How Blockchain Technology is Changing the Traditional Business Model--A Critical Perspective

TREO Talk Paper

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Abstract

This study identifies challenges and needs for research regarding prospective companies considering the application of blockchain technology. Current and future business models need examination regarding how blockchain technology is necessary for businesses trying to have a competitive edge. The research addresses the impact of blockchain technology on traditional centralized business models and analyzes the benefits of applying peer-to-peer transactions using blockchain technology in new and current business models. It also examines business applications of blockchain technology and existing business models of large businesses such as Walmart, IBM, FedEx, and Microsoft that utilize blockchain technology. Studying the uses of blockchain technology provides a foundation to review how centralized versus decentralized business models can adopt blockchain. The analysis further simplifies the components of a business model.

The study inspects cryptocurrency as a source of revenue and the impacts that its usage will have on existing business applications. As illustrated in figure 1, the components for the different models include strategic components, customer/market components, and value creation components. Implementing blockchain technology has advantages as well as disadvantages. By examining companies that have already begun to use blockchain technology, the familiarity of business models using the technology can provide the outline of how to use blockchain technology. The risks, challenges, and opportunities of blockchain technology are explored and its implications for theory and practice are discussed.

![Figure 1. Impact of Blockchain on Business models](source: (Nowiński & Kozma, 2017).)