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# How blockchain, cognitive computing and the internet of things are a powerful force

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What is blockchain?

by **Beverley Head**

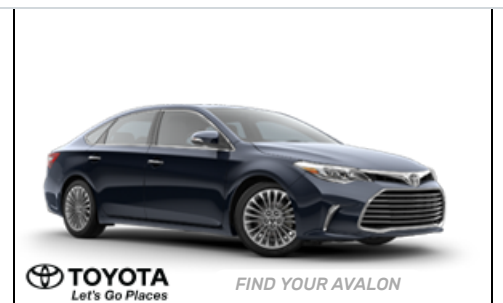
The use cases for blockchain's distributed ledger are still emerging and the technology is far from industrialised, but among early movers a powerful alliance is being forged by cognitive computing, blockchain and the internet of things.

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process is already seen as significant. Add to that, data delivered by IoT sensors that feed into the block and cognitive computing's insight engine and the process is radically improved.

It should, for example, be possible to reduce spoilage by logging temperature control during transport, or to delay a ship from sailing because of forecast storms, and kill any supply chain disputes by identifying exactly when and where in the blockchain a



problem occurred.

It's early days but in June, Finland's [SmartLog project](#) secured EU funding that will see Kouvola Innovation work with IBM on a system that will share blockchain-based ledgers to update or validate smart contracts, and make recommendations about how goods are treated and how to optimise the logistics chain.



With blockchain the entire premise is that each block has provenance and historical context, and that ensures transactional trust.

## Transactional trust

Nitin Gaur, director of IBM's [blockchain labs](#), says: "From cognitive we get continual insights that mimic human thinking [from a program that can] learn from mistakes, apply inference and use natural language. With blockchain the entire premise is that each block has provenance and historical context, and [that ensures] transactional trust."

The opportunity to leverage blockchain in, for example, financial organisations, and couple that with a cognitive overlay should help identify financial crime, provide deeper market analysis and form the basis for robo-advisory services. Gaur says, however, that the regulatory framework for deployment of such services would need to catch up with the technology.

According to McGrath: "Blockchain has an incredible runway ahead of it. If you then overlay cognitive it's not just the analytical perspective, but insight."

As well as streamlining the process, the combination of technologies would allow deep organisational reform.

McGrath says that Australian enterprise is at the proof of concept stage, but she predicts that in a few years early adopters will be deploying these sorts of systems pervasively.

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