

794 views | Jul 12, 2019, 11:38am

Here's What This Early Stage Incubator Thinks About Blockchain



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Consumer Tech



In this Feb. 26, 2018, file photo a visitor uses his phone during the Mobile World Congress wireless... [+]

Polyient Labs is a Phoenix-based, early-stage blockchain incubator. The incubator was formed in 2018 to help identify and foster blockchain innovations. Since that time, Polyient Labs has raised \$5M to fund blockchain-based ideas that can build out the market. The lab currently works with about 10 blockchain startups.

With the number of investments into blockchain expected to exceed \$60B in the next five years, Brad Robertson, founder and CEO of Polyient Labs, believes that mass

adoption of blockchain is already happening.

"A lot of brilliant people recognize blockchain's value and its potential. I'm not saying there aren't barriers [...], but that comes with the territory when new technology is introduced," said Robertson.

On perception and the media

Robertson believes that one of the most significant barriers for mass adoption is the ongoing perception that cryptocurrencies and blockchain are the same, and he blames the media for that misconception.

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"They are not the same, but the media treats them as two sides of the same coin and that misunderstanding fuels a lot of anxiety," said Robertson.

"Cryptocurrencies are highly volatile, and so people associate that volatility with blockchain. And I don't just mean the average consumer. I've seen successful entrepreneurs with impressive track records get turned down for business loans because they mention "blockchain" in their business plans," adds Robertson. "Some lenders get nervous because that morning they heard something about bitcoin volatility on the news."

On the topic of industry adoption, Robertson believes a wide variety of sectors and industries are already deeply invested in the technology including healthcare, supply chain management, transportation and financial services.

"About 70 percent of the world's financial services organizations are now exploring blockchain. This is [...] ironic because a few years ago people were wondering if blockchain was scalable and now Fortune 1000 companies are spearheading its adoption."

Robertson believes the next wave of adoption wave will be smaller organizations and nonprofits leveraging blockchain.

On trust

When it comes to the public's trust of blockchain, Robertson is bullish on the 'issues of why' which boils down as he says 'apples and oranges'.

"As far as crypto, consumers are right to be a little wary of cryptocurrencies. Most are pretty volatile and - in some cases - flat out scams. Mistrust around some cryptocurrencies is understandable. In 2017, cryptocurrency scams cost investors more than \$1.5 billion," said Robertson. "As far as trusting the blockchain, consumers are always a little cautious about new technology, but one of the payoffs in blockchain is it promotes trust."

Robertson says that in the nonprofit sector, people want to see how their contributions are being used and that blockchain's transparency enables donors to follow the money and see where their donations go. [Hacker Noon](#) reported on May 6, 2019, that blockchain for non-profits could make positive change from preventing data tampering to better protection from cyberattacks to improved volunteer relations.

But the mistrust around cryptocurrencies is still an issue says, Robertson.

[Facebook groups](#) like [Cryptocurrency Academy](#) and [Crypto Warriors](#) claim to offer neutral and trustworthy information, but as the industry evolves, those groups are just that, groups on a social network.

Robertson calls out [CryptoCanary](#), a peer-to-peer resource where investors can read honest user reviews the same way tourists can turn to TripAdvisor. The app calls out

"If something smells like a scam, the crypto community will aggressively call it out," said Robertson. "There are many dubious crypto projects out there now. Not only is it hard for the crypto-curious to know which projects are scams, but even sophisticated traders can also be taken in. And, as far as safe havens, it's almost as hard to determine which ones are genuinely safe."

On expectations

"I've been in the tech sector since the early 1990s. I saw how the internet changed

everything. I see the same thing happening now with blockchain. A complete revolution" added Robertson. "Crypto is equally revolutionary, but right now, regulatory issues are muddying the waters and hamstringing progress. A clearly defined regulatory policy will give us a clearer picture of the future of crypto."

Robertson says that Polyient Labs is working with a variety of founders who are using blockchain in unique ways from leveraging blockchain to help smaller vendors meet the compliance requirements of their larger corporate customers to an organization that is utilizing blockchain to support smaller local nonprofits gain greater visibility.

On climate change

Can blockchain really affect climate change if miners aren't using renewable energy? Robertson says that this is where a distinction needs to be made.

"It's crypto mining that is allegedly leaving behind a disastrous environmental footprint," said Robertson. "I say allegedly because - so far - the facts don't support the accusation. Last month, CoinShares completed its third annual report on the environmental impact of bitcoin mining, and they determined nearly 75 percent of the energy used in crypto mining comes from wind, solar and hydro-power."

Robertson says that as far as blockchain and its impact on the environment, the World Economic Forum released a [report on 65 blockchain use-cases](#) offering the potential help save the planet.

"The crypto industry relies on renewables four times more than other industries," said Robertson.

On regulation

Robertson believes that currently, the lack of clearcut regulations around crypto projects is a barrier.

"One of our portfolio companies recently shut down because the direction it was given by regulatory counsel last year didn't align with what the SEC said this year," said Robertson. "The company didn't do anything wrong; they just lacked clear regulatory

guidance when they launched."

Robertson also believes that many innovative ideas are being stymied because the SE isn't providing concrete direction.

On [July 11, 2019](#), both Democratic and Republican representatives on the House Financial Services Committee grilled the Federal Reserve Chairman on Facebook's new cryptocurrency Libra, and how the central bank would respond.

"Meanwhile, most developed countries have regulatory guidance in place," said Robertson. "Congressman Warren Davidson recently [blasted the SEC](#) for what he called a third-world approach in finalizing a crypto-regulatory policy. If we want to trust embedded in the system and encourage US entrepreneurs, let's put concrete policies in place."

"It is important that our policymakers fully understand the potential benefits of blockchain, the pros, the cons, and then they can take steps to create an environment that encourages innovation," added Robertson.

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