

# Moving into a World of Distributed Ledgers

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## How planning for blockchain technology can prepare you for disruption

By Alex Stockdale and Jim Kearney

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### The Challenge: Adapting to the Technology

Blockchain technology—a type of distributed ledger—is an innovation that can transform how organizations record, process and track digital financial transactions over a network. The technology can save costs and reduce operational risk by providing companies with a secure path to real-time transactions. It can even help you drive revenue. But to capitalize on its potential, you must first understand what it is and how to use it.

In simple terms, a blockchain is a way to execute and record transactions between multiple parties in a secure, decentralized way. The technology was initially used as a way to track Bitcoin transactions, but because the concept has so much promise, venture capitalists have invested more than \$1 billion in firms that are building blockchain capabilities.

As the global economy moves toward fully digital transactions, technologies like blockchain have the potential to significantly disrupt existing business models. As transaction processes and sharing of information become more trusted, transparent, and scalable, organizations across many industries will realize the value of adopting the technology. For example, healthcare organizations would immediately

benefit from blockchains due to the secure and scalable nature in which patient medical records could be shared across providers. Other benefits to organizations across multiple industries include collaboration, enhanced customer delivery, and more accurate, timely transaction data.

However, getting there won't be easy.

Adoption will be influenced by network speed, data limits, initial capital investment and information security. Without a regulatory framework, compliance may be an issue for financial institutions.

As the sharing economy improves via blockchains, companies that embrace this disruption may reap the benefits more than those that do not. Those who are already experimenting with blockchain technology are closer to being able to realize value from it. To capitalize on it, organizations must understand the

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### Blockchain benefits:

**Transparency for you, privacy for your clients.**

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technology, review their needs, and adapt to meet the coming demand that blockchains will create.

### The Impact

Blockchains can offer unrivaled privacy protection for transactions, making them attractive to consumers as well as businesses. We expect to see organizations making blockchain a priority.

As the internet of things continues to grow, there will be an escalating need to manage, move and store sensitive information in an efficient and secure way. Blockchains offer a way to do that. Understanding the possibilities of blockchain technology and creating a plan around its arrival will be important for every organization, no matter what industry you're in.

### Point B's Approach

Point B can help your organization meet the upcoming demands of blockchain on many fronts. We can provide your team with insight into how to best prepare your firm for blockchain technology. By helping you build a pragmatic approach to reviewing existing operations, technology, and organizational design, you'll be able to rationalize and drive the change required for success.

Here's how we approach the problem:

- ✓ **Are you ready?** Conduct a firm readiness assessment and identify opportunities to use distributed ledger technology.
- ✓ **Support strategic execution.** Provide leadership for managing projects aimed at developing a distributed ledger footprint.
- ✓ **Provide subject matter expertise.** Blockchain technology will impact multiple industries, including financial services, retail, healthcare, utilities and government, among others. Point B's industry experts can review how the technology will change your industry and then determine what that means for you and your business.

- ✓ **Lead transformation efforts.** Plan and oversee the transformation program, which may include change management, new business processes and procedures, and operational changes.

### The Bottom Line

Blockchain is coming, so it's important to leverage the technology now to prepare for what's ahead.

### About Point B

*Point B helps clients develop strategic insights and translate them into impact. We bring deep financial services expertise, insight and leadership to more than 60 clients in the industry, including global banks, asset managers, trust companies and credit unions.*