

Why is Blockchain Technology Important?

Educational Series

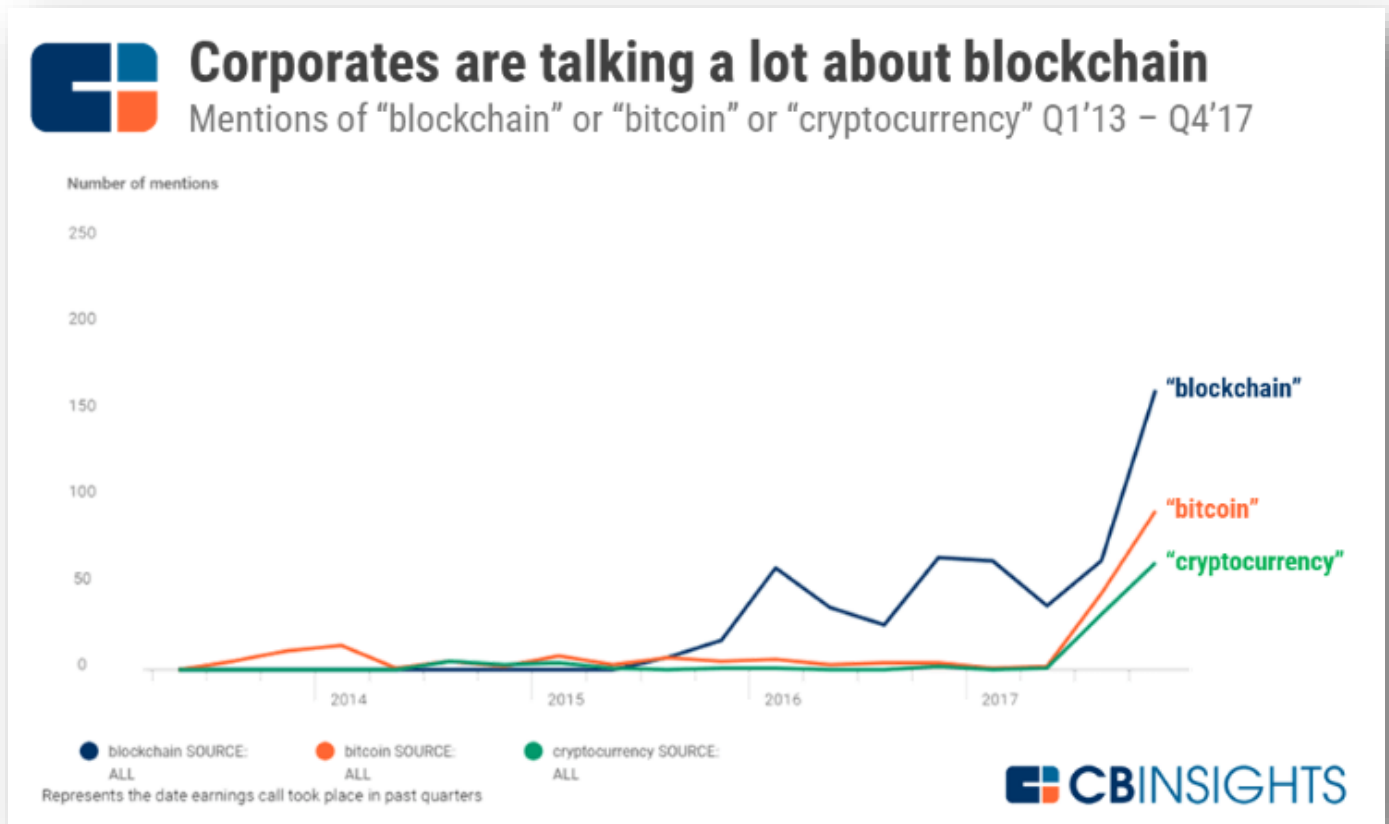
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Overview

- A blockchain is a distributed ledger of data that is maintained and updated by a network of computers across the globe. The data is packaged into blocks, with each block containing a timestamp and cryptographic link to the previous block.
- Blockchain technology was first implemented with the release of Bitcoin in 2009, used as a continuously growing ledger of all transactional data and wallet balances.
- As Bitcoin gained more traction worldwide people realized how powerful it could be to have a secure decentralized ledger, envisioning use cases that extended far beyond payment transactions.

Overview (continued)

- In recent years, companies across the globe have poured money into blockchain research, examining how it can make their business more efficient and secure.
- Blockchain technology is still in its infancy, but it has the potential to help the human race enter a new era that is more transparent, just, and less reliant on centralized institutions.



Impact on businesses

- Businesses across the world are researching blockchain technology to figure out how they can benefit from it.
- A recent report published by PwC, one of the Big Four audit firm, stated that 84% of surveyed executives said their companies are “actively involved” with blockchain technology through implementation or research.
 - The survey included 600 executives from 15 territories and various industries and is indicative of the perceived impact that blockchain will have on a global scale.
- With the dominant rise of tech companies such as Facebook, Twitter, Airbnb and Uber, a new economic model has taken hold. Instead of traditional companies that provide one-way services to the consumers, a model of using services to collect data on users for future profit has been established.

Impact on businesses (continued)

- If data gets leaked or a server is hacked, these types of companies are set to lose profit while users could lose the privacy of their personal information. In addition, the value produced by this economic model is almost never redistributed to the users that are creating the value in the first place.
- Blockchain technology has the potential to give freedom back to the people in our considerably new technical civilization. It powers applications that operate on decentralized networks immune to the dangers of centralization and third parties. People have the means to create services and transfer value on a global scale, allowing for the removal of many data-collecting intermediaries.

Impact on businesses (continued)

- Blockchain technology could save costs for businesses.
 - According to a research report performed by Accenture, the use of blockchain could cut costs and deliver savings of over 30% across the middle and back office for financial institutions based on an analysis of granular cost data from 8 of the 10 biggest banks in the world.
- Another major shift on the brink of adoption is security tokens. Blockchain-backed securities have advantages over their traditional form in transparency, ease of trading, dividends, and more. There could soon be a future with a stock market that is open every hour of the week, reduced insider trading, and automatic distribution of company value to shareholders.

Impact on humanity

- Blockchain may have a bright future in the business world, but its purest value comes with the possibility of improving human civilization.
- A large portion of the world is plagued with corrupt governments that do not act in the best interest of their citizens, resulting in poverty and instability. Before the invention of blockchain, citizens of a country like Venezuela with a rapidly devaluing currency could do very little to slow down the effects. Blockchain combats this by enabling a global value exchange network that is not tied to any government or the amount of resources a country has.

Impact on humanity (continued)

- Blockchain technology could also be the backbone for a global digital ID system that helps the roughly 1.1 billion people worldwide without identification take control of their lives. People fleeing war torn countries would benefit from a quicker and more secure immigration process.
- Because of the P2P nature of blockchain, nonprofit organizations can benefit from more direct fundraising and transparent tracking of spending, ensuring donors that their money goes to the cause it was intended for.
- All of humanity shares a responsibility in preserving the Earth, and the integration of blockchain technology may be a giant leap in the right direction.

Summary

- Blockchain technology is a seemingly simple invention that has immense applications reaching across global business and human civilization.
- It's not a coincidence that 84% of businesses are either researching the technology or already integrating it. As blockchain matures and people figure out ways to implement it and improve the technology, worldwide adoption will continue to rise.
- There may be a future where consumers benefit from the features of blockchain without even considering it, much like how the internet has been seamlessly integrated into every corner of daily life.
- Blockchain also has the potential to improve the lives of disadvantaged people on a global scale because of its nature of being peer-to-peer and immutable.

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