# Smart Contracts – the time is right!

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**Everybody is talking about Blockchain right now, mostly in the context of cryptocurrencies. However, smart contracts are the application, in which this new technology will have the most disruptive short-term impact. The breakthrough of this approach is close in 2018. The last obstacles are just about to be removed – thanks to some innovative start-ups like Unibright.**

The different fields of application for Blockchain technologies are broad and quite hard to understand in their full potential. Blockchains can be used to create cryptocurrencies, run automated smart contracts or create and run decentralized Applications (DApps). Some Blockchain start-ups even dream of creating next-generation incentive systems or tokenizing enterprises like Facebook with the help of Blockchains.

## Maturity levels of Blockchain technologies

But let's take a step back: If we want to bring some order into this vast space of possibilities of Blockchain technologies, it really helps to distinguish between different maturity levels of these applications. While currently most attention is set onto the cryptocurrencies and their volatile valuations, smart contracts might be the big thing in Blockchain technology in 2018.

*In a nutshell: The idea of a smart contract is to not only store data transactions on a blockchain but also code and logic that defines transactions between two or more parties. So, not only do we store immutable data on the blockchain but also immutable logic that forms a digital contract. You can find a simple explanation in this video.*

## Smart Contracts currently used every day

But why should 2018 be the year of the smart contracts? Well – smart contracts are currently used for those Token launches and Initial Coin Offerings (ICOs) that you read about in the newspapers. They handle tens or even hundreds of millions of Euro day in, day out. If they are trusted for sending that much money, why shouldn't they be applied to other less critical domains?

The problem is: It is quite hard to write a bullet-proof smart contract. Once a smart contract gets published, it is nearly impossible to fix design or coding errors because that's the idea of an immutable blockchain. You want to fix something? Create a new smart contract and transfer your running processes somehow. Another "issue": The code of smart contracts is usually visible to anyone. So, mistakes in the contract might and usually will get utilized by

attackers.

Another critical aspect is scarcity of experienced developers in this field. Apart from the security awareness, developers even need to learn new programming languages to code their smart contracts (e.g. Solidity to create a smart contract for the Ethereum blockchain). We at Zühlke are convinced that the benefits of smart contracts will outweigh the problems described above over time. But the problems are currently big enough to prevent a broad adoption.

Start-ups pushing smart contracts
That's why many start-ups try to find clever ways to get rid of some of these burdens: Projects like NEM try to reduce the possible attack surface for smart contracts by reducing their functionality with their "Smart Asset System". Other projects bet on general purpose programming languages like Javascript or C++. They want to be more open to design smart contracts on their blockchain ecosystem (e.g. Lisk or EOS). Other start-ups like EtherParty or BlockCAT try to simplify the process of coding the bullet-proof smart contracts with visual designers, code generation and applying best practices in an automated fashion.

Unibright is close to those latter start-ups – but with a broader vision: Their focus lies on Blockchain based business integration. Unibright plans to offer a whole set of integration tools. These tools have the goal that Unibright customers get independent of smart contract developers. Instead process designers will design integration processes and necessary smart contracts visually, based upon proven templates and best practices. The visual design happens Blockchain-agnostic. Unibright's Smart Adapters are used to create the smart contract code for different Blockchain platforms. This architecture enables B2B integration scenarios on private Blockchains like Hyperledger as well as B2C integrations via public Blockchains like Ethereum. You can find a list of interesting use cases on their website.

**Deep experience in the blockchain world**
Zühlke met the Unibright founders in late 2017. We were instantly convinced that this team is up to something big. Each of the team members has more than 15 years of experience in B2B integration uses cases – mainly in the realm of SAP. And they had already found great partners like Ambisafe and IconiqLabs with deep experience in the blockchain world.

Zühlke and Unibright agreed on a cooperation that comprises some early investment – but more important: architectural and development support. The Unibright team is technically very experienced. Zühlke brings in deep experience from more than 10.000 projects – among them many mission-critical ones from IoT and regulated verticals like medical products where a combination of risk-driven and agile methodologies is crucial to succeed.

High-paced Blockchain start-up

We see similar requirements in the Blockchain world and the design of smart contracts: You need to balance safe (on-chain) operations with fast (off-chain) computations and continually manage risks. We will now leverage our "getting-solutions-on-the-road" expertise for high-paced Blockchain start-ups like Unibright. In this case Zühlke will scale Unibright's development team after a successful token launch, which is scheduled for April 10.

It will be interesting to see first-hand how smart contracts in general and Unibright's solution in special will progress throughout the year. Together we will determine the Blockchain world and advance smart contracts.