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Blockchain FAQ

A short guide to common questions about blockchain technology and the relevance to business.

Many people consider the term 'blockchain' to be synonymous with the Bitcoin cryptocurrency. But that's a little like first discovering the internet when someone introduced you to email. Sure, the two are linked... but the concept of blockchain is a whole lot more.

Below are some of the key questions you might ask of this emerging technology, with succinct answers. There are plenty of deep, technical articles about blockchain, so this FAQ document is designed as a simple guide.

What Is Blockchain?

To get a handle on the concept of a blockchain, you can imagine it as a ledger book, or database, that's available for all to see. A shared resource that is replicated across the entire user network, constantly evolving and constantly being validated.

The blocks in the blockchain are groups of transactions made within a short timeframe. These are processed, validated, and then added to the historic blockchain by multiple agents at the same time. A little like adding new lines to a ledger.

However, blockchain technology can achieve far more than sharing a ledger and validating transactions across a wide network. Technologies such as Ethereum extend their blockchain network to support the running of programs on it. These decentralised programs benefit from all the security and robustness of the underlying blockchain.

How Secure Is Blockchain?

This distributed processing and validation, found in the majority of blockchain networks, makes them impractical to hack – as a hacker would need to pose as a vast number of users, all in agreement, all processing heavy transactional loads concurrently.

How Robust is Blockchain?

By storing identical blocks of information, distributed across the network, a blockchain has no single point of failure. The entire content of a blockchain is typically stored many, many times over, across a broad physical area, with checks to ensure ongoing integrity.

How Tamper-Proof is Blockchain?

The broader the distribution network, the more power would be required to simultaneously edit all identical historical records. Tampering with fewer than all identical records would be spotted as the blockchain is constantly being verified against copies of itself.

What is Bitcoin, And Can We Have Blockchain Without It?

Bitcoin is the first, and (currently) the largest, cryptocurrency (a purely electronic currency). Bitcoin has its own blockchain – a distributed ledger book for all the Bitcoin transactions ever. With over 18.5M bitcoins in

circulation, this is a very long ledger book, and growing longer by the day.

Blockchains are essentially databases of transactions, so require some kind of token (or coin) exchange to record the transactions.

Blockchain technology is far broader than just Bitcoin. Whilst the [original blockchain concept](#) was applied by the mysterious Satoshi Nakamoto to enable Bitcoin transactions to be incorruptibly recorded, this is just one example of the application of blockchain.

Blockchain technology has spawned several thousand 'alt-coins' (non-Bitcoin cryptocurrencies), each with its associated blockchain. In many respects, Bitcoin is an extremely limited application of blockchain technology.

What Relevance is There for Blockchain in Invoicing and Remittance?

Invoicing distributed via a blockchain network stands to benefit from deeper integration between supplier and customer. Sharing access to an invoicing database in this way provides greater visibility, reducing the need for reconciliation. With a dynamic, two-way, flow of information like this, invoices can be accepted and approved for payment via records on the blockchain –

providing notification to the supplier and greater assurance for cash flow.

Records in a blockchain are structured data, which can be consumed and processed more quickly than unstructured data still used in the majority of invoicing scenarios (e.g. PDF over email). In many ways, blockchain invoicing could be handled much like [EDI or other structured data invoicing](#) is today.

Invoices are typically settled within 30+ days, arguably due to the time needed to review and process the invoice and payment. With blockchain delivery, as with e-invoicing in a broader sense, this process can be automated and accelerated, benefiting suppliers from a cash flow perspective and enabling them to pass this on as a reduction in costs to their customers.

Collecting money fast is always a major competitive edge, so offering blockchain invoice delivery ahead of competitors could prove to be a strategic advantage.

How will Businesses Adapt to Blockchain?

The notion of creating records that are not held solely by the business, but are distributed in a decentralised manner, will be a big jump for many businesses. As such, it will take time for the inherent value of blockchain-delivered services to win over the

majority of businesses. However, some businesses are already embracing the technology and carving competitive niches as a result.

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Blockchain is already gaining acceptance in supply chain traceability ([Maersk](#) and [De Beers](#) have both used this to great effect), ownership records (Spotify's correlation of artists, licensing, and tracks) and other areas where trust is of paramount importance.

As with any new technology, things will evolve significantly before broad standards are reached. In these early days, many businesses will seek out specialist partners to support them as they look to engage with the new technology. One of the safest ways to approach

integration is to find a technology partner who can connect with the existing business systems and provide an interface layer to deliver on the new technology.

In our ever more cut-throat world of business, innovation is often our only competitive edge. Innovations like blockchain present an opportunity

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for progressive businesses to carve a niche through their willingness to support this new technology.

Over time, more businesses are going to request invoices and other important documents via a blockchain network – benefiting from the enhanced security, visibility and ability to engage with the content. As this demand grows, businesses, such as Corcentric, will provide solutions to securely connect ERP and billing systems with blockchain delivery.

To find out how Corcentric can help you get ready to use blockchain in your invoicing, request a [call back](#) today.

About Corcentric EIPP

Corcentric EIPP is a managed service dedicated to streamlining, automating and enhancing business invoicing, from delivery, through to payment. Corcentric EIPP ensures accurate and efficient delivery of invoices to your customers in the medium which suits them.

Beyond saving time and cost through invoice automation, Corcentric EIPP enables a risk-free and seamless shift towards electronic invoicing, reducing errors and driving down DSO.

Corcentric EIPP also removes the classic challenges of document storage and retrieval for auditing and compliance. Businesses depend on Corcentric EIPP to provide secure online access to their document distribution history, facilitating ease of reporting, performance analysis and proof of delivery along with a range of other document management functions.

Headquartered in the United States, Corcentric helps more than 2,000 of the largest companies leverage smarter technology and services to reduce operating costs, improve cash flow, and unlock the hidden value within their enterprise.

Spend smarter,
optimize cash flow,
and drive profitability.

Corcentric is a leading provider of procurement and finance solutions. We help companies reduce costs and improve working capital by optimizing the way they purchase, pay, and get paid.



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