

“...Consumers are already comfortable with signatures. It is the most natural way to sign for goods and services whether it’s a credit card receipt, drivers license or even a mortgage...”

eSignature Retail Opportunities

CIC’s Signature Technology addresses a variety of laborious and cost intensive functions within all types of Retail stores across the retail industry. CIC’s target market within retail is broken out into two main areas of focus; employee use and consumer use.

Employee use benefits the retailer through:

- Fraud protection
- Reduction in credit card theft
- Reduces cash theft
- Reduces charge backs
- Cost reduction through the elimination of paper based processes
- Copying, filing and shipping of forms to and from Corporate
- Processing new hire paperwork in hours not days
- Immediate changes, additions & deletions to exiting employee records
- 100% legibility and completeness of all documents
- 100% assurance to management that a signature is that of the employee
- Accelerated checkout process
- Increased private label credit card use
- Eliminating IT management’s time associated with password management
- Eliminating misuse of employee passwords
- Increased productivity for front end scheduling
- Extensive audit trail of all employees that have signed into a register or other electronic systems
- Eliminate product theft in shipping and receiving

Consumer use benefits the retailer through:

- Fraud protection
- Reduction in credit card theft use
- Accelerated checkout process
- Increased private label credit card use
- Cards not required at POS

The following outline provides detailed examples on how CIC’s signature technology solutions can address specific problems along with the ROI in each instance. In most cases the retailer will see an immediate ROI by implementing only one of the outlined examples. However once the solution is being utilized in one area of a retail operation, expanding its usage is relatively easy to complete, manageable and will increase the overall contribution to the bottom line.

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Private Label Credit Cards / Check Cashing Cards / Loyalty Programs / Membership Cards

Problem: Each of the above cards must be in the possession of the individual at the time of purchase. If the consumer does not have the private label credit card with them another is used and the private label loses the sale to a competitive card. In the case of a missing loyalty card a phone number is used to access the consumers account and then requires a visual verification against an ID to confirm the consumer giving this information is truly who they say there are. Some stores have recently tried fingerprint biometrics which combined with a ten digit code can access their own check cashing account. Most consumers tie fingerprints to privacy issues and feel that they are giving more information then needed, especially when they learn that a database with there fingerprints will be stored for future matching at the registers. Most individuals do not want to give away their fingerprints. All of the aforementioned leads to longer lines at the

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registers as consumers fumble for a card and or punch in ten digit codes. A sometimes larger problem for retailers using these types of cards, are charge backs from stolen or forged cards. Retailers post huge losses relating to credit card theft every year.

Solution: Consumers are already comfortable with signatures. It is the most natural way to sign for goods and services whether it's a credit card receipt, drivers license or even a mortgage. It is done day in day out and all consumers are comfortable with their own signature. Why not use it at the point of sale to also look up or reference specific consumer accounts? Once a consumer signs up for a private label credit card in person at a store or by mail, the card is handed or mailed to the consumer's home. Upon using the card the first time at a register the cashier will verify the card and card holder are one in the same. Once a visual verification is done, the consumer is asked to sign their name three times to build the individual biometric template and then a fourth time to sign for the goods they are purchasing. The next time the consumer uses the card the system will identify that a stored template is on file and will prompt the consumer for only one signature. Behind the scenes in less than a second, CIC's verification technology will ensure a user match and charge the credit card account eliminating the need for the presence of the card at all. This type of solution can be used by any retailer that has a private label credit card, membership card, check cashing cards, check acceptance programs and or loyalty programs.

ROI: Eliminates credit card fraud associated with stolen or lost cards. Speeds up register lines as consumers will no longer need to look for a card or be prompted by the cashier to enter in a phone number or other

information to access their individual membership or charge card account. Signature verification adds the necessary level of protection for the retailer against charge backs, theft and fraud. The verification of ones signature against the stored template gives the retailer 100% assurance that you are who you say you are when signing for goods, services or accessing an individual account.

RISKS: In the event that a verification of the customers identity does not happen successfully, store policy can be applied to ask for identification, the customers card, or any other verification criteria appropriate for the transaction. No different then what is done today for every consumer.

Cashier Log On & Log Off of Cash Registers

Problem: Retailers use simplified numeric codes that are assigned to each employee for them to log on to a stores cash register and ring up consumers on an as needed basis. The primary purpose behind doing this is so that cash management can identify any employee who may have used the various cash registers at any given time. The identity gives them basic knowledge of who used the cash register in case there is a problem or shortage at the end of the day or shift. If however someone visually sees another employee enter in their code or gives it out to someone, the recipient can easily log on to a register under another code and either remove cash, short change the drawer or even issue a credit to a friend's credit card.

Solution: CIC's Signature Verification cannot be copied or stolen. Each employee would have a signature template stored on the regional network that can provide real-time signature verification at each register. The cashier would simply hit the log on key on the register and sign their name as prompted. In a matter of

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seconds CIC's verification technology will ensure a match and log the cashier on to the register. There are no passwords to manage, update or change as new employees come on, transfer to other locations or leave the company completely. The template can be managed by simply deactivating, deleting or in the case of a transfer to another store move it to another network.

ROI: Time in managing passwords on a monthly basis goes away completely. If the store uses CIC's signature technology in its HR functions (discussed later in this outline), then the template would have already been created and on file. This solution also eliminates the misuse of employee logons, reduces cash theft and fraud. CIC's signature verification can also provide cash management with an audit trail of all individuals who have signed on to a register at any given time. This information can be compiled and used to help front end managers schedule cashiers to meet the needs of the consumers.

Service Forms /Statement of Work/ Quotes

Problem: Paper contracts that are used to quote work for vehicle repair, parts or services, can be lengthy, expensive and hard to manage. Service orders can be lost, stolen, illegible and even allows for someone to adjust it after the approval has already been given. These signature intensive contracts and documents are found in stores and shops like tire stores, muffler repair, service stations and auto parts. All of them require signatures prior to work being performed then again when the work is completed and lastly at the register when paying by a credit card.

Solution: CIC's signature technology would allow for these businesses to electronically

capture the consumer's signature on an electronic version of the contract. CIC's signature solutions conform to the Esign bill that was passed in 2000, thereby allowing for legally binding electronic signatures on electronic contracts.

ROI: Eliminates all paper associated with the service, quote, repair and purchase process. No need for the printing of the forms, handwriting, signing, filing, copying and shipping costs associated with sending a copy to corporate. If the contract is changed a red "X" will appear over the signature and the consumer will need to resign the document. This process ensures that the consumer and retailer have an agreed upon contract and no changes can be made without approval.

Back Office HR Applications

Problem: All Human Resource and government forms must be kept up to date, printed and shipped to each store location, to be used when hiring new employees. The stores are required to file all of this paperwork on site and use it for each new hire or for current employees who need to change benefit selections like 401K, medical, dental coverage or even an address change. Currently the forms are filled out by hand, signed pen on paper, a copy is made and sent to corporate and then a set is filed in the stores personnel office. Lost documents, legibility of the documents can often be a hindrance to all levels of HR and payroll functions. The time lag of sending documents back and forth can be so time consuming that new hires start dates can be delayed for days if not weeks. Retail management cannot afford these delays as they usually only hire when there is a space to fill. If the space remains open then customer service suffers, longer lines form and store morale sinks.

Solution: Each location would have electronic

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versions of the forms on a network which will allow for each employee to fill out and sign electronically using CIC's signature technology. All of the information including the employee's signature is bound to the document and provides for an immediate delivery to a corporate repository for processing. Using CIC's hashing and binding of the document allows Corporate to verify that the document, once received, has not been tampered with or altered in anyway since its signing. If the document was changed or tampered with, Corporate has an audit trail included with the document to determine what and when items were changed. The signature will also display a Red "X" through it indicating that a change was made after signing and invalidate the document. The document would then be sent back to the store to review for accuracy and resigning of the changes that were made.

Biometrics of the signature are also captured and bound to the document providing a means of non-repudiation. By sending these documents electronically new hires could start within hours or days of completion. All forms would be 100% legible with no guess work or delays in determining what a certain line item may represent.

ROI: Time associated with printing and shipping of blank forms to be filed by store personnel in each location as well as returned copies at Corporate, assurance of legibility and completeness of each form, no lost documents, and no copying or shipping costs for sending documents back to Corporate. Immediate processing of new hires and changes to current employee information or election of benefit changes. Assurance that all documents are 100% filled out and 100% accurate as signed by the individual employee and or manager.

Cash Office Applications

Problem: Cash office departments use a variety of signature intensive documents. Signing for cash in and out of registers, coin orders, safe opening logs, sign off of starting and ending balances by cashier and cash management as well as banking deposit slips and armored car pick up and deliveries. Initials and or signatures can be forged along with the transposition of numbers, all of which provide opportunities for theft and fraud. In a more general form, the nature of the problem is that all paper transactions allow for numbers to be tampered with and manipulated after a paper document has been signed and verified.

Solution: All forms can be signed off electronically eliminating the paper intensive documents which need to be printed, filled out, copied, shipped and stored. All numeric entries will be legible and will eliminate handwritten errors or transposed numbers. Verification and an audit trail of all employees' signatures throughout the cash management process. If an employee changes a number on a document after it has been signed and approved by a manager, a red "X" will appear over the signature requiring the employee to get the document resigned. The employee will then need to explain why the change was being attempted in the first place. If they were fixing an error then management can verify and resign. If not then the employee needs to explain their actions.

ROI: Eliminate errors associated with non-legible reports and or transposed numbers. Management's assurance that all involved in the cash management operation is in fact those who signed for cash, in and or out of the cash office or individual registers. Eliminates costs associated with the printing, copying and shipping of all signed documents. Eliminate

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theft and or fraud by having 100% assurance on who handled what cash in the cash office and when. Provide a deterrent for possible fraud and audit trails for errors made.

Purchase Orders / Check In of Merchandise Received or Shipped

Problem: Receiving departments require purchase orders and transfers to be matched up with the actual goods being received or pulled for shipment. All items require a line item check off as well as sign off from the employee who checked the merchandise in and in some retailers, specifically with high dollar products, they additionally require a manager sign off on the receiving documentation as a confirmation it was received correctly. The problem with paper documents are that they can be changed or altered after the signatures have been placed and the merchandise can then be hidden and removed from the property as theft. Someone with shipping authority can also handwrite a bill of lading to send stolen goods out of a store to a familiar address to be retrieved at a later date.

Solution: CIC's signature verification would allow for the electronic verification of those individuals who have checked in goods along with the quantity of each line item. Management's signature can also be verified and bound to the document to ensure they truly did the required double checking of the quantities of the goods received. Utilizing the same verification process on the shipping of goods out of the warehouse, management has the assurance that every carton that is sent was supposed to be. Management would also have an audit trail of those who packed the goods for shipment as well as the manager who verified it.

ROI: Eliminates paperwork to be copied, filed, and shipped to Corporate. Eliminates theft and or fraud associated with the short receiving of goods and or the shipping of goods to friends address to be retrieved at a later date.

Any method.

Any popular format.

The key to paperless business processes.

Communication Intelligence Corporation (“CIC”) is a leading supplier of electronic signature solutions for business process automation in the Financial Industry and the recognized leader in biometric signature verification. CIC's products enable companies to achieve truly paperless work flow in their eBusiness processes by enabling them with “The Power to Sign Online®” with multiple signature technologies across virtually all applications. Industry leaders such as AIG, Charles Schwab, Prudential, Nationwide (UK) and Wells Fargo chose CIC's products to meet their needs. CIC is headquartered in Redwood Shores, California and its products are sold and supported globally. For more information, please visit our website www.cic.com.

