How will Blockchain look if the industry came together in a solution?

- collaborate in the morning, compete in the afternoon

Professor Jan Damsgaard

Reasons for standards

- Industrialization is standardization

- Reasons

  - Economics of scale

  - Reduction of transaction costs

- Examples of persistent standards

  - Distance between rails

  - Driving in the left or right side

    - the case of Sweden and Austria

- The US changing to the metric system

- The persistence of time measure

  - 24 hours, 60 minutes, 60 seconds

The battle between AC & DC

THE ELECTRIC LIGHT IN MADISON SQUARE, NEW YORK.—Drawn by Charles Graham—[See Page 30.]

- Edison Electric Light Company DC

- Westinghouse Electric Company (Tesla) AC
  - Both tried to win by stimulating the demand, not the supply
  - Both built incompatible systems that excluded the other

- The transformer killed the competition and AC won
  - Creating GE
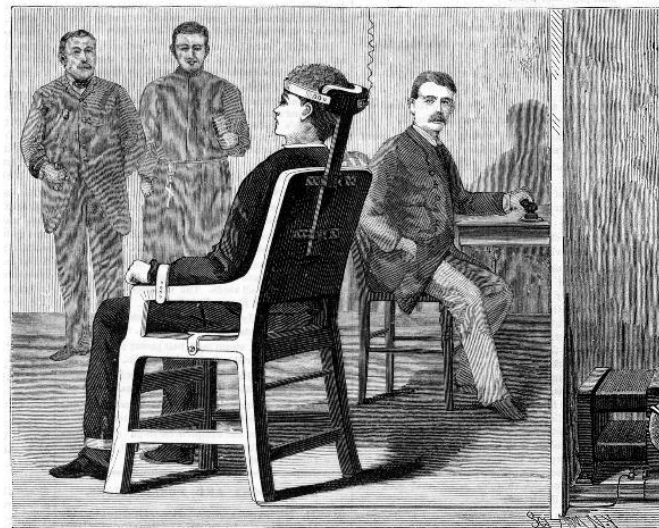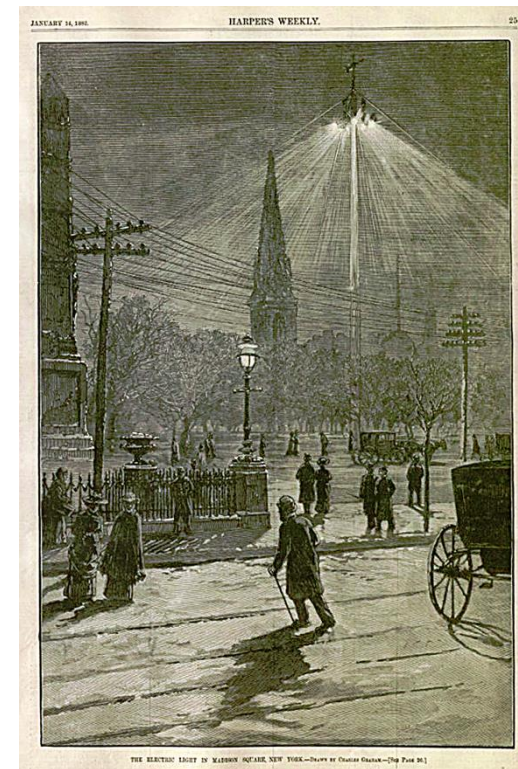
EXECUTION BY ELECTRICITY, SHORTLY TO BE INTRODUCED IN N. Y. STATE.


WAR OF CURRENTS
AC ∽ DC
Tesla ∽ Edison
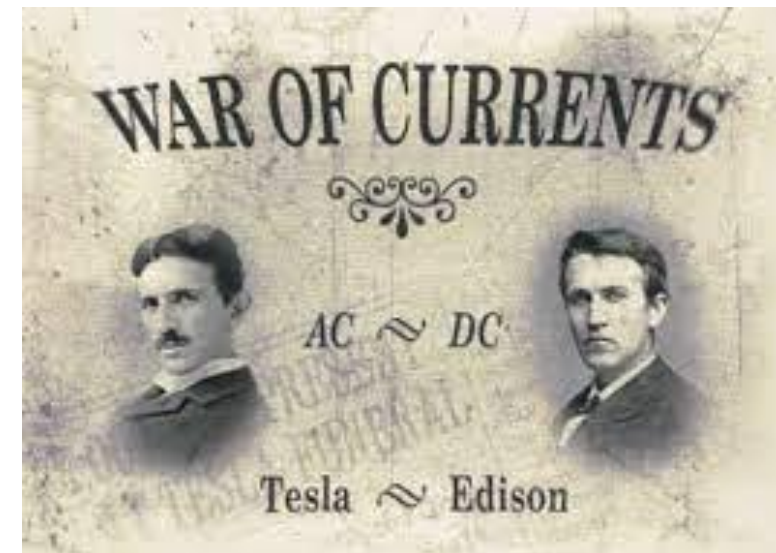
Network Effects

- Definition: A network's value to a user depends on the number of other network users
  - Example – the fax machine
- Metcalf's law.
  - Value = n*(n-1)/2
- Network effects are demand-side economies of scale

CBS EXECUTIVE FONDEN
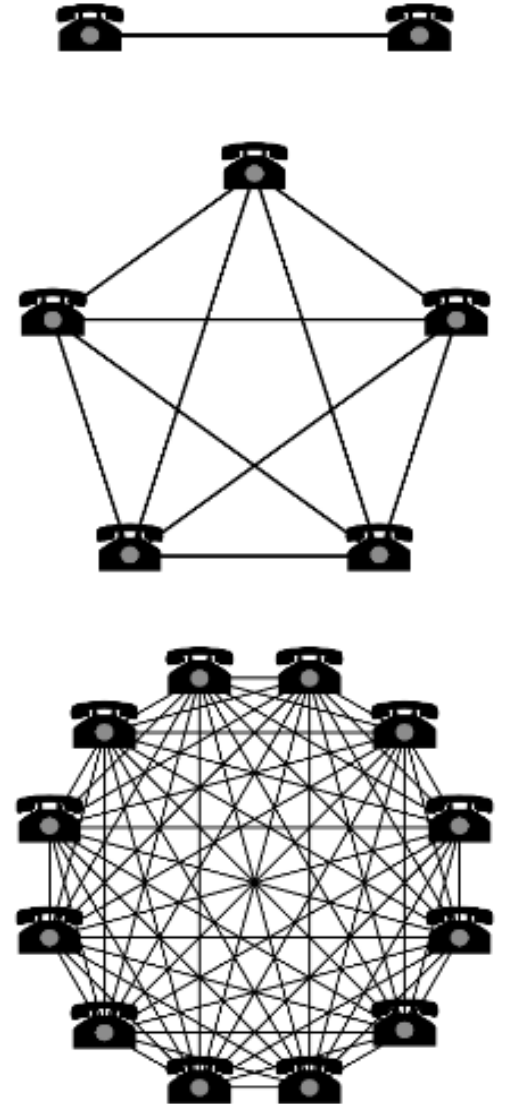
Blockchain configurations

- Alone (nonsense)

- Bilateral – costly and ineffective

- A single supply chain – costly and ineffective

- One powerful actor - Hub and Spoke model
  - Online marketplaces – Alibaba, Amazon, Rakuten etc.
  - Tech giants – IBM etc.
  - Giant retailers - Walmart

- Trade and Industry associations – not faster than the slowest

- National – but supply chains are global

- EU – bureaucratic and politic

- FN – like UN/EDIFACT – politic

CBS EXECUTIVE FONDEN
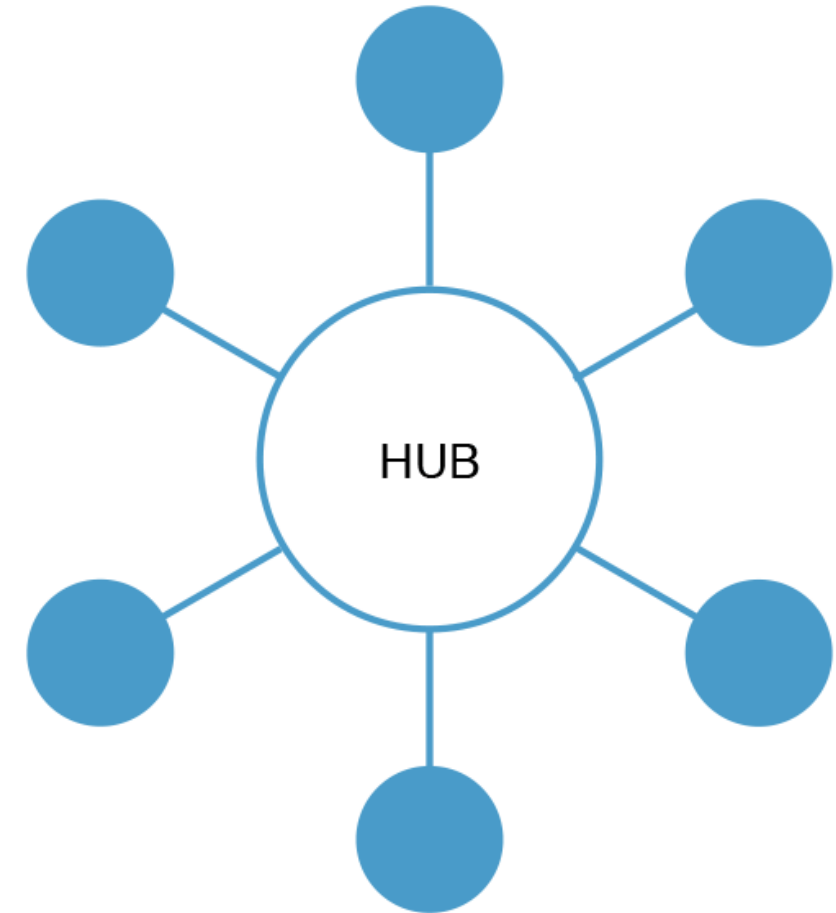
Blockchain in the fashion and textile industry

- How to land the blockchain solution
  - Copenhagen Business School, Confederation of Danish Industries, Lifestyle and Design cluster?
  - An IT company or Amazon or LVMH or SAP or Microsoft?
  - Who controls the Internet?

- The failure of spectacular permissioned blockchains
  - Tradelens – by Maersk and IBM
  - Libra/Diem – by Facebook/Meta

- The idea of a DAO – decentralized autonomous organization
  - ARLA € 11.202 million in revenue, owned by local milk producers, founded in 1881
  - Danish Crown € 9.000 million in revenue owned by farmers, founded in 1887
  - Coop DK - € 5.500 million in revenue owned by consumers, founded in 1896

- Mapping SCOR - Supply Chain Operations Reference to the fashion and textile industry

CBS EXECUTIVE FONDEN

Jack Dorsey Says
Twitter Should Have Been an
open "Protocol",
Not a Company

Checklist – before choosing a blockchain solution

- What companies are involved in producing the blockchain solution?
- How many companies are already using the solution?
- How many software companies can configure the blockchain solution?
- What is the history of the blockchain solution?
- Is the blockchain solution built upon open standards?
- How is the fit with other blockchains?
- What kind of standardization does the blockchain solution represent?
- Is customization of the blockchain solution necessary?
- Is there an accessible knowledge base for the implementation and exploitation of the solution?
- What are the costs of switching to an alternative solution?
- What are the implications of postponing a decision to adopt?
- In what direction is the solution evolving? And is our company headed the same way?