

# Blockchain and how it can help small businesses thrive

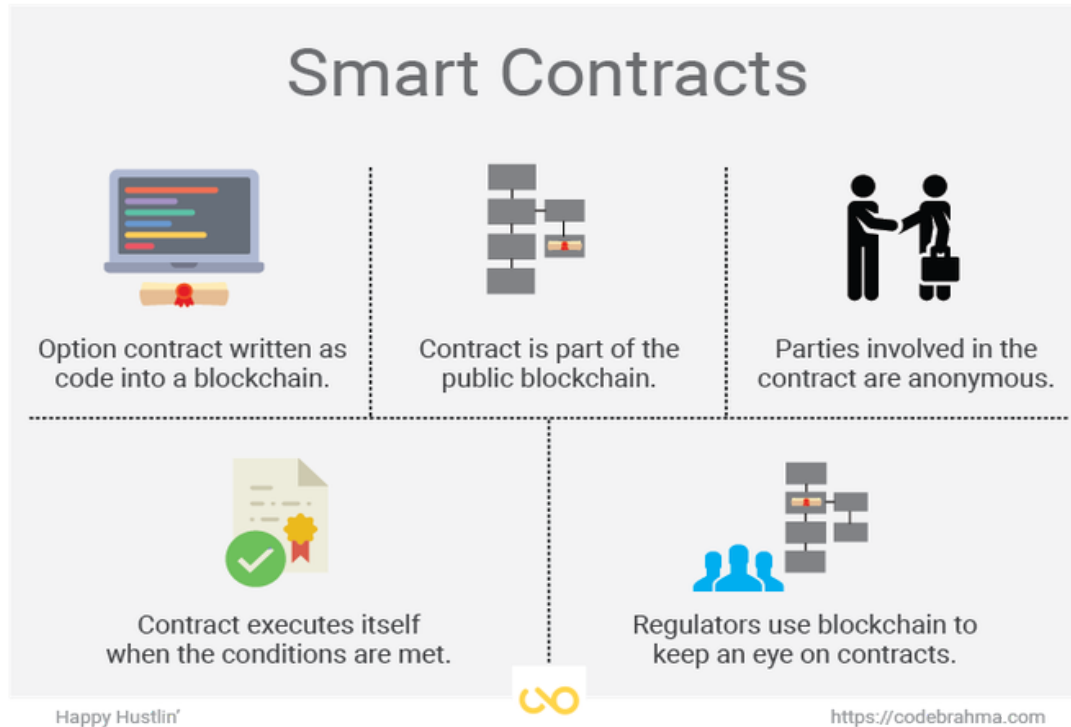
Bitcoin is a popular currency used in e-commerce, which represents the success of blockchain technology when applied to life. Although there remains a multitude of opinions around bitcoins regarding its real value and levels of risk, blockchain technology still garners significant interest amongst many businesses around the world, and is considered as one of the most fundamental and revolutionary invention since the Internet itself. Not only affecting the way major corporations are operating, blockchain development also has a strong impact on many other small and medium-sized ventures. So why blockchain can affect the global economy, especially the small businesses?



## Smart Contract

Smart Contract is a term that automatically generates conditions and conducts computer system agreements by using the blockchain technology. All smart contract activities are automated and without any outside intervention. In the Smart Contract, terms are considered as a legal contract and are stored under the language of the computer system.

This **blockchain development** can make the payment process faster and prevent any unilateral changes of the agreement. Unlike traditional contracts, the Smart Contract will include code that is programmed and decoded by the Blockchain system, and supervised by the network of computers that run the blockchain.

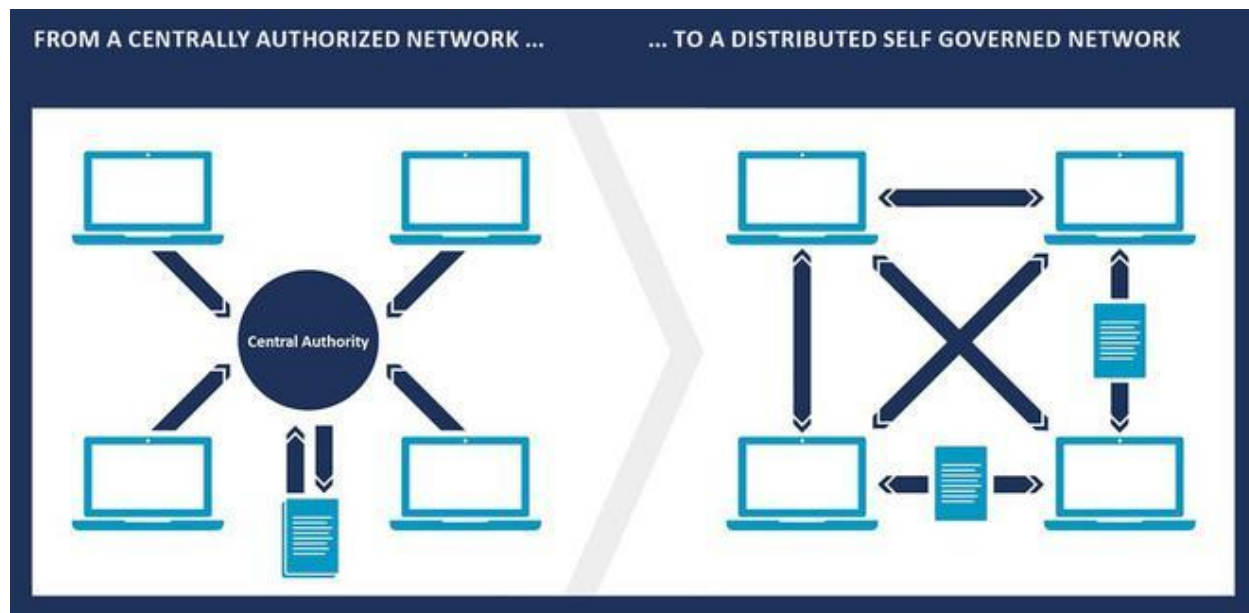


For example, you are operating a band and in the midst of indirectly selling your record to those who need. On your side, you will doubt whether the person will pay or not after transferring the song to them. As for the buyers, they will also remain in doubt whether they will receive the record once completing the payment. And that is where the smart contract comes into force to perfectly eliminate such sense of doubt. Once the data has been recorded, neither party can change nor remove, as well as withdraw their confirmation - in such way, the buyer Money transfer products are also guaranteed to be reversed.

Let's take a look at another example which is much closer to the business. To purchase real estate property, you could write a transaction on the blockchain that holds a set amount of cryptocurrencies in escrow in return for a digital receipt. The protocol would release the funds to the seller should a private access key to the home be sent to the buyer as a blockchain transaction. If the key is yet to be delivered to the buyer's home within a set period of time, the blockchain protocol will refund the cryptocurrency to the buyer, the holder of the receipt.<sup>(1)</sup>

### **The benefits of blockchain development for small businesses**

Beyond the application of Smart Contract, **blockchain development** also has the potential of revolutionize everything such as speed, transparency, safety and cost efficiency, all of which are the most pertinent issues that small businesses are very interested in.

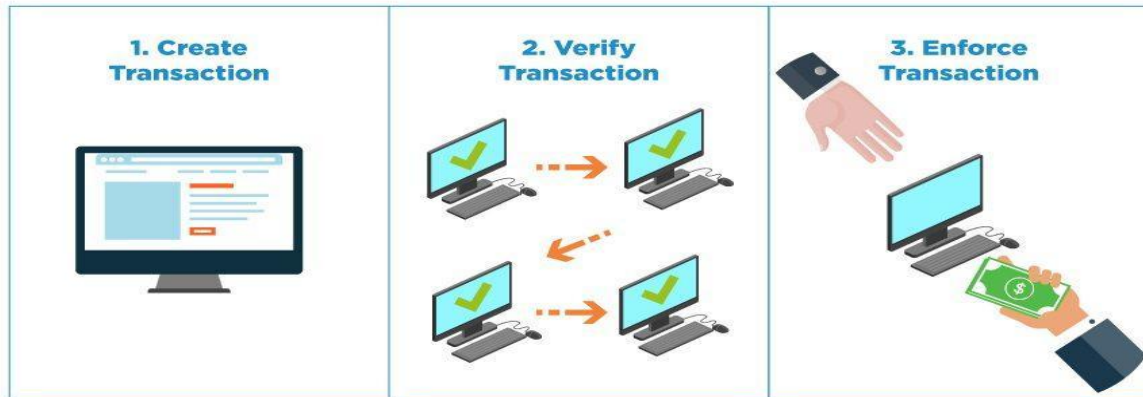


With regards to “*the transparency*”, each transaction (or block) on a blockchain has a unique ID, a number corresponding to the preceding block, all transactions included in the smart contract, and a public key to identify the transaction. Public blockchains keep all the information open to the public, meaning that public smart contracts will offer full transparency.

Apart from that, the **blockchain development** also creates “*A New Security*” for all of businesses. As explained, once a transaction is logged and verified on the blockchain, it cannot be further altered. This is because mathematical cryptographic algorithms are used to record each transaction and the fact that each transaction is stored on thousands of hierarchical ledger rather than a primary ledger. To change the deal, you not only have to know how to do it once, but then change 51% of all blocks in the network. Also, each successive block added to the string will protect the previous blocks. Therefore, rewriting a transaction would require altering all subsequent blocks.

Last but not least, one of the most important issues that generates strong attention amongst businesses, especially small businesses, is the issue of cost. “*Low Transaction Costs*” is one of the greatest benefits offered by the **blockchain development**. There are ordinarily next to zero exchange costs when an independent venture utilizes the blockchain. This is on the ground that there is no agent or focal expert. Moreover, current systems of decentralized records get motivating forces to loan processing energy to the blockchain.

## The Steps of a Blockchain Transaction



*The blockchain is considered as a rising innovation which is significantly utilized and implemented by many organizations and enterprises across the globe, either large or small. At present, the organizations and enterprises keen on utilizing blockchain are ones with the overwhelming exchange or contract volume. As a small company, it's imperative to know who's embracing blockchain so they know how and when they may be presented with it.*

(1) <https://fitsmallbusiness.com/blockchain-small-business/>

### **Published Link:**

<https://www.blockchainlabs.asia/news/blockchain-and-how-it-can-help-small-businesses-thrive/>