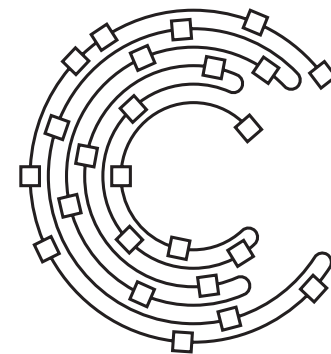


# Forward Together

Global C-suite Study  
19th Edition

Three ways blockchain  
Explorers chart a new  
direction

Europe



IBM Institute for Business Value



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## The point of departure

Successive waves of technology and the decades of transformative change that come in their wake are sure to shake something free. For the leaders taking up blockchain technology, that might be a mind-set best characterized as open. The unknown, instead of inducing discomfort, inspires their strategy. The capacity to learn fast is as valued as the capability to move fast. As the boundaries among industries continue to blur, they stand ready to rip them open. Innovating in tandem with peers and partners, they are poised to break away.

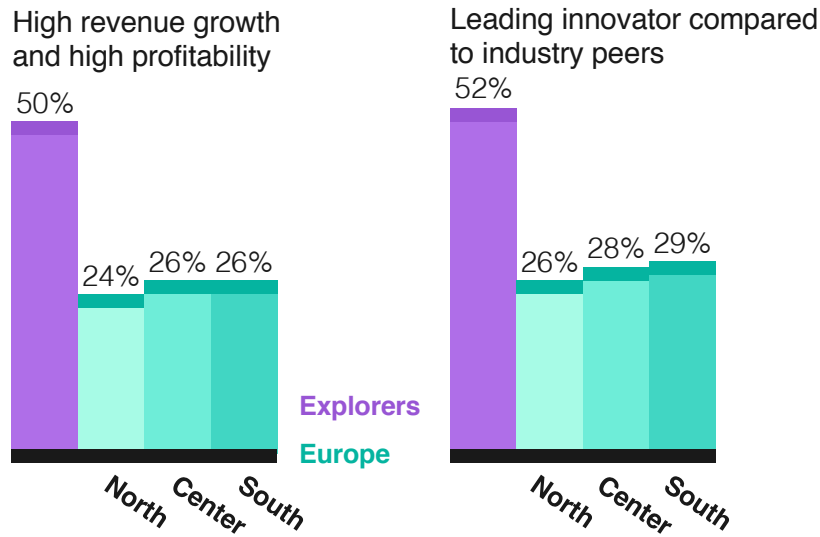
They are represented by eight percent of the participants in this survey and almost one fourth of them comes from **Europe**.



## The first blockchain adopters

The first blockchain adopters – the Explorers – are successful and venturesome innovators, confident they have to digitally reinvent themselves and their industry (see Figures 1 and 2). They aren't daunted by uncertainty but instead turn it to their advantage. In this point-of-view, we compare them to all respondents from **Europe**, where 23% percent of Explorers reside.

**Figure 1. Explorers are often leaders in their industries**



**Figure 2. Explorers are more adept at managing change**



6 out of 10  
**Explorers**  
are effective at responding  
to emerging business trends



3 out of 10  
**European participants**  
are effective at responding  
to emerging business trends

Almost half of Explorers in Europe are located in the **United Kingdom and Ireland**. Participants in these countries are more comfortable at managing change, however they encounter a more acute sense of skills and resources shortages as a result of their early adoption of blockchain.

Participants from **Germany, Austria and Switzerland** are also comfortable at managing change, and half are ready with a matching business strategy.

In **France**, they feel more prepared than Explorers in general in terms of having the necessary people skills and resources.



## Trigger for transformation

Sixty percent of Explorers are propelled by disruption from within their industry, opposed to not even a third of European executives. As a result, Explorers feel a significant urgency to transform, with executives from **Northern Europe** following closely behind (see Figure 3).

As one government official from Belgium put it, organizations are “anticipating digital disruption, without knowing what that disruption may be in the future.”

Figure 3. Explorers understand the need to move fast

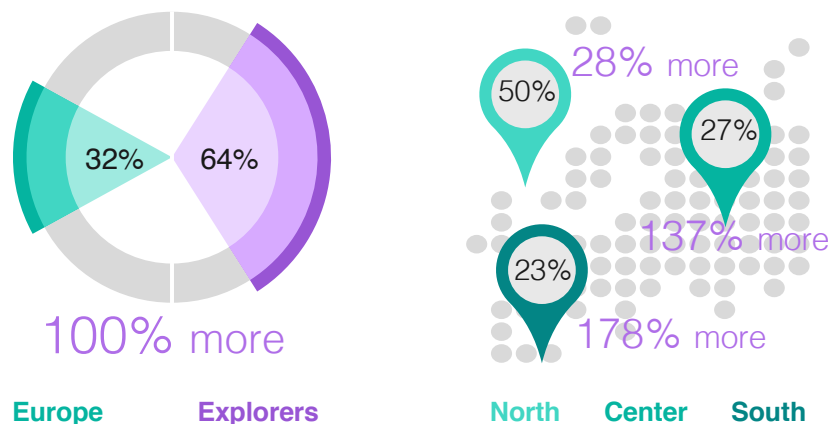
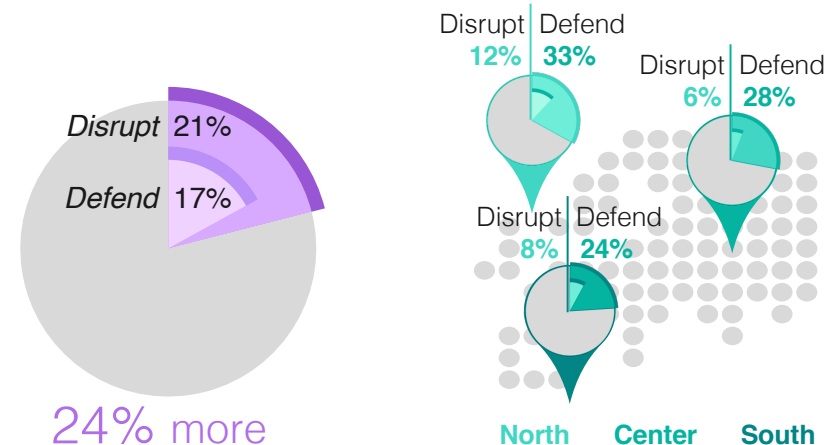


Figure 4. Explorers are more likely to disrupt than defend



### Get up and go

Even with today’s level of disruption, Explorers seek the opportunity to propel forward. They are aiming to be disrupters themselves – changing the rules of the game in existing or new markets and industries, whereas the regional trend in Europe is the opposite: to defend the current market position through price and cost reductions (see Figure 4).

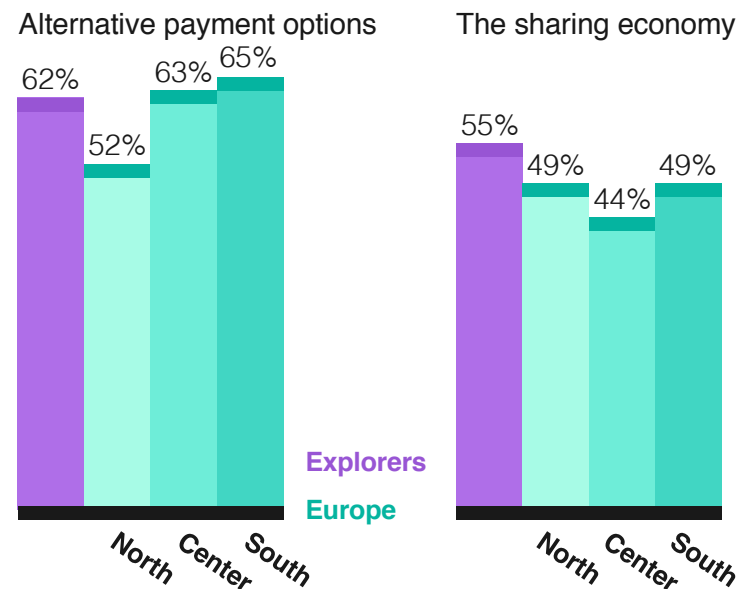


## Trends for a new direction

Blockchains create excellent platforms for new ways of working. Time and cost savings, risk reduction and increased trust, among both partners and clients, make it possible for organizations to explore new directions in the way they do business. The Explorers all over the world, including Europe, have their eyes set on what exactly those new directions could be, how they can profit from them and how to apply new business models which will allow them to extract value from these ecosystems.

Alternative payment options and the sharing economy are currently the leading trends for all organizations (see Figure 5). Participants in **France** believe that alternative payment options are on the rise, reflecting an increasing consumer demand for flexibility. In **Spain and Portugal**, the sharing economy is identified as a strong near-future influence on their strategic direction. Overall, the rapid ascent of alternative payment options reflects an increasing consumer demand for greater flexibility, coupled with speedy growth in the range of products and alternative payment solutions – a perfect match between demand and supply.

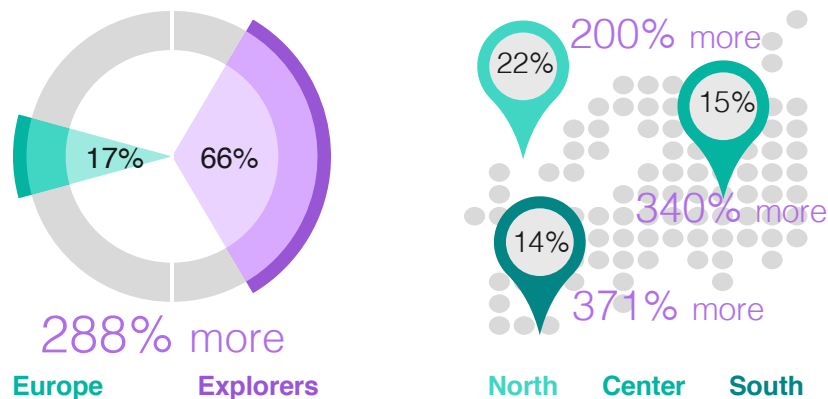
Figure 5. New trends that drive alternate strategies



The only exception in Europe are the **United Kingdom and Ireland**, where not even half see alternative payment options as the leading trend. It could well be that they are currently more concerned dealing with the consequences of Brexit, than looking at alternatives to regular transaction methods.



Figure 6. Intention to adopt a platform business model



Explorers divert again compared to the European participants in their intention to adopt a platform business model (see Figure 6). Sixty-six percent of Explorers are experimenting with this radically different business model, which connects people, resources and organizations in an interactive ecosystem to create entirely new forms of value. Only 17 percent of Europe is actively considering this new opportunity while in the **United Kingdom and Ireland** one-third of the participants see a rising opportunity for platform business models.

It is worth noting that Explorers also admit the challenges they have to overcome before creating effective ecosystem platforms, however none of them seems more daunting than the prospect of disrupting an enterprise's own revenue streams.

“With blockchain, mid-sized companies and start-ups have the opportunity to form consortiums and disrupt incumbents.”



**Chief Human Resources Officer**  
Healthcare  
France



“Technology leads us to smart partnering through online platforms.”

**Chief Operating Officer**  
Insurance  
United Kingdom



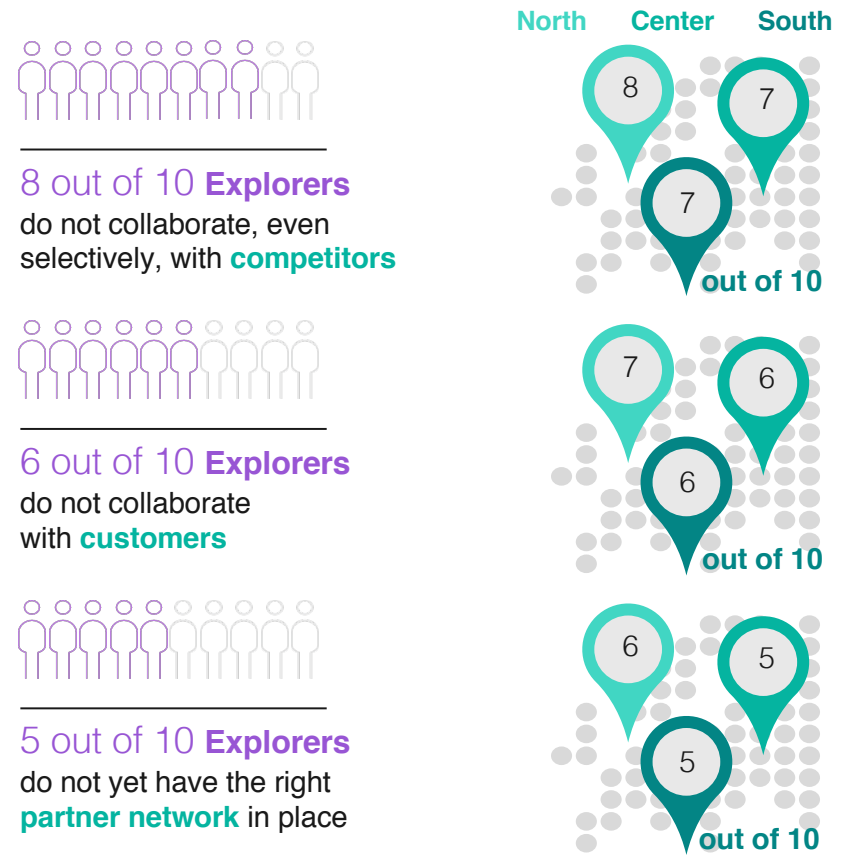
## Collaboration challenges

### Blockchain enables a new collaboration model with trusted transactions at its core

Once on blockchain, an organization is only as strong as its weakest link. The intensity of collaboration is likely to be the biggest obstacle organizations face. The need to work with and even support competitors will challenge leaders in every industry. Explorers are the first to be challenged to change, but this new capacity for co-opetition could also help them to sustain their advantage over others in the long run.

European Participants seem to be equally comfortable than Explorers in many aspects of collaboration with competitors (see Figure 7). Executives in **Northern Europe** feel more comfortable than Explorers in collaborating with customers and industry partners. Participants in **Germany, Austria and Switzerland** feel more comfortable than Explorers in collaborating with industry partners and competitors. In **France** they feel more comfortable than Explorers collaborating with all parties – customers, industry partners and competitors alike, and in the **United Kingdom and Ireland**, executives are confident partnering with industry consortia and customers.

Figure 7. New trends that drive alternate strategies



## Charting a new direction



### 1. Orchestrate economic advantage

- Harness the power of the ecosystem on blockchain
- Leverage the strengths of all organizations on your blockchain network
- Identify new opportunities for revenue, but make sure that all network participants share some level of economic advantage.



### 2. Establish a circle of trust

- Collaborate with a small, trusted group of strategic partners to build the 'minimal viable ecosystem' – to develop real-world business applications, and the economic model
- Expand the inner circle to include your customers, and even selective competitors
- Work with industry consortia to develop business standards and governance requirements.



### 3. Learn fast and keep an open mind

- Learn from the Explorers that the blockchain journey is open-ended, iterative and your destination will likely change
- Be first to gain unique experiences and insights from blockchain pilots with your network, which will give you an edge that cannot be easily replicated
- Move now and explore new business opportunities that blockchain will open up for your ecosystem.





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## How our research was conducted

This Europe point-of-view is based on the insights from the Global C-suite Study report on Blockchain, which was released in May 2017. “Forward Together” draws input from 2,965 conversations with C-suite executives (CxOs) from January through March 2017, of which 29% were from Europe. Here, we focus on executive perspectives from Europe about blockchain as a technology enabler for Digital Reinvention.

**Northern Europe (234 participants):** Belgium, Denmark, Finland, Ireland, Luxembourg, Netherlands, Norway, Sweden, United Kingdom.

**Central Europe (369 participants):** Austria, Germany, Switzerland, center region (Albania, Estonia, Bulgaria, CIS countries, Croatia, Czechia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Slovakia, Slovenia, Russia).

**Southern Europe (249 participants):** France, Greece, Italy, Portugal, Spain.

## For more information

To learn more about this IBM Institute for Business Value study, please contact us at [iibv@us.ibm.com](mailto:iibv@us.ibm.com). Follow @IBMIBV on Twitter, and for a full catalog of our research or to subscribe to our monthly newsletter, visit: [ibm.com/iibv](http://ibm.com/iibv).

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GBE03871USEN-00

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