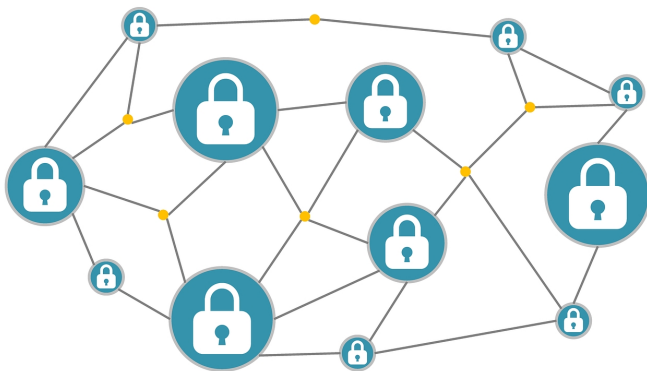


Gartner Warns of "Blockchain Fatigue"

Written by Alice Marshall
09 May 2019

Despite being a popular topic among supply chain leaders, blockchain is still to find suitable use cases-- leading to what Gartner dubs "blockchain fatigue" among blockchain-based supply chain initiative due to a lack of strong use cases.



According to the analyst, no less than 90% of all blockchain-based supply chain initiatives will suffer from blockchain fatigue by 2023. In addition, a November 2017 - February 2018 Gartner survey of user wants and needs shows only 19% of the 303 global respondents rank blockchain as "very important" for their business. Furthermore, only 19% have invested in the technology. This is due to supply chain blockchain projects are very limited, and do not match initial enthusiasm for the technology in supply chain management.

"Supply chain blockchain projects have mostly focused on verifying authenticity, improving traceability and visibility, and improving transactional trust," Gartner adds. "However, most have remained pilot projects due to a combination of technology immaturity, lack of standards, overly ambitious scope and a misunderstanding of how blockchain could, or should, actually help the supply chain. Inevitably, this is causing the market to experience blockchain fatigue."

Being such a young technology, blockchain still lacks a market of commercial applications. As a result, companies do not know how to evaluate, assess and benchmark solutions, especially as the market continues to evolve rapidly. As a result, companies run multiple pilots using trial and error to find the ones providing value. Making things more difficult is the fact one cannot buy an off-the-shelf, complete blockchain solution, at least as yet. Instead, what is available consists of complicated hybrids of conventional blockchain technologies, adding more complexity and confusion.

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Thus, Gartner recommends organisations remain cautious about early blockchain adoption. Instead, one should wait until a clear distinction between hype and core capability emerges. If one is try out blockchain, then they should do so to learn through proof of concept, experimentation and limited-scope initiatives.

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