Enterprise Blockchain Adoption

Open FinTech Forum

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The HFS mission is to provide visionary insight into the major innovations impacting business operations: Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

HFS defines and visualizes the future of business operations across key industries with its OneOffice™ Framework.

HFS influences the strategies of enterprise customers, to help them develop OneOffice backbones to be competitive and to partner with capable services providers, technology suppliers, and third-party advisors. The "As-a-Service Economy" and "OneOffice" are revolutionizing the industry.

OUR CLIENTS & SUBSCRIBERS

THEY'RE INFLUENTIAL

74%

C-level, VP, director or managers from multiple industries

THEY'RE BUYERS

40%

are buyers or evaluators

THEY'RE EAGER TO PARTICIPATE

93%

want to discuss global business initiatives

THEY'RE WILLING

79%

want to participate in HFS surveys

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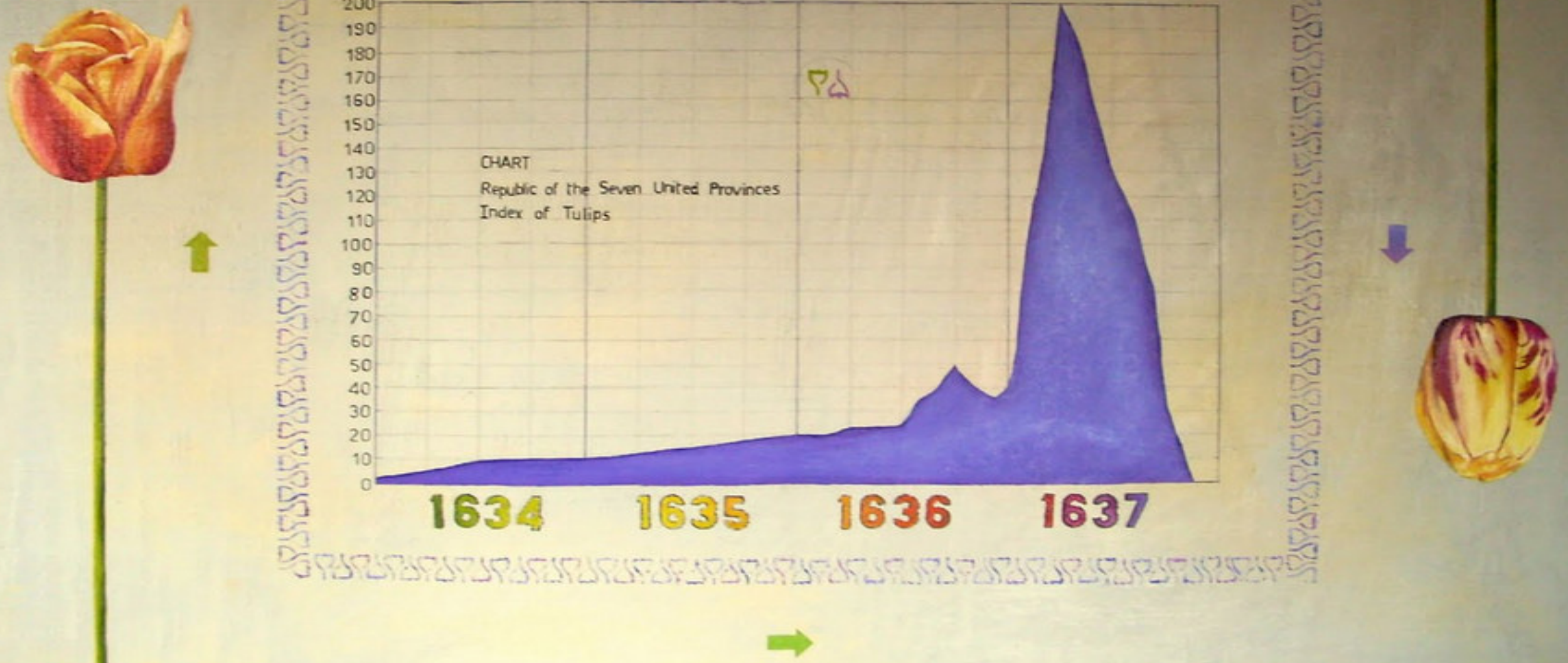
Is blockchain a modern day tulip mania?



Blockchain “six-pack”

Distributed shared data over peer-to-peer (P2P) network reduces single points of failure

Consensus-driven trust cuts out the middle-man

Immutable transactions ensure trust

Hashing-based data ensures integrity and security

Automated **smart contracts** promote touchless interactions across process chains

Permissioned and permissionless flavors give enterprise users flexibility

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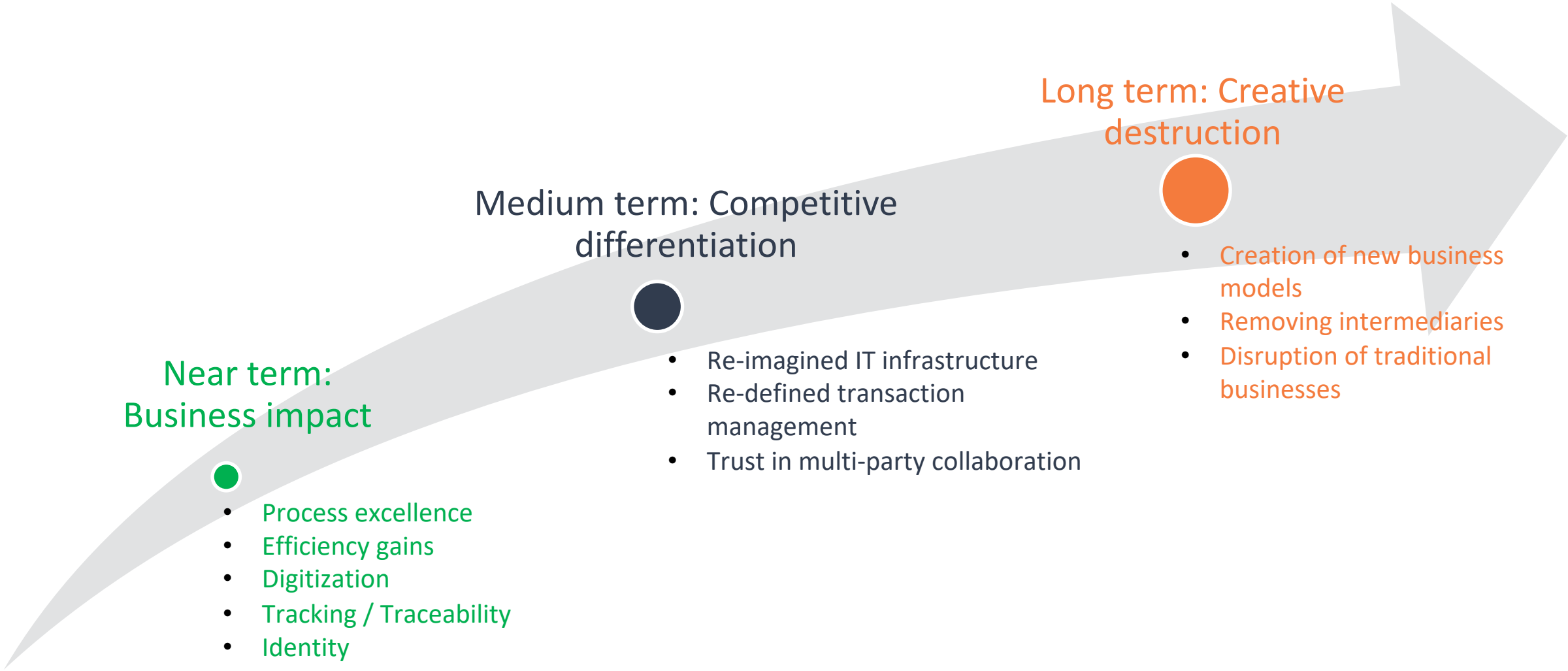
Blockchain promise land



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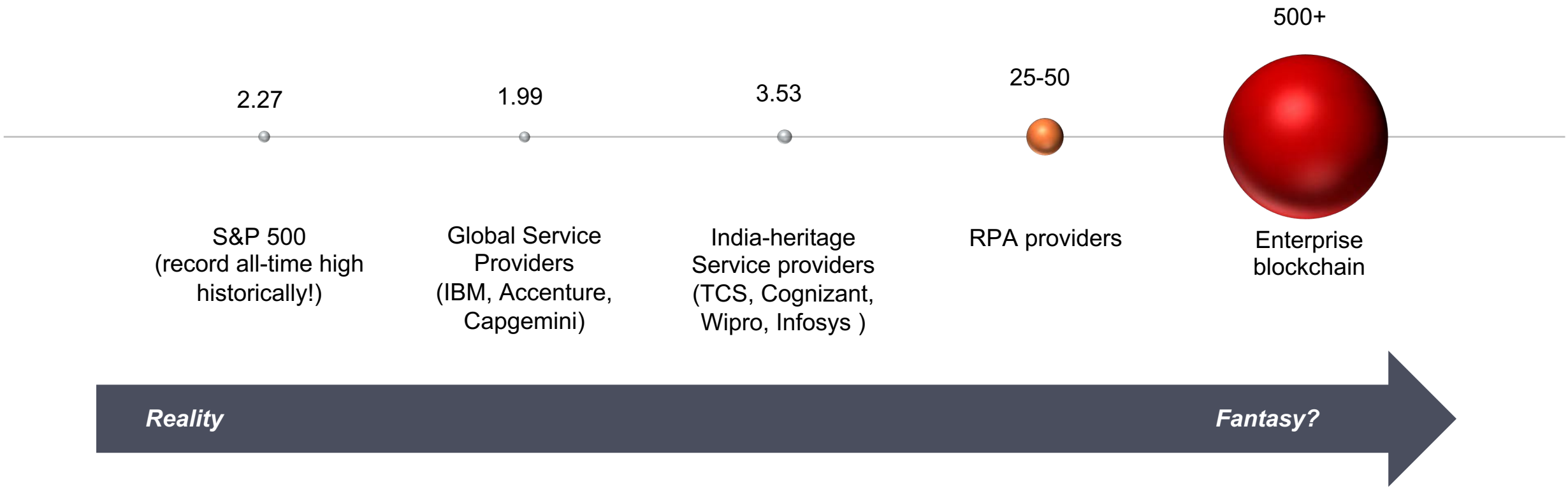
Blockchain fantasyland

Price to Sales (PSR) ratios as we enter 2018
(PSR = Market capitalization / revenues)



Sources of information

- *S&P 500 PSR: multipl.com*
- *Global and India Heritage Service Providers: Y Charts and financial reports*
- *RPA providers: HfS estimates*
- *Enterprise blockchain: Coinmarketcap.com and HfS estimates*

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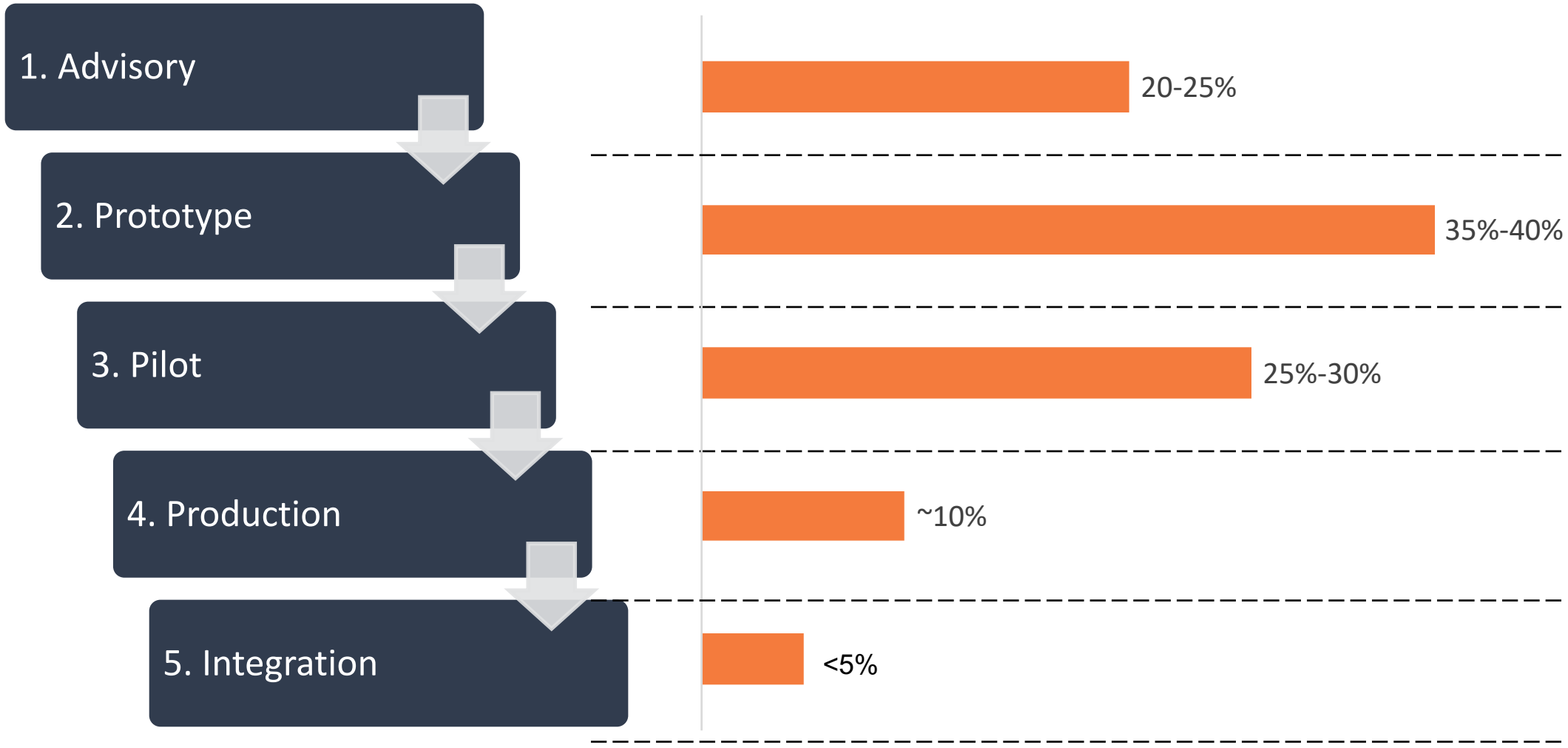
Blockchain reality



Sample: 315 blockchain engagements across 20 service providers

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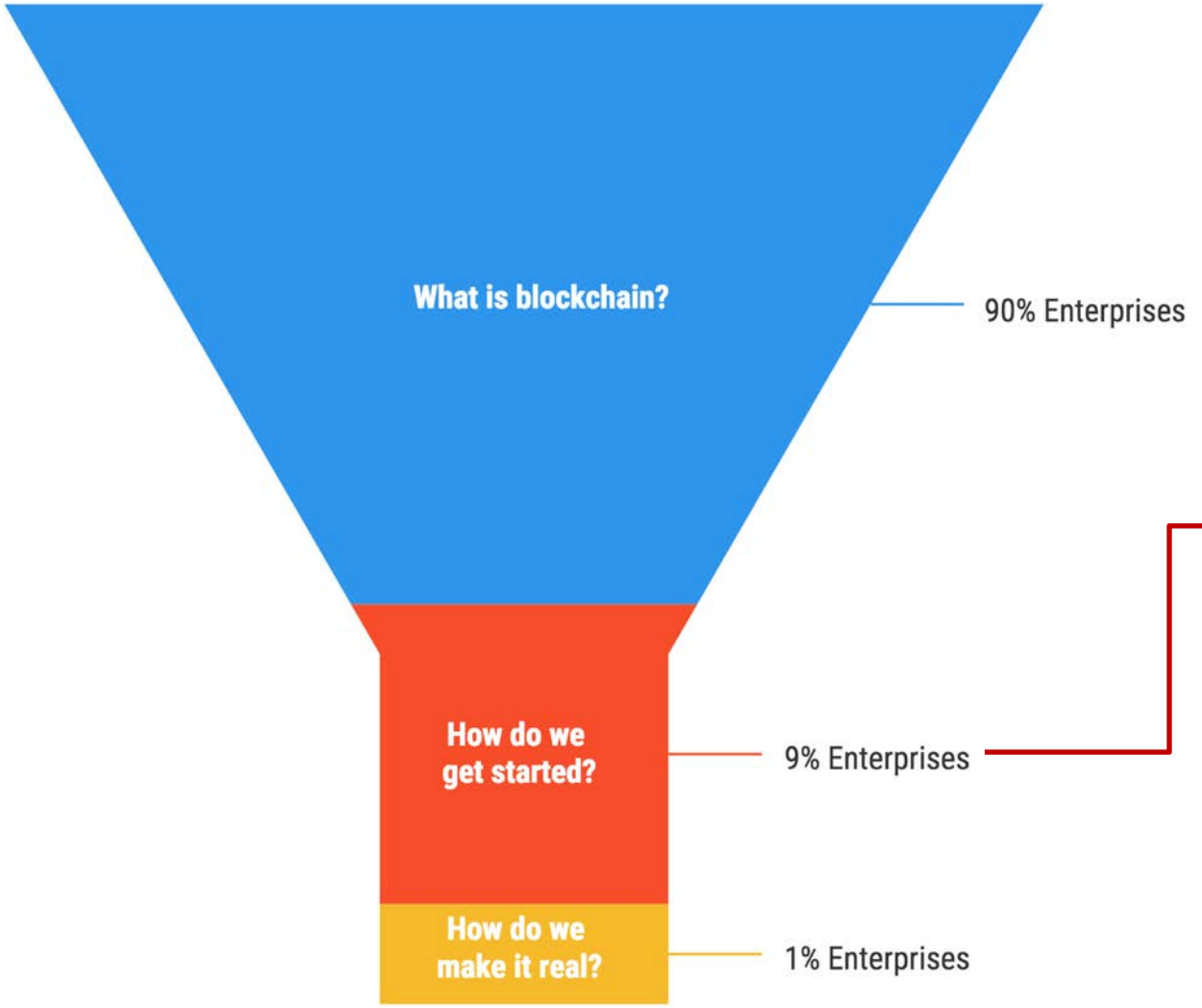
The “90-9-1” enterprise blockchain challenge



- *Overall nascency of blockchain solutions*
- *Lack of understanding in distributed ledger technologies and use cases*
- *Lack of maturity of blockchain platforms*
- *Lack of success stories in the market*
- *Internal stakeholder buy-in around business model changes and threat of disruption*

- *Consortia-related challenges (set-up, management, and governance)*
- *Difficulty in quantifying the benefits (ROI)*
- *Lack of clarity on technical architecture*
- *Permissioned versus permissionless decision*
- *Security and privacy concerns*

- *Uncertainty and lack of formal regulations*
- *Lack of talent availability*
- *Lack of market standards, inter-operability issues*
- *Integration issues with legacy*
- *Cultural change management (internal and external)*
- *Latency or throughput issues in production*
- *Service support for blockchain largely undefined*

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Introducing the BBB: Blockchain Bullshit Buster

Blockchain BS busters	Key question to ask?	Your response?			
		No	Not really	Probably	Yes
Principle 1: Replacing ledgers is pointless	Are there many organizational entities involved that requires distributed ledgers?	Stop! Blockchain is not for you.	Wait! Do you really need blockchain?	Caution! Get some professional help	Go! You've hit Blockchain gold
Principle 2: The realpolitik chestnut	Do you have a real unsolved business problem versus a vision for a utopian world?				
Principle 3: Change for the sake of change	Is there a real burning platform?				
Principle 4: Blindly quoting the network effect	Do all entities have a common goal that they will work together to have any chance of a network effect?				
Principle 5: Garbage in garbage out	Can you ensure that data written on blockchain is correct (though IoT integrations or other means)?				
Principle 6: Stone carvings	Do you need the data to persist forever for complete auditability without any censorship?				
Principle 7: Speed of light	Is transaction processing in seconds acceptable (versus processing thousands of transactions in a second)?				
Principle 8: The privacy conundrum	Are you sure that you will not need to store private information on blockchain?				
Principle 9: Law ambiguity	Are the rules of the game concise and clear to be implemented as smart contracts?				
Principle 10: The good old cost-benefit equation	Does the outcome deserve significant long-term investment?				

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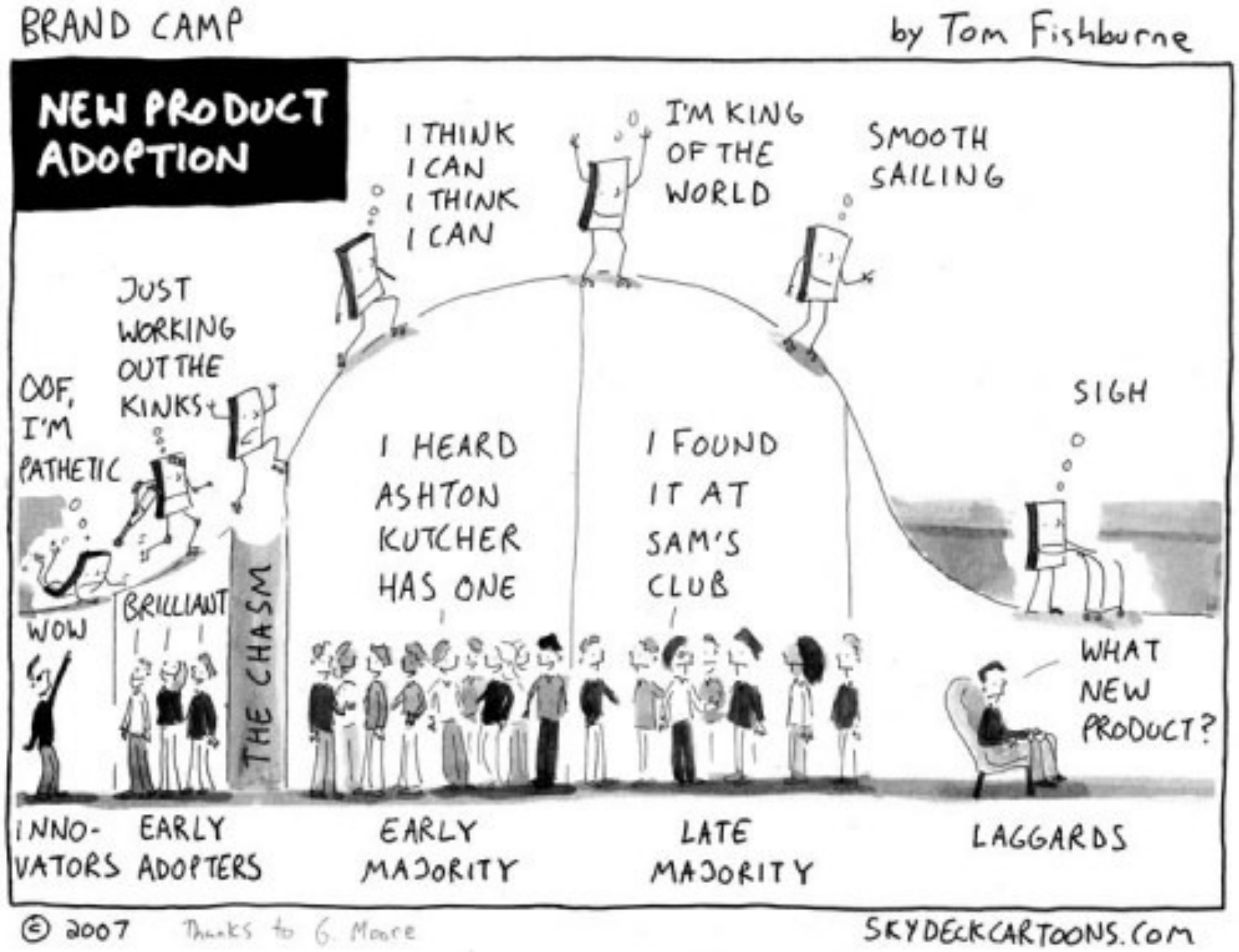

Who is adopting blockchain and for what?

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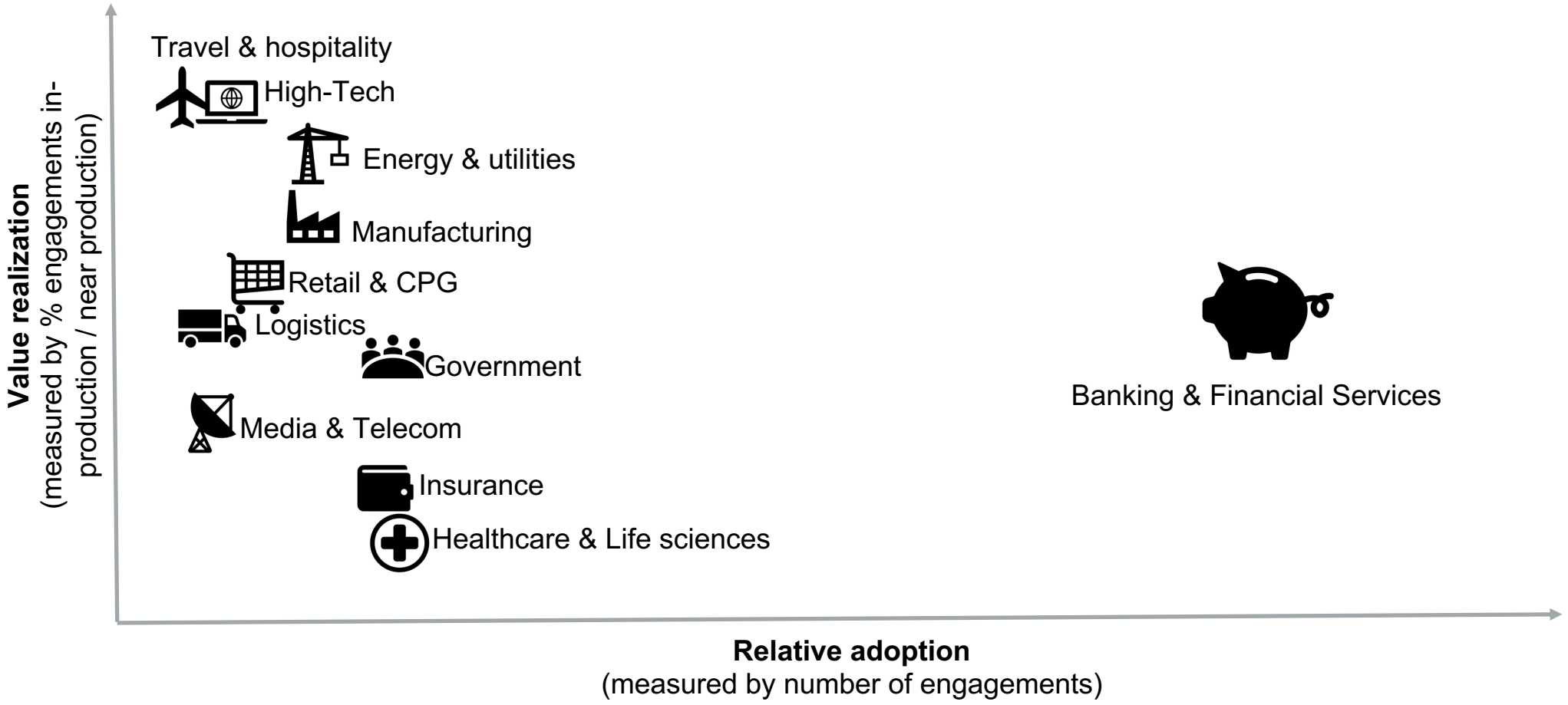
Banks were the first movers but not necessarily the shakers



Sample: 315 blockchain engagements across 20 service providers

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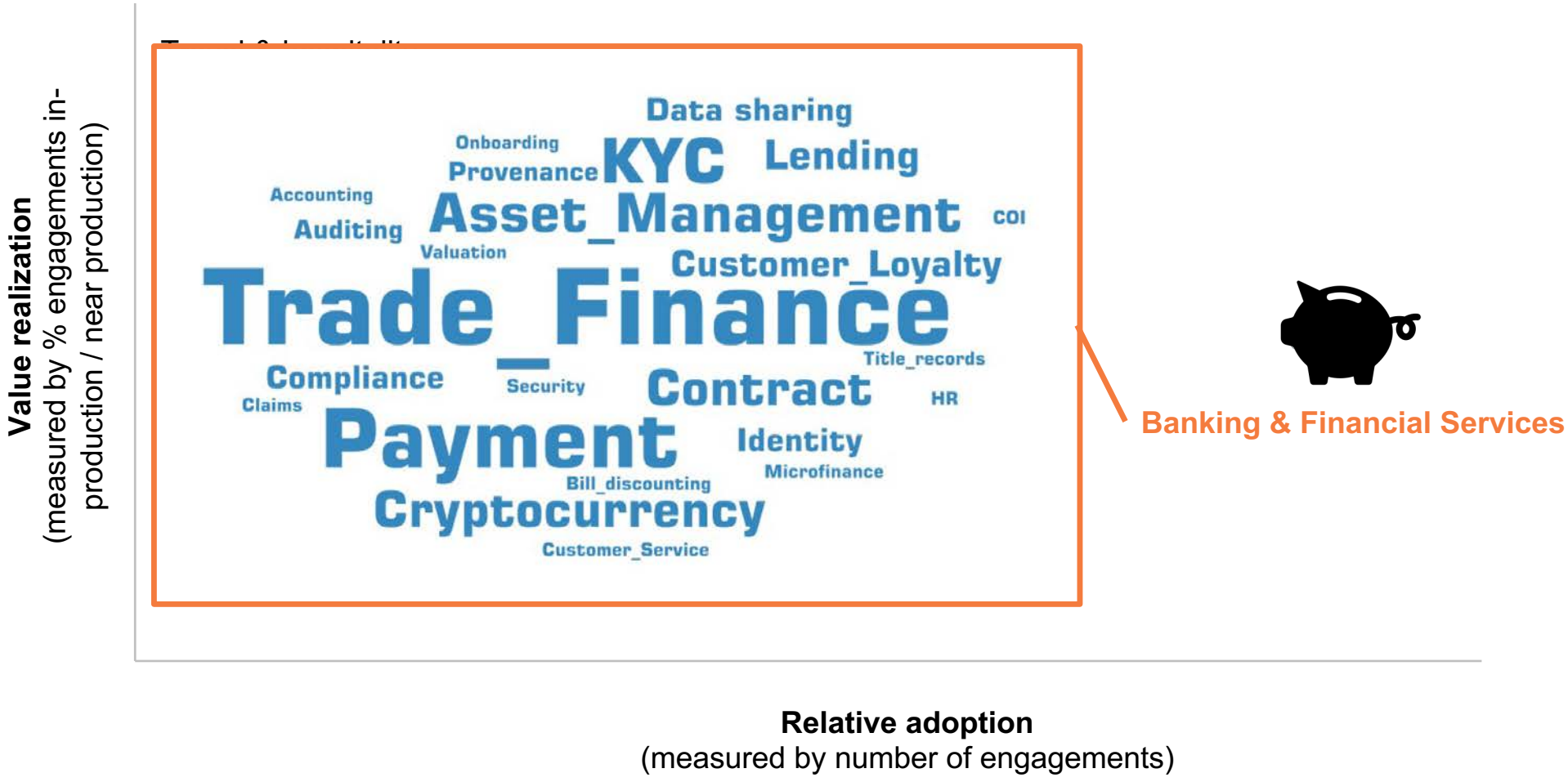
Banking and financial Services| Prominent blockchain use cases



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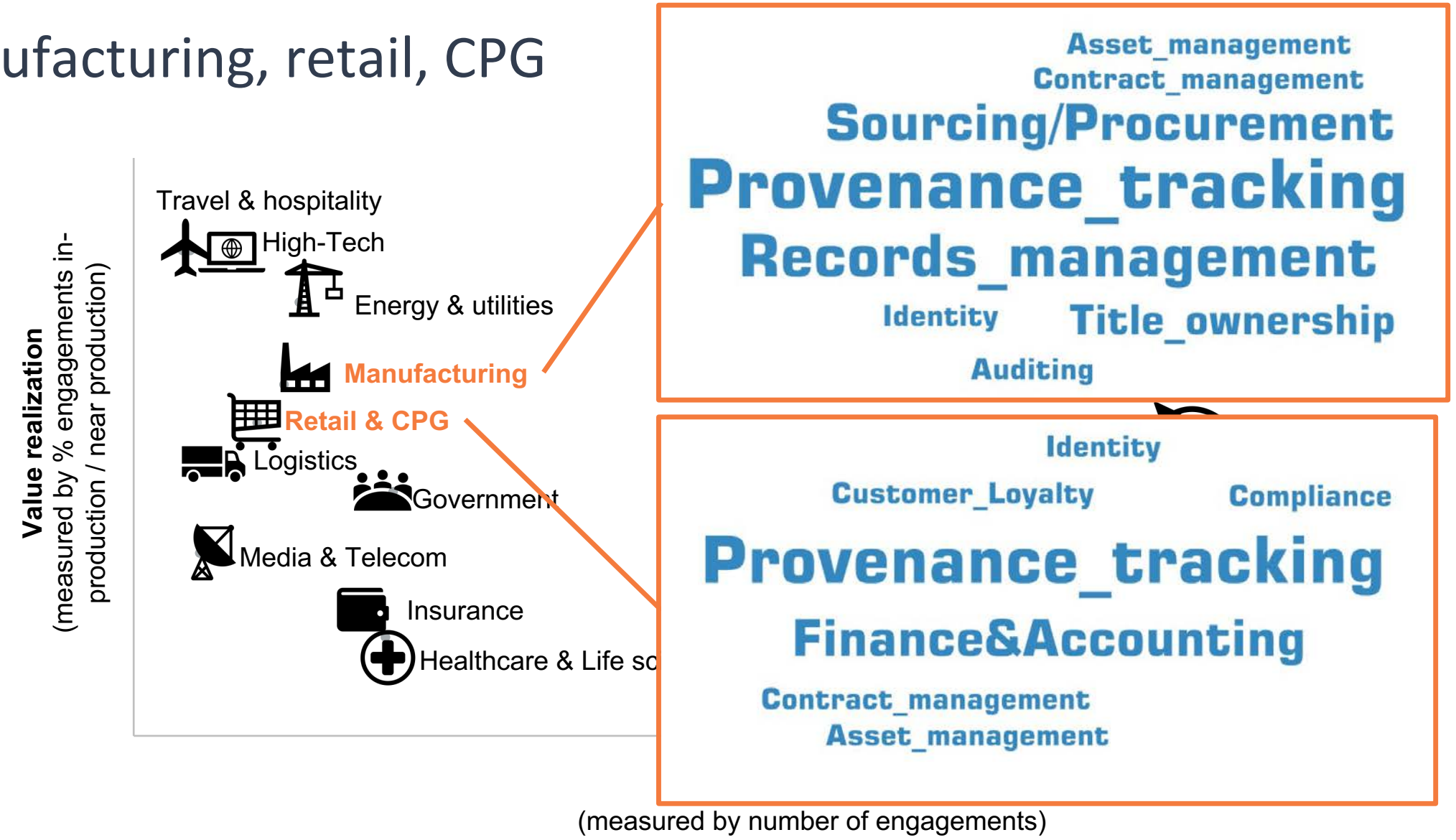
Manufacturing, retail, CPG



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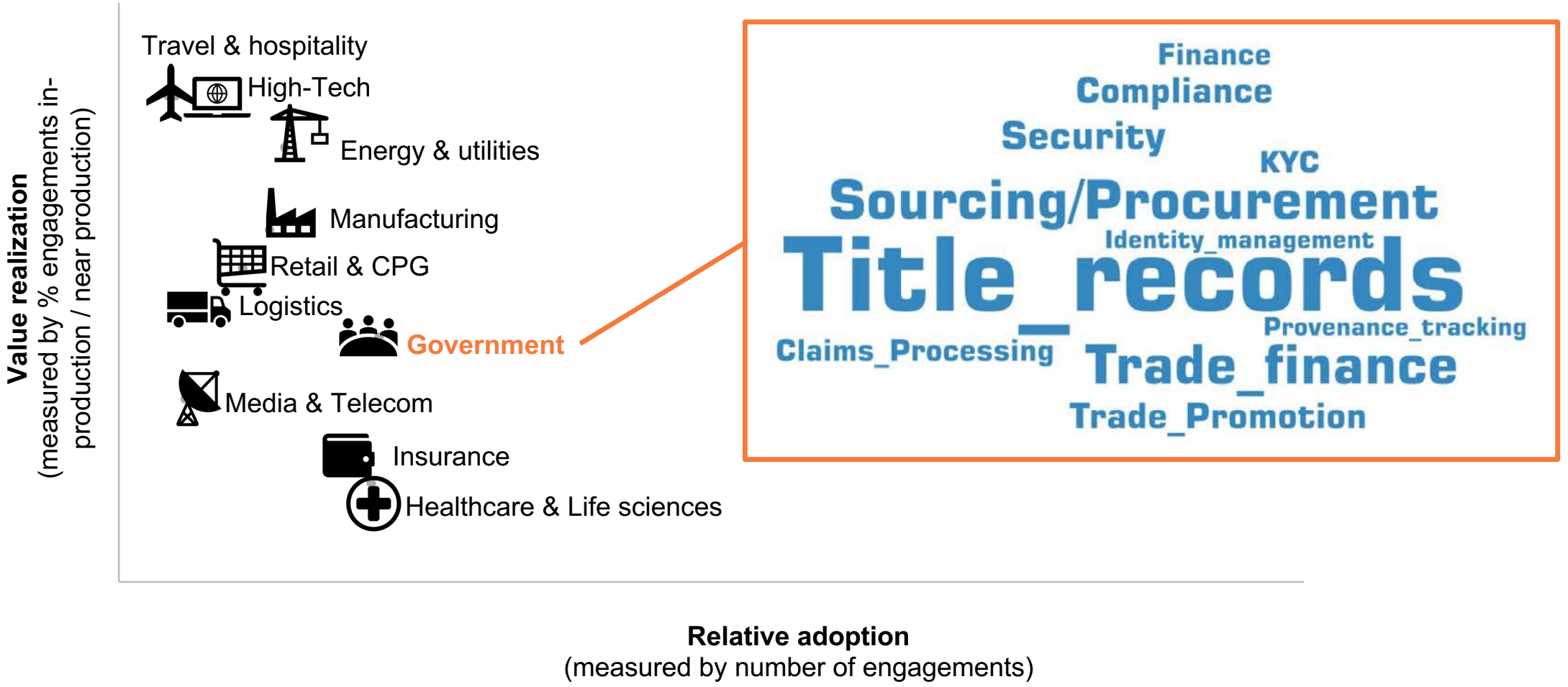
Government| Prominent blockchain use cases



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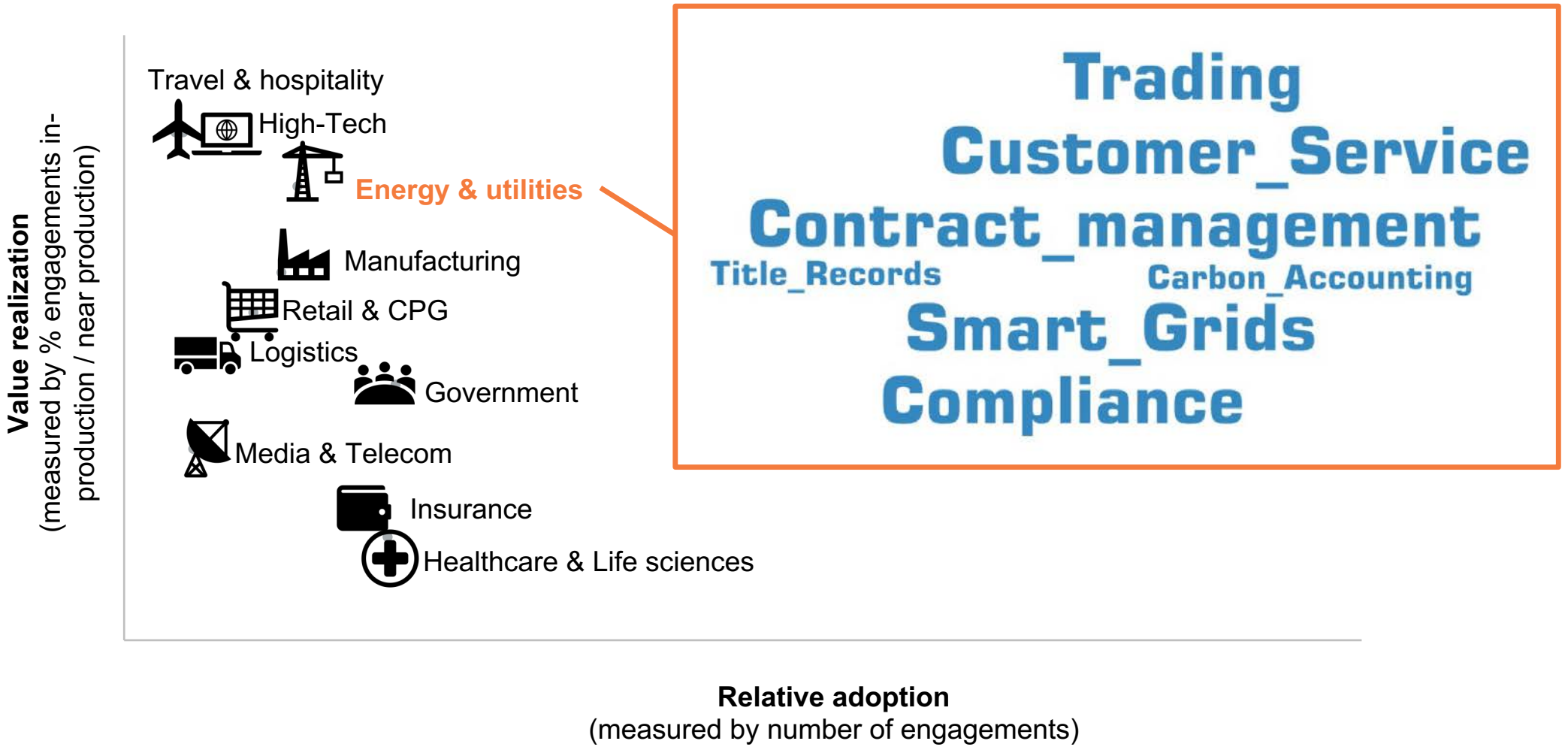
Energy & utilities| Prominent blockchain use cases



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800-pound gorilla

WAL★MART®

Microsoft

VS

Consortium

WE TRADE

The Institutes®
RiskBlock Alliance

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Permissionless

ethereum

Permissioned

HYPERLEDGER

ripple

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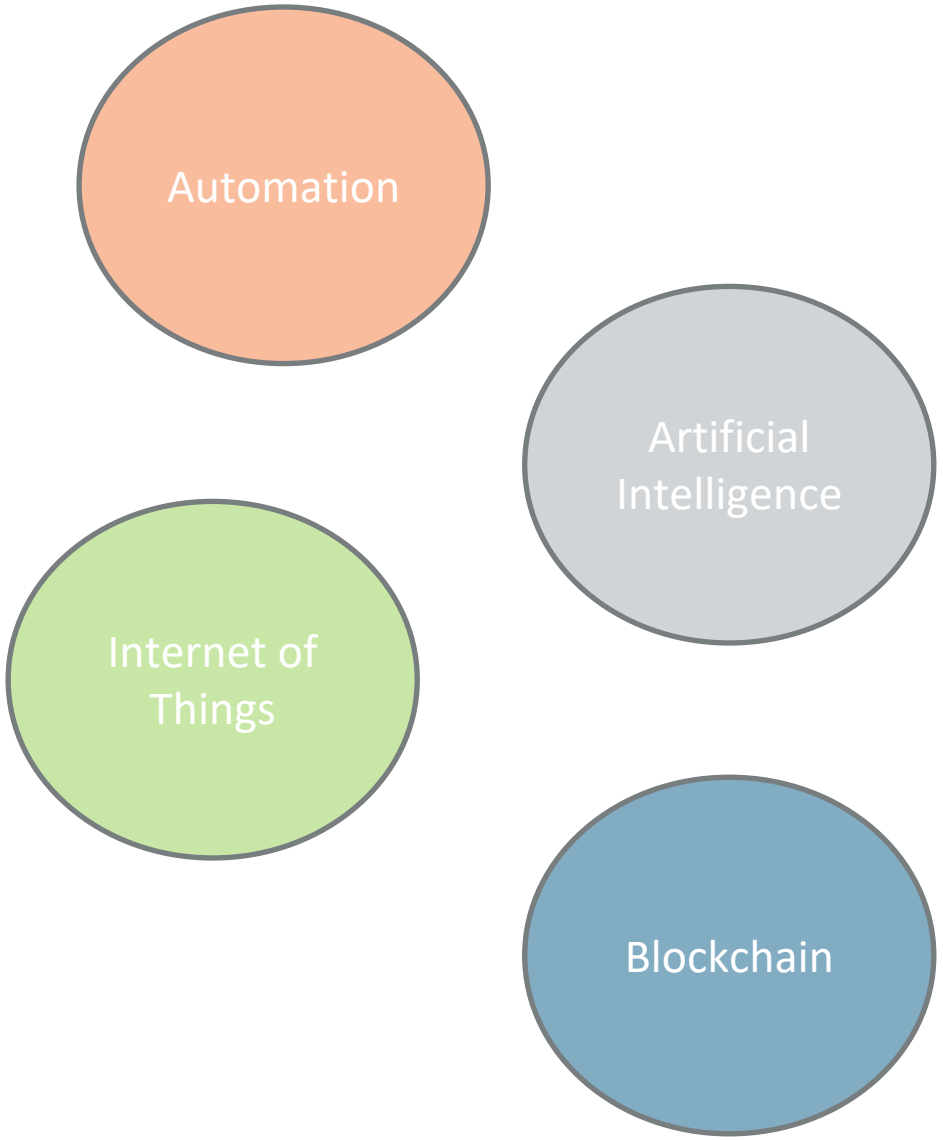
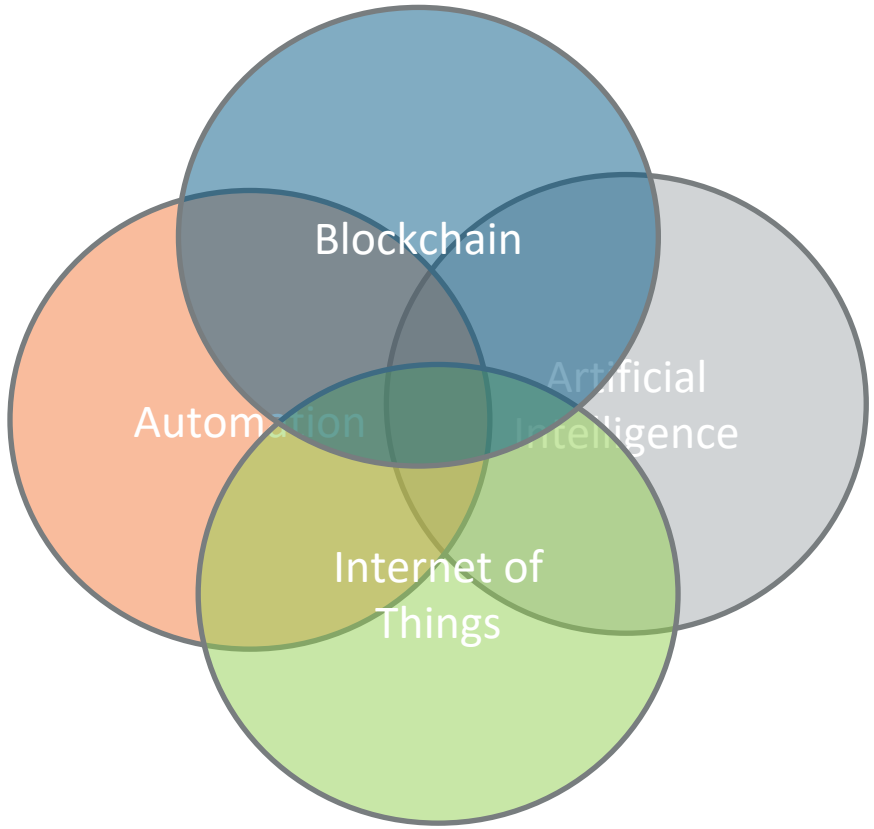
OR



VS

AND



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Disrupt the intermediary

Fill a market void

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Key takeaways

- Blockchain is no longer a tourism industry!
- Blockchain alone cannot solve world hunger!
- Blockchain has broader implications than financial services!
- Blockchain technology is not the issue!

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