The Next Frontier in Accounting Technology

Doug Sleeter, Founder – The Sleeter Group
About Doug Sleeter

Founder, CEO, of The Sleeter Group, Inc.
Family Business for 21 years
Thought Leadership on Accounting Technology
Network of Accountants, Annual Conference

Sold Assets
To Diversified Communications in Feb 2015

On “Sabbatical”
Since January 2016

Current Business Pursuits
Evangelist for Digital Currency and Blockchain Tech
Mentorship and Consulting for Other Business Owners
Investor

CPA Practice Advisor
Editorial Advisory Board
Top 25 Thought Leader
Accounting Today
Top 100 Most Influential People
Small Business Influencer Champion

@dougsleeter
Doug Sleeter v2.0

- A typical day
A Fresh Perspective

• Today’s solutions are just cloud versions of yesterday’s processes

• Chunkification is in full bloom, but is it a pendulum?

• Digital plumbing is the current challenge

• Security issues are everywhere, and often left to users to figure out

• Bad data frustrates everything
  • #BigBadData
We Need a New Drug

One that:

• Automates transactions without causing errors in the data

• Enforces trust, even when parties don’t know each other

• Ensures accuracy – facilitating continuous auditing

• Cannot be defrauded by nefarious humans

• Is global from the start, no need for translation

• Provides a secure, trusted Internet storage mechanism
My Eureka Moment of 2016

Blockchain technology will do for 
global commerce 
what Postscript did for publishing
WHO DO YOU TRUST?
Prelude to apocalyptic U.S. earthquake Carbon monoxide levels skyrocket over central California

Andre Mitchell  Published 04 March 2016

Major Earthquake Warning As Carbon Levels Explode On West Coast

NASA Satellite Image With Claims Of Imminent Quake Triggers Scare

Date | 2016-02-25 04:15
Data | West Coast

37.45° N, 119.69° W
50° @ 10 km/h
173 ppbv

earth

Print

Email

Share

CBS Los Angeles

NASA Satellite Image With Claims Of Imminent Quake Triggers Scare

March 3, 2016 11:31 PM


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Where does big data come from?

Big data is everywhere and big decisions are made by analysis of big data.

But most big data is in fact #BigBadData
Data Defines Who We Are, and What we Believe
What do all of these have in common?
What do all of these have in common?

They must all be:
- Recorded
- Validated
- Time-stamped
- Stored, securely and permanently
- Protected from hackers or unauthorized alterations
The Internet is:

A global repository of information

But We Need:

A global, secure, ledger of truth
What if…
Blockchain Technology

• A public ledger of transactions between trading partners.
• Open Source, Globally Distributed Database
• No Central Authority
• Transactions only added after they are validated through complex mathematics
Wait... What?
A PUBLIC ledger?
How a blockchain works

Alice wants to send digital currency to Bob

The transaction is represented online as a “block”

The block is broadcast to every party in the network.

Those in the network approve the transaction if it is valid. Mathematical proof is required

The block then can be added to the chain, which provides an indelible and transparent record of transactions.

The money moves from Alice to Bob.
10 BTC to Bob

- Jon -> Alice 20
- Bill -> Jon 30
- Alice -> Bob 10
Miner Incentives

- Alice: 10.000
  - Signed by Alice
- Bob: 2.000
- Alice: 7.999
- Miner: 0.001
A gamified system that rewards miners.
Transactions = "blocks"

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Time</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>f23cc6a6bf93363211624a70h</td>
<td>&lt; 1 minute</td>
<td>85.70098811 BTC</td>
</tr>
<tr>
<td>ab1c2053f2c605721241ab92a...</td>
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<td>0.03377556 BTC</td>
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</tr>
</tbody>
</table>

@dougsleeter
Transactions

Alice pays Bob 3 bitcoins
Chris pays Doris 2 bitcoins
Ed pays Fred 2 bitcoins
Reward myself 25 bitcoins

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BLOCKCHAIN
2.0
What’s the Future for Accounting?

Luca Pacioli 1494

Paper General Ledger

Great Plains, QuickBooks 1980s

Accounting Software

Bitcoin/blockchain 2009

Global Public Ledger

My debit = your credit.
No need for double entry?
What if we had a Global, Decentralized, Public, Secure Ledger?

Transactions would be viewable by anyone. Fraud would be much harder to commit. Costs of "keeping the books" would dramatically decrease. Humans could focus on ANALYTICS OF GOOD BIG DATA

Do we want this?
The 7 Pillars of WHY Blockchain is Needed

1. Security and Privacy
2. Trust and Fraud Prevention
3. Reduction of Transaction Costs and Friction
4. Maintaining “Order” - Which Transactions Came First?
5. Reduce/Prevent BIG BAD Data
6. Transparency - Public Ledger of All Transactions
7. Immutability - Truth Keeping on a Global Scale
Don’t just take my word for it...

“...a key turning point...”
— Cisco

“...the first native digital medium for value...”
— Harvard Business Review

“...set to be one of the most impactful developments on the horizon...”
— Forbes

“...blockchain could save banks $15 to $20 billion per year by 2022...”
— Fast Company
“Over the past two decades, the Internet has revolutionized many aspects of business and society—making individuals and organizations more productive. Yet the basic mechanics of how people and organizations execute transactions with one another have not been updated for the 21st century. Blockchain could bring to those processes the openness and efficiency we have come to expect in the Internet Era.”

—Arvind Krishna, Senior VP, IBM Research
Recommended Reading

2. The Inevitable: Understanding the 12 Technological Forces That Will Shape Our Future
3. Flash Foresight: How to See the Invisible and Do the Impossible
4. Blockchain: The Simple Guide to Everything You Need to Know
#AgilityTrumpsAbility

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