By Pete Harris, November 2015
pete@lighthouse-partners.com
+1 917 379 7287
www.lighthouse-partners.com

Searching in Vain for The Block Chain

A Quick Survey of What Major Global IT Vendors Have to Say About Block Chain Technology

Snapshot

Major global IT vendors have little wisdom, advice or vision to offer their customers, prospects and partners when it comes to block chain* technology.

Without the participation of these companies, the mainstream adoption of this game changing innovation is unlikely to happen, despite the vibrant startup ecosystem, and the current extreme levels of excitement, interest and investment in it.
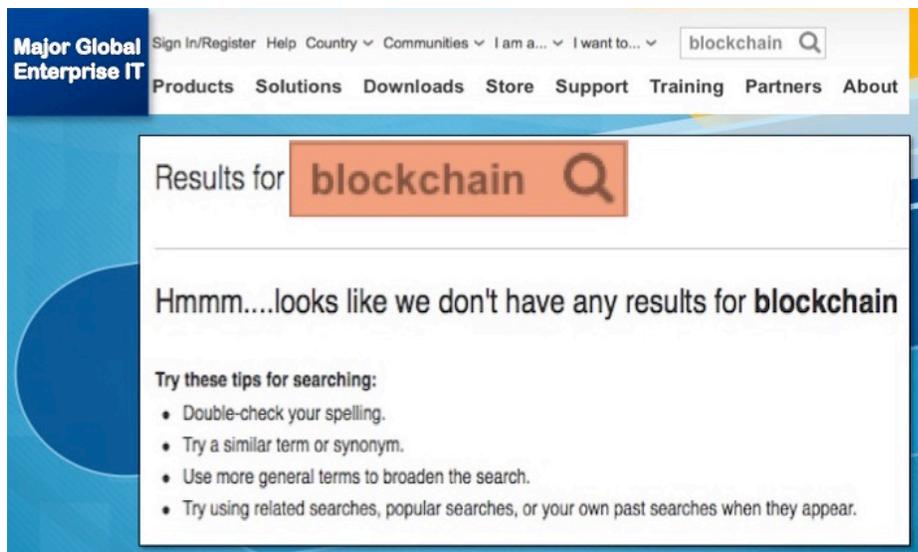
Major global IT vendors need to rapidly come up to speed with this technology, engage with their customers, offer viewpoints and opinions, develop solid advice and guidance and – where appropriate – partner with startup ecosystem companies to deliver world class product and service offerings.

* This report spells "block chain" as 2 words, just as Satoshi Nakamoto, the creator of the technology, did in his 2008 whitepaper. Most commonly, this technology is referred to as "blockchain".

Introduction and Background

Block chain – aka distributed ledger – technology has emerged over recent months as a new and innovative approach to the data and process management of transactions between two or more entities.

Block chains are distributed, shared, immutable ledgers, which already have a key reference implementation in the bitcoin cryptocurrency, but which have been proposed as solutions to a wide variety of applications across verticals including financial services, supply chain, fraud detection, healthcare, many aspects of IP law and Internet-of-Things offerings.

In recent months, the mainstream business press has covered block chain developments extensively, focusing especially on early interest from the financial services sector. Coverage has included developments at the likes of Citi, Nasdaq and Visa, which are actively experimenting with block chains.

Other commentary has zeroed in on the vibrant block chain startup ecosystem (more than 100 startups involved according to the CIO of UBS) and venture capital investment in the sector, which is now close to $1 Billion, similar to early stage funding of internet technology.

Moreover, some influential sources have weighed in on block chains. The World Economic Forum in a recent report suggested that 10% of global gross domestic product would be stored in block chains by 2027. With such forecasts, the future seems solidly set for block chain technology.

About the Survey

But not so fast. A survey conducted last month by Lighthouse Partners suggests that one key set of players – major global IT vendors, including top hardware, systems software, eCommerce, big data, cloud, network, telco, systems integrator companies – have little wisdom to offer about this supposed game changing technology.

Lighthouse believes that this state of affairs – if it continues – could hold back block chain technology's adoption on any mainstream level and scupper predictions like that from the WEF.

A survey was conducted in October 2015 of 100 global IT vendors, each operating in multiple vertical application markets and collectively providing a broad range of IT products and services.

The survey was a simple one but conducted in a practical way, and driven by the belief that – as has been the case with other emerging technologies – it will take the active participation of global IT vendors in order for mainstream Fortune 1000 businesses to adopt block chain-based solutions.

The survey targeted 100 global IT vendors, operating in multiple vertical markets, and with a wide cross section of product and service offerings, including:

- **Hardware, including processors, servers, storage and networking (22)**
- **Systems software, including operating systems and middleware (14)**
- **Big Data, database and data warehouse (17)**
- **Telecommunications services and infrastructure (4)**
- **Cloud, managed hosting and software-as-a-service (13)**
- **E-Commerce, including ERP and CRM (6)**
- **Systems integrators and solutions providers (15)**
- **Business and management consultants (5)**
- **IT analysts (4)**

For each of the 100 companies, a search was performed on instances of "blockchain" across the company's website to see what each had to offer for the term. This approach mimics what a researcher at a potential or current customer might do as a first instance, and so while it is a simple approach, it is one with practical merit.

Survey Findings

This graph shows the split between companies that have some mention of block chain on their websites versus those with no mention of it.
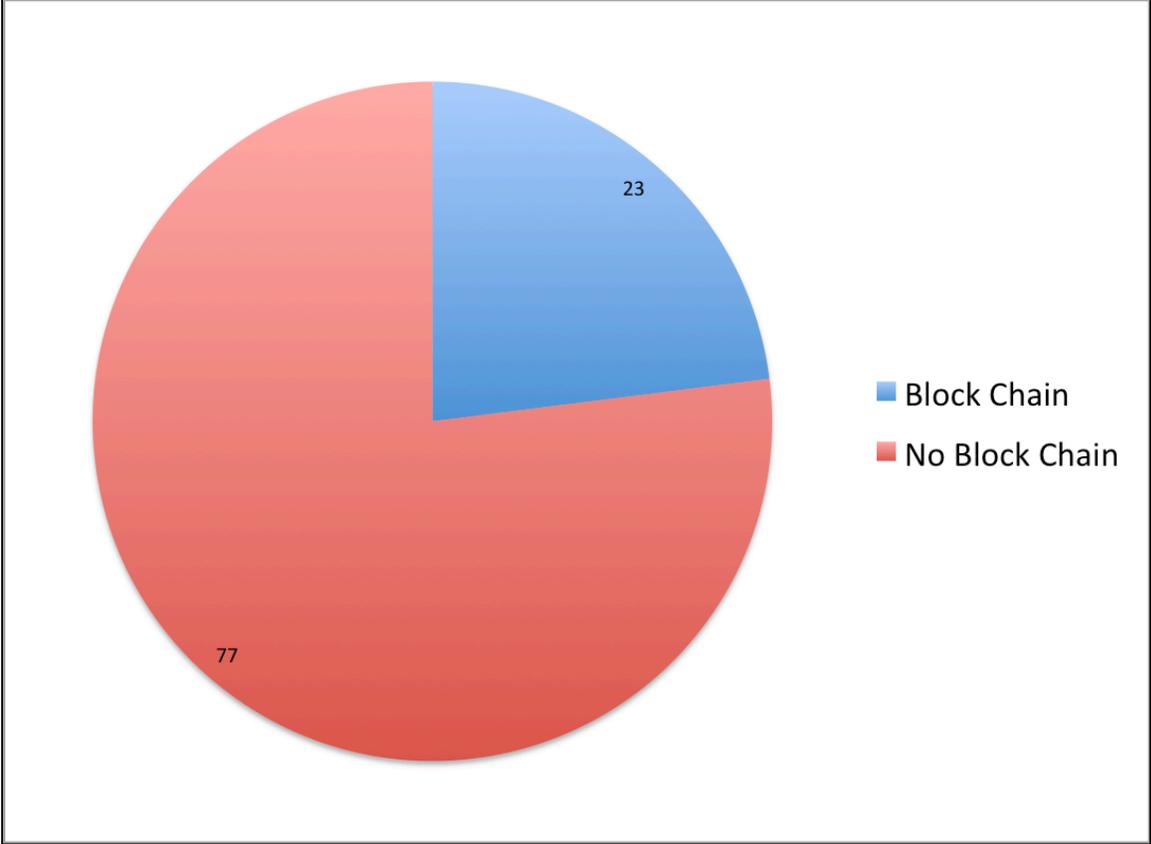
Just 23% of companies (see appendix) had anything at all to say about block chains.

As a comparison, this next graph shows the same split but omits companies that are either business/management consultants (5) or are IT analysts (4). The remaining group (91) are those companies that would be actually able to offer some product or service.

Only 15% of these companies have mentioned block chains on their websites.
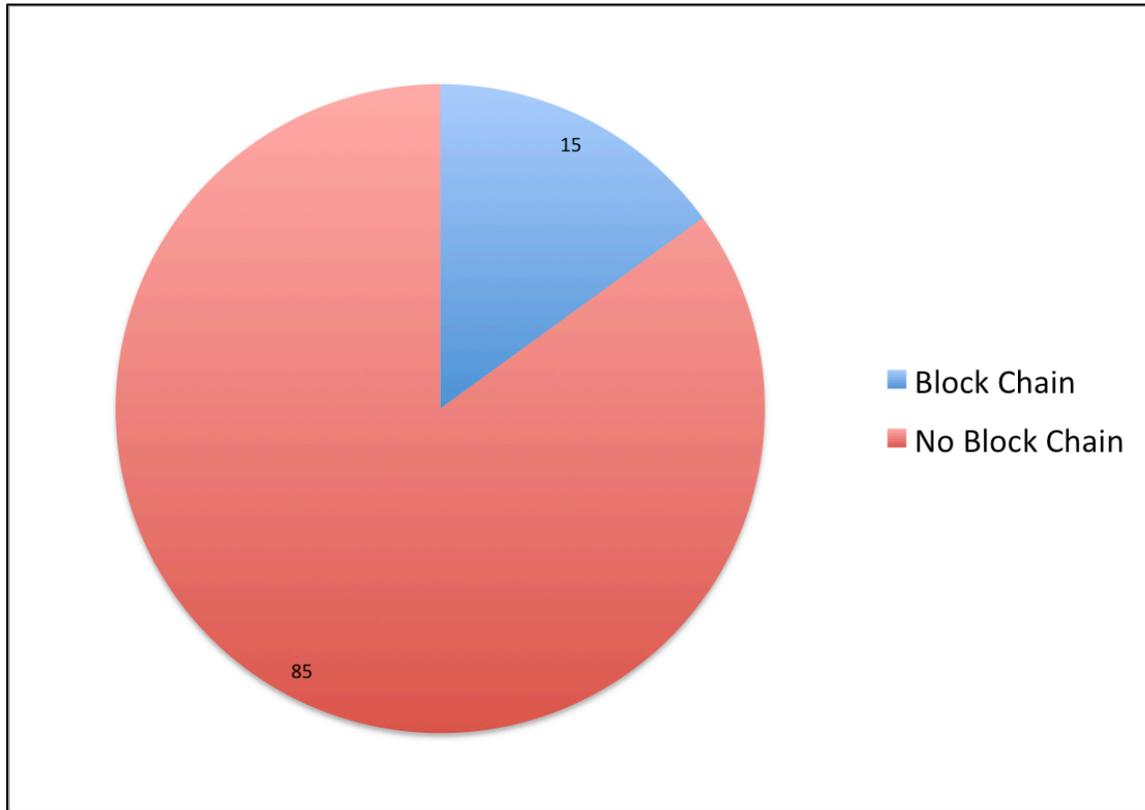
For the most part, mention of block chains was restricted to blog posts from individuals of a "what is the block chain?" nature. Some posts focused mainly on bitcoin. In only a couple of cases was there any information related to potential applications and implementations.

Given the amount of business media coverage of block chain technology, enterprise customers are finding that they actually know more about the subject than the vendors that they traditionally turn to for forward thinking and solutions.

Interpretations and Conclusions

What's clear is that major global IT vendors have very little to offer their customers and prospects who might come to their websites looking for information and insight on block chains. In most cases, the term is not mentioned at all.

Of course, it's unclear whether these vendors have more to say when the conversations are 1:1, but anecdotal evidence suggests this is not happening in any widespread way.

Slightly more encouraging is that where there is some website coverage, it has been mostly posted in the past 3 months, indicating that momentum is at least increasing, albeit from a standing start. Again, anecdotal evidence suggests that major global IT vendors are now beginning to become educated about block chain technology and its promise.

Despite the evidence provided in this survey, given the opportunities on offer and potential business from embracing block chain technology, there is an expectation that many major global IT vendors will begin to investigate block chains over the next 3 to 6 months, though much depends on whether 'buzz' from early experiments – especially in the financial services space – remains positive, or at least intriguing.

About Lighthouse Partners and The Block Chain Conference

Operating since 2000, Lighthouse Partners is a business and technology consulting firm advising on positioning of innovative enterprise technologies, with specific focuses on go-to-market and growth strategies involving partnerships, thought leadership creation and events.

Current technology focuses include block chain, distributed ledger and smart contracts; big data in motion; agile cloud and high performance computing approaches.

In particular, Lighthouse is working with both established IT vendors and startups to host **The Block Chain Conference**, which takes place on February 10, 2016 in San Francisco.

This first-of-its-kind event will focus on real business applications for block chains, distributed ledgers and smart contracts, and will act as an early conduit to encourage dialog and engagement between the enterprise IT establishment – both users and vendors – and innovative block chain startups in order to accelerate education and adoption of this innovative technology.

For more information on **The Block Chain Conference**, see **www.theblockchainconference.com**. Opportunities to participate and present still exist. Early bird discounted delegate registration is open.

Appendix: Companies With Some Block Chain Website Content

IT Analysts/Business and Management Consultants:

Accenture
Deloitte
Forrester Research
Gartner
IDC Research
KPMG
PwC
451 Group

Other Vendors:

Akamai
BT
Cap Gemini
Cisco Systems
Couchbase
CSC
IBM
Microsoft
NetSuite
Nomura Research Institute
NTT
Oracle
SAP
Verizon
VoltDB