bitshares: Doing for Business What Bitcoin Does for Money

So were you perhaps beginning to feel pretty good about finally understanding the world of Bitcoin as it started to make the evening news and show up in morning briefings on your favorite cable outlet? Well hold on there, because like all dramatic innovations in human history, Bitcoin has paved the way for a host of followups in the "ecosystem" it has spawned, and there would appear to be no stopping now.

One of the latest innovations-upon-innovation is BitShares, whose slogan, "Reimagine Everything," stands as a call-to-arms to widen the vision of the technology behind Bitcoin. BitShares uses the same blockchain-based model but applies it to shares of companies, potentially broadening the technology's reach far beyond currency.

The BitShares concept originated with Daniel Larimer, a Virginia-based software engineer and entrepreneur with an abiding passion for fostering radically decentralized businesses—including his own.

"We're spread all over the world," notes BitShares Marketing Director Brian Page, who tracked Larimer down at the Las Vegas Bitcoin Conference last year. Everywhere Page turned to make deeper inquiries about what may be the next big thing related to Bitcoin, he heard the same refrain: "Oh, you have to see what Dan Larimer is working on."

Page wasn't looking for a job prior to that conversation, but he emerged with one after he and Larimer got to discussing not only the fine points of Bitcoin, but where the new decentralized world was heading in its wake. For Larimer, his own path was obvious. With BitShares, he was already moving beyond Bitcoin-as-mere-currency, creating his equally decentralized entity with the task of building the software that will make the world's first fully decentralized autonomous businesses possible.

Page elaborates: "We aim to do for business what Bitcoin is doing for money—make it digital, decentralized, open source, and free market." To that end, BitShares offers an open source platform from where entrepreneurs can encode their business plans in software limited only by their imaginations—and the willingness of others to share their vision and invest in their companies. BitShares thus represents a new use of Bitcoin technology, where instead of using "coins" to function as currency, it can be used to own digital "shares."

"Anyone can use the BitShares software to build a decentralized autonomous company (DAC)," Page says. "Within that, there are many kinds of shares and many kinds of companies. The commonality is that they're digital and exist only as software. These are not legal entities with boards of directors, stock, offices, and employees. Like Bitcoin,

DACs exist entirely as software running on individual computers all over the Internet, allowing them to take on a life of their own, like Bitcoin has. With expenses reduced, transaction fees earned by the network can go to shareholders instead.

"We looked at Bitcoin and thought, 'Hey, there are a hundred other ways to apply the same technology.' The banking industry, domain names, gaming, insurance, the music industry, ticket sales, even the way we count votes—these and many other businesses are run archaically, in ways that let profits go right out the door and require centralization," Page says. "All of them would benefit hugely with a BitShares approach that limits fraud, fills seats, promotes transparency, and unleashes free market forces and entrepreneurs."

BitShares, Page likes to suggest, will be "the ultimate app store for entrepreneurs who want to enter this new world. We're creating the tools they'll need to make this possible by combining the profit motive with blockchain technology in a way that hasn't been done before.

"Think back for a minute to the early 1990s when the first websites were being created," Page offers. "People at the time thought, 'Oh, that's a beautiful website, just brilliant, that will change everything,' but the true brilliance was not just the website, it was the emergence of the Internet itself. Look what it led to. Who could have envisioned Google or Facebook back then? And those companies just keep coming. So, if you think of the Internet as what made possible the decentralization of information, this new wave of innovation will enable the decentralization of so much more. It's why we keep asking, 'Why not reimagine everything?'"

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