IDC MarketScape

IDC MarketScape: Worldwide Blockchain Services 2024 Vendor Assessment

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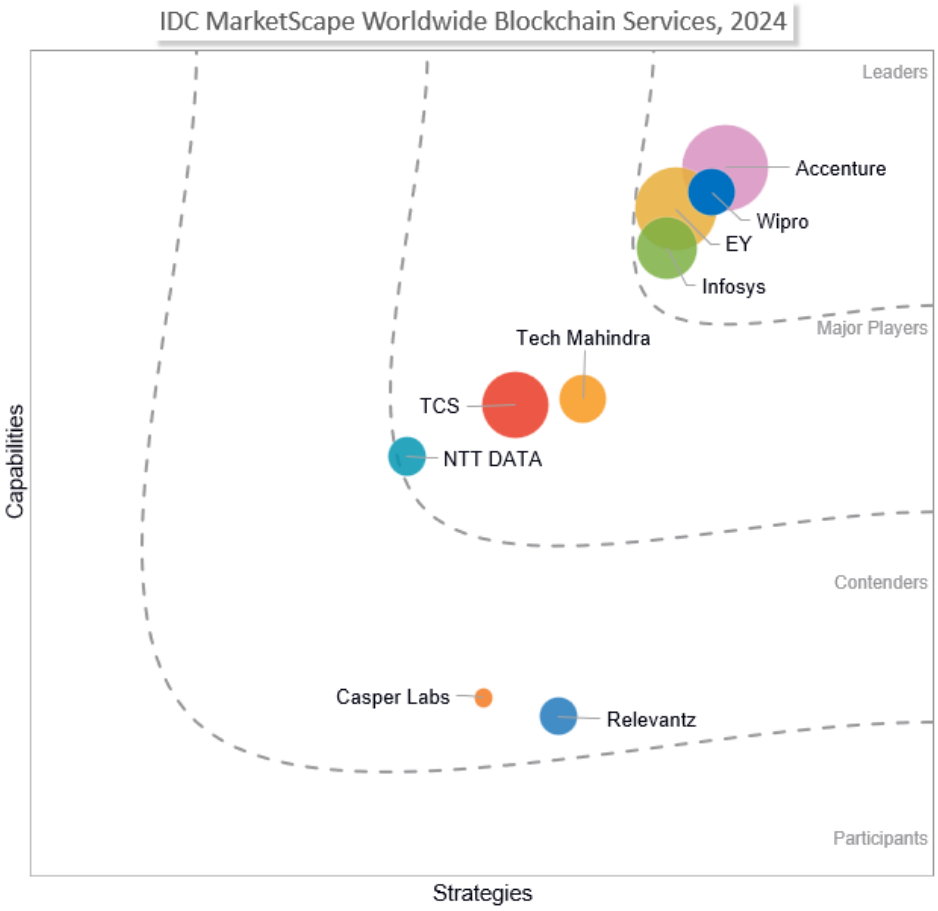
THIS IDC MARKETSCAPE EXCERPT FEATURES EY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Blockchain Services Vendor Assessment



Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

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IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Blockchain Services 2024 Vendor Assessment (Doc # US49434623). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC MarketScape offers an assessment of vendors providing professional services supporting blockchain technologies. This study uses the IDC MarketScape model to assess multiple quantitative and qualitative criteria that can be used to evaluate a vendor's offerings and position in the marketplace. The evaluation is based on a standardized set of parameters, which IDC uses to produce a comparative analysis of blockchain services vendors.

As part of this evaluation process, these technology vendors provided an assessment of their current capabilities and strategies, responses to an extensive questionnaire, an in-depth briefing, and access to reference clients to appraise their ability to meet the needs of technology buyers looking for professional services to use blockchain technologies.

Key findings from the research of these professional services vendors include:

- Blockchain has evolved extremely quickly in the past three years and is now no longer an experimental "fringe" technology. It is a wholly accepted and integral part of a technology solution provider's toolbox. Blockchain is not the answer to every firm's problem, but it is a solution that should be fairly weighed as a potential way to address data storage, sharing, manipulation, tracking, and reporting needs.
- Blockchain has gained enormous ground in the financial services industry not only as a back-office solution for data and operations but also as a foundation for digital assets (today, more than just cryptocurrencies), a system for digital identity and security, and more. Further, blockchain is also becoming a commonly found technology in other verticals such as manufacturing, government, healthcare, life sciences, and retail.
- Digital assets are poised to revolutionize the world of finance: Blockchain is the foundation for cryptocurrencies, which are approved to be traded via ETFs by the SEC in the United States. This approval marks a watershed moment in the history of cryptocurrencies and digital assets, with a key regulator in the United States tacitly approving (and opening the door to other) cryptocurrencies and digital assets, some of which do not even exist yet, being approved in the future. As a greater number of digital assets are approved for trade, we will see a massive increase in the need for blockchain solutions to manage the custody, trading, reporting, and liquidity (and more) of digital assets.
- As GenAI takes the world by storm, blockchain is being used to protect and track intellectual property (IP) so that if it is (inevitably) used in GenAI, the author's IP can be traced within GenAI's output. Further, blockchain is being used to ensure users' digital identities to ensure the veracity of data and information before and after that data is processed by GenAI. Several firms are using blockchain to develop these solutions. Blockchain looks to perhaps be the most perfectly suited solution to addressing the security of IP and digital identity in a future built on GenAI. Blockchain permits users to store, secure, share, and track the use of their IP easily. By storing IP on a blockchain, the owner of that IP could exert control over how their data is used and by whom — and more importantly, blockchain tracers could be inserted into

the data underlying the IP — so that if that IP were to be used in GenAI without the author's or owner's permission, the owner of that IP could search and trace the "threads" or "digital DNA" encoded by blockchain in their IP as it appears in the published responses generated by GenAI.

- Web3 is here, now: IDC defines Web3 as a collection of open technologies and protocols to support the natively trusted use and storage of decentralized data, knowledge, and value. Blockchain is the differentiating foundational technology that permits the evolution from Web2.0 to Web3 by providing a way to securely exchange value in a digital medium (cryptocurrency) and data/content in a non-fungible, trackable, and equitable way (blockchain/NFTs) while securing users' digital identities. Expect to see an even greater rise in the use of blockchain in coming years as the evolution of Web3 continues.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Vendors assessed in this document are professional services and IT consulting providers that are considered to be "full stack" providers offering professional, advisory, and/or IT consulting services that address every layer of the "blockchain stack." Vendors included in the assessment have demonstrated a standalone blockchain practice or business unit and are actively working with clients to build blockchain implementations that have been deployed outside of a test environment, including proofs of concept (POCs) and/or pilot programs. It is important to emphasize that inclusion in this document indicates a vendor has met the criteria as being a professional services vendor capable of helping clients develop and utilize blockchain technology fully. (A more extensive description of the types of vendors included in the assessment, as well as the market they serve, is included in the Appendix.)

ADVICE FOR TECHNOLOGY BUYERS

Blockchain as a technology has been proven to be robust, reliable, and secure. Today, numerous successful projects have gone live, and are running smoothly, across several industries. But the majority of successful implementations can be found in the financial services industry, inventory management/supply chain areas, and the government vertical. Readers of this study in these professional areas can today feel confident that if they partner with an established blockchain service provider, to implement a blockchain solution in the aforementioned three areas, they will more than likely meet with success, as they can build on the foundation of prior blockchain implementations in their areas.

Readers in other industries may have to tread more carefully not because blockchain itself may pose a risk to a successful implementation but because the project they seek to develop may be the first of its kind where blockchain is being applied or may be a proof-of-concept endeavor. Here, it pays to be even more prudent when selecting a blockchain solution provider to partner with to guard against the risk of any hurdles becoming insurmountable. IDC offers the following advice to technology buyers:

- **Blockchain is a solution, not a goal:** As with any technology, blockchain is not a panacea. It is not the answer to every problem; it is merely a tool (albeit a very robust and powerful one) in the technology toolbox. Do not embark on a search for a blockchain solution simply for the sake of utilizing blockchain, and also do not shy away from a blockchain solution if careful analysis results in blockchain being the best technology for your current needs.
- **Digital assets are coming; be ready:** Firms in every vertical should prepare for the development and expansion of digital assets even if they are not in the financial services industry. IDC predicts that in the next three to five years, we will see digital assets become

commonplace, ranging from cryptocurrencies to financial instruments, including derivatives and commodity contracts. Firms need to begin exploring solutions that will take this into account or partnering with financial services firms that are preparing to provide ways to service digital assets.

- **Blockchain is here to stay:** 2024 marks a watershed year for digital assets, cryptocurrencies and, by extension, blockchain. With the SEC's approval of bitcoin ETFs, expect a knock-on effect on all of blockchain, not only cryptocurrencies, as there is now tacit approval for digital assets and, by extension, an imprimatur of blockchain itself as a valid technology.
- **Take small steps to success:** Incremental improvements are better than overly ambitious schemes. A result of the initial inflated "hype" surrounding blockchain was the expectation that every blockchain project would be transformational, or at the very least "disruptive." The advice of technology vendors to their customers is to begin modestly; look for incremental gains. The goal of this best practice is to underpromise and over-deliver. Blockchain projects with large ambitions may take years to reach lofty goals, but a reasonable project begun sooner can show incremental improvements immediately.
- **It isn't about the technology:** Even incremental gains are about blockchain's ability to rethink processes and eliminate inefficiencies. To "sell" blockchain internally, vendors advise not focusing on the technology but instead on the benefits. Process improvements, lower costs, new revenue, and such are always more important than the technologies that make them happen. Thus enterprises should always focus on "what" and "why" versus "how." In addition, this focus helps blockchain proponents avoid discussions based on misconceptions about blockchain and pay attention to the technology's benefits.
- **Find partners that can build business cases:** A key part of what professional services vendors should deliver to their enterprise blockchain clients is assistance in building the business cases around blockchain implementations. The vendors included in this document all offer that type of consultation as a part of their engagements, but that service is not necessarily a given. It is an important consideration since blockchain does not always lend itself well to easy ROI calculations. Enterprises often need help and guidance in building the justifications for their blockchain projects.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

EY

EY is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide blockchain services.

The EY global blockchain practice was started in 2015 to serve the future of business enabled by blockchain. EY's aim was to support technology innovation to digitalize and integrate the complete business life cycle of operations and finance at the ecosystem level.

While many firms have focused on cryptocurrencies and digital payments, EY sees blockchain as the future of B2B transactions — the digital glue that enterprises will use to transact with each other online. EY is focused on public blockchains, with proprietary state-of-the-art technology and an Ethereum

Layer 2 integration with Polygon, enabling EY to offer enterprise users increased transaction volumes with privacy, scalability, and predictable costs.

EY is committed to making it safe and reliable for enterprises to use the public Ethereum ecosystem and has invested heavily in not just building blockchain applications but also supporting its audit clients that want to transact in this space.

EY has over 400,000 employees worldwide, with approximately 1,500 individuals supporting blockchain across the globe, and a team of over 250 full-time employees completely dedicated to blockchain. The internal leadership of EY's blockchain practice has been vocal in its vision for the future of blockchain across multiple industries, helping keep the blockchain message on the minds of enterprises around the world.

EY has been consistent on its strategy and vision for blockchain over the past several years. EY believes that public blockchains will do for networks of enterprises and business ecosystems what enterprise resource planning (ERP) did for the single company. It has been a strong proponent of public blockchain. Over the years, EY has continued to focus on blockchain product development and consulting strategy and has delivered some 275 blockchain projects in production. EY has focused on privacy technology in conjunction with blockchain, as its belief is that public blockchain with privacy is the next phase of blockchain that will accelerate its enterprise adoption.

EY Blockchain is spearheading the way in enterprise-oriented, Ethereum-based SaaS solutions: The EY Blockchain team has made available to enterprises a diverse suite of open source software solutions for digital asset risk and data analysis, carbon accounting, and supply chain management, which operates on the public blockchain Ethereum.

EY also focuses its blockchain delivery strategy on reusable assets, more so than one-off custom blockchain solutions, as this will lead to faster and greater enterprise adoption of blockchain solutions. EY's offerings include EY OpsChain and EY Blockchain Analyzer products in addition to core component services.

Strengths

- EY's engagements include support for both permissioned and permissionless blockchain, but EY has focused its offerings primarily on Ethereum and public blockchains. An example of EY's support for public blockchains includes EY making its code open source to encourage the development of the technology.
- As a result of the size of EY, and its technical and global reach, it is able to bring a broad range of internal resources to bear when developing a blockchain solution to deliver to clients across nearly every industry.
- EY's understanding of privacy technology has also made it possible for EY to build privacy-enabled enterprise applications that abstract mathematical complexity into simple business tools that can be used to fast-track client's growth.
- EY's trailblazing Blockchain leadership team is regularly quoted and interviewed in top-tier media and asked to speak at global technology innovation and blockchain events and conferences worldwide.
- EY has a large number of blockchain clients, demonstrating its diligence in growing the presence and adoption of blockchain across numerous industries.

Challenges

- EY's heavy focus on Ethereum and Polygon is a double-edged sword. While EY has been very focused on Ethereum and has become extremely experienced in deploying it, this focus may limit its scope of offerings for some enterprises that seek solutions based on other protocols.

Consider EY When

Companies seeking to implement permissionless blockchains, whether localized or enterprisewide, should consider EY because of its track record of permissionless blockchain implementations, especially in the financial services sector. EY has also grown its client base significantly in the government sector since the previous iteration of the IDC MarketScape document about blockchain.

As EY's privacy technology has started to mature, industrial users are also increasing their adoption. The firm already has several product traceability clients, and they expect to leverage privacy technology into procurement and supply chain operations in 2024.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

IDC defines blockchain as a digital, distributed ledger of transactions or records. The ledger, which stores the information or data, exists across multiple participants in a peer-to-peer network. There is no single central repository that stores the ledger. A blockchain, which is a type of distributed ledger technology (DLT), allows new transactions to be added to an existing chain of transactions using a secure, digital, or cryptographic signature. It is designed to be a tamper-resistant, decentralized network with enhanced security properties, allowing data and transactions to be transparent to members of the distributed ledger.

For ease of writing, IDC often uses the term *blockchain* as an umbrella term for technologies including distributed ledgers, digital assets, cryptocurrencies, tokens, NFTs, and related technologies. Since the assessment is of vendors offering their services supporting blockchain technologies, and not the technologies themselves, the definition of blockchain is defined broadly to include distributed ledgers, digital assets, tokenization, cryptocurrencies, NFTs, and related technologies.

In addition, IDC has defined common blockchain services that align to IDC services foundation markets:

- **Business consulting:** Services that define enterprise strategy, goals, and metrics for blockchain adoption and include business model design, value stream analysis and journey mapping, partners and governance, information architecture, risk assessment, and network and membership rules (also includes organizational change management).
- **IT consulting:** Services that advise on platform selection (e.g., Ethereum, Hyperledger Fabric, R3 Corda), data architecture, system architecture, application performance, and capacity and business continuity planning and include infrastructure supplier analysis, IT infrastructure performance engineering, IT process development, and change management.
- **Systems integration:** The planning, design, implementation, and project management of a blockchain that include compute and storage hardware, application software, and internal and external services and are consumed on premises, on demand, or in cloud environments.
- **Custom application development:** The blockchain application development life cycle that includes requirements gathering and design, solution building, testing and quality assurance (QA), and solution acceptance and also includes all blockchain custom codesets, custom applications, and enhancements to enterprise applications.
- **Key horizontal BPO:** Blockchain BPO that involves execution of key business activities, business processes, or entire functions by an external (third-party) services provider or outsourcer (specific activities could include finance and procurement functions [smart contract management]), accounting operations (i.e., invoice processing and supplier management), and dispute/resolution. (Horizontal blockchain BPO segments, often referred to as "cross industry" BPO, include membership services, identity management, and key management. Blockchain business process as a service [BPaaS] is an asset-based delivery model that enables horizontal blockchain-outsourced processes to be deployed using a cloud services model [aka blockchain as a service] supporting, for example, smart contract and smart compliance applications.)
- **IT outsourcing:** Outsourcing services that include blockchain application and hosted application management, blockchain infrastructure outsourcing, and blockchain-hosted infrastructure services.
- **Hardware/software deploy and support:** Services that include hardware and software deployment and support services (primarily, private cloud implementations).

- **IT education and training:** Training services that include content development, workshop, and training processes to support enterprise, member, and end-user adoption of blockchain networks and technologies.

For inclusion in this document, vendors performing these services were expected to be "full stack" providers that can offer their professional, advisory, and/or IT consulting services across every layer of the blockchain stack. That stack includes the following layers:

- **Application layer:** The presentation layer is for enterprise software and applications. Services offered here can include applications or APIs and/or integrations into existing software that utilize blockchains and distributed ledgers.
- **Service layer:** The "use case" layer is where blockchain is leveraged to accomplish specific tasks such as payments, identity, or supply chain. Services at this layer can include designing and building use cases and solutions and business cases.
- **Protocol layer:** The governance layer is where protocols, frameworks, data governance, and compliance are determined. Services can include advising on which protocols to use and data models. Supported protocols can include permissioned or permissionless and can include any framework or platform (e.g., Hyperledger, Ethereum).
- **Infrastructure layer:** This layer represents the base of the stack where blockchain applications are deployed. Services can include providing or provisioning networking and storage solutions as well as advisory and consulting services to determine deployment models (e.g., cloud and hybrid cloud) and optimal infrastructure requirements to affect scalability and reliability of the implementations being designed and built.

LEARN MORE

Related Research

- *Turning Point in Digital Assets: DTCC Acquires Securrency* (IDC #US51365423, November 2023)
- *IDC FutureScape: Worldwide Blockchain, Crypto, NFT, and Web3 2024 Predictions, 4Q23* (IDC #US47208921, October 2023)
- *Blockchain Fixes for GenAI's Challenges* (IDC #US50823923, October 2023)
- *Web3 for Technology Buyers* (IDC #US50792823, July 2023)
- *IDC Market Glance: Web3 and Metaverse, 2Q23* (IDC #US50720923, May 2023)
- *IDC Market Glance: Security Tokenization Technology, 2Q23* (IDC #US50596523, April 2023)
- *Blockchain as a Service Gains Traction* (IDC #IcUS50426123, February 2023)
- *IDC FutureScape Webcast: Worldwide Blockchain, Crypto, NFT, and Web3 2023 Predictions* (IDC #US49800122, November 2022)
- *IDC Market Glance: Blockchain, 3Q22* (IDC #US47843122, July 2022)

Synopsis

This IDC study presents a vendor assessment of worldwide blockchain services through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the ecosystem. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another and highlights the factors expected to be the most influential for success in the market during both the short term and the long term.

"This IDC MarketScape offers an assessment of vendors providing professional services supporting blockchain technologies. This study uses the IDC MarketScape model to assess multiple quantitative and qualitative criteria that can be used to evaluate a vendor's offerings and position in the marketplace," says Phillip Silitschanu, Research Director, IDC's Worldwide Blockchain, Crypto, NFT, and Web3 Strategies. "Blockchain has evolved extremely quickly in the past three years and is now no longer an experimental 'fringe' technology. It is a wholly accepted and integral part of a technology solution provider's toolbox."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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