THE TRUST ENGINE

HOW DECENTRALIZED CORPORATE NETWORKS ENABLE NEW BUSINESS MODELS.

Interview with Thomas Müller,
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you will probably start a cross-company system integration project using EDI-based data exchange, for example. Such cross-company integration projects usually incur high costs and are accompanied by a rigid coupling between the partners, which is completely inflexible.

In order to integrate partners more dynamically, more and more platforms were created with which processes can be flexibly integrated in a partner ecosystem. From the point of view of process integration, this is a big step, but from the company's point of view it adds an unprecedented dependence on third parties.

In recent years, much has been invested in the digitization of processes. During this time, a mass of IoT hubs, platforms and cloud solutions were created. But they all have a massive problem. A central platform for digitizing the company's own processes makes the core business dependent on third parties. This is a huge risk and the main reason why companies are reluctant to use such platforms. Blockchain solves this problem by allowing participants, as well as goods, to interact with each other by maintaining data sovereignty. Information is exchanged between partners as needed and initiated by the data owner. Companies do not have to rely on a central intermediary to provide data. Blockchain technology also makes it

possible to develop systems in which trust and value can be exchanged between partners without having to rely on a powerful central mediator, as is normally the case today.

This is achieved through the use of smart contracts that define the rules of cooperation, such as agreed service levels, delivery times or quality criteria. Smart contracts can then be used as a digital representation of a specific value chain to exchange data between participants and automatically check compliance with the defined rules.

The topic of "enterprise-ready blockchains" is currently being discussed in the media. What's this all about?

When we launched Ethereum blockchain in 2014, we wanted to make it available to companies. It soon turned out that it didn't work that way. As beautiful as the idea of this architecture is, it provides so many problems for use in the company, it is only conditionally ready for operation. This starts with simple technical things. In the Public Blockchain you see everything, it's not really an anonymous system. Every member of the chain can look into a transaction. In the corporate environment this is an absolute "no go" and unacceptable. But who is the data

processing unit in a decentralized system? A company that offers a blockchain solution for its customers must also be able to legally secure this, which is why a public blockchain is not really usable for companies today. Data privacy and compliance with data privacy standards are gaining massively in importance within the scope of the basic data protection regulation.

We have learned from this and have initiated the decentralized corporate network "evan.network". In principle, this is an open ecosystem that offers companies in almost every industry the opportunity to create individual digital business models based on blockchain technology. The big advantage here is that companies can map their processes very quickly. It is not necessary for companies to work at the blockchain transaction level, they can functionally use the service templates and the entire infrastructure to implement their business logic on a blockchain basis. This is the functional side behind the network. This gives us an operating platform and a service layer that allows a company-specific implementation very quickly. For us, this is the "enterprise ready" blockchain and can be used for any B2B business.

Mr. Müller, the International Data Corporation (IDC) recently wrote in its ITC industry forecasts for 2018 and beyond that that by 2021 at least 25 percent of Global 2000 companies will use blockchain services on a large scale as a cornerstone of their digital trust strategy. Developments in the context of blockchain technology will have a major influence on the design and implementation of digital business processes and public processes. What makes the blockchain so exciting for industry and business?

The digitization of real-world goods is one of the most interesting things in using blockchain technology for businesses, as it forms the basis for the ever-growing demand for digital business models around existing physical goods. I see two main drivers for this demand. One is the sharing economy trend, where things like cars, machines or tools are used by several users and the other is the industrial Internet or more specifically the ability to coordinate processes directly between the machines and products involved. The exciting question here is what

happens if the machine itself could control the entire process? This is exactly the idea behind the digitization of goods. An important prerequisite for such digital communication is the direct participation of the machine in digital communication. With blockchain technology it is possible to provide a digital representation - I call this a "digital twin" - for a device like a machine. This digital twin enables the machine to participate in a digital transaction with a trusted identity that can then be used to coordinate the activities required for a process.

Another aspect concerns the way companies can create value in the future. Sales markets are changing with a previously unknown dynamism and demand a high degree of flexibility from companies. In the future, hardly any company will be in a position to serve customers completely on its own, which means that joint value-added processes with constantly changing and in some cases new partners will gain in importance. That is why we need to rethink the way in which we work together. What we need today, however, is dynamic cooperation in flex-

ible partner networks in which companies interact with each other at eye level. This requires a strong rethink in the way companies interact with partners, but it also requires new methods of reliable, fast and dynamic collaboration in partner ecosystems. In these areas, the blockchain technology is an interesting alternative to today's existing solutions and that makes it so exciting.

The digitization of processes and transactions between companies is playing an increasingly important role in digitized business models. Blockchain technology makes it possible to develop such systems. To what extent is this point relevant?

In the area of process cooperation between companies we find many similarities with the digitization of goods. The main driver in this area is the ability to coordinate cooperation processes more efficiently and more flexibly. From today's perspective, these are completely contradictory goals. If you need more efficiency,

ABOUT THE INTERVIEWEE

Thomas Müller (41) Co-Founder and CEO of EVAN. He is an expert in process optimization and strategic business development. After studying computer science and business administration, he gained extensive experience in an international technology consulting firm. As a member of the management of a medium-sized IT service provider, he was responsible for the development of new business areas for a further eight years. Since 2017, he has been working on efficient cooperation between companies using blockchain technology as part of the start-up EVAN. EVAN is the initiator of the decentralized corporate network evan.network. evan.network is the first consortium cross-industry blockchain and offers companies from almost all areas the possibility to build digital business models based on the blockchain technology. It paves the way for future-oriented business models in which the protection of one's own data sovereignty and flexible cooperation with partners are decisive factors for success.