

Why Standards are "What's Next" in the Web 3.0 Blockchain Revolution

- Standards that Drive Interoperability are Key to Scaling the Enterprise Blockchain Market
- Enterprises Prefer Standards that Avoid Vendor Lock-In, Drive Competition, and Ensure Interoperability through Accredited Testing and Certification Labs
- Interoperability Facilitates Multiple Vendors of Choice, Enabling the Enterprise to Switch Vendors When Their Solution is Required to Pass Accredited EEA Certification Testing

How a Global Standard Drives the World's Blockchain Ecosystem to Scale

With the introduction of a new technology, it takes a global standards organization with a world-class testing and certification program to drive global adoption. Historically, this is true across a wide range of technologies. For example, in the telecommunications space, consumers can buy a mobile phone knowing it will work. The reason why is that the phone has gone through certification testing to the 4G mobile communications standard "LTE." As a result, the phone will work globally with all telecommunications providers. Not only does the buyer get to choose their preferred phone model and operating system, but when they put in a SIM card, they have a high degree of trust the phone will work with the operator of their choice. The open standard model that ensures multiple-vendors of choice in this telecom scenario is no different from the standards-based approach that will help accelerate the development of the enterprise blockchain market.

Proprietary Solutions Precede an Industry Standard

Historically proprietary solutions are first out. However, upon acceptable maturing of the technology or business opportunity, standards bodies take their place to capture the total available market.

Proprietary solution implementations tend to be costlier due to the lack of a specification defining preferred features and performance parameters. Without a specification or framework to build blockchain solutions, a vendor's internal development team faces greater development challenges with limited resources to define from scratch the requirements, technical implementations, and benchmarks needed to build, verify and validate their solution.

As a result, proprietary or "single-vendor" solution providers ultimately have fundamental differences that have historically hindered them from surviving once the global standard emerges.

Here's why:



- 1. Proprietary vendors attempt to "define interoperability" as the ability of their client solution to communicate with competing clients. This feature is very different than the true meaning of interoperability which requires an independent certification program where vendor solutions must be tested and conform to an Industry Standard Specification.
- 2. Single vendor models set their own pricing and define the feature set. Historically, this means that if the customer wants an enhancement, it's up to the proprietary vendor to decide if they will add it. However, if the customer is a member of a standards organization, such as the Enterprise Ethereum Alliance (EEA), they can contribute this feature to the standards organization's working committee. With the committee's support, their contribution becomes a defacto feature, without additional cost.
- 3. With a single source market model, the majority of large enterprises hesitate to commit to a proprietary vendor that does not have a well-established developer ecosystem. Not only are enterprise customers wary of what they will get from a single-vendor offering, but they also are unsure if a developer ecosystem will be able to support them five, ten, fifteen years down the road.

Scaling the Enterprise Blockchain Market by Fostering Competition

• With the publication of the <u>EEA Enterprise Ethereum Client Specification 1.0</u>, available as a <u>free download</u> on the EEA public website, this open, standards-based approach is now able to scale worldwide. The EEA's rapid growth in membership mirrors the accelerating acceptance and deployment of Ethereum blockchain solutions within the global marketplace. The technological breadth, depth, and variety of the 527 EEA member organizations coming together to drive Enterprise Ethereum standards is evidence of the Alliance's ability to accelerate global market adoption. Plus, the Ethereum 30,000+ developer community is magnitudes greater than any other proprietary implementation effort. Read the recent EEA Specification launch release and supporting Board Member quotes.

The EEA was formed in February 2017 and has published its first architecture and specification in May 2018. Expect to see the next version of the EEA spec announced at the Ethereum Developers Conference (Devcon4) in October 2018. In addition, the EEA will introduce a TestNet to further interoperability pre-testing across member solutions. Most importantly, the EEA plans to launch their Certification Testing Program in the first half of 2019. The EEA Certification Program will ensure solutions conform and interoperate with the standard, thus building customer confidence and trust that they will get the results they paid for.

EEA – Scaling the Number of Markets Enterprise Blockchain Can Address

As an industry standards organization, the EEA invites all members to participate with an equal voice and vote in contributing to the development of specifications. The next version of the EEA specification allows for different certification testing criteria tied to specific vertical



market categories. The EEA's <u>Special Interest Groups (SIGs)</u> are established to define market requirements needed to contribute to future versions of the EEA specification, helping to scale the number of Enterprise Ethereum market categories the specification supports. As a result, the EEA specification will be able to cover more vertical industries than proprietary solutions. EEA Special Interest Groups include Insurance, Financial Services, Supply Chain, Health, Telecommunications, Aviation, and more.

The EEA believes that by taking the lead to deliver a standards-based approach, the organization is now the defacto standards organization for Enterprise Ethereum blockchain – one that is backed by the largest developer community in the world and a skyrocketing member-base.

Become Part of the Solution - Join the EEA

The EEA invites everyone including proprietary vendors to consider betting on the larger total available market opportunity by joining our organization and developing solutions that allow them to be part of a global standard. Download the EEA specification document for free on the EEA website and plant a stake in the ground as we attract tens of thousands of software developers to deliver standards-based Enterprise Ethereum solutions.

Resources:

- Learn more about the EEA and download the Enterprise Ethereum Client Specification
- Read Supporting Quotes from the EEA's Founding Board Members
- Sign-up to receive the latest EEA information
- Join the 500+ member companies of the EEA