

BLOCKCHAIN

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The new technology Blockchain for transactions is considered in this paper.

Today the blockchain is the best technology for making deals. Blockchain is a distributed ledger technology that enables digital assets to be transacted and traded in near real time.

Blockchain has two main applications. One familiar use of blockchain technology involves trading and managing cryptocurrencies like Bitcoin. The other main use of blockchain is for managing transactions related to trade and commerce, including finance processes like payables, receivables, and compliance. We think of these as business blockchains.

CFOs (chief financial officers) should learn about both, but understanding business blockchains and their potential for finance operations should be your focus in the year ahead.

Business blockchains are being used today to help reinvent how transactions are managed. They can take time and costs out of almost any process, enabling near real-time operations. And they deliver a high degree of accuracy and control, with much less risk than many alternatives.

Business blockchains can operate as standalone solutions, but the value realized increases significantly when they're combined with other technologies, such as automation or artificial intelligence, to reimagine an entire end-to-end process.

Blockchain has the potential to reshape processes that are defined inside Finance, primarily because of its cost and control benefits. Even more interesting, though, is the impact on broader business processes that intersect with Finance such as supply chain management.

Blockchain formation. The main chain (black) consists of the longest series of blocks from the genesis block (green) to the current block. Orphan blocks (purple) exist outside of the main chain (Figure 1).

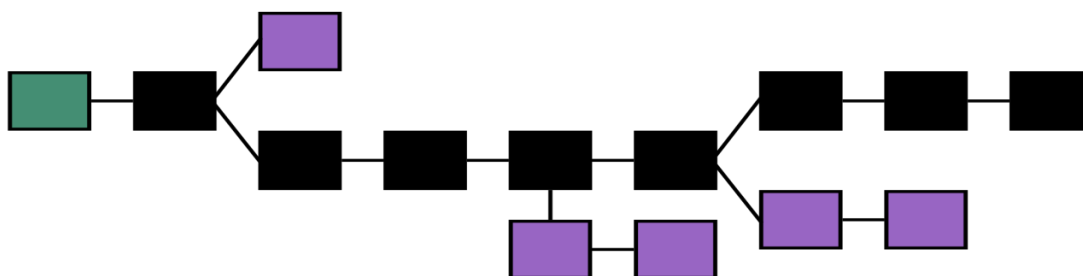


Figure 1

The blockchain technology is not yet ready for us to become the second Internet. Despite its obvious advantages, the introduction of technology is rather slow and is experiencing serious resistance. Blockchain is called the revolutionary breakthrough of the twenty-first century, but the revolution itself will have to wait at least more than one year, and maybe a dozen of years.

References:

1. www.blockchain.com
2. en.wikipedia.org/wiki/Blockchain