
Digital Services
State of the Market Report – June 2020: Complementary Abstract / Table of Contents
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- This report is included in the following research program(s)
  - Digital Services

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Everest Group’s definition of blockchain technology stack

Blockchain technology stack

- Applications
  - Decentralized applications
  - User interfaces

- Framework
  - Consensus and validation
  - Messaging and protocol
  - Smart contracts
  - Token management system
  - Ledger management service
  - Streaming services

- Infrastructure
  - Storage node
  - Cloud node

- Value-added services
  - Interoperability and APIs
  - Identity services
  - Governance
  - Oracle services
  - Smart contract templates
  - Digital assets and tokens
  - Reusable business use cases
  - External data and system connectors
Blockchain technology is signaling enterprise readiness and moving beyond the hype phase, where it had captured the attention of visionaries, technologists, governments, and enterprises alike. Blockchain has witnessed widespread adoption across industries, with projects moving from Proof of Concepts (POCs) to deployment stages.

Enterprise blockchain technology has presented an opportunity to reinvent the services delivery model. Given the nature of technology, it demands an ecosystem play, and thus the role of orchestration of business outcomes enabled by digital levers (including blockchain) becomes more prominent.

As interest from BigTech firms increases, the market is witnessing rise of managed blockchain platform solutions and specialized networks that assist enterprises to address abstract technology challenges and focus on business outcomes and monetization.

In this report, we explore the state of the blockchain market, impact of the pandemic, and how enterprise can solve some of the business challenges associated with blockchain adoption. This report explores the evolution of blockchain solutions into business networks and the elements needed to successfully create blockchain-enabled networks.

Scope of this report

Industry
All industries witnessing blockchain implementation have been covered in this report

Market segment
Blockchain services

Geography
Global

Sources
- Operational capability of 30+ blockchain service providers updated through Request for Information (RFI), Everest Group proprietary service provider intelligence database, enterprise discussions, and public disclosures
- Independent Software Vendors’ (ISVs) demonstration of capabilities through briefings and discussions
- Discussions with open-source consortia
- Interactions with service providers’ and ISVs’ clients
**Summary of key messages**

- Friction in inter- and intra-industry/enterprise workflows provide potential for blockchain adoption.
- Industries can gain true value by reimagining boundaries of each workflow for a shared network.
- The rise of enterprise-grade technology is rapidly maturing blockchain to be ready for the vision of industry networks.
- The challenge lies in getting industry participants to align to this shared future vision.
- Enterprises need help in their journey to handle the complexity of technology and change management.
- Blockchain solutions are triggering the next wave of ERP solutions built for collaborative network resource planning.
- Building blockchain-enabled resilient industry networks is a business change management issue vs. a technology one.
- Government-backed citizen services, life sciences, and global trade and payment networks are seeing early traction.
- The pandemic is making enterprises rethink the business case and accelerating the operating model innovation.
This study explores the blockchain networks and how enterprises can solve business challenges around adoption; below are four charts that illustrate the depth of the report.

### Chasm between POCs and production deployments

79% Projects have completed pilot/POC phase

7% Projects have been deployed to production

### Assessment of key industry networks powered by blockchain

**Agro-commodities network**

A track-and-trace network that informs users of the product’s supply chain lineage, while also serving as a quality control mechanism against tampering, contamination, or counterfeiting

| Encompassed use cases | Quality compliance, origin tracing, and tamper detection | Notable networks | IBM Food Trust, GrainChain, and Agrico| |
|---|---|---|---|
| Federal barriers | Regulatory barriers | Standardsization | Competitive intensity | Financial distress due to pandemic | Recessional impact | |
| Measures the amount of regulatory hurdles that must be overcome for hygienic | Measures the amount of regulatory hurdles available in the market for such networks | Ports the level of competition currently present for such a network | Measures the immediate cashflow-related stress put on the participants of such networks | |

### Imperative to solve business challenges of blockchain networks

Key business challenges

- Creating cohesion among competitors in a collaborative environment to ensure consensus and fairness
- Governance, monetization, and optimizing ROI will be key to encouraging adoption among the broader industry
- Network lock-in risk may cause participants to fully commit to the network. Addressing these concerns through standardization regimes will be key to creating viable networks
- Managing change brought on by blockchain adoption will be complicated by discord with existing processes and limited understanding of technology among talent/users
- Business continuity will be a key talking point in the aftermath of COVID-19, as enterprises ensure that committing to a network does not increase the risk of operations disruption

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EGR-2020-33-CA-3744
## Research calendar – Digital Services

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Note: For a list of all our published DS reports, please refer to our [website page](#).
Additional Digital Services research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest.

1. **BigTech Battle: Assessing Enterprise Readiness of Blockchain Frameworks – Protocols of the Decentralized Ecosystem** (EGR-2020-33-R-3583); 2020. In recent years, open source blockchain frameworks have exploded in popularity as enterprises, large and small, look to explore and adopt the technology. Open source frameworks have driven most of the adoption among enterprises, even as managed platforms continue to take a foothold in the market. This report is focused on the blockchain frameworks landscape and assesses 13 frameworks on their capabilities, enterprise readiness, and potential impact. This report intends to also demystify the blockchain framework landscape and provide an outlook of the industry.

2. **Enterprise Blockchain Services PEAK Matrix™ Assessment 2020: Getting the Economics of Consensus Right** (EGR-2019-33-R-3461); 2019. The recent surge in blockchain adoption has created a unique market for service providers. Many leading service providers are adopting a platform approach of building proprietary industry-centric offerings. In this research, we assess the vision & capability and market impact generated by 30 service providers for enterprise blockchain services capabilities. These providers were mapped on the Everest Group PEAK Matrix™, which is a composite index of a range of distinct metrics related to each provider's vision & capability and market impact to identify Leaders, Major Contenders, and Aspirants.

3. **BigTech Battle: Assessing Managed Blockchain Platform Readiness for Enterprise Use – Gearing Up for the Adoption Wave** (EGR-2019-33-R-3433); 2019. The predominant means of adopting blockchain for many enterprises is open source blockchain frameworks, while many are considering managed blockchain platforms in search of a mature and deployment-ready solution that is easy to adopt, maintain, and manage. This report is an assessment of 12 such platforms to understand their readiness for enterprise use.

4. **Enterprise Guidebook for Blockchain Adoption: A Compilation of Insights from 320+ Blockchain Projects** (EGR-2019-33-R-3095); 2019. In this research, we analyzed 320+ blockchain case studies to understand the blockchain adoption journey for leaders across industries. We also identified more than 90 use cases across 10+ industries offering proof points of blockchain adoption. This report also provides a roadmap for blockchain adoption to enterprise executives leading blockchain initiatives, helping them to extract the maximum impact by studying the value currently being delivered and building pragmatic hypotheses on potential value.

For more information on this and other research published by Everest Group, please contact us:

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