

Approving Transactions in a Digital Environment

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An examination of almost any business process will find the need for some bodies approval somewhere in that process. In today's world of transaction distribution it may take a number of some bodies in several somewhere to keep that process moving and reach completion.

Outsourcing, collaboration and specialization have become significant trends in many organizations. Whether it be an enterprise with global reach or a small company looking to push out administrivia to service providers to focus on core competencies, the reality of the modern enterprise is that we increasingly distribute business processes. Examples abound, UPS does not want to simply pick up and deliver your packages, they want to be your supply chain. Walmart expects its major suppliers to monitor store sales and deliver product as necessary...right to the store, forget the distribution center. Human resource activities, payroll and accounting functions are examples of business processes increasingly pushed outside. But every one of these activities still require "approval" of the transactions made on behalf of the enterprise. There should be no surprise that if the process being pushed out is a new one for us, we tend to want to stay very close to that process which means direct involvement with the approval process. As time goes on, there is a tendency to relax or delegate some of that control to some one else...as long as we know who to hang when it goes bad. But after all is said and done, we still need an indication of approval and often several of them.

In many respects it appears to be almost comical. You spend time and effort working out the details of the process, the checks and balances and who does what and implement a process management system to control it all and then it comes to a grinding halt waiting on...paper and (that all important indication that all is well and blessed)...the signature.

Business process automation can do a lot, but often elements of the process need approval. These approvals are often highly significant and must withstand legal scrutiny so they require a paper trail bearing one or more signatures to add the secret sauce of non-repudiation, integrity, security and identity to the transaction. An array of approaches have been used to get around the need of signatures but they are often complex, convoluted substitutes. What is really needed is in fact a signature, just one that does not need a piece of paper to transport it.

Electronic signatures have been around for years and since passage of the Electronic Signatures in Global and National Commerce Act (aka E-SIGN) in 2000 most of the legal issues surrounding their use have been addressed. Electronic signatures can come in a variety of forms from the basic bit map you are familiar with when checking out at your local grocery store to sophisticated digital signatures that employ asymmetrical cryptography. Which one is appropriate to a given need is largely a function of context. If it is a simple approval that will never have to stand up in court but rather be used within the enterprise, then simply typing your name to the transaction

may be enough. Formal signatures must irrevocably bind the signer to the transaction and lock the transaction so that the signer knows the transaction has not been altered.

One state governments Department of Motor Vehicles has virtually eliminated issuance of paper titles. In cooperation with auto manufacturers, car dealerships and financial institutions they have replaced all the paperwork in the title issuance process with Web based transactions and employ digital signatures to eliminate the usual paper documents that had to be signed. What used to take days to process now is accomplished in minutes.

Remember, your business process will only go as fast as the slowest point in the process. Is that point waiting on pen and ink?