Baringa's Web 3 Trailblazers Podcast
Episode 3: How combining Web 2 and Web 3 can best respond to outcomes in the B2B payments market

Anna Orriss-Baxter, Baringa: Welcome back to the latest instalment of our Web 3 Trailblazers podcast with me, Anna Orriss-Baxter. Today, I am looking forward to a discussion on the latest challenges in the B2B payments market and how Web 3 innovations can respond to these. We will be considering B2B payments from a global perspective, as I'm joined by guests in both the U.S. and the U.K. From Baringa I am welcoming Tom Patience who has a wealth of experience in payments and leads some of our most strategic and exciting programmes in this space. Thanks for joining us today, Tom.

Tom Patience, Baringa: Thanks for having me, Anna. Looking forward to it.

Anna Orriss-Baxter, Baringa: Alongside Tom, I am pleased to welcome Daniel Brachfeld. Daniel has spent the majority of his career focussed on B2B payments and financing, from consulting at McKinsey to leading product and risk at American Express. He has launched two trade finance products at Amex, one in the buy now pay later space and another in supply chain finance. He is passionate about helping small and medium businesses take control of their working capital and is now working on launching BetterTerms a tool for SMBs to improve their B2B payment terms, cost of payment acceptance and cost of borrowing. He is building this with a combination of Web 2 and Web 3 architecture. Welcome, Daniel.

Daniel Brachfeld, BetterTerms: Super excited to be here.

Anna Orriss-Baxter, Baringa: And last but not least, I'm joined by Dan Bessmert. Dan spent the early part of his career leading distribution and innovation departments at companies like Citibank, Visa and PayPal. About six years ago, he switched gears, becoming an entrepreneur, focussed on building fintech ventures. Today he is involved in a handful of start-up and scale ups, most of which have started shifting their tech stack to include Web 3 technologies. Dan told me before this podcast that he strongly believes that Web 3 technologies work best when it operates in hybrid formats. This means embracing business as usual, as well as Web 3 technology stacks and operating models. As an example, this is exactly the case for his newest venture, GreatWeek.com, that offers traditional banking and payment services to SMEs, but in addition, adds the ability for them to accept crypto payments. Welcome Dan.

Dan Bessmert, Great Week: Thanks, Anna. Very excited to be here.

Anna Orriss-Baxter, Baringa: Let's get stuck into it then. So to start, I'd love it if you can each introduce yourselves to our listeners and highlight what you believe to be the largest challenges within the B2B payments market.

Daniel Brachfeld, BetterTerms: Let me start off here. In the US, there are some very large challenges within B2B payments. And what I've done is I've tried to create a quick little moniker. This is on Dan Bessmert's great recommendation called

‘CICERO,’ like our great Roman orator and writer. So the first letter is C, which stands for capital - working capital. In the U.S., the average time it takes for a large business to pay small suppliers is 62 days, and growing at three days a year. So this is a significant problem for small businesses. There are many innovations out there, which is fantastic to see, around extended payables, accelerated receivables, and then even in B2B marketplaces with embedded financing, which combines not only financing and payments, but also the ability to find suppliers and buyers. So this is the first letter. The second one is infrastructure. The U.S. is probably one of the least developed infrastructure payments providers in the world. You still have a lot of batch payments. U.S. ACH system is gigantic and there's a need for real time payments in this space. There's also a need for authorisations and embedded fraud controls. So there's innovation in this space. The U.K. is kind of leading that out with variable recurring payments. But even in the U.S., you have clearinghouses, real time payments. Next one is connectivity. So now what you're finding is software systems are controlling payables and receivables. And so the ability to connect with account payable, account receivable solutions, procurement solutions, treasury, management systems, payroll, all that is critical and even connectivity to batch systems like NACHA system or SWIFT. So this is an effort that a number of companies are really leading the change in this space, which is super exciting to see, like Plaid and Kodak. Efficiency - so Dan Bessmert has a solution in this space by really complex POs and invoice flows. If you are a small business in the U.S. and you have 100 customers, it's likely you have 60 different systems to submit an invoice. That's how complex it is. So how can you manage that? How can you manage knowing when you get a payment if there's no reconciliation data? What invoice is it for? That's a major issue. Another one is regulation. The regulatory environment around the world actually is still not clear and being defined. Even in the U.S. right now, for example, there is proposed interchange regulation. So this is an area to watch out for and it's actually limiting investment. A lot of companies are thinking, do I wait till the regulatory environment is clear? And then last but not least, the ‘O’ of Cicero open banking. This is a big deal, right? The ability to now not only see what data is in a bank, but also make payments. Optimise working capital flows. Open banking is a very significant portion. So those are the six letters of CICERO I'm going to stop there. Dan or Tom, is there anything I missed?

Tom Patience, Baringa: For me, I think two things really come out for what you said quite clearly and two things I think make the most material difference. And those things for me are around cost and efficiency. For B2B business those two things are absolutely critical in terms of ensuring that working capital is adequately used, that’s the efficiency point. And the cost of sending payments, receiving payments, interacting is acceptable and not a hurdle for those businesses to interact with one another. A great example of this is cross-border. For me, it's a space that still remains really, really hard for smaller businesses to partake in. We've got a global economy. Seemingly it remains smaller businesses very, very local in terms of the way that they can go out to market. So for me, cross-border is a massive opportunity and I will come on to talk about Web 3 and the impact it can have, but I see it as a real challenge, a real hurdle to get through.

Dan Bessmert, Great Week: I do want to reemphasize the cost, right? I mean, look, the legacy transactions or the card rails charge roughly 1.5% for card present and about 3% for card not present. I mean, this is an infrastructure that is plus 60 years old. So there is, of course, many players in that ecosystem with issuers, acquirers, network and so forth. But for card acceptance to be 3%, it definitely needs to be challenged. And of course, we see that with most incumbent. And then, you know, time of settlement is like, of course, if you've sold a good or service, you want the funds to be available for future spend. And sometimes it can take T plus 4, T plus 5. And I'm not talking about international remittance. I'm talking about interstate interbank, even, settlement. So I think absolutely cost and time of settlement from the merchants point of view. But Daniel, you laid it out very well what the problem is with the ecosystem. I mean, all the players that try to change this infrastructure, but for the merchant it’s cost and time.

Tom Patience, Baringa: I'd like to chuck another one in there as well. I mean, for me, we mentioned data as part of open banking. I still think it's a massive dearth of data needed for B2B businesses to really realise their growth opportunities. It's one of those things. What you want to do as a B2B business, you want to identify those other businesses out there that are like you that you want to partner with and you want to work with. You want to sell goods to and receive payments from. How are you bringing those barriers down using data? It still feels remarkably hard to do and to trust other businesses out there in the market. You almost have to be very proximate and have worked with them for a while before we start looking at payment terms or offering invoice discounts, etc.. How do you do that stuff a little bit faster? Still feels like a bit of a barrier to me.

Daniel Brachfeld, BetterTerms: So, I agree. Trust is an issue. There are legacy systems, but trust and relationship between a buyer and supplier starts with identification. Then there's an entire vendor onboarding process. I used to manage risk for that. It's intense, right? And if you are a critical supplier, you've got hundreds of pages of documents to fill out just to get signed up as a vendor. So completely agree.

Dan Bessmert, Great Week: Well, there are a couple of big boys on the block. Right. That that try to address that trust issue. I spent a few years with PayPal and one of the biggest USP that PayPal had was the trust element, because we would accept payments, ensuring that the payor would receive the goods or services. And if the seller was for any reason not providing a quality service then the funds would immediately go back. So PayPal was in the early days a trust element, but now we see more and more payments switched to buy now, pay later. So you got the likes of Affirm, Klarna, and that is just because the buyers really don't want to pre-pay for something that can take weeks to show up at your doorstep. And of course, with sellers that are not well known to them. But with Web 3, and this is the opportunity, that with a completely transparent ledger format, you kind of skip that trust issue because you have smart contracts, your full transparency, what you bought when you bought it from who you bought it, why you bought it, you can attach so much more detail and information to that flow so that you probably don't need those additional layers like PayPal has or optional transfers like buy now, pay later because everything will be fully transparent and 100% correct.

Anna Orriss-Baxter, Baringa: So that's been a really great framing of some of the challenges. And I love this introduction of ‘CICERO’. It's first time we've had an acronym on the podcast, so thank you for that, Daniel and Dan, it sounds like you've looked at that together. I think you've started to move into this and touch on it, but it would be really great to now move on and think about with these challenges. Where did the innovations brought about by Web 3 help? What are the real opportunities there?

Tom Patience, Baringa: For me, it really boils down to the inherent architecture of Web 3, distributed ledgers that create that means for instant, seamless data, rich transfer value, irrespective of geographic boundaries. It also helps level the playing field for big and small businesses on that technology point of cost. So everybody's got access to the same things it’s in the palm of your hands, it’s a mobile. It doesn't necessarily depend on the infrastructure that you might have to have if you're wanting to be a big business doing interactions through Web 3. So for me, it's that kind of inherent architecture that's such a big enabler in this space. And just to bring that to light, right? And it's the idea of sending it back to cross borders that I'm really passionate about. Ripple offers confirmation cross-border in 3 to 5 seconds so that's really, really impressive. Whereas you look at SWIFT gpi, still quite an impressive infrastructure, but it takes 30 minutes all the way up to 24 hours and that's just for the acceptance and processing of the payment. Funds may not be available, as Daniel called out earlier, for three five days even, in terms of valuable action that you can take with that money and use elsewhere. So for me, it starts with the inherent architecture. The other thing I think it does is kind of level the playing field around cost. It kind of removes that monopoly that you currently see today with payment infrastructure. It democratises the infrastructure and allows regulators actually to get an early view of things so they become part of it rather than having to rely on outputs. For me, that's again a cost play. There's less reporting you have to do as a consequence. It just helps smaller businesses have access. And then the final thing I want to call out around the infrastructure and what difference it makes is around the additional data that you can append to that transfer of value. So be that invoices alongside the payments that you see real time or get a really funky WhatsApp text. How often do you rely on those? Imagine you got a green tick to show the invoice has been sent, a second green tick to know that's been looked at and then a big fat blue tick when the money settles up. That's the kind of experience we're talking about, right? That should be in today's world, very doable, but still feels like it's not in the current infrastructure.

Dan Bessmert, Great Week: That's kind of the type of service that we provide, for instance, with immediate transparency on invoicing and so forth. But let's bring another big elephant into the room. Which is fraud. So, I mean, I know this is radio, but hands up to anybody that's been exposed to some type of fraud in their life. I mean, I've been exposed multiple times. And it's weird that there is so much data available and still in a regular card transaction, there is fraud present. And you know, when you call up the issuing bank or the acquiring bank or when you do any type of chargeback, you're like, how could your systems let this happen? I'm not talking about artificial intelligence, but I'm talking about basic things like, it used to be swipe and sign, right, in U.S. until EMV was introduced. But there are some certain patterns within a transaction that should, to the very basic issuer, be prevalent to limit that transaction. So I think, the opportunities that Web 3 presents again with that transparency - Tom you nailed it - as soon as you have it fully transparent in a larger decentralised way, there is much less fraud. And I just looked up on Google that 2021 was the highest year with frauds. And of course, most are related to card rails.

But I'd be interested to see some statistics within the blockchain industry because I would only expect it to be much lower. I don't have the stats, but I would definitely be surprised if those stats were higher.

Daniel Brachfeld, BetterTerms: I'm going to add one more thing to Web 3, which is more on the innovation side, and Shopify is doing this. So if you think about the discounts, you're buying something online and you see a check out. The first thing you do is you open a new window and you go see, 'Oh, is there a promo code for whatever I'm buying?' Well, Shopify is beginning to embed NFTs, not NFTs in the way that you think about, which is a JPEG, but literally an NFT offer associated with a purchase for their merchants to create this kind of specific 1 to 1 discount to a specific wallet or a specific consumer or a specific business that's buying from them. And so it's still very early days. But the innovation that you can think about around creating a, and this is an overused word, but creating the community around your e-commerce using NFT is very interesting. Very early days in this space, but it's a beginning of something that Web 3 could do that you really can't do in the Web 2 world.

Tom Patience, Baringa: I'm very excited about the idea of saving loads of money without having to try too hard. Suits me perfectly. The one thing I was thinking about is we all talk about this full of excitement. It's a really exciting space. It's still quite nascent, still quite a long way for it to go. And in my mind, the biggest hurdle for me is people getting comfortable with the technologies and understanding the education around this so that they can quite proactively get involved in a Web 3 space and start using it as a transfer of value for payments comfortably and feel safer. So you hear all the upsides, but I still think it's a bit of a journey to go on across the industry of educating businesses, smaller businesses and actual end users. To bring that to life a little bit, Ripple processed around 2.5 million transactions a month. Not a bad volume. In August 2022, SWIFT averaged 44.8 million SWIFT messages a day. So you can see the level of uptick. I'm not even talking about TPS and speed of transfer, it's just the actual engagement with the technology. For me, it's like five, ten years out. That's my honest opinion of when this stuff really starts to take off and people get comfortable, get used to the technology, get rid of that fear and just see it as a means to transact. Almost take that complexity out of their hands.

Anna Orriss-Baxter, Baringa: I think to build on that, we've talked about kind of some of the exciting new businesses and what they're offering to the market and some of the payment system providers. I mean, what would be interesting though is to think about what does this mean for the biggest players? I think amongst the probably four of us on this call, we've worked with some of the biggest players in the industry in the US, in the UK. What does Web 3 mean for them and for these traditional market participants and how can they adapt to remain relevant?

Daniel Brachfeld, BetterTerms: If you think about, let's say, large financial institutions, right? So outside of investment banking, they have two significant drivers of revenues: lending out deposits, getting deposits and lending it out, and payment fees. So let's take each one by one. In terms of deposits, banks are worried. What happens when consumers and small businesses start keeping their deposits in USDC, which is Circle's stablecoin and crypto wallets outside of banks, right? The pool of funds that they can use to lend out certainly goes down and their profitability goes down. So already in the U.S., what can these large institutions do? Already in the U.S., there's a consortium of banks led by Citibank and Wells Fargo working on a bank led crypto wallet solution so that consumers and businesses keep their funds inside the bank ecosystem. So that's one example of something that's already happening. And then in terms of payments, as Dan and Tom mentioned, accepting crypto payments doesn't have to cost 3% like a credit card. More than 80% of all financial institutions and FinTechs make some money from interchange. So, what happens when that interchange is at risk now? Because more funds go through the crypto type payments. What type of services are going to need to be created and added around it. Around, let's say, working capital to offset this loss of interchange. So, it's still very early in this space. Many companies are waiting, in terms of large companies, to see what's going to happen. One big exception, obviously, is Square, which rebranded as Block. But recently, the largest Web 3 acquisition that was going to happen in payments was Bolt's acquisition of Wyre. And that got called off. Right. So again, I want to reemphasize it's still very early. A lot of people are waiting for, okay, do I see this the beginning of big moves by big companies. From an infrastructure layer, though, there's a couple of things happening which are great. One, nearly all payment processors in the US are enabling acceptance of crypto payments. So even though you may not find small businesses and consumers using crypto to make payments, that infrastructure layer of acceptance is being built. Right? So that's the first thing. The second thing is within the Web 3 universe, there's a layer of identity and KYC that's being built, and you will not have any B2B volume in the Web 3 world unless you have some type of identity. It doesn't have to be public, but at least known to the buyers and suppliers and the lenders in between. And so that's also being built. Tom mentioned we're early on. That's right. But these infrastructure layers now make it easy to wait and see when a big player starts jumping. I'm going to add one more thing that big players are doing, which is not sexy, not fun, but it really is uplifting backend systems. So, think you know the basement of a skyscraper in New York or London by connecting back end data systems. One great technology is distributed ledger technology. So, it's not the crypto use case, or the NFT use case. It's just really that technology to make sure that data can be centralised so that a bank can know what is my complete relationship with a customer? What is my risk relationship? My growth opportunity? Right? All in one place. So that is actually happening. It's very expensive, but a significant use case for me.

Tom Patience, Baringa: For me, traditional market participants just have to do more. I think they're going to do more and faster. They're taking a point down in one that they've started to. I still don't feel that pace that, you know what I mean, that I'd expect to see from them, because the opportunity in my mind is so clear. It's kind of surprising. I know there is activity happening in most of the large institutional banks, but that means to embrace and come up with slightly faster, more innovative things that businesses can touch. Still feels a little bit behind the curve. I mean, to my mind, starting to play this forward into a Web 3 world where we all have our own digital identities. We will all walk around in a metaverse or something similar where we have these worlds as businesses you can imagine it is a real physical marketplace and a digital environment. And that means to introduce to each other and build this high trust relationships quickly, seamlessly with easy reconciliation. Once you've had the conversation, you set something up. I've seen so much excitement in there. I just don't see the banks talking about or embracing it in the markets. Sure, as the technology changes. Sure, as all of the other infrastructure. But for me, what can they do to remain relevant? Start talking about it. Start talking about it quite proactively in the market. I don't see enough dialogue really on it. I mean, that's one of the things that we are really, really looking forward to seeing the banks and some of the other more established institutions changing.

Anna Orriss-Baxter, Baringa: I think it's fair that a lot of the perceptions of Web 3 are all the big and exciting and sexy things. So the metaverse, or how we're going to use cryptocurrencies. And actually it's some of these basics that are going to fundamentally change the B2B business market and make a huge difference to the consumers and to the banks or the financial services providers that are working with them. So it's also, whilst it might not sound the most exciting thing, it really is. If this is your business and it's going to fundamentally change the way that you can do things and streamline that and make it a much better customer experience for you.

Dan Bessmert, Great Week: We are seeing some shifts, right? So let's not forget El Salvador, shifted its entire financial infrastructure to blockchain. We got Tesla screaming out that soon you can buy cars for Bitcoins and so forth. And I just saw a note that, I think it was Colorado, said you can now pay your business taxes with crypto. So we're seeing some advancements. And of course, all the legacy kind of financial institutions, banks and networks like MasterCard, Visa and so forth from five years ago, being very conservative on things like crypto. Now I think that everybody's prevailing towards being much more liberal, much more accepting. I would say that 70% plus of the main large institutions out there that are having strategies around blockchain and having a time plan against when they will allow their customers to transact with, for instance, crypto. So I think, you know, it, it will take us some time to get there exactly the same as when the first credit card was printed. I mean, it was essentially just a plastic card to access your information from your teller machine. You only had that card to shove into an ATM and then just see what's on there. So it took, you know, 20 or even 30 years for the plastic to be a transactional tool. Of course, things are moving much, much quicker today, and I don't think it's going to take 30 years, but we're still in very early stage and I still see a fundamental shift happening. And again, I want to re-emphasise that more than 70% of the most important institutions out there are becoming now very liberal in their point of view on Web 3, which is great.

Daniel Brachfeld, BetterTerms: And so, Dan, you're completely right. There is, I would say, nearly all of 100% are looking at crypto and thinking about their strategy around it and Web 3. Imagine, let's say next year, the feds say that Circle by the UCC is now considered a security and so it needs to be regulated like a security. If I'm in a bank and I've taken early steps to, have Circle deposits in my bank, and now suddenly I'm sitting on these assets that I have to reclassify. Most leaders and banks will say, you know what, let's wait till there's clarity. I want to wait till I know it is a real currency. What happens when there's a CBDC that's really so there is still a worry. But you are right, there are certain states like Colorado absolutely getting very innovative in their space and trying to attract a lot of Web 3 talent through it. So I agree it's going to be hit or miss. There's still news out there, like JPMorgan just came out and said, crypto is a no go. But even though they have their own currency. So, the question is, when does the public narrative around it from large corporates become very positive? That's a question.

Dan Bessmert, Great Week: Well, it's also a business case, right? I mean, I was involved where I was leading an initiative called Cycle Bit back in 2016. So more than six years ago. And we signed up a large retailer of 200 outlets out in Europe who were going to accept crypto, but certainly fiat. So basically we were like, okay, this is going to be one or two, maybe even 5% share of wallet. In those transactions. It was small transactions like deli format, but we saw 0.001% of people using transactions in the form of crypto. So I think there is a business case needed for those larger institutions. It can be a state or it can be a company like Tesla to say, yes, we're going to invest in the infrastructure needed to, not only accept crypto, but also report crypto and not being exposed to any type of questionable performance of this being legit or not. So, yeah, hopefully the U.S. is going to take a centre stage of this. Definitely countries out of U.S. are leading. I've seen some very interesting developments in especially countries which have enormous inflation. I'm talking about sub-Saharan Africa. I mean, they would laugh if we would tell them that we're worried about our 8% inflation. They're sitting at like 800% inflation. So for them not having a stable governmental assets, then of course, it could be interesting for them to look at a shift towards crypto infrastructure. But U.S. is the financial lead in my view. And I think that the innovation will come from U.S. and once the governmental body starts to embrace this more, I think that the commercial community will fold.

Tom Patience, Baringa: I'm just amazed how long it's taken us to get to regulation. What a success story. I thought we demonstrate that and it's great news. On the point around regulation and actually being because they are a market participant. When we talk about market participants regulators one of the most important ones and I've been actually amazed how much they've stepped into the space. I mean, I kind of agree with the points made. It feels to me like the regulator recognises this is a really important technology and step forward for quite a lot of smaller businesses that don't have access to the things they need. And it's really warming to see, whilst not always done in exactly the right way. The intent around running workshops on crypto, inviting in conversation around cyrpto and what it really means and how the technology is going to work and how it's going to small support small businesses, make them a bit safer when they operate. And to your point, Dan around the regulators and who's going to lead, I'm not sure I think that it is the US in truth. I think I see Asia as a market that's way ahead, way ahead of the US, way ahead of the UK and the rest of Europe. Their approach to engaging with businesses when it comes to cryptocurrencies and crypto technologies feels stepchange. Really what it is and what I mean by that is it's almost like they're inviting it in, spending some time really understanding it and seeing some of those use cases as they evolve and then trying to wrap around an appropriate risk framework that draws it in a little bit, but not so much that it stifles it. And it's again, it's a heartwarming, I very rarely say that about regulation, but it is heartwarming the way they approach it.

Anna Orriss-Baxter, Baringa: We've highlighted a lot of uncertainty and things that aren't necessarily known around regulation and more broader kind of acceptance of the innovations. But it'd be good to understand from you both where you see the US market in 2030, so let's think 7 to 8 years in the future. What does that look like?

Dan Bessmert, Great Week: Alright. So let me take a stab at this. I don't think we're going to see a complete turnaround in the way people send and receive payments in the B2B space. But definitely there will be shifts, right? For instance, I think every transaction will be much more detailed. Tom, I think you mentioned it, but it's of course, very logical that any transaction that comes in or out could carry more info. For instance, if I had an Uber payment or if I got paid for an invoice that I sent, I should be able to click in my bank account statements and see in a ledger format like, okay, what was this transaction about? If it was for Uber, I'd like to see a digital receipt. If it was for a payment, the invoice, I'd like to see abit.ly where a concatenated URL being in there so I can show it to my account that would automatically be sent into my reconciliation reports. So there will definitely be more information through the payment rails. Some of them will still be cards, some of them will be back to bank. But definitely we will start seeing a shift more towards more blockchain transactions. So I think cash will not cease to exist, but it will definitely be in the lower one digits. I spent 15 years of my life in Sweden. Sweden is the leading nation in the world where we see today 98% B2B payments being digital. So cash is almost out of the equation. In the U.S., however, we still have some time to go, and I think that cash will still be around, but it will definitely be lowered to the smaller digits and it will be taken off from card shifted to more back to back payments and of course, crypto. That's my view.

Daniel Brachfeld, BetterTerms: I think that's absolutely right. I'm going to add a couple things on there. I think we talked about this already. One is, by 2030, you will have this concept of identity and trust. Or knowledge of who owns a specific wallet which enables a B2B transaction or some type of lending on top of a B2B transaction. And so that infrastructure layer will be built. And if you think about it, you'll be able, if you are a wallet holder in the Web 3 space, will be able to, in essence, open up that specific data that that identifies you specifically so that a lender can then underwrite you for lending or that a supplier can decide, okay, yes, I want to sell to you, a buyer can buy from you. So I do think that that layer of trust and the capabilities around this will also be built on. Also regulatory clarity, I don't understate that I think there will be regulatory clarity, which will then enable a lot of companies to decide, okay, I'm jumping in. I know what is allowed and what is not allowed. And I think by 2030, you will see that. And so that we will in my opinion, take off because of that, too.

Dan Bessmert, Great Week: There are a lot of interesting businesses out there that allows ecosystem players or merchants to step into Web 3 today. So we use Stripe.com. It is banking as a service infrastructure. They're already in Web 3. So they have a hybrid model, obviously not their full stack is in blockchain and so forth, but they do enable like crypto acceptance and so forth for their merchants and us as a marketplace can utilise that infrastructure. So if you are a merchant starting out and you're thinking about, okay, which payment acceptance do I want, which banks should I bank with, it’s like go with the players that are already a step ahead because it will be much easier for you to evolve your business when you're already with the leader. Sometimes it can cost a little bit more because we've noticed that with simplicity comes a higher charge. For instance, with, like I mentioned, PayPal the charge a little bit more, but you get more bang for the buck. Stripe is also not the most cost efficient player. However, it's the simplicity that wins. So I think more and more players that choose the right type of partners will succeed in the near term future. And we will see basically a widening out of the legacy players that just don't believe in this new format of transacting.

Anna Orriss-Baxter, Baringa: I'd love to also hear yours, Tom, your opinion on how this differs, if at all, from some of the trends that you're seeing in the UK market.

Tom Patience, Baringa: Yeah, I mean my opinion is when you get to 2030, I don't think it will be that different in truth. And I think there is going to be a natural convergence globally because it is a very global technology. And so I can see it becoming very similar across every market. And actually that point that Daniel made around regulation having clarity on that I completely agrees on. And I think that's the thing. Right. They'll start to get uniformity in the way that things are approached. You'll get little peeks of particular use cases that are around customer behaviours or business behaviours in a given region or area. But by and large, the way the technology is used and they way it's engaged with, I can see it being pretty ubiquitous and pretty uniform in its approach. 2030 sounds like a long way. I don't think it actually is for a technology like this. So I think it's going to be a really hard journey. You only need to look at stuff like ISO 2002 in the way that the uptake has gone with. Now, it's really, really hard because we're almost talking about a brand new language and coding way, a new technology, and inherently totally different to the things that would come before. And so with that, there's a need for the skills to be built, for the understanding, to be built for the means of interacting with that technology to mature. And so, to my mind, 2050 isn't that far. It's going to be very different to what it is right now, but not so materially. You won't have, like Dan said, cards still in play. You certainly will. You certainly still have faster payments clearing in the UK and clearing in Europe. I just hope to see a bit more balance in terms of that cross-border piece I keep going on about, as it's such an opportunity for change.

Dan Bessmert, Great Week: Let's look back and then look forward. So if we look back seven, eight years, the Bitcoin price was $300. So 2015ish, 300 bucks, right? And buy now, pay later wasn't even around in the major online payments form that we see today. So I think it will definitely be some more players stepping in and some more innovation that we just haven't really foreseen. But I think we can all agree that there will be more crypto transactions for sure in various segments. There will be much more transparency, much more transparency even with Web 2 utilising some non-Web 3 components. But you know, just the fair share of artificial intelligence that you can just throw in some algorithms into some legacy stocks and you can still pull out much better decision making and make it probably a little bit quicker and so forth. And who are in charge, right? I mean, I think the business community is definitely in charge. There is a pain point to be solved. Let's come back to the problems that we identified. In my view, it's time and cost. CICERO, let's take that, Daniel, and boil it down and hopefully we'll have some pod notes and so forth for us to follow through. But cost is a big pain point. Nobody likes to pay 3%. On your volume. Come on. You got merchants working on like a 7% profit margin. You want to give 3% to accept cash. That's just ridiculous. And then time. I mean, of course, you want cash in your pocket. Like if you're selling something, cash is king. But it shouldn't be because cash is dirty. It's like it's still a cost to put that cash into the bank account and so forth. But people prefer cash because they know that it's immediate gratification. It's immediately in your pocket that you can go out and buy new goods to sell for the next customer tomorrow. But as soon as we got that transparency and immediate settlement covered, which is already available today with some of the tools then I think, you know, we're not going to see much cash in circulation anymore.

Anna Orriss-Baxter, Baringa: I would love to end with a familiar question that we always ask our podcast participants, and that is to each of you, what advice would you give to someone who is keen to start getting involved in digital currencies within the Web 3 ecosystem but isn't sure where to start?

Tom Patience, Baringa:. It would be remiss for me not to say reach out to Baringa Partners if you want to know more. We would love to talk to you about Web 3 and explore some of the challenges you're facing into. But that's the corporate message. On a more personal level, I'd say get out there and learn as much as you can. Don't be taken in by crypto trading as being the be all and end all when it comes to Web 3. I'd say spend some time being playful with your ideas around Web 3 really explore the different use cases that are out there and like with anything, right? If you're really, truly inquisitive and take sensible thoughts as far as you can. You'll often find some reality will be a bit for it. That is Web 3. It's kind of like encouraging people to get out there, get immersed, and really start to challenge what they think is the status quo when it comes to comes to distributed ledger technology.

Dan Bessmert, Great Week: Yeah. And I also want to do another plug for my business greatweek.com so reach out to me personally or go to our website and sign up literally within a few minutes you can open up a bank account, you can get a virtual card, you can start accepting crypto and you'll be in good hands with a partner that actually does your whole accounting journey and so forth, smoothly, without any human interaction and at a fraction of the costs that you would pay to legacy players. So, I definitely think that all listeners should take this step. Yes, get educated, but more importantly, start acting, get a partner there that is already playing this game because you can be assured that the partner that is playing the game, for instance, my business can offer you much more transparency already today, much better cost efficiency compared to the legacy infrastructure that you're choosing. So I think it's a no brainer that everybody should jump straight in and of course, cautiously, however you need to, to go about it to start understanding this game.

Daniel Brachfeld, BetterTerms: So I'm going to tell you my experience. I got involved in blockchain from a supply chain logistics perspective back in 2014, but for payments and DeFi, this is what I did, right? So I took $100, if you have it. I opened a Coinbase account. Then within that I opened a Coinbase wallet. I connected my bank and put in $100. Right? So now there's $100. I then went to a site called RabbitHole.org. I don't know if you know it. It's fantastic. It's kind of like education. You follow their lessons, you get to deposit funds, you lend your funds. You can borrow using collateral, you can buy NFT, you can vote in dows. And so you go through their story. By the end, your $100 will mostly be gone in fees, although this was pre the merge. So hopefully now fees are a lot lower. But what you've done is, it's a great way to learn. So that's one thing that I would say. Listen to podcasts like this one, right? The Web 3 Trailblazers podcast, that's a great one to listen to. And one last piece of advice is this. If you're working in a company, right, see who in your organisation might have an interest in Web 3. Literally look at them, resource them on LinkedIn, see if they mentioned anything about Web 3, DeFi, crypto, anything like that. Offer to buy them lunch, cheap lunch, find out all you can from them. And what I found is that people who are in this space in Web 3 are very excited to talk about it. So once the subject comes up, you won't have a problem learning.

Anna Orriss-Baxter, Baringa: I mean, that's so true and proven by having the three of you on this podcast today. Unfortunately, that is all that we've had time for. It has been a really interesting discussion and I've loved hearing thoughts from all three of you. So thank you very much for joining me today. A real highlight, I have to say, has been the introduction of CICERO, and I'm fully expecting that this acronym takes off as our way of considering challenges in the global B2B market going forwards. To our listeners, thank you again for tuning in and please do watch for more instalments in our Web 3 trailblazers space.