

The benefits of using blockchain in businesses

[Business](#)



Everyone knows what Bitcoin is and its importance in business. But, most people do not know the technology behind this cryptocurrency. The technology used for Bitcoin is blockchain. Blockchain can be used in wide variety of other applications also.

What is blockchain?

Blockchain is actually a public ledger which is digitized, decentralized and it's behind all transactions of cryptocurrencies. As it is decentralized, there is no need of central servers. It is maintained by a computer network instead of maintaining by a central server. Thus making it cost effective. As most of the blockchain data is encrypted, people who try to verify it from their computers will not be able to understand what kind of data it is. This serves as an additional security which in turn avoids the need for expensive IT infrastructure. The advantage of using cryptocurrency is that money can be transacted from one person to another easily without the need of costly IT infrastructure. Thus, reducing the cost and also the time needed for transactions.

What are the benefits of using Blockchain in B2B businesses?

Some of the advantages of using blockchain in B2B businesses are as follows.

1. Smooth working of supply chains: As the system is decentralized, supply chains can be operated smoothly. As well as, processing time can also be reduced considerably.
2. Easy processing of sales and transactions: Due to decentralized system, processing of sales and transactions can be easily done; which in turn will result in the faster operation of supply chain also.

Intermediates are not required here as all the transactions directly happen in between two parties.

3. Ease in scalability: As there is no central server and no sole ownership of the IT infrastructure, scalability can be easily achieved.
4. Suitable for wide variety of industries: As the technology is not limited for any particular industries, which makes it suitable for B2B businesses with a wide variety of industries. This will enable companies to modify the technology according to their needs.
5. Security assured: As the complete data is encrypted, no one will be able to decode it which will ensure that security is not compromised.
6. Transparency: As transparency is so important for B2B business, lack of transparency in financial and commercial dealings can cause rifts in business relationships and delays in business. Blockchain technology provides transparency in its financial and commercial dealings through it.
7. Auditability: Each transaction is recorded on the blockchain network, which serves as a proof in between two parties in the business. This feature is beneficial for those businesses in which data source are required for authenticating the assets.
8. High savings: Being a versatile technology, it avoids the need for costly central server. This enables faster transaction which saves time and money.
9. Permanent transaction records: Once a transaction is done, it is recorded permanently.

These cannot be altered or deleted and are linked to other transaction records that occurred before like a chain.

How B2B businesses can make use of Blockchain technology?

Definitely, blockchain is gaining popularity day by day. It's sudden growth and increasing value in the market is attracting more investors to it. Many businesses have started to use it for safe and secured transactions.

Blockchain technology is a growing database due to its features such as enhanced security and trustworthy nature. As it is rapidly growing and gaining immense popularity over media, which makes other media such as Facebook, Twitter, YouTube less popular these days. Blockchain in B2B Businesses Blockchain has set its footprints in retail industry and keeps its promise in delivering communications in between customers, merchants and partners. It constantly thrives to improve performance, retail management plans and process the assets and data in a confidential manner. Blockchain reduces the time of transaction between the trading merchants, increases the trust between merchant and supplier, and boost the opinion between retailers. This technology helps more in tracing items that are valuable and regulated, place order such items in advance and timely delivery will help both retailers and consumers. Impact sensors are launched to monitor physical supply chain which will notify merchants and consumers if there is any logistic incidence. As a distributed decentralized ledger, blockchain allows each legitimate member inside the supply chain to verify authenticity of products handled through the medium. It carefully handles product swapping and counterfeiting.

Blockchain as a payment method

Payment instructions are issued by buyers which initiate currency transfers and transactions that include time stamping. Blockchain avoids all sorts of payment delays which include checking availability of funds and clearing, billing and reporting the activities occurred. All these financial activities are validated in real time basis. The beneficiary bank receives irrevocable cash transfer notification which blockchain gives confirmation and also does all the corresponding verifications for authorizing the data for payment.

Through blockchain, values can be moved from one geographic location to another without compromising the quality. This feature allows B2B companies not to waste huge capitals invested across different locations to work with their customers. Using cryptocurrencies, companies don't have to face losses in form of currency exchange rates. Transaction done via blockchain doesn't need to pay exchange rates for fiat currencies as they have same value in USA, Australia and UK. B2B businesses fit perfectly in blockchain technology Distributed Ledger Technology (DLT) also known as blockchain is a reliable technology with huge market potential and have the potential enough to change the existing enterprises. It assures secured data management through the facility of distributed storage encryption. This feature can be applied in various sectors as discussed above. Like any other new technology, blockchain will also have to face lots of challenges as it grows. However, it is unanimously agreed that it has wide variety of applications across several other industries. In coming days, we can expect a rapid growth of blockchain technology in sectors such as trade finance, money remittances and payments.