

Blockchain Technology Applications for Small and Medium Enterprises

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Abstract

The goal of this paper is to present blockchain technology and its applications in an easy to understand manner without going into much technical detail and to show that small and medium enterprises (SMEs) may participate in a blockchain initiative with relative ease. We start with an introduction to blockchain technology and its business applications. Engaging in blockchain transactions is still a novel idea for small enterprises. However, recent trends show that many large enterprises are engaging smaller business partners as they expand the scope of applications across the supply chain. We show how the technology is revolutionizing supply chain management and contract management. We discuss how Smart Contracts may reduce complexity and increase transparency in business transactions thus facilitating efficient and effective business processes. Small and medium enterprises may achieve strategic business advantages by engaging in blockchain technology in three ways: a) increasing efficiency in supply chain processes, b) adopting smart contracts, and c) leveraging the technology to collaborate with ecosystem partners. We provide examples of initiatives that allow small and medium enterprises to participate in the blockchain without the need to invest in complex technologies or any sophisticated resources. We propose a six-step approach for embracing the technological advances that may provide a roadmap for SMEs. We then conclude with a discussion of the pros and cons of the idea and provide directions for future research.

Keywords: Blockchain, Smart Contracts, SME