

A futuristic look at the role of blockchain in unlocking organisational purpose



The cryptocurrency market has grown exponentially over the past few years as people seek to 'strike gold' by investing in the latest virtual 'coin'. What most don't know, however, is that this digital currency also has a smart contractual capacity that can bind users to a cause or indicate commitment to work alongside other investors to achieve a common goal. In this sense, blockchain aligns people and purpose, linking company and community with cryptocurrency. By means of blockchain contracts linked to cryptocurrency, employees can be remunerated for working towards shared organisational goals. Furthermore, companies will, for the first time, be able to genuinely engage community stakeholders by contractually determining what each party's role is in achieving organisational purpose, ensuring accountability and providing a means to track, measure and award progress toward goals. While blockchain and cryptocurrency technologies are considered emergent and futuristic still, they have very real applications in today's changing business world, with the potential for immediate positive impact.

Blockchain and crypto: smart contracts with value

First outlined in 1991, the purpose of blockchain technology is to permit digital information to be recorded and shared but not edited. Therefore, blockchain is, at its core, technology that enables a permanent record of a contract whether social, monetary or otherwise. With regards to cryptocurrency, it

is used first to record contracts in a permanent way and then to create communities around those contracts. Generally, these communities have been built on hype and individual buy-in, and the strength of such communities lies in the fact that they communicate and contract value in terms of their associated cryptocurrency. For example, cryptos with this smart contracting capacity, are used to regulate projects through their associated coin, such as Ethereum or Solana. The major difference between a traditional contract and smart contract? A piece of embedded code, which automatically executes the contract. With blockchain, organisations are able to harness the ability to contract and form communities around a common goal, all while leveraging the record keeping functionality of that blockchain.

Building and engaging communities

An organisation's purpose is the meaningful, enduring reason to exist that forms the foundation for long-term financial performance while providing clarity for daily decision-making; uniting and driving stakeholders. Beyond contracting with employees, blockchain and cryptocurrency can be used to contract with the community at large. Conventionally most community/stakeholder engagements are done for the PR spin or out of a sense of obligation to meet CSI or statutory requirements and there is seldom a real, enforceable contractual aspect driving this. While there are organisations that are investing heavily in community and supply chain development, this is essentially all just a flow from the organisation into their various projects without a contractual definition on how everything will come together to build community and purpose. This is where blockchain has the potential to shine.

By recording all contracts on the blockchain, an organisation now has the tools to align everything to purpose. Not only can all affected parties see these contracts, they'll also have the reassurance that those transactions will be executed. Thus, if the organisation helps the community or the community does something in return, those transactions are recorded on the blockchain. To bring in the reward or remuneration aspect, the community is assigned its own crypto coin and the value of this coin is linked to community performance. Thus, the value of the coin can rise and fall based on the degree to which the people within that blockchain ecosystem are implementing the purpose to which they committed.

Technology to go beyond lip service

It's far easier to drive organisational purpose when all stakeholders feel like they actually have a real stake in the game, which is exactly what cryptocurrency can be used to do. This community coin has real value and can be traded – either with associates or for real currency or other crypto, and when things go wrong, the value of that currency falls. In this sense, crypto becomes a deterrent or a firewall against behaviour that breaches the contract or endangers the common purpose everyone is working toward. As a result, crypto can provide a completely fresh way of looking at how various stakeholders, communities, companies, employees and subcontractors all work together to pursue purpose. It is able to provide a more equitable and enforceable position for everyone involved to grow their wealth – as purpose is

achieved, so the cryptocurrency will grow.

Using tomorrow's technology today

To get started, companies will have to first answer the question: what is important to us, and how do we want to contract to ensure that we achieve what is important? For example, when soccer star Lionel Messi signed on at Paris St Germain (PSG), part of his fee included digital assets in the form of the club's cryptocurrency fan tokens which can be traded. This means that if he did the right things and pleased the fans, the token will rise and his contract would be worth more, showing the potential for enforceable contracting with all stakeholders on purpose. All it takes is a paradigm shift to make use of blockchain technology as an enhanced way of contracting and creating communities that have skin in the game with genuine rewards when purpose is achieved.