



Guidebook for Blockchain Adoption in Banking and Financial Services: A Compilation of Insights from 130+ Projects

ITS | Banking & Financial Services

Annual Report – March 2019: Complimentary Abstract / Table of Contents

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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background and scope of the research

Everest Group's Banking and Financial Services (BFS) IT services research team tracking the enterprise blockchain adoption journey brings a guidebook for enterprise executives leading blockchain initiatives in BFS firms to:

1. Build a fact-based business case for blockchain investments by presenting an analysis of 130+ blockchain case studies
2. Guide investments to extract the maximum value by studying the value delivered and building pragmatic hypothesis on potential value
3. Demystify the blockchain technology landscape and identify the right set of partners for your business use case
4. Identify challenges that enterprises face on their blockchain journey to guide the blockchain adoption strategy
5. Identify data and network participants to support scaling of blockchain ecosystems to gain from the network effect



In this report, we studied 130+ blockchain case studies to identify the blockchain adoption journey for lead steers in the industry and build a guidebook for adoption



BINGO framework for blockchain adoption



The 4Ts of blockchain benefits



Build competitive advantage via blockchain initiatives

Scope of this report



Industry
Banking and financial services



Companies
Market activity and investments by 200+ global enterprises



Geography
Global



Use cases
30+ distinct blockchain use cases

A summary of findings from the blockchain adoption story so far in the BFS industry



The blockchain hype is dying and the real business use cases are gaining steam

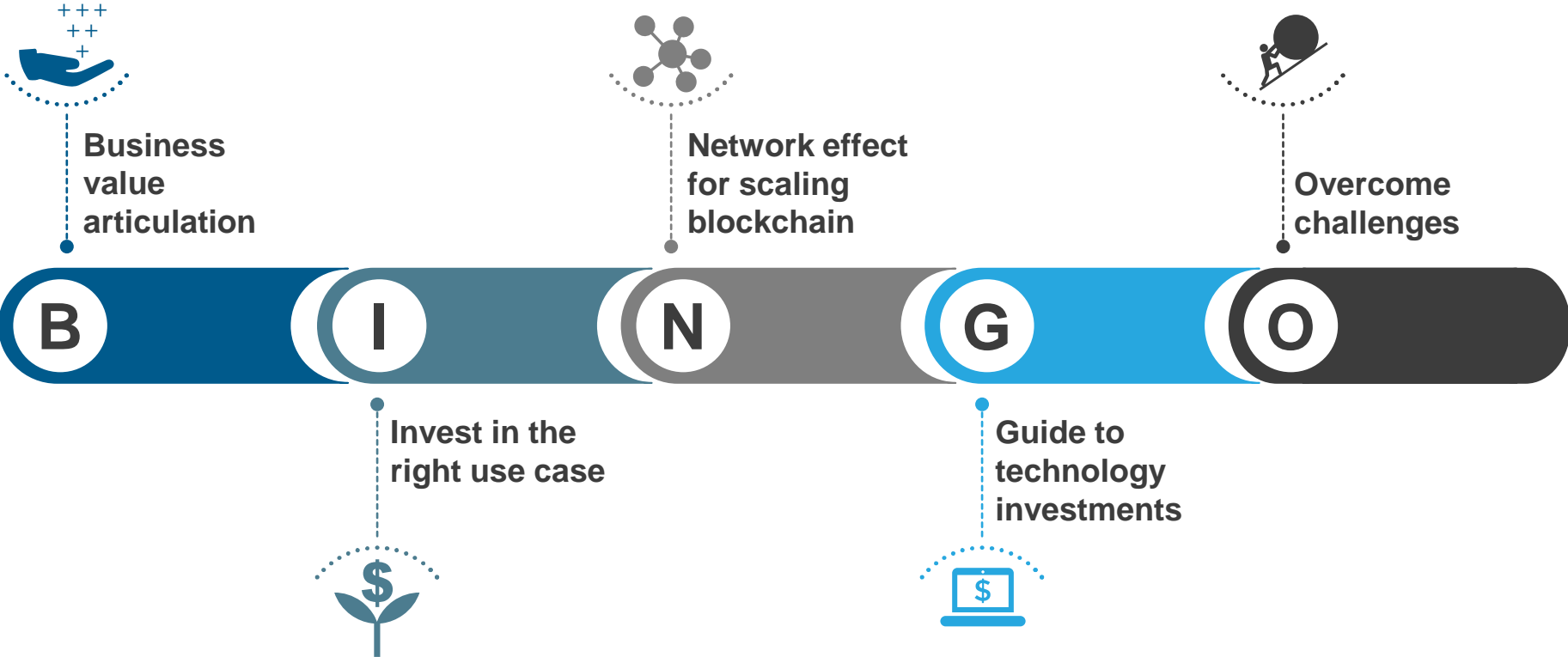
Study of 135 blockchain projects in BFS shows that 24% are in the production stage

Adopting a strategic view powered by ecosystem thinking helps scale beyond POCs

Identifying data and network participants to reimagine processes leads to higher ROI

Hyperledger Fabric, Ethereum, and Quorum are the key blockchain technology platforms

Everest Group has identified a five-step structured framework to guide enterprise blockchain adoption journey



This study offers a deep dive into key features of blockchain technology, types of blockchain use cases being adopted, types of blockchain ecosystems, and business benefits witnessed

Blockchain's 4T feature

Feature leveraged (low) Feature leveraged (high)



Trust and security

Blockchain drives trust and security in transactions between multiple parties through its iron clad data validation technique



Transparency and auditability

Blockchain offers transparency and auditability through its distributed ledger structure, offering users complete control over the information being shared



Traceability and insights

Blockchain strengthens traceability by replacing slow and complex data sets for processes



Transaction and automation

Blockchain is streamlining processes by removing intermediaries, resulting in smooth transaction

Types of use cases being adopted by industry

Alpha in the room

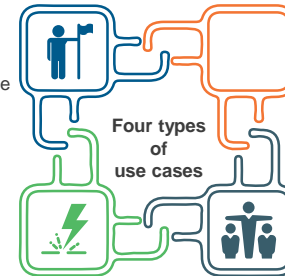


Use cases driven by market leaders/authorities, who have disproportionate advantage over their partner firms, with an objective to drive efficiency and experience

Disruptors



Use cases are leveraging blockchain to disrupt existing processes and drive new business models



Bottom line collaborators



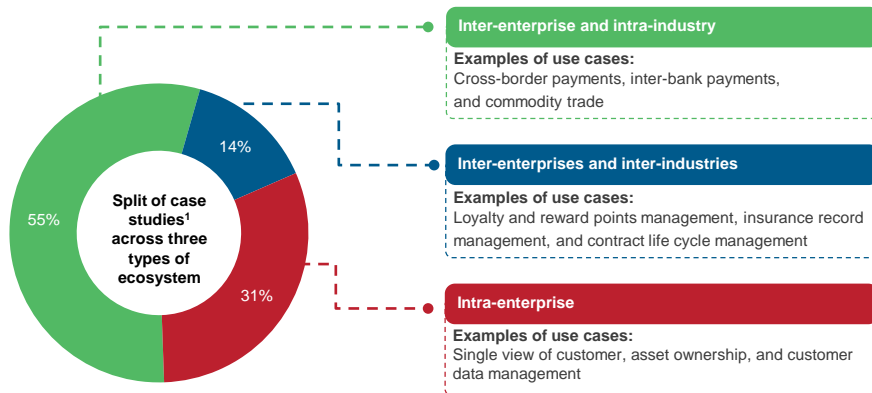
Use cases are driven by peer firms with prime objective to defend margins and drive innovation in the business model

Disintermediation avoiders



Use cases are driven by enterprises which act as intermediaries to protect their playing field and leverage blockchain to deliver value-added services

Types of blockchain ecosystems



Examples of business benefits derived from blockchain projects



Examples of enterprises witnessing business benefits		
End-to-end transactional process for private company securities	Ability to discover a customer across entities without revealing existing business relationships	Customer-centric self-service process working across multiple banks
Examples of use cases		
<ul style="list-style-type: none"> KYC / Digital identity Trade finance 	Clearing and settlement of securities	<ul style="list-style-type: none"> Loyalty & reward points management International remittances

In this section we list down 36 use cases across BFS industry to bring out proof points of blockchain adoption

Guide to read this section








High activity
 Moderate activity
 Limited activity

Defines the meaning of color coding of icons mentioned below. For example, Trust & security has high activity, while increasing revenue has limited activity in the use case

Cross border payments

A blockchain-based solution to expedite the settlement of payments including fund transfer, queueing mechanisms, cross-border payments, and gridlock resolution

Defines the name of blockchain use case along with a short description

Driver: Alpha in the room <i>Defines the dominant driver for the use case (refer to page 29 for definition)</i>		Ecosystem: Inter-enterprise (same industry) <i>Defines the dominant type of ecosystem for the use case</i>		Production readiness: 60% <i>Provides a comparative score measuring the extent of projects moving toward production readiness or already live</i>		
Blockchain properties leveraged				Business benefits		
 Trust & security	 Transparency & auditability	 Traceability & insights	 Transactions & automation	 Process optimization / cost reduction	 Increase revenue	 Experience for stakeholders
<i>Color of the icon defines the level of activity of the feature in this use case</i>				<i>Color of the icon defines level of the business benefit in this use case</i>		
Top platforms		Hyperledger Fabric, Corda, and Ripple <i>Defines the top three platforms leveraged for this use case</i>				

Research calendar – BFS IT Services

■ Published ■ Planned □ Current release

Flagship reports

Release date

State of the Market – Banking IT	Q1 2019
State of the Market – Capital Markets IT	Q1 2019
Banking Report Card 2019 – IT Outsourcing Transaction Trends	Q2 2019
Capital Markets Report Card 2019 – IT Outsourcing Transaction Trends	Q2 2019
Next-generation Infrastructure IT Services in BFS – PEAK Matrix™ Assessment 2019	Q2 2019
Enterprise IT Platform Services in BFS – PEAK Matrix™ Assessment 2019	Q2 2019
Banking IT Services Profiles Compendium	Q2 2019
Capital Markets IT Services Profiles Compendium	Q2 2019
Banking Application and Digital Services – PEAK Matrix™ Assessment 2019	Q3 2019
Capital Markets Application and Digital Services – PEAK Matrix™ Assessment 2019	Q3 2019
Risk and Compliance IT Services In BFS – PEAK Matrix™ Assessment 2019	Q4 2019

Thematic reports

Future Proofing Credit Unions from the Digital Onslaught	February 2019
Guidebook for Blockchain Adoption in Banking and Financial Services: A Compilation of Insights from 130+ Projects	March 2019
Delivering Efficiency Gains for Service Delivery in Banking: Focus on DevOps	Q2 2019
BigTech Wars – Public Cloud in BFS	Q3 2019
BigTech Wars – Customer Experience Platforms in BFS	Q3 2019

Note: For a list of all of our published BFS IT Services reports, please refer to our [website page](#)

Additional research references

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

1. **Blockchain Services PEAK Matrix™ Assessment 2019: Race to Make Enterprise Blockchain Real** ([EGR-2018-31-R-2836](#)); 2019. In this research, we assessed the vision & capability and market impact generated by 27 service providers for 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
2. **Blockchain: Is It the Silver Bullet?** ([EGR-2018-27-V-2567](#)); 2018. Analyzes high-potential use cases for blockchain – the major ones in banking and financial services include trade finance, KYC, syndicated loans, and corporate action
3. **Unblocking Blockchain Adoption – A Prioritization Framework for Business Processes** ([EGR-2017-3-V-2418](#)); 2017. In this research, we lay out a prioritization framework that is intended to assist enterprises as they navigate the tricky terrain of blockchain in business processes.

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

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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