**Unit 1 Homework Assignment: FinTech Case Study**

**Fantom Foundation**

**Overview and Origin**

What is it?

Fantom (FTM) is a fast, highly scalable, and secure platform for digital assets such as dApps and enterprise applications. It focuses thoroughly on creating an open sourced blockchain network that is quick and secure to uphold to community standards.

The Fantom Foundation is not one singular blockchain. It is a series of them in essence which allows users to use them in different ways. These include minting, lending, trading, borrowing digital assets, staking and much more.

Fantom was originally founded by Dr. Ahn Byung Ik in 2018. However, it went live on Mainnet in December of 2019.

Why is there a need for Fantom?

Cryptocurrencies has created a large, decentralised portal for users to take advantage of by making society operate in a more efficient manner without “the middle person” limiting and controlling certain agreements. Bitcoin, for example, created a decentralised network that could see peers come together without the necessary middle person (E.g., Financial institutions) to make purchases between one another or settle contracts. However, Bitcoin focuses primarily decentralization and security. This lacks from Fantom.

What problem is Fantom trying to solve?

In distributed ledger technologies, the known trade off is called the ‘blockchain trilemma’. All blockchain businesses must weigh up and balance between speed, security, and decentralisation. For example, Ethereum gives up on speed but focuses very heavily on security and decentralisation protocols.

Fantom focuses on speed and scalability without sacrificing security measures. What this means is that Fantom is essentially a network of networks that has fast transaction speeds (1-2 seconds). As Fantom is essentially many blockchains, it gives businesses, organisations, and individuals platforms to develop decentralised applications (dApps) that can be used in many ways to make the world more efficient.

**Business Activities**

What financial problem is Fantom trying to solve?

Fantoms overriding question to solve is the blockchain trilemma which was discussed above. That being speed, security, and decentralisation. Many blockchains solve issues and they coincide with each other to create the best solutions for their users.

Graphical user interface, application

Description automatically generated with medium confidence

The image above compares Fantom to other defi blockchain networks.

Fantom coincides with Ethereum, this helps with both userbases to get the best outcome for themselves in day-to-day transactions. For example, if a Ethereum user went to buy a can of coke through their ETH wallet it would be relatively expensive in gas fees as well as being time consuming waiting for the transfer of funds to reach an account. This is where Fantom helps, with low gas fees and high speeds without the hinder on decentralisation and security, it provides a much better solution and alternative than Ethereum.

Text

Description automatically generatedHow is Fantom unique?

Fantom uses Lachesis which powers the blockchain. Compared to the traditional consensus, Lachesis is much faster, more scalable, and more secure. With Lachesis, developers can build their own applications without having to create their own networking layer.

**Landscape**

Fantom is a network of blockchains that provides business and applications with ledger services.

Chart

Description automatically generated

Business and the public haven’t grasped the concept of smart contracts, defi or cryptocurrency as a way of revolutionising society and how we go about finance.

According to the chart above, us as society are still in the early adopter’s stage of crypto and defi solutions. Big name players in the space like Bitcoin and Ethereum are setting the benchmark and are becoming more known around the world. Fantom is purely a solution to Ethereum’s slow transaction time.

Where is Fantom going in the future?

Fantom is building infrastructure to create a more constructed, connected, and efficient future where people and organisations can take advantage of technological breakthroughs that will enhance aspects of everyday life.

Graphical user interface, chart, line chart

Description automatically generatedA general view of Fantom’s price (Via CoinGecko)

What is the purpose of the FTM token?

1. Secure the Network

Fantom uses a Proof-of-stake system that requires validators to hold FTM, this helps the network to be decentralized.

1. Payment for network fees

These fees are paid to validators

1. Voting

Essentially 1 FTM equals to 1 vote. The more FTM held enables more voting rights

1. FTM will be used for further developments

**Results**

Fantoms token (FTM) is a strong indicator of how “bullish” investors are about the company’s projects and overall business operations. Currently FTM is hovering around $2.90 Australian. This Is significantly down from the start of January 2022, however with increased dapps and improvements in smart contracts, investors are very bullish.

According to Coinmarketcap, FTM has 84688 different holders which signifies that it is a growing blockchain however has been exposed to heaps of traffic even in the first few years in its existence.

Social awareness is also a huge indicator of how popular the company is. Fantom has over 300k followers on twitter making it a very popular defi project

**Recommendations**

As Fantom is already compatible with Ethereum, Fantom should look into building a network that allows Cardano smart contracts to coincide with the Fantom network.

Why should Fantom and Cardano essentially team up?

Cardano is one of Fantom’s biggest competitors. Cardano is a third generation blockchain that offers smart contracts and decentralised applications. Along with these, they offer extremely low fees, whilst also having a strong impact on the environment without lessening efficiency.

Cardano is looking to fix issues in scalability, sustainability and most important in this situation interoperability. If Fantom was willing and able to team up with Cardano, they would create the blockchain of the future and be able to get Web 2.0 tech firms like Google and Amazon to fast track Crypotcurrency and blockchain technologies into a regular “norm” around the world.

[Fantom: Why I’m Bullish. This is not Financial advice, this is… | by Fantom Hierophant | Medium](https://fhierophant.medium.com/fantom-why-im-bullish-d266d0d53578)

[3 Reasons Why Cardano Is a Great Crypto to Buy In This Bear Market | Nasdaq](https://www.nasdaq.com/articles/3-reasons-why-cardano-is-a-great-crypto-to-buy-in-this-bear-market)

[Fantom](https://www.fantom.foundation/)

[Frequently Asked Questions (FAQ) | Fantom](https://www.fantom.foundation/fantom-faq/)

[Intro to Fantom | Fantom](https://www.fantom.foundation/intro-to-fantom/)

[Fantom price today, FTM to USD live, marketcap and chart | CoinMarketCap](https://coinmarketcap.com/currencies/fantom/holders/)