a financial services application.
- › **AlphaTrust for complex or high-volume use cases for B2B, B2C, and B2E applications.** Sweet spots for AlphaTrust, which has focused on DTM and e-signature solutions since 1998, are financial services with customers such as Zions Bancorporation, insurance companies such as New York Life, and business services such as ADP. AlphaTrust is similar to eSignLive by Vasco in providing tailored solutions with a variety of deployment options for its PRONTOSign product including on-premises (embedded) or via a private cloud. AlphaTrust currently has over 300 customers, operates with a staff of 16, and is actively involved with industry associations and standards bodies such as the Electronic Signature And Records Association (ESRA).
- › **HelloSign for a good UI at a reasonable cost.** HelloSign started with a fax server platform called HelloFax that has over 5.6 million users and 45,000 paying customers. Signature customers range from startups like Slack and Lyft to mature companies like The Weather Channel. HelloSign’s focus is not on the sender (e.g., procurement officer) but on signatures that are embedded in platforms.

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

Hence, it leads with APIs that embed e-signature into apps (e.g., Oracle Documents Cloud) or an enterprise resource planning solution. Basic e-signature functionality is covered and priced affordably (middle of the market). One of the better user experiences, particularly within Gmail (Google Drive and Google Apps), HelloSign can be added as a Chrome extension that permits signing documents received as a Gmail attachment.

Europe Now Represents A Greenfield For Innovative Solutions

eIDAS went into effect in July 2016, and its objective is to enable widespread use of e-signatures. The scope has expanded from a 1999 directive; in addition to signatures, it covers electronic ID (eID), delivery, archive, and website authentication.¹⁶ Forrester predicts that advanced electronic signature will win out over the qualified electronic signature (QES).¹⁷ Adobe and DocuSign will offer in-country SaaS solutions that connect global TSPs.¹⁸ Look to:

- › **InfoCert for more than e-signature.** Among the largest Certification Authorities in Europe with approximately €50 million in revenue, InfoCert offers eIDAS-qualified e-signature as part of a platform of services, which includes e-delivery, eInvoicing, legal archiving, and eID. A TSP headquartered in Italy with a growing number of international customers, InfoCert patented in 2014 a specific solution for remote onboarding of customers subject to anti-money-laundering rules. The options for users' identification include recorded video-based conferences as well as the use of existing digital identities, with all data stored in European data centers. InfoCert's ability to comply with strict regulatory standards and its strong products portfolio have made it a popular choice for financial services firms. Success in the international market hinges on the company's ability to leverage local expertise across jurisdictions, continue to extend platform flexibility, and inject innovation in biometrics to keep pace with European counterparts.
- › **QuickSign for end-to-end digital contracts.** Headquartered in France and started in 2006, QuickSign is a SaaS platform targeting digital B2C financial contract management, with a compliant e-signature at the core. Present in 15 European countries, QuickSign's sweet spots are the consumer credit, wealth management, and direct banking industries. Initially focused on public key infrastructure (PKI) solutions needed to create and manage digital certificates, it is now expanding to biometrics solutions.
- › **Euronovate for complete hardware and software solutions.** After the first round of funding in 2012, Euronovate has reached the mark of €11 million in 2016, with more than 50% coming from software, 35% from hardware, and the balance from services. It targets financial services with an on-premises approach. Thirty-five banks use Euronovate's software platform in Europe and the Middle and Far East (e.g., in Italy, Spain, Romania, Bulgaria, Serbia, Dubai, and China), including the Italian banking giants Intesa Sanpaolo and UniCredit. The Swiss-registered company has added clients in healthcare and the public sector. It tends to compete with Namirial/Xyzmo and Kofax SoftPro around the globe. Euronovate goes to market with a "one-stop shop" proposition,

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

where it provides customers with proprietary signature hardware, software, and business services. Euronovate must continue to emphasize software and ultimately SaaS, so that the “one-stop shop” proposition, successful in the past, does not become a constraint.

- › **SealSign, which leverages Eleven Paths’ security expertise, for mobile.** Targeting heavy mobile use cases, SealSign’s platform builds on strong security capabilities — such as handwritten biometric e-signature, the central key control feature — and the integration with Eleven Paths’ Latch, which enables additional security and access notifications. SealSign focuses on enterprise customers, with functions such as the “Smart Folder” and “Virtual Printer” that provide processes around the signature. The product strategy is anchored to cost reduction, rather than customer experience, which may inhibit growth.
- › **Provincial DocuSign copycats, former Certificate Authorities, and industry vendors.** In almost every country, there are small e-signature providers that emphasize local presence. Former and current Certificate Authorities also provide solutions as well as vertical application providers, such as IS2, which provides e-signature as part of its e-trading and insurance platforms.¹⁹

Recommendations

Your Competitors Are Likely To Adopt E-Signature

E-signature transactions, enabled by simpler, more accessible, and cheaper smartphones, tablets, and touchscreen computers, are essential for digital business. To prepare, EA pros should:

- › **Recognize that e-signature solutions require changing business behavior.** This takes time. You must convince management of the business value, although compliance may be slow on the uptake; you must modify internal technology and processes, even in SaaS deployments; and most of all, you must decide on the right approach.
- › **Prepare an e-signature platform strategy.** Enterprise architects must begin reviewing or forming e-signature platform strategies to support the inevitable business requests and avoid overlapping, inconsistent, and redundant solutions.
- › **Use a proof-of-concept approach.** Prepare three short scripted scenarios for vendors to pilot with your data; this allows you to see how each vendor handles the same processes. Consider inviting other participants in addition to scorers to evaluate the pilot and give oral input after each demo.
- › **Understand integration requirements early.** Platform selection should rest on a vendor’s ability to address requirements such as support for multiple signature methods, existing login and authentication mechanisms, external databases for new customer identity-proofing, and compliance with applicable regulations. But give high weight also to company and financial stability.

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

Engage With An Analyst

Gain greater confidence in your decisions by working with Forrester thought leaders to apply our research to your specific business and technology initiatives.

Analyst Inquiry

To help you put research into practice, connect with an analyst to discuss your questions in a 30-minute phone session — or opt for a response via email.

[Learn more.](#)

Analyst Advisory

Translate research into action by working with an analyst on a specific engagement in the form of custom strategy sessions, workshops, or speeches.

[Learn more.](#)

Webinar

Join our online sessions on the latest research affecting your business. Each call includes analyst Q&A and slides and is available on-demand.

[Learn more.](#)**Forrester's research apps for iPhone® and iPad®**

Stay ahead of your competition no matter where you are.

Supplemental Material

Companies Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

Adobe

HelloSign

AlphaTrust

InfoCert

DocuSign

Lexmark

EchoStar

Sertifi

eOriginal

SIGNiX

eSignLive by Vasco

Xyzmo

Euronovate

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

Endnotes

- ¹ The term “e-signature transactions” refers to all those transactions eligible for substantive testing, namely the process of obtaining evidence (i.e., evidence as to completeness, validity, and accuracy) in support of transactions and balances. These transactions usually include cash, receivables, payables, and contracts and have been developed with e-signature solution platforms.
- ² For more information, see the “[Brief: E-Signature Transactions Topped 210 Million In 2014](#)” Forrester report.
- ³ For guidance on best practices to maximize the benefits of e-signature adoption and how to avoid common pitfalls, see the “[E-Signatures — A Few Simple Best Practices Drive Adoption](#)” Forrester report.
- ⁴ Forrester defined “digital psychology” as one of the 10 dimensions of business agility. This refers to an employee’s attitude toward productive use of digital means to win, serve, and retain customers. Please see Forrester’s research series on business agility.
- ⁵ Source: Keith Krach, “Imagine What You Can Do,” DocuSign Momentum ’16 conference, April 6, 2016.
- ⁶ For more information, see the “[The Forrester Wave™: E-Signatures, Q2 2013](#)” Forrester report.
- ⁷ For a review of these markets, please see the “[TechRadar™: Digitizing Operational Processes, Q2 2015](#)” Forrester report.
- ⁸ Not all providers price by the signed transaction or “envelope produced.” Most provide some combination of transaction- and user-based pricing that will depend on the use case (e.g., automated versus self-service signature). Some providers, for example, charge \$250 a year for a sender configuration license (e.g., 500 sales representatives).
- ⁹ Forrester estimated the number of transactions in the e-signature market in an earlier report. Based on these projections and the price of a transaction through 2021, we judge the market size for e-signature as approximately 500 million in 2021. See the “[Brief: E-Signature Transactions Topped 210 Million In 2014](#)” Forrester report.
- ¹⁰ Source: Based on an interview with UBS in June 2016 in the context of RPA automation potential for transactions at the bank.
- ¹¹ For a review of these markets, please see the “[TechRadar™: Digitizing Operational Processes, Q2 2015](#)” Forrester report.
- ¹² The potential of public blockchain includes a transparent, open source authentication — growing virally on the blockchain and supporting banking, insurance, markets, exchanges, crowdfunding, and other financial transactions. For information on the Ethereum Project, please visit the following website. Source: Ethereum (<https://www.ethereum.org/>).
- ¹³ For the reality of blockchain today, please see the “[Q&A: Forrester’s Top Five Questions About Blockchain](#)” Forrester report.
- ¹⁴ Forrester estimates market share based on the number of e-signature transactions reported by providers and used in our 2015 report. The e-signature market excludes hardware, specialized signature verification software, and authentication databases and refers to the complete platforms used to build e-signature solutions. See the “[Brief: E-Signature Transactions Topped 210 Million In 2014](#)” Forrester report.
- ¹⁵ The Federal Risk and Authorization Management Program (FedRAMP) provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services.
- ¹⁶ The former EU regulation “lays down conditions for mutual recognition of electronic identification; sets rules for trust services; and creates a legal framework for electronic signatures, seals and time stamps, electronic documents as well as electronic registered delivery services and certificate services for website authentication.” It is much stronger than the directive passed in 1999 that introduced the two-tier system. Source: “PE-CONS 60/14,” Consilium, July 16, 2014 (<http://register.consilium.europa.eu/doc/srv?l=EN&f=PE%2060%202014%20INIT>).

Vendor Landscape: E-Signature, Q4 2016

Acquisitions, Commoditization, And Growth Reshape The Market

¹⁷ The QES requires a QES creation device supported by a qualified certificate under the sole control of the signer.

¹⁸ For a review of the current adoption trends in Europe and definitions for the signature types enumerated in the new regulation, see the “[Brief: Four Predictions For European E-Signature Adoption](#)” Forrester report.

¹⁹ The following website is an insurance and e-trading platform and services provider that has built e-signature into its solutions. Source: IS2 (<http://www.is2.co.uk/>).

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

PRODUCTS AND SERVICES

- › Core research and tools
- › Data and analytics
- › Peer collaboration
- › Analyst engagement
- › Consulting
- › Events

Forrester's research and insights are tailored to your role and critical business initiatives.

ROLES WE SERVE

Marketing & Strategy Professionals

CMO
B2B Marketing
B2C Marketing
Customer Experience
Customer Insights
eBusiness & Channel Strategy

Technology Management Professionals

CIO
Application Development & Delivery
› Enterprise Architecture
Infrastructure & Operations
Security & Risk
Sourcing & Vendor Management

Technology Industry Professionals

Analyst Relations

CLIENT SUPPORT

For information on hard-copy or electronic reprints, please contact Client Support at +1 866-367-7378, +1 617-613-5730, or clientsupport@forrester.com. We offer quantity discounts and special pricing for academic and nonprofit institutions.