

What Girl Scouts Can Teach You about Blockchain

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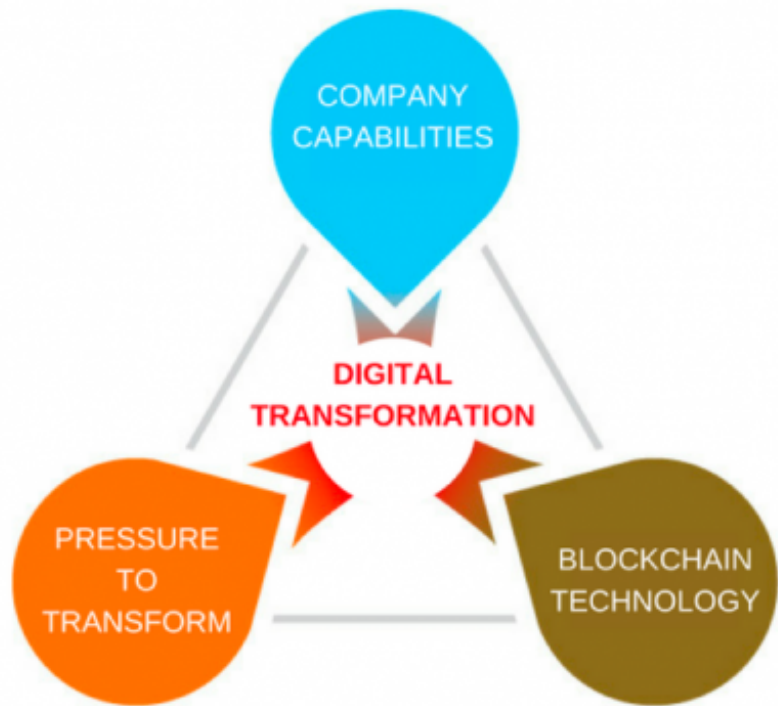
We are hearing more and more about Blockchain these days. Blockchain is the underlying technology to cryptocurrencies like Bitcoin. Here's a primer with thanks to the Girl Scouts.

Having trouble getting your head around how blockchain IT works and why it's important for business?

In order to help simplify things for you (and in the spirit of it being Girl Scout cookie season), let's look back at a model that any former Girl or Boy Scout knows well: **the fire triangle**.

The fire triangle is a simple way of understanding the conditions to create fire. Specifically, you need heat, oxygen, and fuel combined in order for a fire to be able to start. Similarly, you can use this model to understand how blockchain helps create the conditions necessary for digital transformation to happen.

But first, **the basics**.



What is Blockchain?

Blockchain is an incorruptible digital ledger that records financial transactions, contractual agreements, and anything else of value (i.e. birth certificates, deeds, medical procedures, etc.). By using existing cryptography, new blocks are added to previous blocks to create a chain of blocks that can never be written over, deleted, or tampered with.

Blockchain enables the transfer of value, frees up capital flows, and provides security and trust. And it can overcome a major limitation of the internet.

While the internet is great for collaboration and open information exchange, it lacks support for the large-scale and secure exchange of information, including for financial transactions. Yet, the World Bank estimates that over \$430 billion in money transfers were sent in 2015 alone. Clearly the time is ripe for change.

Blockchain creates the final side of the triangle to fuel that change—so get your marshmallows ready.

The Digital Transformation Triangle

Businesses are already feeling pressure to transform products and services into value in the marketplace—this is the heat. The oxygen is the life force of your organization or enterprise: your people and their motivation to succeed along with all the other resources at your disposal.

These two elements are strong drivers of change, but with the addition of blockchain—and the secure, incorruptible sharing of data that it enables—automation, advanced analytics, cognitive technology, and everything else that an enterprise needs for digital transformation can happen like never before.

And just as Girl Scout cookies are here to stay, so too is blockchain. That's because blockchain is set to do for business what the internet did for communication—completely transform it.

As Don and Alex Tapscott put it in their book, *Blockchain Revolution*, the technology is doing nothing less than “pushing us to challenge how we have structured society, defined value, and rewarded participation.”

Blockchain for Business

Blockchain now has more than 80 platforms with various mechanisms to cater to the needs of different business applications. Businesses are already realizing the benefits. For example, IBM Global Financing has reduced time spent resolving financial disputes by 75 percent using blockchain technology.

So, while you munch on your favorite Girl Scout cookie, consider also how the Fire Triangle might just transform your business—thanks to blockchain.