Industry Awaits Killer Blockchain App

Ask automotive engineers what the most dangerous part of the car is, and they usually say, "The loose nut behind the steering wheel."

When implementing new technologies like blockchain, the greatest hurdle often isn't the technology, but the people who will use the new technology, according to Peter Vaihansky, senior vice president at consultancy DataArt.

The reason some people still use fax machines to send orders is not that they haven't heard of email or the Internet, but there is, or was, some business or legacy issues that benefited from restricting the flow of data, he said.

Once the industry works out the specific business and workflow issues, Vaihansky sees blockchain simplifying and streamlining back-office processes.

However, he is not as optimistic as some in the industry who claim that 2017 is "The Year of Pilots."

Peter Vaihansky, DataArt

"In our opinion, blockchain has the potential because it can solve business problems where it is not evident that a solution could be developed without the use of blockchain or similar technologies," said Vaihansky.

Many of the blockchain projects currently in development are not solving problems where blockchain brings its unique capabilities but cases where developers employ blockchain for the sake of using blockchain, he added. "It's not necessarily a bad thing. You can achieve a similar outcome that is slightly more efficient."

Where Vaihansky sees blockchain's immutable nature playing the most disruptive role is not in trading but know-your-customer and anti-money laundering functions.

"The list of use cases where blockchain could be very valuable, super valuable, or revolutionary have been circulating on the Internet for years now," he said.

An industry utility that provides a central repository for KYC and AML data would make use of the technology's unique capabilities, but Vaihansky is unaware of any such project in development.

"It's a utopian vision that simplifies a lot of back-office processes," he added. "There's no doubt about that. The question is how does the industry move from point A to point B?"

Original article can be found here: https://marketsmedia.com/industry-waits-blockchains-killer-app/