



A top-20 federal contract services provider uses Silanis E-Signatures to eliminate paper from its sub-contracting processes.

CUSTOMER SUCCESS STORY

Silanis' E-Signature Solution Automates E-Contracting for a Top 20 Government Contractor

Industry: Government & Defense Contracting

Process: Electronic Contracting

Company: A Top 20 Government Contractor

Business Challenge: Introduce electronic contract management system with electronic signatures and e-storage capabilities to accelerate and automate the contracting process and better manage the workload associated with supporting a large number of subcontractors.

Solution: Silanis Approvelt® Web Server e-Signature Solution

Targeted Improvements:

- ▶ Increase subcontract administrator productivity by eliminating the need to chase down outstanding paperwork
- ▶ Expedite contracting process by making it possible for partners to complete paperwork wherever and whenever
- ▶ Gain increased visibility into contracting process and records
- ▶ Reduce misplaced files
- ▶ Make contracts quickly and easily accessible

Results:

- ▶ 75% adoption to date of e-contracting solution
- ▶ Faster contracting cycle
- ▶ A secure and reliable e-contracting process for all parties
- ▶ Subcontract administrators are freed of administrative tasks and can devote more time to high value contract development and negotiation
- ▶ Lost and misplaced documents will be minimized
- ▶ Auditor travel costs will be minimized



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Integrating the full range of consulting capabilities, a Top 20 Government Contractor helps government clients solve their toughest problems with services in strategy, operations, organization and change, and information technology.

The Subcontracting and Proposal Administration Division is a centralized group within the organization responsible for managing relationships with a large group of subcontractors, and the negotiation, creation and processing in excess of 10,000 transactions annually.

THE CHALLENGE – AUTOMATE AND SECURE THE CONTRACTING PROCESS

The company’s contracting effort was a typical paper-based process, inefficient due to physical document distribution, multiple scans, and misplaced files, leading to delays in subcontract completion. Each one of the subcontractors is supported by a paper “folder” containing all documents pertaining to the relationship.

There are four critical documents in the company’s E-contracting effort. The non-disclosure agreement is considered the most urgent document for the firm and must be signed prior to an initial meeting with a new sub-contractor. Delays in signing of this contract can add weeks to a project schedule. The teaming agreement engages a subcontractor to work on a specific project. Delays in signing of team agreements can result in lost momentum with a company or at worst, loss of the potential teammate. The subcontracting agreement sets out all negotiated terms and conditions. Delays in signing of this agreement means that the company cannot be invoiced for the work and the subcontractor

cannot begin. Finally, the task order authorizes the subcontractor to begin work. A delay in signing of the subcontract prevents the company from going on site, causing further delays and schedule overruns for the project.

Once signed, the subcontracts, as well as associated amendments and terms and conditions, are filed and utilized during management of the project. After the project is complete, the files are boxed, and maintained at an off-site storage facility.

The paper and physical storage approach to contract management served up a number of challenges for the firm:

- ▶ The slow signature process caused bottlenecks in the company’s business because work couldn’t start until one of the vital contract agreements (non-disclosures, teaming agreements, sub-contracting agreements and task orders) were signed. Delays in signing of these agreements would add weeks to schedules, or cause a loss of momentum in teaming relationships, putting joint projects at risk.
- ▶ Depending on the length of the subcontracting relationship, the “folder” for a contractor could contain eight to 10 years worth of information, demanding significant real estate and costs for physical storage.
- ▶ File retrieval could be slow and complicated. When a record was needed, a request had to be placed with the offsite storage provider

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and there was a two to three week turnaround before the requested document was received.

- ▶ Subcontract administrators wasted time faxing, scanning and couriering paperwork or chasing down signatures on contracts – time that could have been better spent negotiating terms or drafting contracts.

THE SOLUTION – IMPLEMENT E-CONTRACTING AND E-STORAGE TO MANAGE THE CONTRACT LIFECYCLE

Recognizing that there was room for improvement in their contracting process, the company began to seek out solutions to help it gain control over contract execution, storage and management. The company sought an electronic contract signature management system that would reduce costs, accelerate contract signing, and button-down processes for legality and compliance purposes.

The e-contracting project was expected to unfold in two phases. Phase one (1) would move all suppliers over to the e-contracting system for creation of new subcontracts or teaming agreements. Phase two (2) would provide for the creation of a centralized, electronic file folder for each supplier and electronic storage of the entire folder.

The initial six months of the project were spent gaining internal agreement on the electronic contracting strategy. The project team needed to overcome issues of cultural change around adoption of e-contracting. The company is one of the first government and defense contractors to implement e-contracting and senior management and contracting office employees needed to be

convinced and won over to use the new system by seeing the direct and positive productivity benefits possible. Legal counsel also needed to be convinced of the legality of using digital signatures, reviewing case law on the subject and speaking with reference accounts from the Federal government who were up and running with electronic signatures.

From there, the project entered a three to four month requirements phase, where the ideal solution was defined in technical detail. The solution requirements specified that the ideal technology would:

- ▶ Not entail a cost burden for subcontractors
- ▶ Be easy to use and offer a web-based interface, with no client-side installation, to ensure the broadest possible adoption by users
- ▶ Offer lightning speed access to the system
- ▶ Comply with E-SIGN
- ▶ Comply with policies and guidelines surrounding contracting with the government as set out by Defense Contract Management Agency (DCMA) and the Defense Contract Audit Agency (DCAA)
- ▶ Offer enterprise scalability capable of supporting in excess of 10,000 transactions annually

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- ▶ Provide enterprise capabilities for expanded use across other business units and departments
- ▶ Require minimal investment in additional hardware and software
- ▶ Leverage existing infrastructure including Microsoft I-Share (Sharepoint)

It was also a crucial requirement that the vendor provide existing references around electronic contracting, preferably from within the US Federal Government.

The requirements developed, the company then conducted a two month vendor assessment and selection phase. The project team examined five to six vendors in detail.

After an extensive evaluation of the various vendors and their technologies, the leading Government Contractor selected Silanis because Silanis' Approvelt® Web Server met all of the company's stated requirements. Approvelt Web Server does not require any download, such as a software plug-in or end-user digital certificate, to the local system. The solution manages all the transaction variables including number of signers, signatures and documents, as well as approval workflow and placement of signatures.

The company's compliance and legal concerns were put to rest by the Approvelt Web Server's Process Signature®. This approach makes

it possible to reproduce the complete online transaction (key strokes, button clicks, browser page views, etc.) and demonstrate a secure link between that process and the signed record.

Silanis also provided a strong list of Federal Government references, including the GSA and the US Army which helped build confidence within the Legal group around reliability of the solution.

THE IMPLEMENTATION – SIMPLE AND STREAMLINED

Once the vendor selection was made, the project moved into the implementation phase, an effort led by a core team of IT personnel, with support from other subject matter experts from the business unit and the company's external auditor, who advised on the project.

A very straightforward workflow was designed that mirrored the paper-based process and minimized the learning curve on the system. In the interest of leveraging the company's existing infrastructure, the new e-contracting solution did not require investment in additional data capture or document preparation systems. Subcontract administrators continue to develop subcontracts in Microsoft Word just as they did before the implementation. And when an administrator is ready to initiate an e-sign process, they log into the e-signature portal and simply upload the contracts and enter the pertinent details related to the individuals who need to review and sign the documents. An e-mail notification is then automatically sent to the participants, inviting

Benefits of E-Contracting for Government and Defense Contractors

- Streamlined and shortened e-contracting process
- More effortless management for contract administrators, partners and tens of thousands of transactions
- Greater efficiency without increasing headcount
- No more lost or misplaced contracts



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them to click on a link to log in to the portal and execute the agreements.

User authentication to the system is required for all subcontractors in order to use electronic contracting, and securely e-sign subcontracts. Once authentication is established, the business partner logs into the portal and completes the e-sign process. Signed subcontracts can be downloaded by the subcontractor and stored in the content/document management system of their choice. The contractor in turn, will maintain contracts in its existing Microsoft I-Share (Sharepoint) system.

A final key component of the implementation was the development of a Web portal by Silanis to extend the e-contracting process to outside partners.

THE RESULTS

Since the project go-live in February 2008, more than 2,000 transactions to date have been processed and over 600 subcontractors are using the system. Subcontract administrators have recaptured time spent on administrative tasks and are now able to devote more attention to high value activities such as subcontract development, and negotiation of terms and conditions. Misplaced documents are minimized, and exposure to risk due to misplaced or lost contracts and documentation is greatly minimized.

The new electronic contracting system has given the leading Government Contractor greater control over and visibility into their processes. With the ability to capture data and analyze metrics, it is

easier to identify quality control issues and opportunities for productivity improvement.

And most importantly, the company now has a more secure, auditable and reliable contracting process to support the Subcontracting and Proposal Administration Division and its partners.

If you are investigating electronic signature technologies as a way to enable e-contracting in your organization, visit our Web site at www.silanis.com, view an online demo or call us at 1-888-Silanis (745-2647) to learn how our ApproveIt® Enterprise Platform can support your full spectrum of e-signature, e-transaction and e-vaulting needs.

Benefits of E-Contracting for Government and Defense Contractors Cont'd

- Minimized risk of penalties due to missing documentation
- Legally binding electronic signature on contracts available to contractor, subcontractors and suppliers
- Improved internal controls and compliance