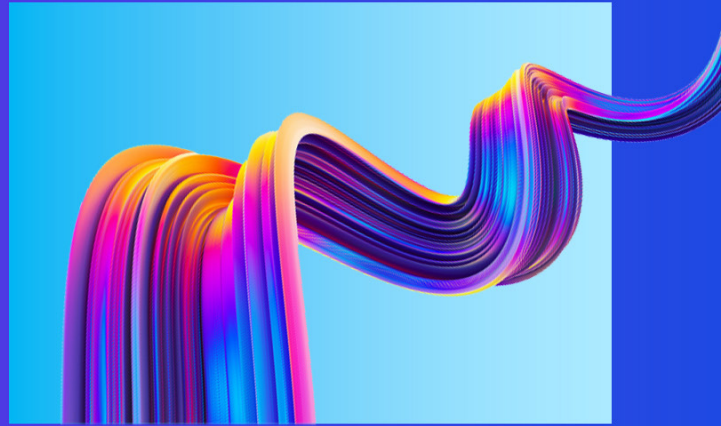




Making the case for Web3

Finding your way in a vast ecosystem of opportunity



Is your organization ready for the coming Web3 tidal wave? While its full impact is still a few years away, many businesses are beginning to realize the massive implications this next iteration of the internet may have on the future of business. But what should companies be doing about it now?

While it's tempting to act on impulse to demonstrate Web3 engagement—like building something on blockchain or getting bitcoin on your balance sheet—organizations should try and avoid this type of check-the-box approach. Investing without a strategy or implementing a pre-packaged solution that employs new technologies in old ways leads to a short-term view of long-term opportunities.

Web3 represents an entirely new economic paradigm. It will unlock new business models, change how data is collected and managed, and provide businesses with high value insights and customizations. Unlike its predecessors, Web 1.0 (static web pages) and Web 2.0 (personalization and user generated content), Web3 operates on a decentralized infrastructure underpinned by blockchain technologies. Broad and expansive, it fundamentally changes the internet as we know it today. Therefore, before diving in, it's important to understand the evolving Web3 ecosystem and explore its vast potential to be able to decide where to play in it.

Adopt a startup mentality

To seize Web3 potential and launch a successful pilot program, we recommend adopting a startup mentality and methodology. At KPMG, we embrace this entrepreneurial spirit as we work to develop a Web3 strategy for our clients, and also, for ourselves. Beyond looking through a traditional return on investment (ROI) lens, we also focus on a return on innovation. Is the organization taking a strategic approach and making investments to learn and grow? Will they use their new knowledge to unlock new business value and to transform its organization?

As a trusted co-collaborator, we team with clients to help them learn the Web3 landscape and explore new possibilities, potential benefits, and risks. Working closely with our clients, we co-develop a custom strategic approach to seek new business value, engage both employees and consumers in innovative ways, and pursue an entirely new kind of competitive advantage.

To drive this forward, we conduct a series of customized workshops based on a three-step approach. First, we help organizations gain an understanding of the ecosystem. Next, we explore and help them shape choices relative to their company objectives, industry, and competition. Then we help them make informed strategic decisions on where to play in this new environment. At each step, we overlay strategic lenses proposing three future scenarios: one future that will happen, one future that can happen, and one future filled with unknowns.

01 Understand the ecosystem

The primary purpose of the first workshop is to gain an understanding of the Web3 ecosystem from a business perspective. We do this across different levels of the organization, not just a handful of employees. We start by going down the Web3 rabbit hole, exploring the ecosystem, asking questions, and defining a shared common language to ensure clear communications. We immerse in deep knowledge sharing sessions, helping participants build mental models of the space by framing it in a business context, not just a technical one. Together, we compare, contrast, and debate current business models with those that may emerge in the future.

At this first step, clients are typically not sure what they are looking for, but they know it is a space in which their company needs to be. As we take them on a Web3 discovery tour, they become familiar with the space and are ready to examine in greater detail the areas that are of most interest and most applicable to their business goals.

02 Shape custom choices

Next, we do a deep dive into the organization to explore its objectives, interests, challenges, culture, brand, risk tolerance and more. We look for potential opportunities for success within their industry sector. Using custom strategic intelligence and detailed analysis, we search the competitive landscape to see what competitors are doing in Web3. Are they active in decentralized finance (DeFi)? Mining crypto? Tracking their supply chain? What challenges are they facing now? What will they face? We unpack all of the competitive dynamics and examine the startups attacking their space to help identify and make choices of where to play.

03 Make informed decisions

During this step, we converge the immersive learnings from the first two workshops to highlight specific hotspots of opportunities. We begin narrowing down the areas to begin making informed decisions on where to play and how to test it. Is this really a good place to start based on your brand? technology? skillsets? We look to help the organization find its right place to play for them. And not just for today, but for tomorrow when Web3 technologies and capabilities are interconnected. Our goal is to help organizations think strategically and decide where is a good place to start and to build from there. Through co-development, we help them identify the lowest hanging fruits to test the decisions.





Exploring three futures

During each of the three steps, we co-experiment with clients by questioning the impacts of three futures: what will happen, what could happen and what is unknown. We apply these three strategic lenses about the future across specific categories, such as people and social, technology, economies, markets, political, regulatory, and competitive environments. By doing so, we help consider where an organization should play based on what will happen, what could happen and when there are unknowns. Using design thinking perspectives, we help analyze these concepts to create better choices and more strategic decisions.

Looking ahead

Web3 is early in its evolution. Tech hurdles, such as interoperability will need to be overcome and privacy, security and governance concerns will need to be addressed. However, “mindset” could actually be the biggest barrier for Web3 today because not enough people are thinking strategically about the impacts it will have on their business. It’s time to change mindsets and prepare a strategy for an undeniable shift that will move a fully functional Web3 from a state of gradual change to sudden acceleration. Will you be ready?

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