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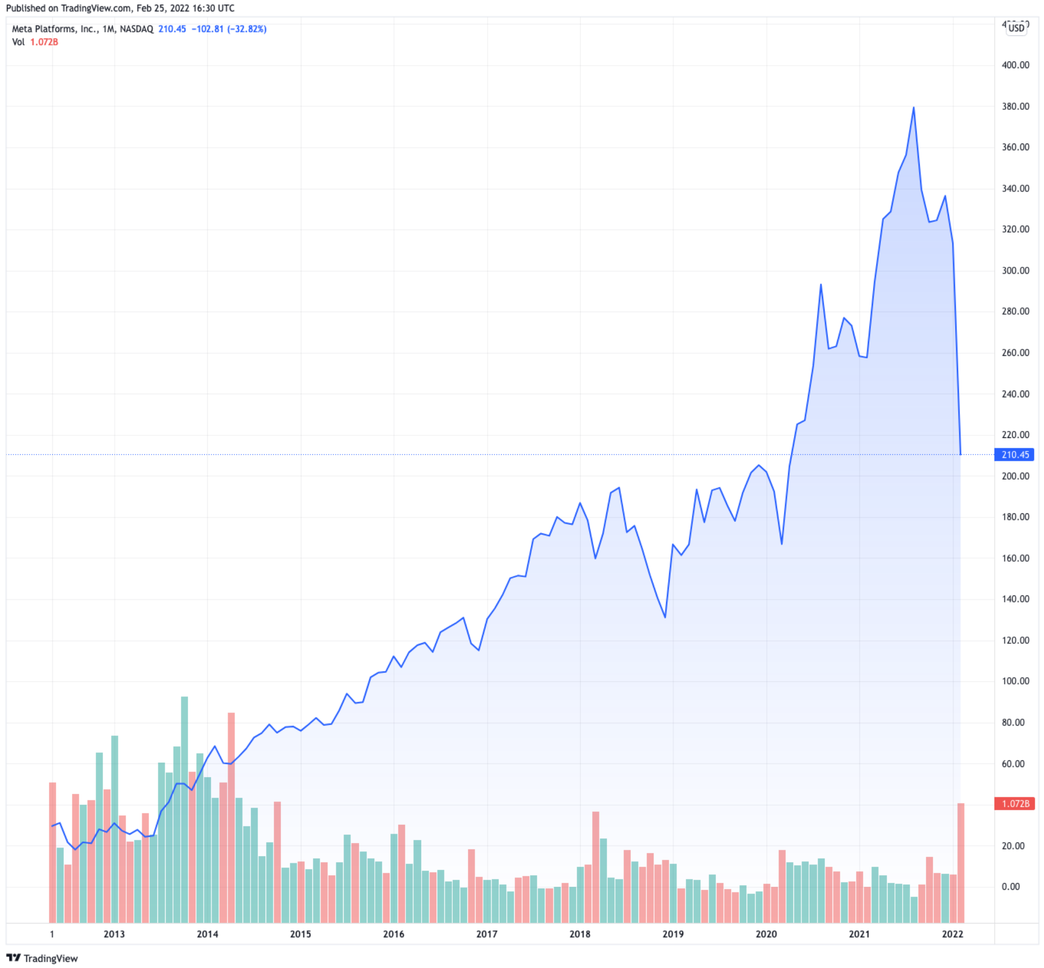
Death to platforms?

Meta have lost ~40% of its market value.

Investors and users are leaving Facebook.

Investors don’t believe they can continue growing their Web2 model.



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Death to platforms?

news.com.au

Finance › Work › At Work

Meta employees look to ditch jobs amid stock crash: 'Feeling like sh*t'

After a rocky few months for Facebook and Instagram, many employees want to quit as they see their work perks disappear.

Theo Wayt and New York Post

March 21, 2022 - 12:53PM

news.com.au

Shares of Facebook and Instagram parent Meta have plummeted more than 40 per cent over the past six months – and some employees saddled with underwater stock options are eyeing the exits.

"Joined Meta near [all time stock high], now feeling like sh*t," one Meta employee said this week in a popular thread on Blind, a corporate message board with verified members. "What should I do?"

"Leave this crap place," another "Metamate" responded, according to the *New York Post*.

"Same boat," a third said, adding that they're "already interviewing" at other companies.

Don’t fall into the platform trap

How to think about Web3 architecture

Christian Felde | christian@web3labs.com

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Is this Web3?

Key points to keep in mind

Web3 is a

- shift in information flow
- change in the control structure
- challenge to traditional gatekeeper models

A shift in information flow

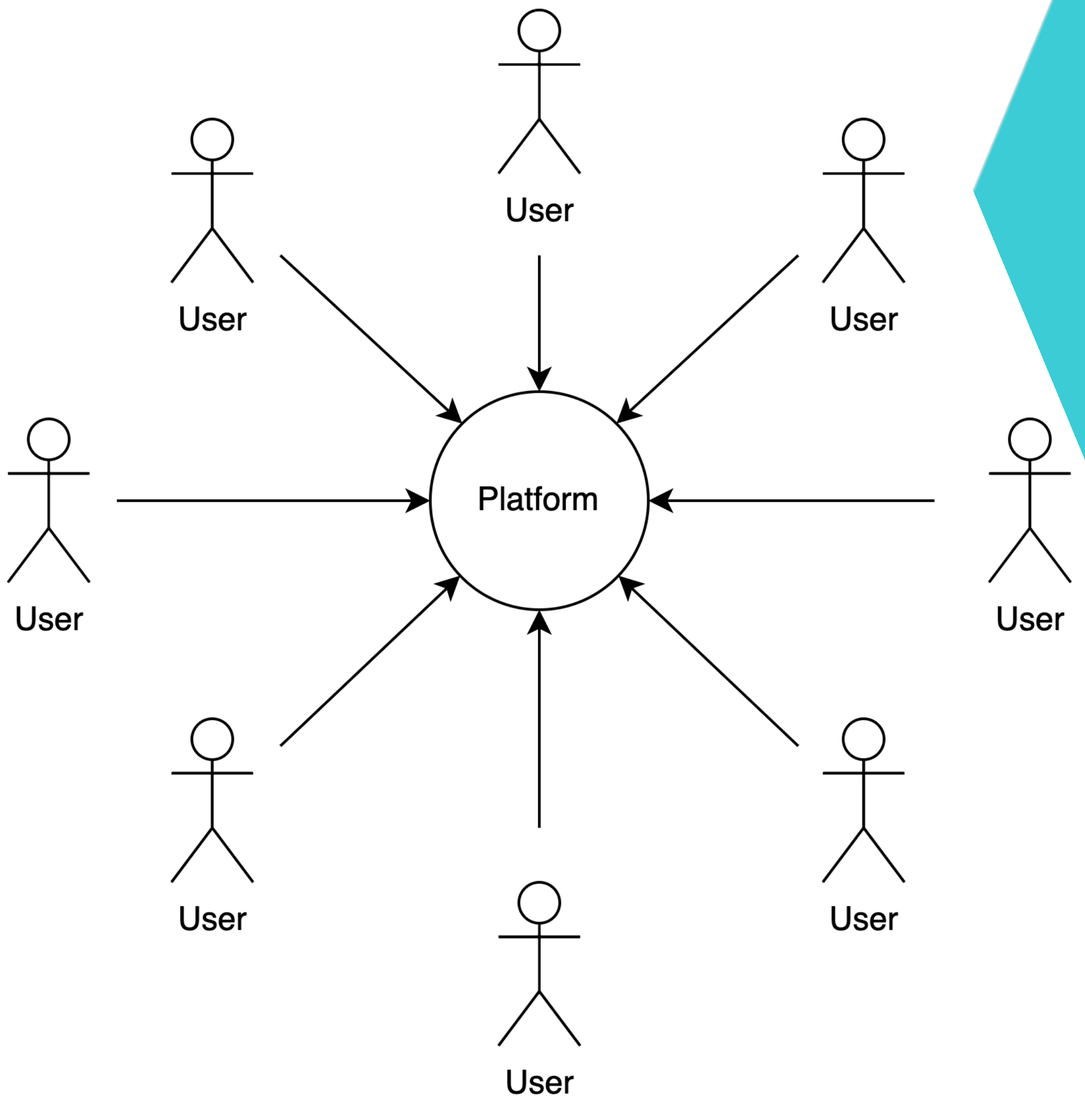
Put the user in the centre

Old World — Platform gatekeepers

In the old Web2 world, platforms like Facebook (Meta), had the luxury of being gatekeepers.

They would select who could do what on their platform. They were the place to be, ‘the hottest club in town,’ and if you don’t want to play by their rules, you simply aren’t let in.

Users must come to you - Build it and they will come..



New World — The platform is dead

In the new Web3 world, platforms are dead.

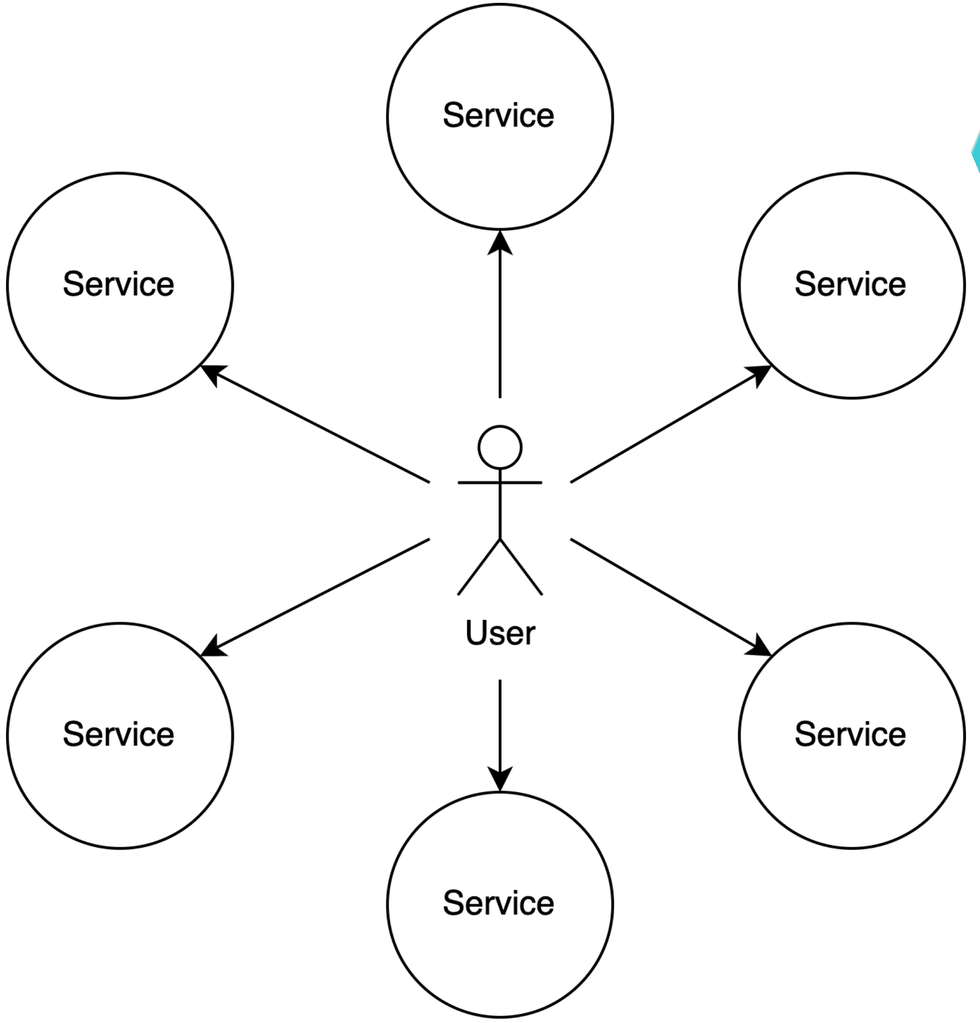
No longer do users come to platforms, but instead services are offered to users.

Users pick and chose what service they want to use, and new solutions like blockchains, peer-to-peer systems, and decentralised identity make this effortless.

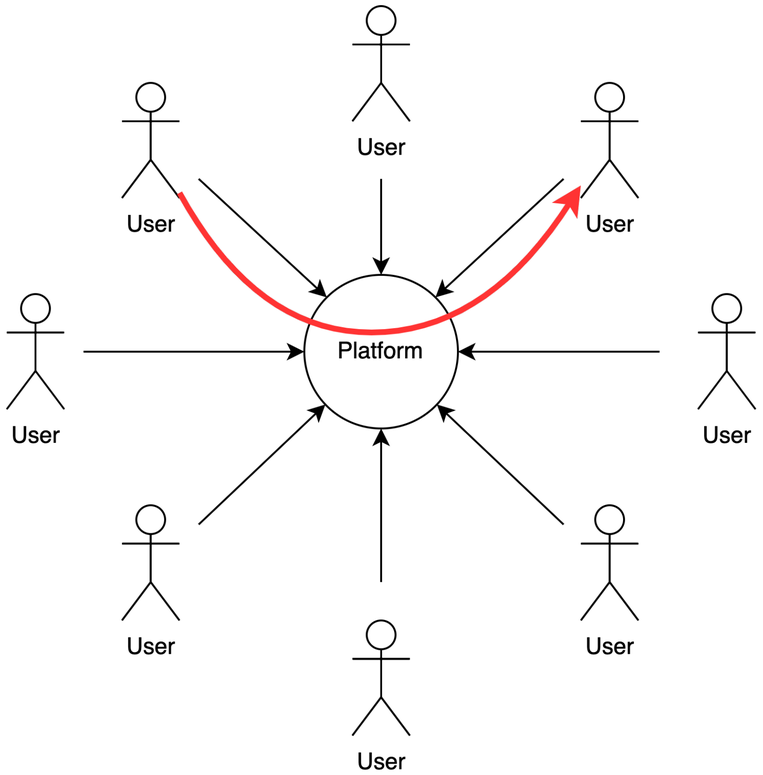
Networks and protocols are the new platforms.

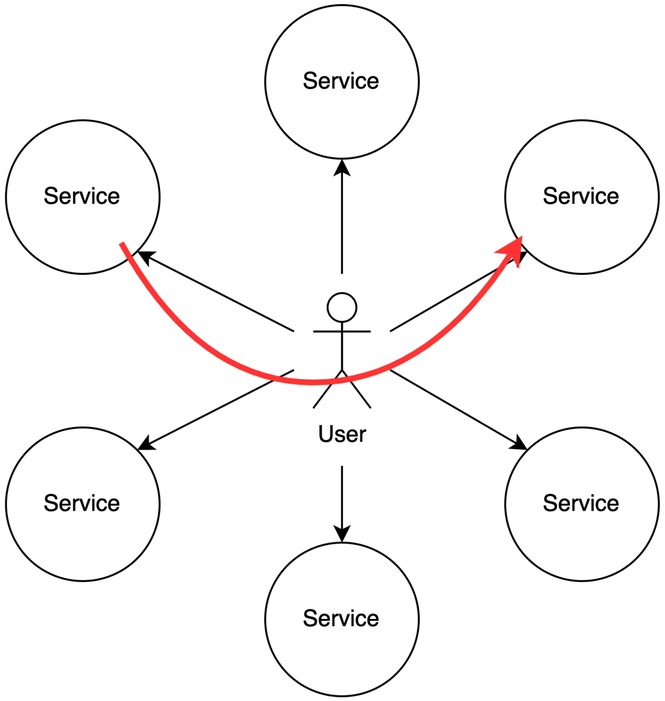
Micro-transactions without any concern for loyalty is the new world order.

Contributing to this advance in technology are laws like GDPR, making it costly or difficult to stick to old world business models.



Different information flow

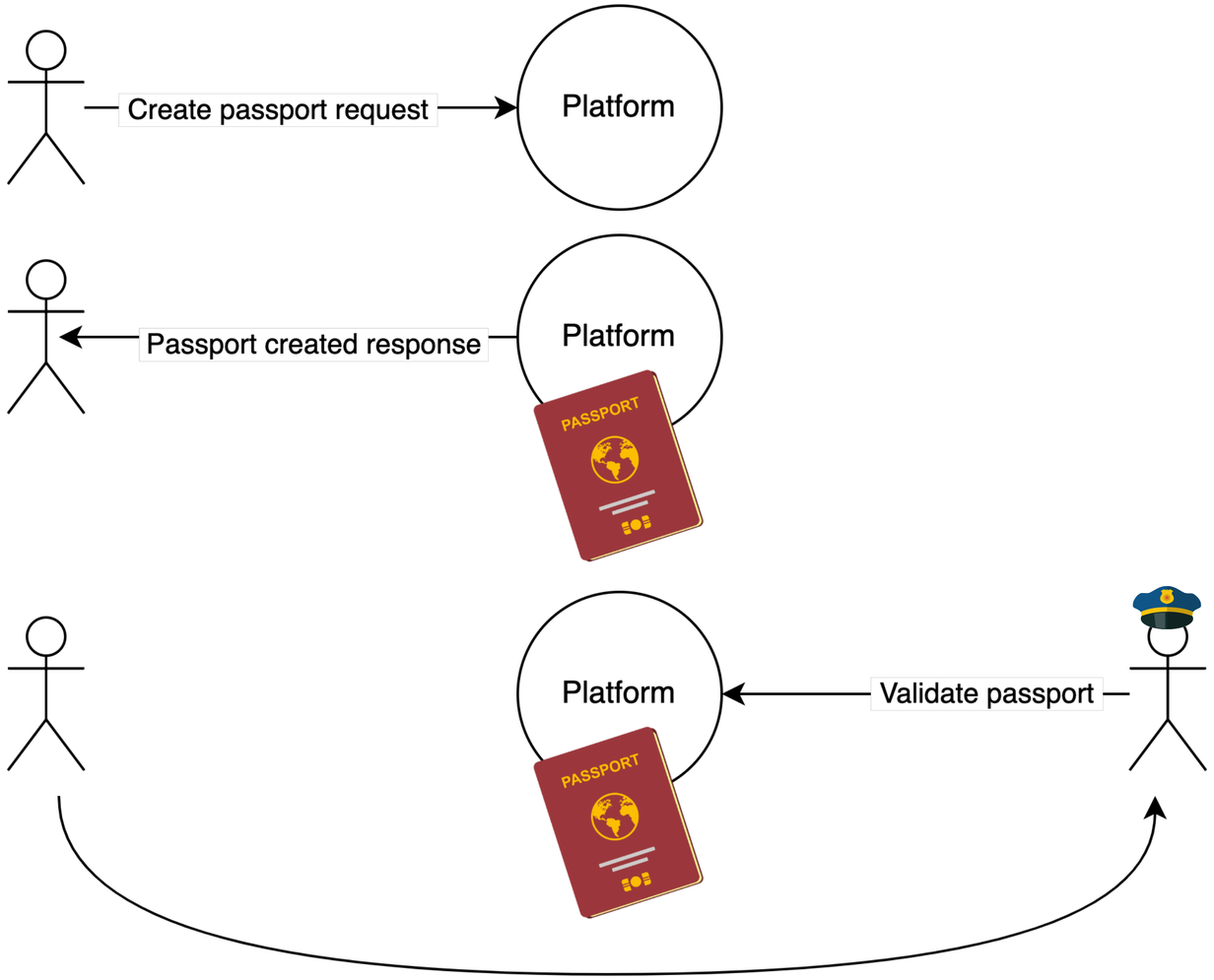




Web2 flow example: Passport

In Web2 architecture, the passport is locked within the platform. Users must go to the platform to use the passport.

This forces everyone to be a member of the platform, which isn't always the case.

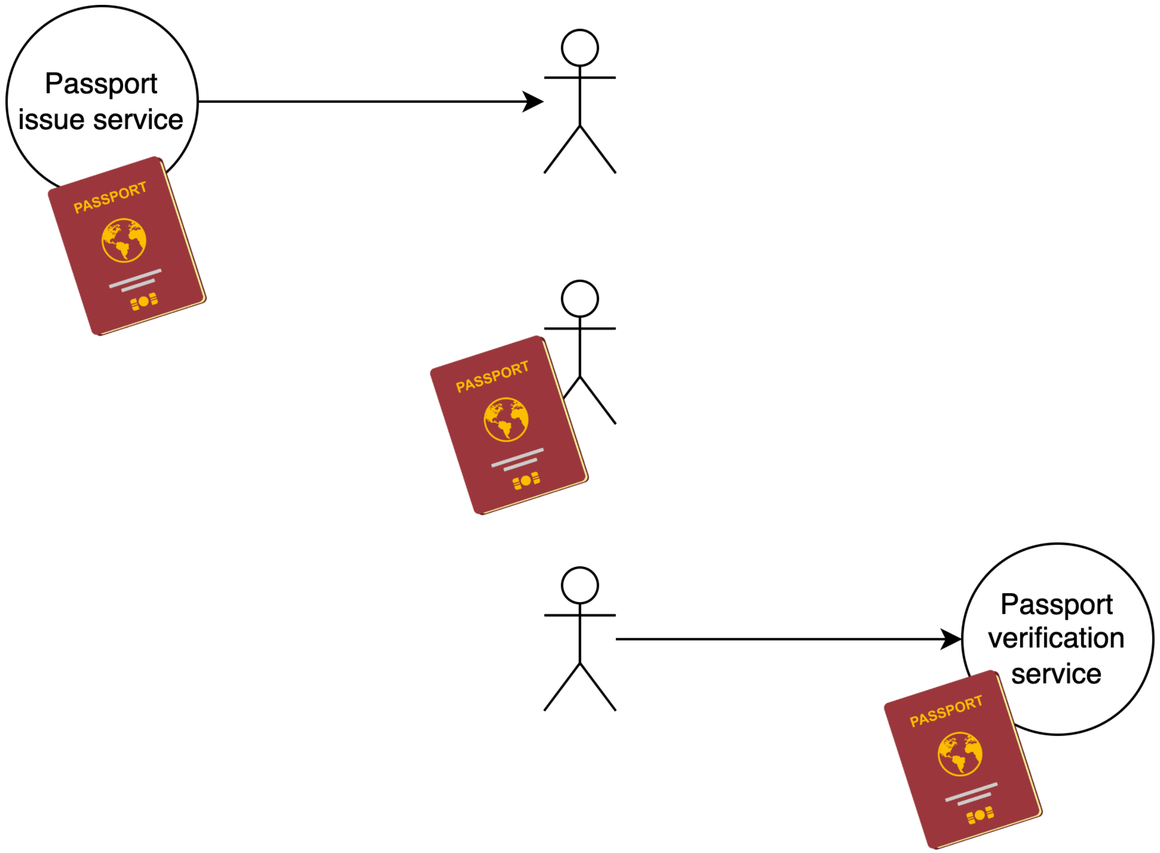


Web3 flow example: Passport

In Web3 architecture, the passport is given to the user as data.

The user can then hold on to the passport locally (on their device), and share a copy with those they want to.

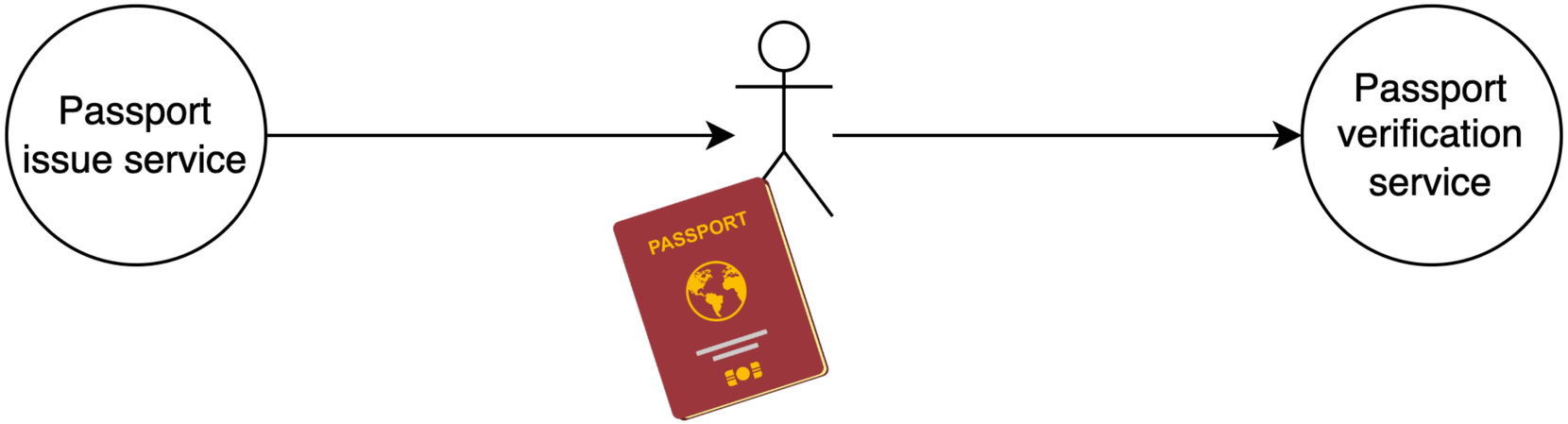
In Web3, the user is in control and has ownership of this data.



Changing control structures

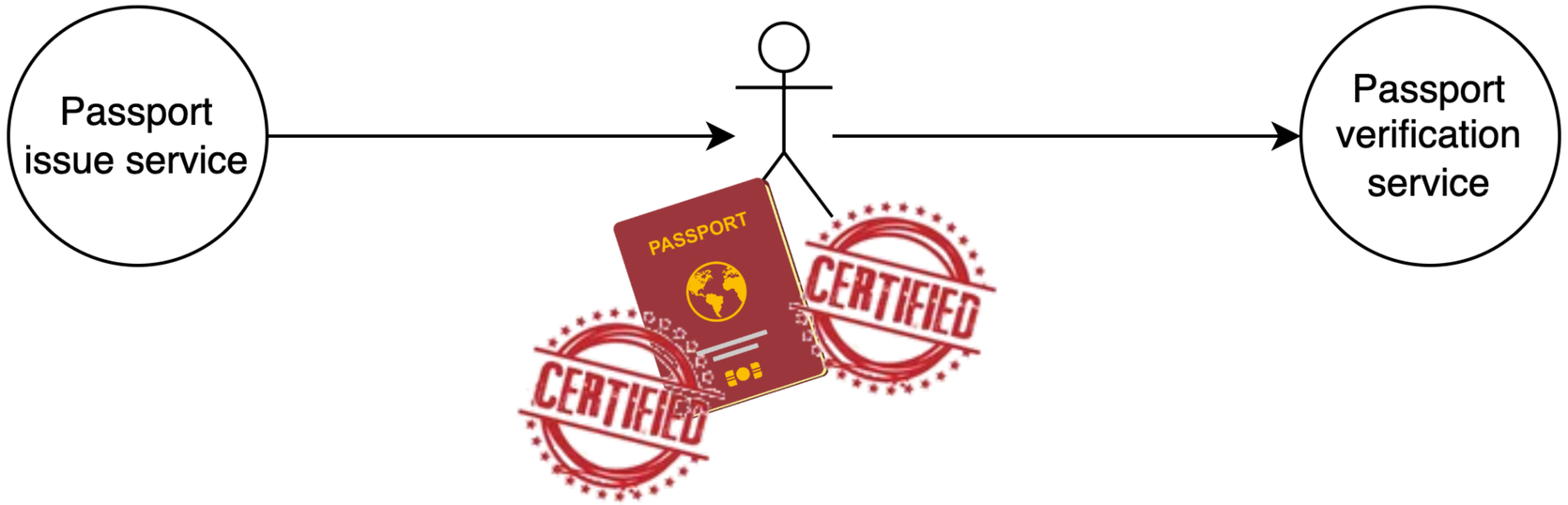
How to keep the user in control while ensuring validity and integrity

How do we know this is a valid passport?

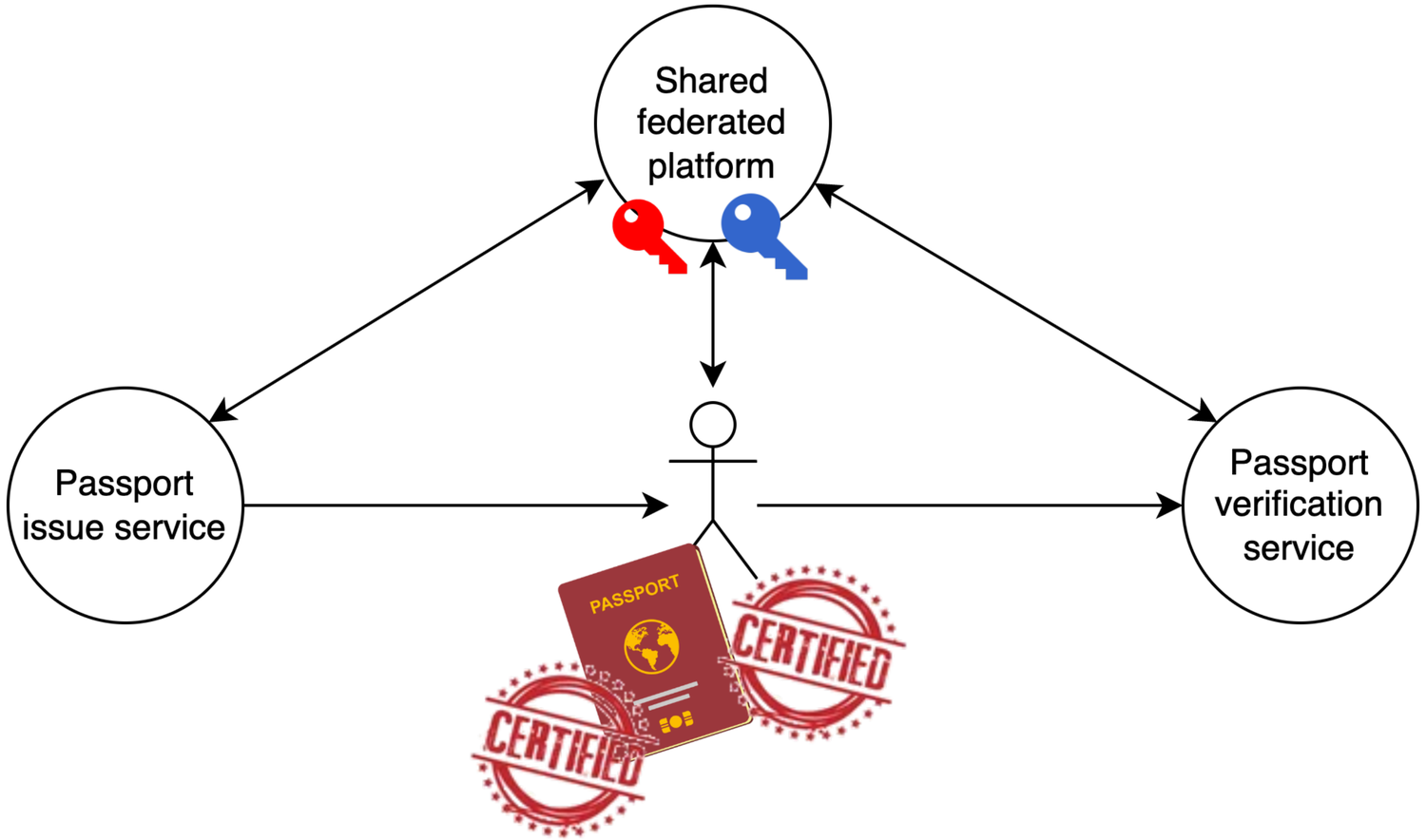


Public / Private keys play a *key* role in Web3

But where do we store the public key so others can verify?



Web2 pattern: Introduce a central public key registry



Web2 pattern: Introduce a central public key registry

Many drawbacks with a central registry

- everyone needs to agree on one
- too many eggs in one basket
- user activity can be tracked

Federated auth model: A fat juicy target

REUTERS®

March 22, 2022
9:46 AM GMT
Last Updated 39 min ago

Technology

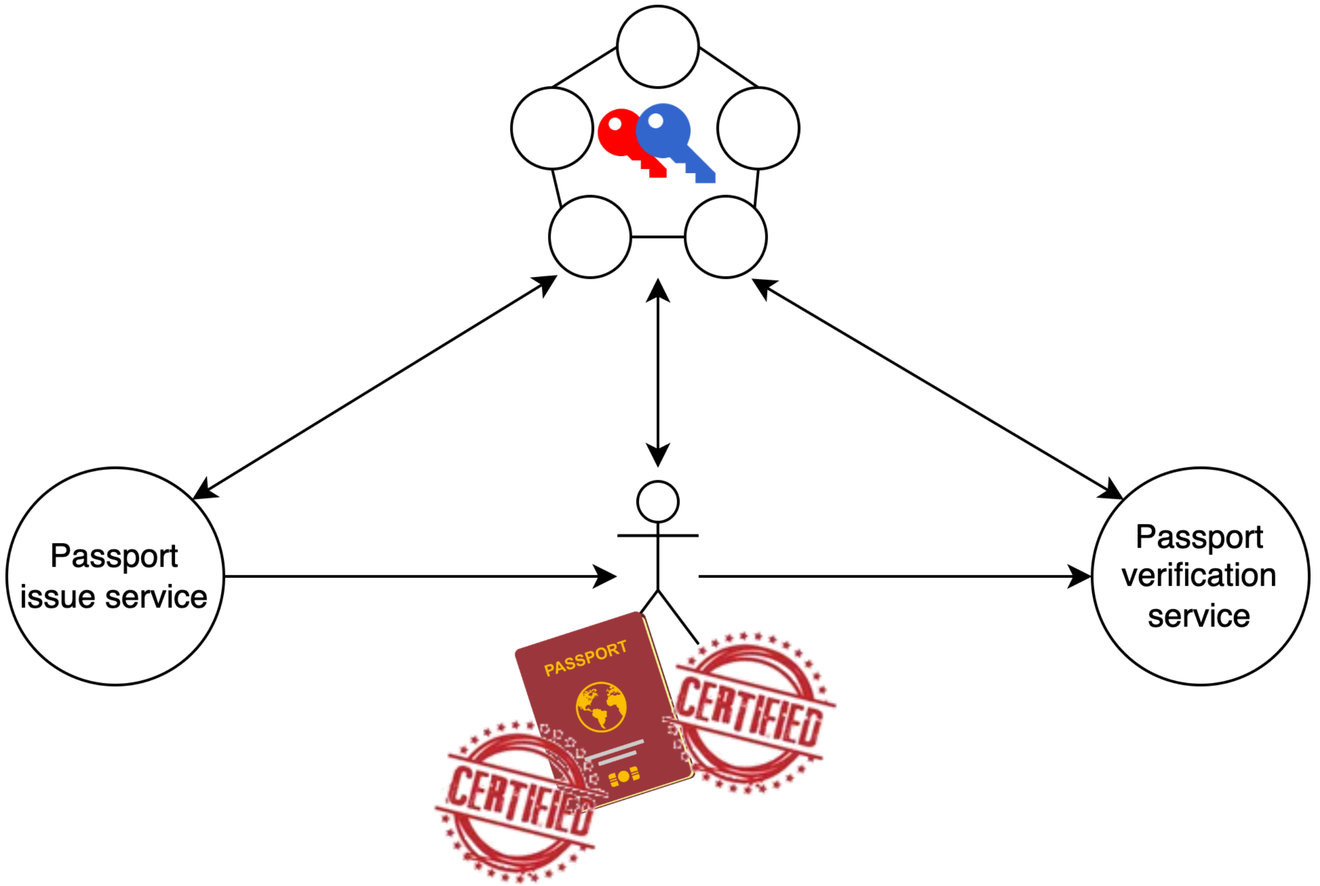
Authentication firm Okta probes report of digital breach

By Raphael Satter

WASHINGTON, March 22 (Reuters) - Authentication services provider Okta Inc (OKTA.O) is investigating a report of a digital breach, the company said on Tuesday, after hackers posted screenshots showing what they claimed was its internal company environment.

A hack at Okta could have major consequences because thousands of other companies rely on the San Francisco-based firm to manage access to their own networks and applications.

Web3 pattern: Store public keys in a blockchain



Web3 pattern: Store public keys in a blockchain

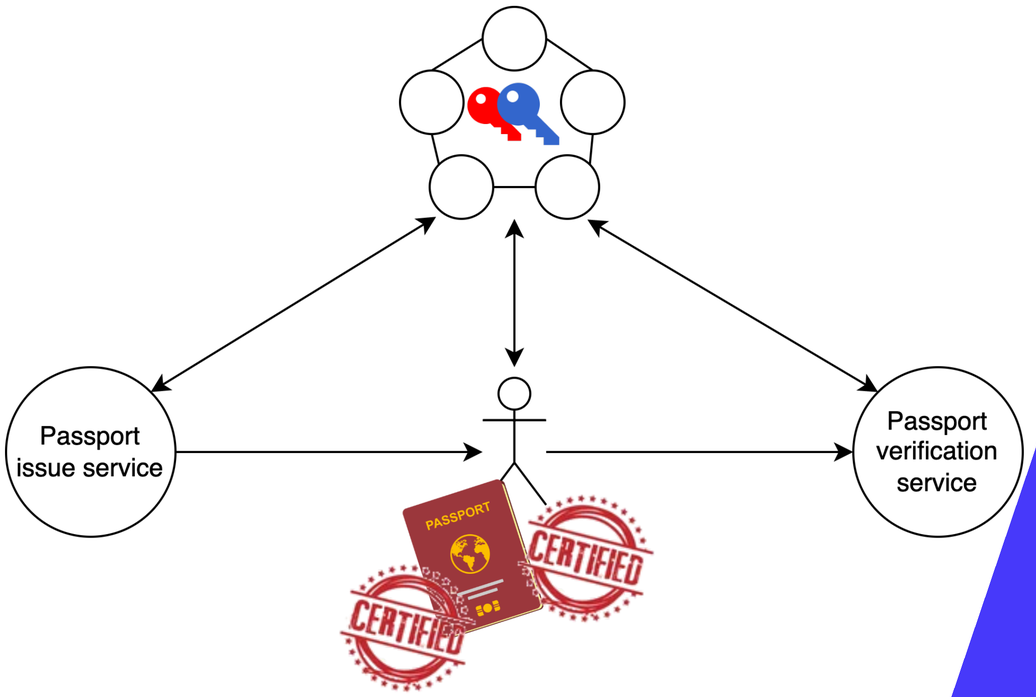
Public permissionless blockchains

- can’t block your access
- is immutable and tamperproof
- is always available on a pay as you go model
- doesn’t need to know who pushes data in or reads it out

Web3 architecture on one slide

Web3 architecture consists of:

- Decentralised services, operated by potentially my separate entities and organisations
- No federated user access or local sign up/sign in, but instead users bring their own key pair
- Public keys (and other public data) stored on a public permissionless blockchain, to avoid any platform lock in
- Data moves through the user, keeping the user in control



Challenge to traditional gatekeeper models

Stop trying to lock people in

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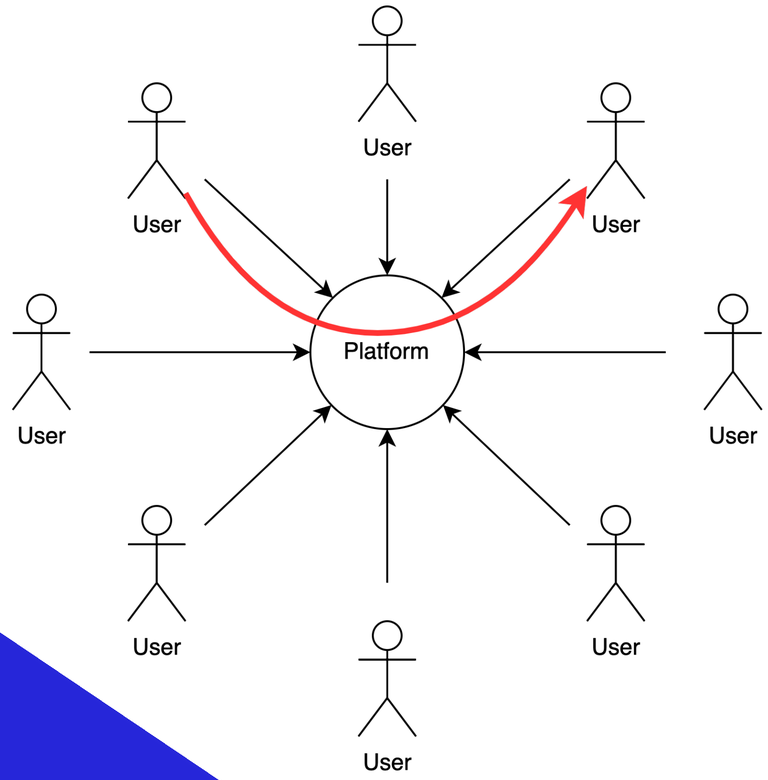
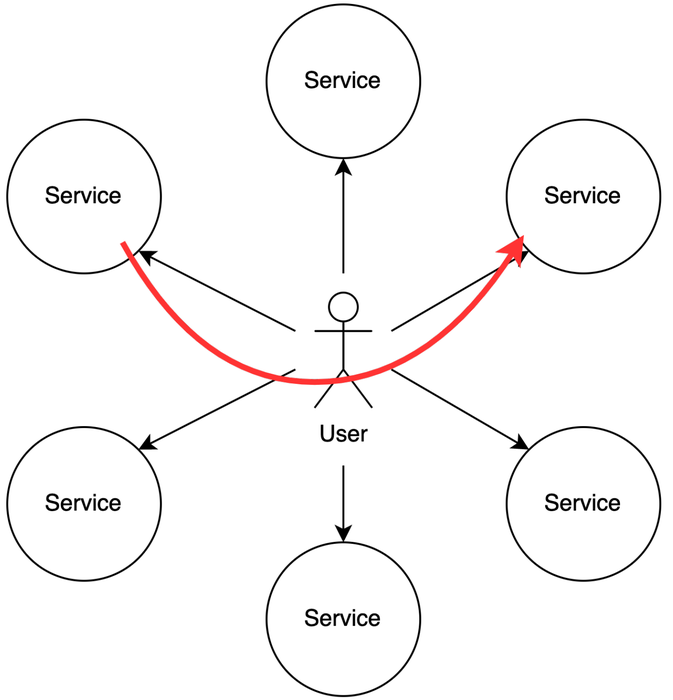
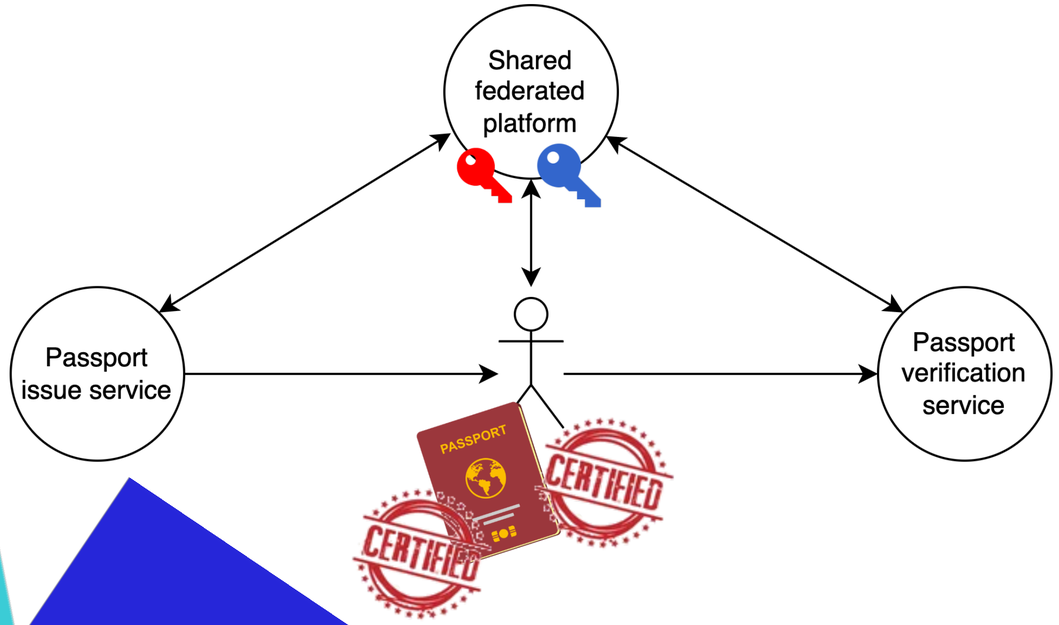
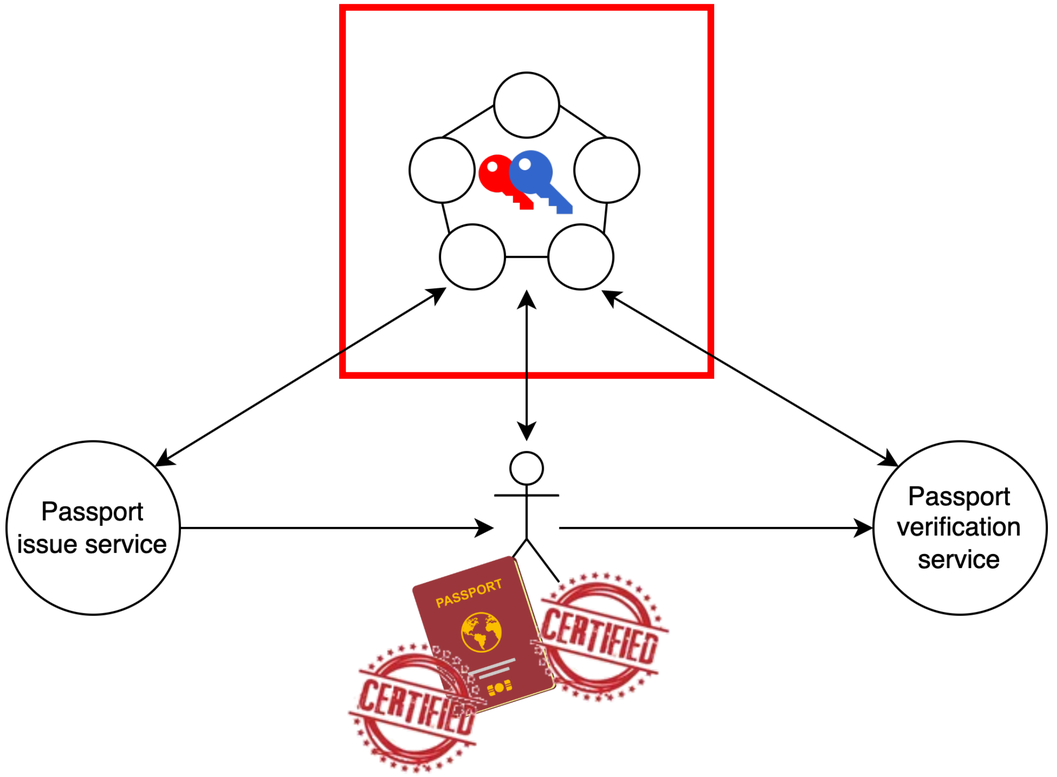
Recap: Different information flow



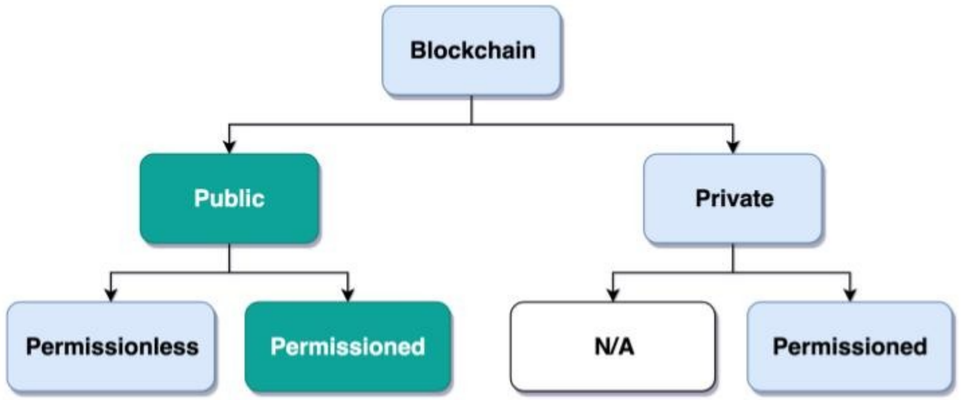


Can we build a blockchain platform?





Enterprise blockchain, moving left



The nodes (software/hardware), through a shared protocol, agree on what's is allowed to take place on a shared ledger.

Who is allowed to join the network?

Who is allowed to execute transactions on the network?

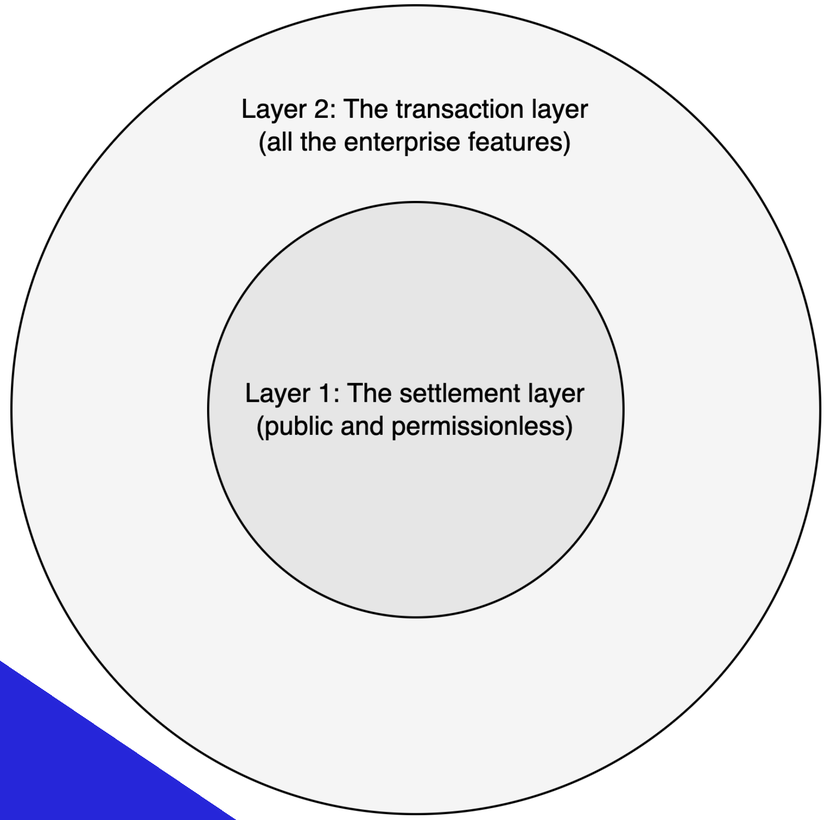
Depending on how you answer these questions, you get different types of blockchain networks, known as:

- Public permissionless (anyone can run a node, execute transactions)
- Public permissioned (anyone can read data, rest depends on access)
- Private permissioned (everything depends on access rights)

We see this moving left, towards public permissionless blockchains, because of lower cost and ease of use.

This argues against trying to build blockchain platforms, as we should rather view them as utilities.

Does ‘enterprise blockchain’ even exist?



An enterprise will need features not suited for a public and permissionless blockchain.

These features, like privacy, are better suited in what’s referred to as layer 2 solutions.

It’s a bit like the Internet: Companies use VPNs to create private links on top of the public Internet. We’ll see something similar in the blockchain space.

As we move towards public permissionless for cost and operational reasons, we won’t need to compromise on the requirement list.

Summary

Web3 is about services, not platforms

- Offer a valuable service to the user, and give them ownership of the data returned by the service

Users bring their own ID (BYOID) through public / private keys

- Don’t try to force a user to sign up, use their public key to verify that they have control of their private key

Blockchain is an enabler, and should be viewed as a utility

- Convenience of a public permissionless system makes it the go to solution, instead of trying to lock users in

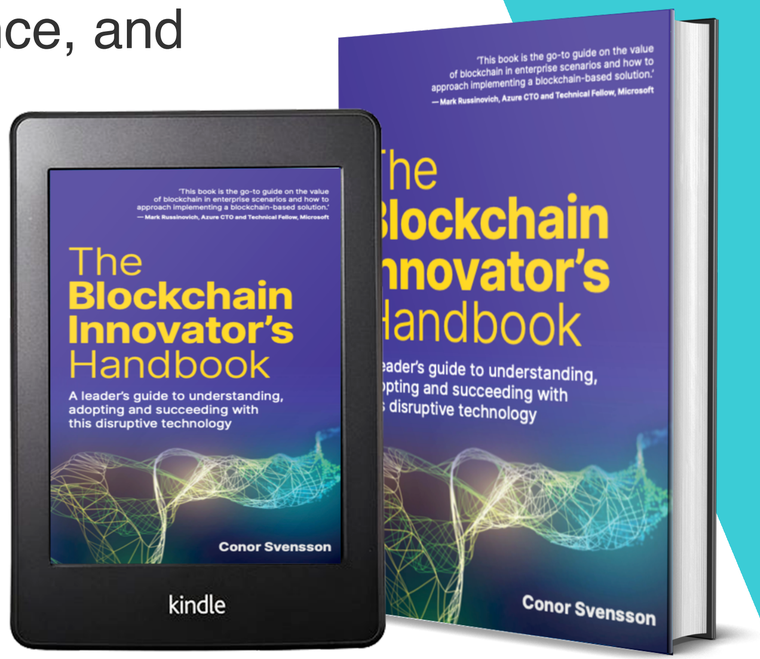
Addicted to platform thinking..?

About me

Christian Felde, Head of Services at Web3 Labs

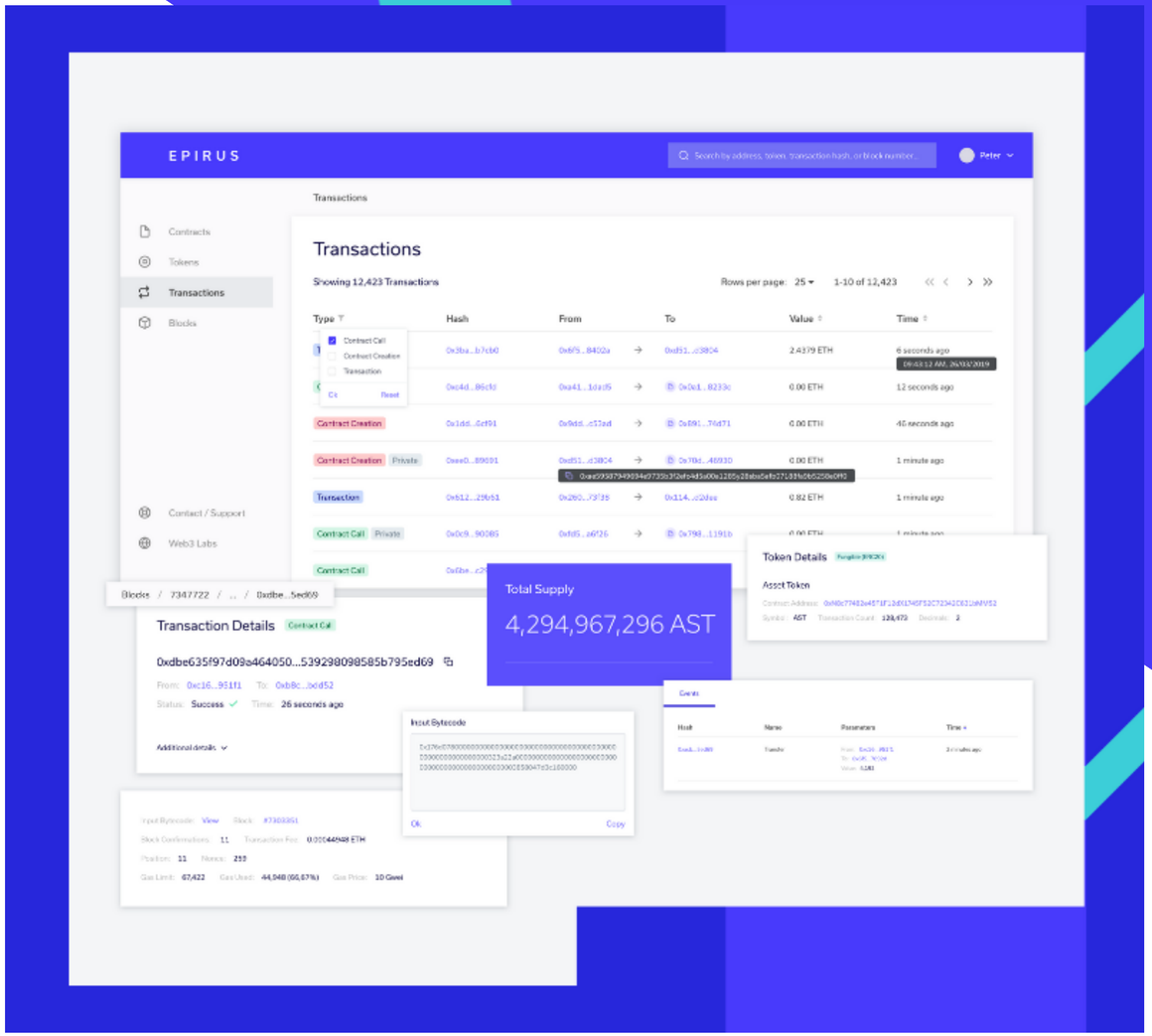
I have been helping companies to implement their Web3 strategy. Ask your questions in the chat. Feel free to come and talk to me here at QCon. You can also find me at christian@web3labs.com.

I'll be happy to take your questions, hear about your experience, and any issues you have implementing a Web3 strategy.



Epirus Explorer

- Blockchain visualisation platform
- White label solution for public and private blockchains
- API back-end service for custom analytics
- Tiered SaaS plans, plus Azure & AWS marketplace offerings



Web3j

Leading open-source developer library for Ethereum

- Over 65k downloads/month
- Over 1.5m total downloads

Used by:

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Web3 Labs works with large organisations to deliver applications that improve trust and authenticity of data and assets. Its clients include Microsoft, J.P. Morgan and Vodafone.

It also works with leading blockchain companies and protocols to develop their ecosystems and platforms. The organisations Web3 Labs has worked with include ConsenSys, R3, ICON and the Ethereum Foundation.

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