

Consensus 2017: From Capital Markets to Supply Chains, IBM Outlines How Blockchain Will Reimagine Business Networks

ARMONK, N.Y. and NEW YORK, May 22, 2017 /PRNewswire/ -- Today at CoinDesk Consensus, the world's leading blockchain conference, Arvind Krishna, senior vice president, Hybrid Cloud and director, IBM Research, (NYSE:[IBM](#)) delivered a keynote presentation detailing the rapid growth in blockchain applications in industries from capital markets to supply chains.

With respect to capital markets, using blockchain to improve dispute resolution and settlement times can deliver benefits across boundaries. Krishna noted that an estimated \$300 billion in underlying costs of global commerce can be optimized with blockchain, a powerful statement of the technology's benefit to industries such as shipping, property and capital markets. Blockchain will do for transactions what the Internet did for information.

Krishna provided recommendations for organizations ready to adopt the technology. First, blockchain must be built in the open. Open source methods are aimed at providing the transparency, interoperability and support required to bring emerging technologies into mainstream adoption. He identified Hyperledger, the open source collaborative effort created to advance cross-industry blockchain technologies hosted by the Linux Foundation, as the best path forward to achieve strength and technical stability.

Hyperledger Fabric, a blockchain framework based on open standards to which IBM is an early contributor, demonstrates powerful properties for cross-industry use. It supports partitioned execution, permissioned membership and channels to enhance confidentiality, as well as transaction history and network tools to strengthen production workloads.

Secondly, it is critical to leverage permissions and identity so there are no anonymous participants in a blockchain network and data is consistent and protected -- a critical point for both enterprises and regulators alike. Finally, blockchains must be built in a robust technology environment that enables organizations to remain competitive in global markets: security, confidentiality, auditability, reliability and scalability.

Krishna identified blockchain's ability to reduce "friction in transaction systems" as the technology's core benefit, by removing factors that slow down or interfere with the efficient transfer of goods and services. What is really going to drive blockchain's growth is its ability to go "outside the enterprise" and drive savings across every transaction, Krishna said, adding, "making it scalable, making it easy, making it possible for a lot more people to adopt the technology is where a lot of technologies and companies flounder."

He cited three examples of work IBM is doing to advance blockchain in a range of industries: Walmart for a food safety traceability pilot, Maersk's partnership with IBM to develop a digitized global trade platform, and DTCC's Trade Information Warehouse service to manage record-keeping and payments in derivatives trading. The lesson of all of these examples, he stated, is blockchain's ability to improve the physical world, achieve GDP benefits for countries and profit growth for companies.

To support the rapid adoption of blockchain in the enterprise, IBM recently announced a new expansion of the [blockchain ecosystem](#) program, the [IBM Blockchain Founder Accelerator](#). The program is designed to address the key challenges many early adopters and enterprise developers have identified through the development of leading blockchain networks. IBM also announced [the largest study to date among C-Suite executives](#) seeking their perspective on [blockchain](#). Conducted by IBM's [Institute for Business Value](#), one third of almost 3,000 executives surveyed said they are using or considering blockchain in their business.

About IBM

IBM is the leader in open-source blockchain solutions built for the enterprise. As an early member of Hyperledger, an open

source collaborative effort created to advance cross-industry blockchain technologies, IBM is dedicated to supporting the development of openly-governed blockchains. IBM has worked with more than 400 clients across financial services, supply chains, IoT, risk management, digital rights management and healthcare to implement blockchain applications. For more information about IBM Blockchain, visit www.ibm.com/blockchain.

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