Blockchain Use Cases

Implications of Blockchain over traditional Businesses

Operational Efficiency with Immutable Data

Problem:

- Current information management systems rely on databases where information is kept separated in silos.
- Companies hold individual digital book of records which very often require manual reconciliation activities.
- The lack of a "single version of the truth" and audit trails create arbitrage concerns.

Implications:

- Blockchain introduces the possibility to establish proof-of-existence.
- Blockchain provides a unique historical "single version of the truth" which has community consensus, lowering the disputes for audit trials.

Information Symmetry through Transparency

Problem:

- Trades and negotiations are influenced by asymmetric information between economic agents which gives origin to problems like moral hazard and adverse selections
- Although central authorities are present but it increases the risk for a single point of failure .
- Lack of traceability and transparent accounting increase regulatory oversight.

Implications:

- A shared, transparent ledger increases the cooperation between regulators and regulated entities.
- With Blockchain technology it is possible to provide access to auditable data which is verified, time-stamped and immutable, generating a transparent, interoperable environment where rules can be implemented, enforced and adapted.

Decentralised Corporations and Governance

Problem:

- Centralised and institutional hierarchies exist to govern the activities which have to be trusted. Now and then we see how this trust is misused.
- Corruption also hampers the growth of economic reforms and institutions.

Implications:

- Blockchain shifts the boundary between hierarchical organizations and non-territorial, spontaneously ordered, self-organizing economies.
- Pre-defined enforceable tamper-proof set of rules coded into smart contracts, increase the decision making and create a democratic environment.

THANK YOU

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