



Discover the power of enterprise blockchain ●

A guide to software transformation



Digital transformation is no longer optional ●

Becoming digital-first has quickly become a priority as companies all over the world navigate a new and challenging environment. The global crisis has not only reinforced the limitations of disparate, firm-wide systems, but also highlighted the urgent need to evolve to more transparent and scalable business processes, as well as access to real-time data.

Did you know:

- **Up to 80%** of IT budgets are allocated to keeping legacy systems running¹
- **9 out of 10** businesses are having their growth curtailed by old technology²
- Inefficient information exchanges cost a 10,000-employee business **\$26.5 million annually**³

No wonder 70% of companies have a digital transformation strategy in place, and 27% of companies consider having one to be a matter of survival.⁴

1. IT Modernization: critical to digital transformation, Avanade
2. IT Modernization: critical to digital transformation, Avanade
3. The Panopto Workplace Productivity Study
4. Tech Pro Research Survey



Blockchain holds the key to digital transformation ●

Blockchain is the only technology that can provide an immutable, distributed ledger that enables end-users that don't trust each other to transact directly, without intermediaries—all while delivering privacy, security, and scalability.

At its core, blockchain offers a single source of truth that new applications can harness. It enables businesses to transact directly, reducing transaction and record-keeping costs and streamlining business operations. On a blockchain, everyone involved in a transaction knows with certainty what happened, when it happened and can confirm other parties are seeing the same thing.

5. IDC

75% of businesses consider blockchain as being key to driving digital transformation, and a fifth already have an enterprise blockchain solution in production.⁵

It's easy to see why: enterprise blockchain has the ability to not only create new opportunities, but to reimagine and increase the potential of existing business networks, bringing dormant data to life, enabling direct and trusted transactions, eliminating friction and accelerating growth.

As an independent software vendor, you are in a prime position. Your applications are already integrated into your customers' workflow and their businesses depend on them. But they're not seamlessly connected to each other. Blockchain can activate your latent network by connecting your customers to each other, and, in turn, to their customers. For software vendors, enterprise blockchain platforms can enable new revenue-generating software solutions and a way to increase the value of existing portfolio solutions.

No matter the industry, your customers want to use applications that can operate and scale in a new digital-first and connected world. It is crucial that you understand the capabilities of blockchain and its power to take business further and faster.



Business without blockchain isn't future-proof or truly connected ●

The cost of inertia is too high for many companies to bear.

88% of the Fortune 500 firms that existed in 1955 are now gone.⁶ From Blackberry to Blockbuster to Kodak, history is littered with cases of businesses who failed to adapt to new technologies. Some continue to try to play catch-up, but many have lost the fight.

As a software vendor, you may be servicing industries that remain largely paper-based and riddled with inefficiencies, friction and high intermediary costs. Your current product offerings no doubt aim to provide internal efficiencies and revenue gains, but do they really extend the value of your solutions to drive efficiencies and new opportunities across their wider business network? Will incremental efficiencies for individual customers unleash the full potential of their business, increase their profitability, or

address the age-old problems impacting their cost and customer experience objectives? Is your competition more agile, faster, innovative?

If your current solutions continue to be deployed on-premises, they are likely costing more and more to maintain. They may be getting more and more difficult to renew. And they definitely don't enable end users to seamlessly transact with one another.

Why? Because different instances of your software do not communicate based on a shared view of the facts, or through a peer-to-peer network.



As an Independent Software Vendor (ISV), you have at your disposal a latent network, that if activated, has the potential to expand into new parts of the value chain and new markets, connect businesses and deliver new revenues. Blockchain technology can help you unlock trapped potential and turn risk into opportunity.

By delivering a truly digital-first application underpinned by blockchain, you can eliminate the trust and efficiency challenges in data exchange between your customers, and their wider business ecosystem.

Deploying enterprise blockchain technology allows you to move away from being a software vendor selling individual solutions to individual customer bases, to one that delivers connected and transparent business networks that can overhaul the entire vertical or verticals you serve.

6. The American Enterprise Institute





Blockchain connects market participants in a fully digitalized and immutable way, facilitating frictionless transactions between the participants. It also enables us to harness the power of scalable design and a new level of interoperability.

Johan Toll, Head of Digital Assets,
Market Technology at Nasdaq



Why enterprise blockchain for software vendors ●

Software firms have an opportunity to become a 'networked' business by driving collaboration between customers and elevating existing offerings through distributed applications.

Build deeper customer relationships

- Increase the stickiness of existing software solutions by making them mission critical within new blockchain-based transaction networks
- Increase cross-selling and upselling potential with the opportunity to deliver multiple new applications over time as value added components of your platform offering
- Create more collaborative solutions with customers that increase long term loyalty and lifetime revenue

Increase revenue from existing business lines

- Develop a resilient and transparent B2B business network that can ensure your incumbent software products are not made redundant by emerging blockchain applications, new entrants and the expansion of new business networks
- Increase the market share of existing solutions with an enhanced offering that can fully address age-old industry problems around reconciliation, auditing and inter-firm disputes
- Open-up new markets by being able to extend distributed applications to the wider business network of your customers
- Move products into production quicker and reap the benefits of faster time to value

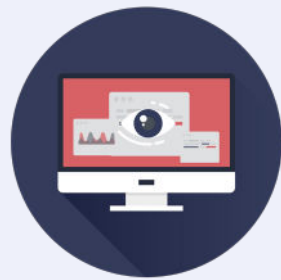
Increase the impact of other digital technologies like AI and IoT

- Provide applications that harness data automation and algorithms
- Deliver underlying infrastructure that ensures trust in the data being automated by other technologies
- Ensure strict privacy and security in data and value transfer between IoT devices

Deliver new revenue-generating solutions + increase the value of existing ●

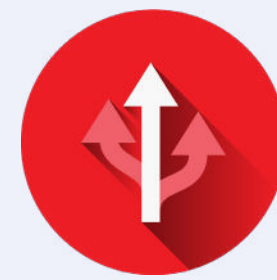
Have you considered how you can add blockchain applications to your current solutions? Or are you thinking of building a new application?

With blockchain you can better connect your existing network of users across a wider ecosystem.



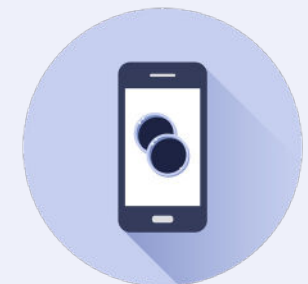
Multi-party transparency

A shared system of record among all participants helps parties to collaborate and maintain shared data, control how it is shared and ensure it is strictly verified before being written to the ledger.



Inter-firm automation

Improve workflow by automating data and transaction processing across the business network and enable inter-firm business-process efficiency and transparency. Orchestrate complex and/or long running multi-party workflows with resilience.



Digital assets and identity

Fully digitalize real-world assets to enable faster end-to-end exchange of value, create new tradable assets and leverage standardized digital identities across a network.



Fuel your business ●

- Financial institutions and regulators are leaning into payments transformation to facilitate a range of scenarios, such as settlement on new digital asset exchanges, supply chain invoices, and even retail payments
- Software vendors that embrace blockchain technology now will have a unique opportunity to guide the governance of industry-leading consortia and business networks
- Harnessing a blockchain platform can solidify your firm as a forward-looking advisor on collaborative business models and digital transformation



We are creating a shared core banking system by building a series of applications. The first problem we are addressing is compliance in cross-border payments across the ecosystem. Corda is unique because it coordinates the payments peer-to-peer, and we can be sure transacting parties are in consensus without the need for a trusted intermediary.

Vasiliy Suvorov, VP Tech Strategy,
Luxoft (A DXC Technology company)



Why blockchain for your customers ●

Today's customers expect more from you as their software vendor.

Enterprise blockchain technology is a way for you to meet their demands for efficiency and profitability, and help them gain a competitive advantage.



Efficiency

Increasing operational efficiency is one of the top 3 priorities of CIOs today.

Blockchain's elimination of middlemen supports fully automated reconciliations and business processes.⁷



Security

97% of IoT adopters have concerns about security.

Blockchain can help by distributing data across multiple parties, making it harder to hack.⁸



Growth

20% of tech leaders are 'extremely concerned' about the impact of trust on their revenue growth.

Blockchain's immutability has currency with customers and partners.⁹

7. Harvey Nash / KPMG CIO Survey 2019

8. Gartner: Survey Analysis-IoT Adopters Embrace Blockchain

9. PWC: Technology trends 2019



Your customers can accelerate their business ●

Applications built on a blockchain platform can enable end-users to:

- Provide solutions that allow your customers to control their own data and how it's consumed
- Meet customer demand for real-time information, reconciliation and settlement across a business network
- Reduce the reliance on intermediaries, and drive mass efficiencies and cost savings for customers, no matter what industry they're in
- Eliminate islands of business networks and increase interoperability, leveraging blockchain's 'network effect'
- Open up new business models and product offerings, for example through tokenization and digital assets—for you and your customers



Blockchain in action ●



Built for the needs of highly regulated institutions, R3's **Corda platform** is a next-gen blockchain platform that delivers privacy, scalability, and security, making it the leading 'blockchain for business'.

Corda supports and underpins top-of-stack applications, known as CorDapps. By building an app on Corda, software vendors can focus on the business of driving value. Having been designed as a private rather than public, permissionless blockchain, Corda works well for distributed data storage and exchange while still giving users control over who can and can't see their data.



Case study:

Ledgertech + Bharti AXA ●



The industry problem

Motor insurance claims in India are a heavily manual and time-consuming process with high costs and low margins.

The blockchain solution

Insurtech firm, Ledgertech, leveraged R3's Corda Enterprise platform to build an insurance solution to handle the entire underwriting and claims process end-to-end. Bharti AXA as an insurance firm is putting the blockchain application to work across the company's motor claims business by integrating and streamlining the motor claims process end-to-end.

The results

Bharti AXA processes hundreds of thousands of claims every year with overall motor claims management costs severely impacted by legacy processes. With Corda Enterprise, Ledgertech demonstrated it could reduce overall operating costs by 20%. Damage assessments for claims now take minutes, not days—significantly improving the customer experience and increasing the potential volume of claims that can be processed.

[Read More](#)



Case study: Spunta ●



Everybody on the Spunta team is on the same page, sharing the same roadmap. We're focusing on scalability. We designed the network to scale very fast to the production phase.

Mattia Ozzello, Product Manager at SIA



The industry problem

The legacy reconciliation process for interbank transactions in Italy—governed by the “spunta” process—has been notoriously complex. With multiple parties involved, the task of identifying and addressing inconsistencies has historically been hampered by a lack of standardization, the use of piecemeal and fragmented communication methods, and no “single version of the truth”.

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The blockchain solution

The new Spunta DLT application, promoted by ABI, the Italian Banking Association and coordinated and implemented by ABI Lab, the banking and research innovation center, completed final testing at the end of 2019 and is now in production, with adoption from the entire Italian banking sector expected for the end of 2020. Other participants include SIA, which provides the network infrastructure and NTT Data who handles technical elements such as design and end-to-end-support.

The solution enables banks to pinpoint mismatches in interbank transactions quickly by sharing common data in a secure way; performing checks and exchanges directly within the application; and using standardized processes for correcting issues.

The results

Following the completion of technical performance tests simulating 200 million transactions, representing one entire year of data, across 200 banks, the Spunta DLT application, powered by Corda Enterprise is now in production with the first wave of 18 banks and banking groups.

200 banks will be live by the end of the migration period in September 2020. The next step will be to extend the Spunta application to a European level, bringing the benefits to banks across Europe.



Case study:

Digital Ventures + Siam Commercial Bank ●



The industry problem

Traditionally following a complex trail of documents, procure-to-pay's inefficiencies traps working capital and exposes opportunities for fraud.

The blockchain solution

The software vendor, Digital Ventures, and Siam Commercial Bank used Corda Enterprise to create the B2P platform, designed to boost efficiency at every step of the procure-to-pay process in any supply chain, both upstream and downstream. It is the world's first fully integrated blockchain solution for Procure-to-Pay.

The results

For over 800 early adopters like Siam Commercial Bank and its supplier ecosystem, B2P has already succeeded in reducing procure-to-pay process time by 50% and operational costs by 70% by driving multi-party transparency to reduce friction in administration and payments across buyer and supplier networks.

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We can help you boost your business ●

Professional Services

Blockchain technology can unlock huge potential for organizations—cost savings, faster dealings and streamlined processes. However, there is no ‘one-size-fits-all’ approach to deployment because no two journeys are the same.

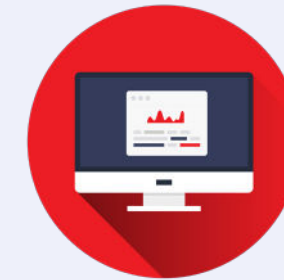
R3’s **Professional Services** team provides a comprehensive suite of advisory and engineering services to help businesses accelerate the design, development, and deployment of blockchain solutions on the Corda platform.

With R3, you can learn from best practices: how to successfully build a business case, how to empower your people, how to optimize your deployment, and how to avoid common pitfalls. One in five projects get stuck at POC because companies are unequipped to overcome these barriers. We can help you be a success story rather than a statistic.



Design

Simplify blockchain complexity and evaluate use cases, validate applications to unlock the full value of blockchain for your business.



Develop

Accelerate time to production by embedding R3 engineers and delivery experts into your organization, and performing global go-to-market trials.



Deploy

Ensure successful production deployment with rigorous best-practice testing, node deployment on-premises or in the cloud and dedicated upgrade services.



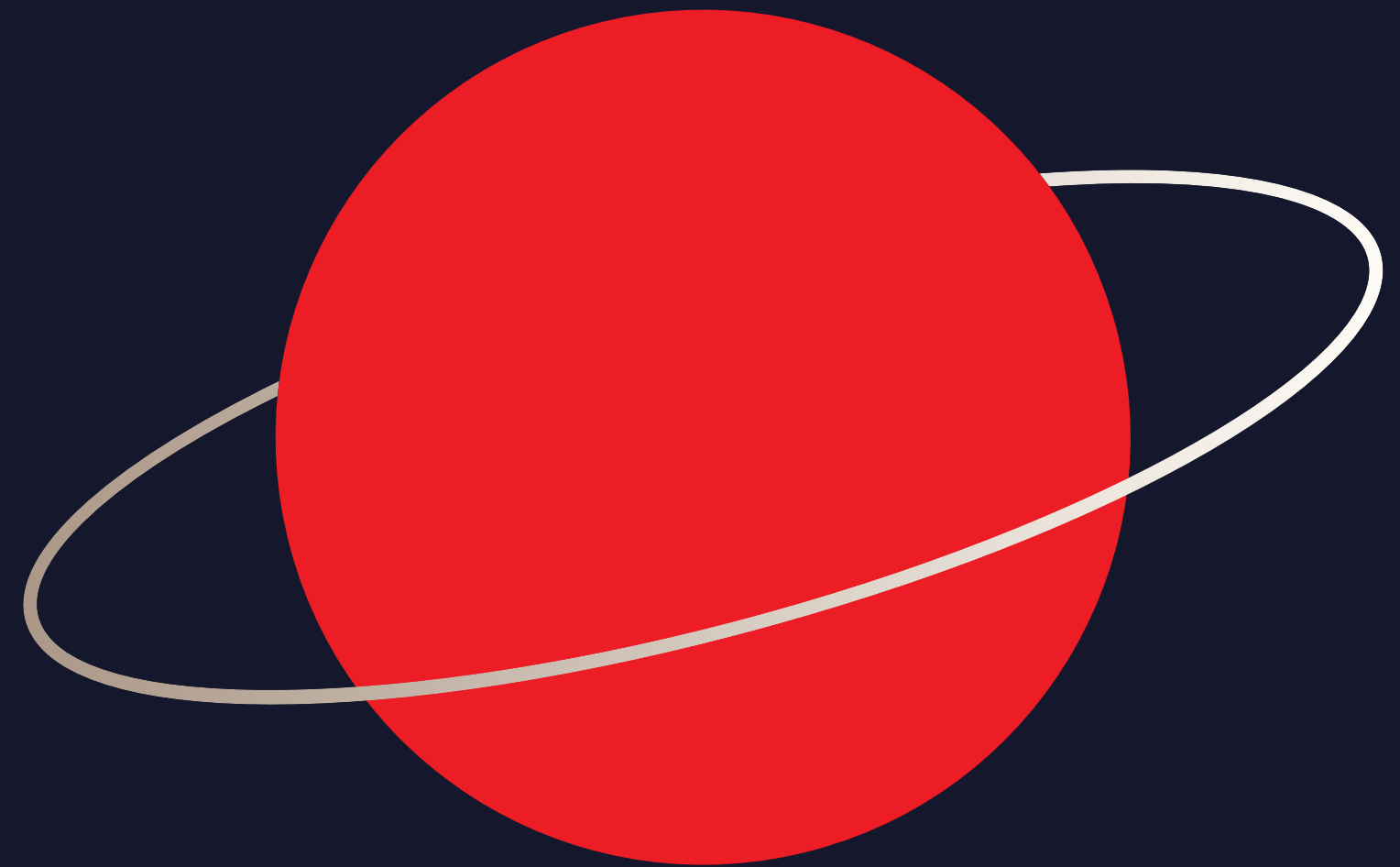
Discover the power of blockchain to take business further and faster ●

The path to enterprise blockchain deployment is unique to each business, and this is also true of digital transformation.

Navigating this journey requires partnering with those experienced enough to lead the way. R3 has a proven track record of working with the most prestigious regulated entities from Wells Fargo to Mastercard to SIX Swiss Exchange.

The alternative of simply standing still is not an option; the price of doing nothing is too high when new disruptors are emerging and racing to get ahead.

Discover how enterprise blockchain can propel your business forward and help you eclipse the competition.



Get in touch with us ●

For more information about how we can help software vendors discover the transformational power of enterprise blockchain in a new digital-first world, contact us today.

r3.com/contact



Leading companies working with R3 ●



About R3 ●

R3 is an enterprise software firm that delivers blockchain technology suited for every business in every industry. R3's technology, developed in collaboration with our ecosystem, is being used to transform entire industries by digitizing the processes and systems that firms rely on to connect and transact with each other.

R3's blockchain ecosystem is the largest in the world with more than 350 institutions leveraging and building on Corda, our enterprise blockchain platform. The leading systems integrators, cloud providers, technology firms, independent software vendors, corporates and banks can be tapped by our customers and strategic partners to drive go-to-market programs or help build and deploy blockchain applications.

As a pioneer in digital industry transformation, R3 is committed to ensuring our customers derive the greatest value from their investment. We provide services and support to shorten your time to market, as well as guidance on implementation, integration and even how to build ecosystems based on a blockchain platform.

