

Smart Contracts May Create Significant Innovative Disruption

Smart contracts today may be similar to e-commerce in the 1990s – poised for widespread adoption and explosive growth even though it may still be a few years off, writes Oliver Herzfeld, chief legal officer of **Beanstalk**, in an article published on **Forbes.com**. So, to avoid surprises or missed opportunities, it may be worthwhile to start now to consider and explore the possible applications of smart contracts to your industry and business.

“Essentially, a smart contract is software that executes commercial transactions and/or enforces legal agreements in a manner that eliminates the need for intermediaries and their associated transaction costs,” he explains.

Herzfeld adds that this system could have “a huge disruptive effect on (i) car manufacturers, since use optimization would presumably reduce sales; (ii) insurance companies, that would sell fewer car policies; (iii) financial institutions, that would underwrite fewer car loans; and (iv) taxi and ride hail companies, parking facilities and other businesses, that would all be displaced by this process. The resulting commercial and social disruption could be huge.”

Read the article.