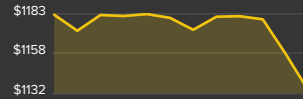




TRENDING

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'Top 10' Blockchains Report Concludes: Now is the Time to Pivot

Michael del Castillo (@DelRayMan) | Published on February 24, 2017 at 12:00 GMT

FEATURE



Research and advisory firm Aite Group is preparing to release a detailed comparison of what it deems the 'Top 10' distributed ledger platforms suited for securities settlement.

After eight months of research, including lengthy interviews with each of the platforms included, the report's author Javier Paz has crafted a side-by-side analysis complete with defining characteristics, ranging from the project's consensus mechanism to business model.

At the end of the 80-page report, Paz draws a series of conclusions for sectors including regulators and cloud providers.

But, Paz reserves his sternest conclusion for financial technology vendors not yet dealing in distributed ledger, or as he calls it, elsewhere in the report, 'chaintech'.

"Blockchain hype is high," he writes. "But the threat to traditional fintech vendors is real."

Paz continues:

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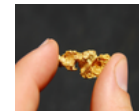
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Who Broke the SHA1 Algorithm (And What Does It Mean for Bitcoin)?

After New Highs, Bitcoin

"This is the time for vendors to pivot and decide whether to acquire or develop relevant blockchain technology, years before a vendor's client feel that a move to blockchain technology is required."

Path to profit

Platforms selected based on their potential to more quickly and transparently conduct post-trade securities settlement include Axoni, Chain, Digital Asset, Ethereum, Hyperledger, Nasdaq, R3, Setl, Symbiont and tØ.

The report details how each of the firms earns money, or intends to earn money. Most plan to give away the building blocks of their services for free as part of various open-source licenses.

While giving enterprising companies the ability to build solutions from scratch, the startups will charge licensing fees to use the application layers they themselves have built.

Of the 10 firms, only Hyperledger and the Ethereum Foundation do not provide development teams to potential customers for a fee, instead relying on third-party consulting firms to help potential users build with the code.

But what is not mentioned is the price.

"Buyers and sellers discover the equilibrium price for that new thing after a good deal of haggling and window shopping," Paz writes. "Similarly, neither chaintech vendors nor their target audience has a perfectly clear sense of what should be the price tag for the new service."

Q. What types of fees support your business?

Vendor / Platform	Axoni Axcore	Chain Core	Digital Asset	Ethereum	Hyperledger Fabric	Nasdaq	Overstock tØ	R3 Corda	SETL	OpenCSD	Symbiont	Assembly
DLT Consultation fee	●	○	○	○	○	○	○	●	○	○	○	○
Design / engineering fee	●	○	○	○	○	○	○	●	●	●	●	●
Development fee	●	●	○	○	○	○	○	●	●	●	●	●
Software licensing fee	●	●	●	○	○	○	○	●	●	●	●	●
Ledger activity fees	○	○	●	○	○	○	○	○	○	●	●	●
Transactional fees	○	○	○	○	○	○	○	●	●	●	●	●
Cloud hosting	○	○	○	○	○	○	○	○	○	○	○	○
Membership fees	○	○	○	○	○	○	○	○	○	○	○	○
Other fee-based services	○	○	●	○	○	○	○	○	○	○	○	○
Other fees or donations	○	○	○	○	○	○	○	○	○	○	○	○


Source: Aite Group, profiled firms, public information. Legend: ● =Yes, ○ =No, ○= Contemplated or planned.

Tech dive


Another notable side-by-side comparison is the consensus mechanisms employed by each of the groups.

Of the numerous criteria, only Digital Asset, ethereum and Setl are not marked with the category "nodes using confederated consensus".


"A growing trend, adopted by five chaintech platforms and spearheaded by R3," writes Paz, "calls for consensus taking place at the transaction level, requiring the consent of at least two counterparty nodes."



Price Faces Uncertain Path Ahead



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Q. How is ledger consensus achieved?

Vendor / Platform	Axoni Axcore	Chain Core	Digital Asset	Ethereum	Hyperledger Fabric	Nasdaq	Overstock 10	R3 Corda	SETL OpenCSD	Symbiont Assembly
Consensus set at transaction level / or by contract logic	•	○	○	○	•	○	○	•	•	•
Mutual commitment of transacting parties	•	○	•	○	•	○	○	•	•	•
Nodes using BFT consensus	•	•	○	○	•	○	○	•	○	•
Nodes using federated consensus	•	•	○	○	•	•	•	•	○	•
Nodes using orderer layer	○	○	•	○	•	○	○	•	○	•
Proof of work - mining	○	○	○	•	○	○	○	○	○	○
Proof of stake	○	○	○	•	○	○	○	○	○	○
Other (undisclosed, no comment)	○	○	○	○	○	○	○	○	•	○

Source: Aite Group, profiled firms, public information. Legend: • = Yes, ○ = No, ◐ = Contemplated or planned.

In conversation with CoinDesk, Javier Paz admitted that, in part, the exercise of aggregating so much data was part of his own personal attempt to better understand the technology.

But other than for his own gratification, Paz says the report is aimed at C-suite executives, regulators and platform developers themselves, who he believes might become so focused on their own projects that they lose sight of the competition.

For the report, Paz sifted through oral interviews, written responses, and schematics provided by 30 senior executives from 16 blockchain firms, four financial market utilities and others in search of the comparison points.

He estimates that the methodology could cut down on a reader's learning curve by between one month and three months.

The full report is due out later this month.

Disclosure: CoinDesk is a subsidiary of Digital Currency Group, which has an ownership stake in Chain and Axoni.

Measuring cups via Shutterstock

Aite Group Banking Research

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Amen!

^ | v · Reply · Share ·
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vortex

a day ago

Yes. Pivot. People are realizing there is only 1 blockchain that matters.

3 ^ | v · Reply · Share ·
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Yeah,*Deadchain* is the only one that we share a common fate.

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You will be surprise that few don't. But for the time being your belief is good enough. See You in the future Bruno ;)

1 ^ | v · Reply · Share ·
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Orchideric

11 hours ago

Lisk will eventually dust every coin listed there.

^ | v · Reply · Share ·
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Carl

16 hours ago


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