Business Climate Analysis (V)

Is Blockchain Still a Thing

University of Central Florida

Adil Omar

October 16, 2020

Professor Troy Pounds

You may ask yourself, what is blockchain? In contrary to the name, it doesn't mean blocks built together that create a chain. It is information data stored in a public database (Reiff). A blockchain is made up of three key criteria. It stores information about the transaction time and date and how much was sent. The second part is the people involved in the transaction. Lastly, each blockchain consists of its unique number code that will distinguish it from other transactions. Blockchains are the most advanced technology on the market. We might not see it now, but it has the potential to replace the common currency we know as cash today. Throughout history, we have had animals, cowrie shells, leather money and present-day paper bills as currency. Many blockchains are affiliated with cryptocurrency. For example, the two most common cryptocurrencies are Bitcoin and Ethereum. In 2017, when Bitcoin sparked huge light into the cryptocurrency market, many investors capitalized on wealth with its uptrend momentum. It's clear that blockchain demonstrates the possible future of these currencies, as they may one day be more common.

In recent news, many companies are looking to invest in blockchain technology or are already doing it. A few of those companies are Nvidia, Square, IBM, Mastercard and Amazon (Frankel). These companies may transcend how blockchain will be used in everyday transactions during work. According to the Mastercard website, "Today, Mastercard announced a proprietary virtual testing environment for central banks to evaluate CBDC use cases. The platform enables the simulation of issuance, distribution and exchange of CBDCs between banks, financial service providers and consumers" (Mastercard). This may be a new step that could help bring us one step closer to digital currency. For example, we can see many countries use blockchain technology to

form their own virtual currency. Financial institutions findings on ways to evaluate cryptocurrency could be a huge steppingstone for the industry. The reason blockchain struggles so much to grow is because when using the PESTEL analysis, the technology can face many political process issues since the government does not regulate cryptocurrency. With Mastercard announcing how they could evaluate CBDCs, this can be a huge benefit for blockchain and can help the technology grow in the digital currency market.

The way blockchain technology is heading can revolutionize the way we share information, or even the way we may spend our money. Blockchain came to exist because of cryptocurrency. As it developed its own segment into the financial institutions, we can see that the technology has branched out and created a bigger purpose than what it was originally designed for. Some trends we may see are listed below by Stuart Rauch of the Simplilearn (simplilearn):

1. Blockchain adoption will grow
2. Serial Entrepreneurs will get on board
3. Apps will be built on blockchain technology
4. Blockchain will be used for identification
5. Blockchain will beef up internet of things
6. Blockchain will speed up AI.
7. The number of blockchain jobs will explode

Looking at these lists, we can definitely see the type of trends that blockchain can branch out of. Comparing blockchain to a business life cycle, I'd say that blockchain is currently in its

startup phase which includes cryptocurrency. As we get a better understanding of blockchain, we can see the growth phase during which it can integrate into our daily lives. We can envision a future in which we have a folder on our phone with a form of virtual currency and identification. It can be a huge opportunity where we will have more freedom from paper.

Great use of technology requires a lot of power to maintain it. With blockchain providing more advance features, it may require a lot of power due to maintaining a lot of servers for that technology. According to Christopher Hyner of King & Spalding LLP "Not only does the high amount of energy required to power blockchain result in relatively high direct energy costs, but because the energy is largely generated from fossil fuels, this could also result in a large carbon footprint (Hyner)." The only flaw to blockchain is that it requires a lot of energy to use. For some environmentalists, they would disapprove because of the increase of carbon footprint.

Understanding what industry is using blockchain can affect the way the technology is attended for. I believe financials, healthcare, the public sector and energy can thrive with this technology. It can process the way we spend money and receive information from our health providers. Through its security, we can innovate the way we hold our identifications and secure the process of not losing personal information. The one trend that can provide the biggest capitalization is the energy industry. No matter how you try to avoid it, energy is required to supply the tech that goes into blockchain. A way the energy sector can capitalize its revenue and lower its carbon footprint is by focusing more on reusable energy, this way society will be able to grow without harming the planet. Efficient power use will make it so that many industries can rely on energy companies to provide what's needed.

Overall, blockchain is in its development phase, with more companies figuring out how they can build it to their advantage. We won't see a drastic change in most of the industry besides energy. I believe blockchain will become more common in everyday life by the year 2050. I say that is because when it is introduced into the market, many people will be skeptical about the technology. It may take people time to believe in the technology before seeing any real traction for this type of innovation.

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