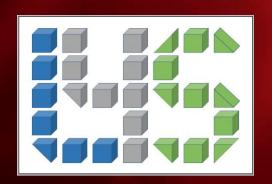
DLT SUPPLY CHAIN BENEFITS, REQUIREMENTS, CHALLENGES AND SOLUTIONS



# L4S Corporation

Government Blockchain Association Panel Discussion Paul F. Dowding, Co-Founder, Head of Design December 17<sup>th</sup>, 2020.

### Why is Supply Chain Interested in DLT?

- Immutable "corrupt-evident" tracking & security
- Avoids proprietary customization
- Consistency of process
- Network communication
- Greater "Asset" visibility
- Augmented status & provenance tracking

- Increased predictability
- Overlay or A.I. control & optimization
- Integration of Payments,
  Trading, Trade Finance &
  Financial Hedging
- Ease of adding additional participants / redundancies
- Increased efficiency and reduced waste

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YouTube: "The Blockheads Thoughts Distributed" Channel



#### Critical Issues Hindering Gen 1 DLT Adoption

- Memory Scalability
- Third Party Roles
- Burdensome tasks
- Cost ineffective
- Lack of future-dated transaction periods
- Difficult to divide network for "as needed" basis
- No integration of payments & trade finance

- Reliance of customized, vulnerable smart contracts
- Scalability of consensus
- Low-capacity throughput
- Latency of Updates
- Arbitrary error updates
- Balance changes vs Double Entry Accounting
- Difficult/Failing reconciliation and audit requirements

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#### Central Databases vs Distributed Ledgers

CENTRAL DATABASES Vs.		Vs.	DISTRIBUTED LEDGERS	
•	Proprietary/Custom	Vs.	•	Distributed Agnostic protocol
•	Single Point of Failure	Vs.	•	Partition Tolerance
•	No 3 <sup>rd</sup> Party visibility	Vs.	•	3 <sup>rd</sup> Party consistency
•	Inflexible custom code	Vs.	•	Adaptable shared protocol
•	Industry/Asset specific	Vs.	•	Industry/Asset agnostic
•	Complex deployment	Vs.	•	Simpler deployment
	Retroactive Financials	Vs.		Integrated Financials

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#### Supply Chain Gen 2 DLT Success Criteria

- Memory Scalability
- No 3<sup>rd</sup> Party Roles & confidentiality
- Transaction participation only
- Cost effective, measurable benefits
- Future-dated transaction periods/Pybles-Rcvbls
- Network process visible "as needed".
- Integrated payments, trade finance & hedging
- Network to Network Interoperability

- Deterministic Product & Life-cycle agnostic scripts
- Computational Linear Scalability
- High-capacity throughput
- Near-real-time processing
- Errors caught at inception
- Double Entry Accounting
- GAAP Compliant reconciliation and audit
- Physical to Digital Synchronization

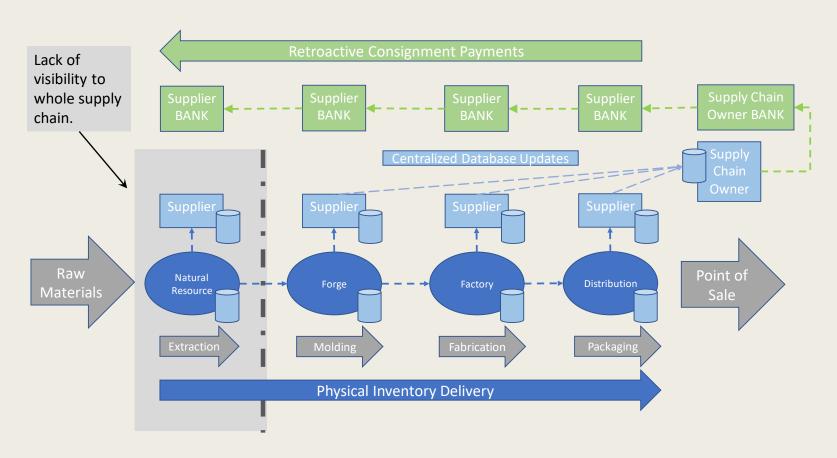
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### The big picture today - Supply Chain

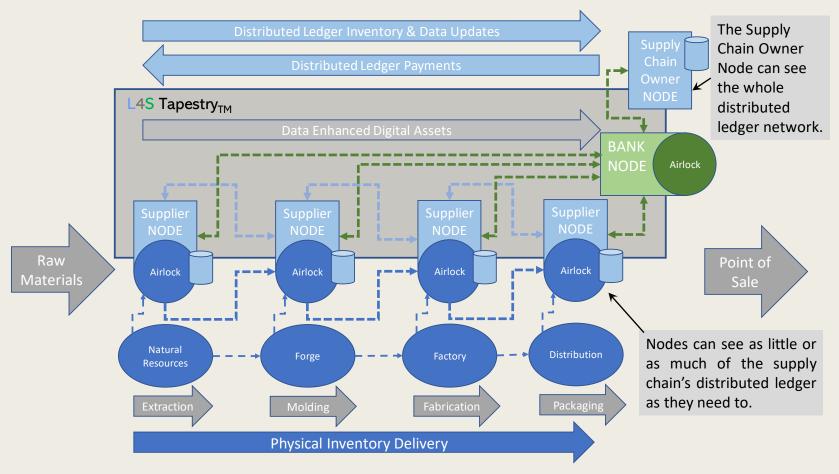
Centralized updates, deferred payments, limited data, inconsistent quality within inflexible, dedicated process.



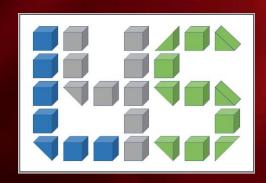


## The big picture with L4S Tapestry™

Flexible, universal, interlinked, fully visible network with assets acquiring enhanced provenance data allowing faster payments against payables.







# THANK YOU

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