



Vechain (VEN)

By [VerthagOG](#)*

VeChain is a leading global enterprise level public blockchain platform. VeChain aims to connect blockchain technology to the real world by providing a comprehensive governance structure, a robust economic model as well as advanced IoT integration and real-world applications.

“VeChain is a leading enterprise-focused dApp/ICO platform for products, services, and data. It aims to connect blockchain technology to real use cases by providing a robust infrastructure for data management and IoT solutions, removing issues with counterfeiting, data fraud, data manipulation, assurance practices, and business barriers such as financial services and 3rd party trust. VeChain is designed from the ground up to secure data entry methods and remove the borders between businesses, financial services, and data security. This is being achieved through partnerships and collaborations with innovative brands and industries throughout the world.”

Vechain, already has a working product with Fortune 500 customers.

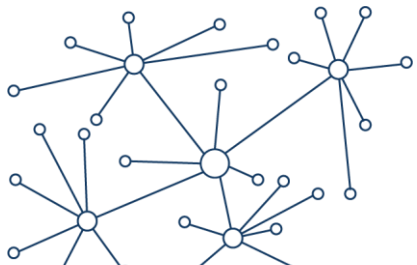
In this Analysis, I will address the following:

- Leadership: Team, Advisors & Partnerships
- Road Map
- Token Metrics
- Community
- Business Idea
- Challenges
- Conclusion

TEAM

The core team at Vechain is quite impressive, with the clear majority coming from Publicly Traded companies such as, HP, PwC, Barclays, Louis Vuitton, Deloitte, TCL&Alcatel Mobile Phone, Shangri-La Hotels and 3M.

- [Sunny Lu](#), CEO at Vechain, was the former CIO/CTO for Louis Vuitton for over 5 years.
- [Jay Zhang](#), CFO at Vechain, was a former Senior Manager at PwC, being at the company for over 13 years.





-
- [Kevin Feng](#), COO at Vechain, was a former Senior Manager at PwC, being at the company for over 12 years.
 - [JianLiang Gu](#), CTO at Vechain, was a former Director TCL&Alcate Mobile for 13 years.
 - [Richard Fu](#), VP of Marketing at Vechain, was a Regional Director at Louis Vuitton for 10 years
 - [Chin Qian](#), VP—Sales & Channel, was a Client Manager at HP for 12 years.
 - [Jerome Grilleres](#), Vechain Europe GM, was Head of Commercial Performance/Development at Barclays Bank for over 8 years.

That is essentially the entire executive team. That is quite impressive. It is fair to say that the core executive team are “all stars”. By definition, an All Star is someone that has worked at a Publicly Traded company for at least 3 years.

ADVISORS

The advisory board is equally impressive, with members of the board serving at companies such as, Breyer Capital, Fenbushi Capital, Bitcoin.com, Broad & Bright, and Bitoccean.

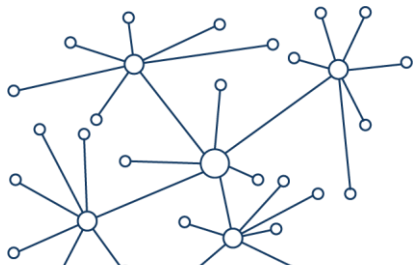
- [Jim Breyer](#). Founder and CEO of Breyer Capital
- [Bo Shen](#), General partner of Fenbushi Capital
- [Daniel Kelman](#), General Counsel of GSR and Bitcoin.com
- [James Gong](#), CEO of CHAINB.COM
- [Roland Sun](#), Partner of Broad&Bright
- [Nan Ning](#), CEO of BitOcean

Again, it is quite evident that the advisory board is filled with “All Stars”. The board members come from some well-known companies in and around the Crypto Space.

In addition, it is worth noting that, several well-known companies have invested into Vechain, such as Draper Dragon, Fenbushi Capital, and Breyer Capital.

PARTNERSHIPS

- **National Level support:** [Gui’an New Area \(Unique economic development zone, National level partnership\)](#)
- **Strategic Professional Services Partnership:** [PwC China & PwC Singapore portfolio company](#)





-
- **Global transport & logistics:** [Kuehne & Nagel](#)– [leading global freight forwarder, accounting for nearly 15% of the world's air and sea freight business by revenue](#) (\$20 billion revenue company)
 - **Conglomerate/Cold chain logistics/IoT:** [DNV GL](#)(\$3 billion revenue company)
 - **Supply chain solution:** [madeforgoods](#)– [Tracking solution for consumer-centric International Packaged Goods companies](#)

COMMUNITY

Vechain is active. The Telegram group has 22,817 (at the time of this article being published). They are active on Twitter and somewhat on Facebook.

- Twitter: 88,100 (TwitterAudit Score: 85%)
- Facebook: 5,396

With the advent of the Vechain masternode program which created quite a buzz last year (2017) and the change from VET to VEN and the rebranding with VeThor, the marketing team has been quite busy creating ongoing interest in the community.

Vechain has quite a loyal following in the crypto sphere especially amongst many mainstream Youtubers.

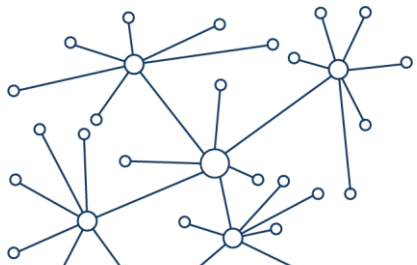
It is essential to any business project and most certainly blockchain projects that one has a sound and strong community presence, and Vechain has just that.

BUSINESS IDEA

When I first heard about the Vechain project, I immediately grouped it into the Wabi, Waltonchain, IoT logistic space. But what seemed to be just a IoT hardware meets software play, has turned into so much more.

The Vechain machine where all the ids are created was and still is revolutionary, connecting hardware with blockchain technology.

Vechain has carved a niche in the luxury goods management solution space, but they are also branching out to:





- **Automotive**
- **Medical & Healthcare**
- **Cold chain logistics**
- **Liquor**
- **Agriculture**

The business model for VeChain is quite simple, which is to monitor, track, improve, manage, and audit a product and or system throughout its lifecycle.

VeChain uses a Proof of Authority (PoA) albeit the proposed whitepaper algorithm for the DLT was SHA256, at the time of this writing, the token is ERC-20 until the MainNet in June 2018 is launched.

In addition to PoA, VeChain can also plans to incorporate the following:

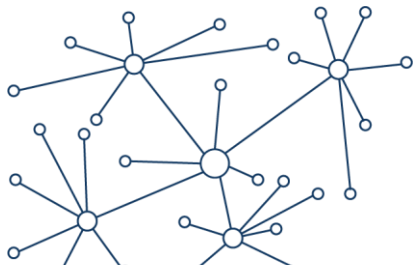
- **Proof of Audit:** As data is changed recorded it is verified to have changed according to a set of rules and complies with the set auditing standards. As these standards change, the flagging of data processes mold to meet the needs allowing companies in real time to adapt to industry standards as they occur instead of much later in the process reducing fees and labor hours dedicated to auditing data and resources.
- **Proof of Origination:** Showing the source of materials or data as captured by labor or sensors that completed a task.
- **Proof of Publication:** To authenticate that a certain information was published at a certain date, or was known by a party or system at a certain date.

VeChain makes their own ID sensors however they can integrate with other IoT sensors like QR, NFC, RFID.

Inherent to VeChain is a governance model, where token holders can vote on thing such as:

- The election of new Board of Steering Committee
- The modification of fundamental consensus mechanism
- Adjustments of the economic model
- Other subjects that the Board of Steering Committee demand necessary for general voting

Stakeholders in the VeChainThor ecosystem can vote on governance related matters. VeChain stakeholders include Blockchain Smart Contract Owners, Authority Nodes and token holders (including VeChain Economic Masternodes/Nodes). Each stakeholder that holds at least 10,000





VeChain tokens with a single public key will be considered to have ONE vote, and each stakeholder can't have more than ONE vote.

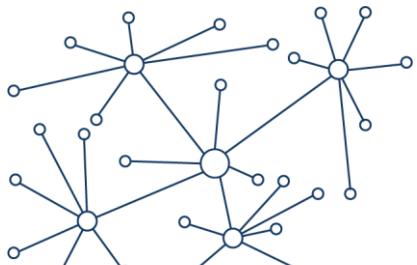
The vote weight is broken down as follows:

- 50% of the votes is allocated to VEN wallets with more than 10,000 VEN tokens
- 30% of the vote is allocated to anyone holding the rights to created Smart Contracts
- 20% of the vote is allocated to VeChain Authority Nodes

VEN token holders that hold at least a certain amount of VeChain Tokens (VEN), starting from 10,000 VEN. Economic Masternodes offer stability to the ecosystem and acts as a distribution of power and privilege within the VeChainThor economy. Economic Masternodes do not validate transactions on the blockchain and confer privileges by merely holding the required amount of VEN. The Economic Masternodes are a tiered system that gives higher incentives to stakeholders with higher node tiers, and thus hold higher amounts of VEN. These incentives include a bonus on the amount of VEN THOR generated by the VEN a stakeholder holds. The Economic Masternodes are distributed in the following tiers:

- Strength Node: 10,000–49,999 VEN
- Thunder Node: 50,000–149,999 VEN
- Mjolnir Node: 150,000 VEN and above

Name	Minimum Tokens	Maturity Period
Strength Nodes	10,000	10 Day
Thunder Nodes	50,000	20 Day
Mjolnir Masternodes	150,000	30 Day
Thrudheim Masternodes	250,000	Start Date 12/21/17





CHALLENGES

The three areas that could potentially cause an issue are:

- Scaling/Growth
- Dilution
- Execution

Growth

Vechain can easily become the leader in this space of IoT, Cold Chain logistics. Cold Chain Logistics “is known in layman terms as the managing the flow of raw materials or finished products in a temperature sensitive environment (example: a range between 20 deg to -20 deg), meaning perishables products.

As the interest in DLT/Blockchain technology increases many brick and mortar companies will find themselves far behind the curve, anxious to make up for lost time they will call on the leaders in the sector, one such leader will be, Vechain.

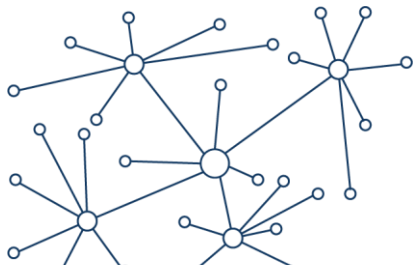
This could pose a challenge for Vechain with the sudden demand and Vechain might not be ready for the onslaught of new customers. Cold chain logistics is just one piece of the pie, and if you factor manufacturers, IoT, and Liquor the growth could be substantial. Of course, a good problem (challenge) to have, but nevertheless one worth mentioning.

Execution

This has more to do with both “Growth” and “Dilution” which I covered early, lead to the third challenge of execution of the road map/deliverables.

Both growth and dilution have had negative consequences on companies that get to big too fast and are spread too thin.

How well Vechain executes is again a game of patience.





CONCLUSION

In conclusion, Vechain is well positioned to be a dominant force in the IoT, supply chain logistics, and audit tracking/management of consumer goods. The team is comprised of seasoned veterans and the advisory board is well versed and experienced in position Vechain for success.

The list of strategic partnerships that Vechain has assembled in just a short period of time from its inception in June 2015 is quite impressive. I see, Vechain as having a “durable competitive advantage”, which is essentially the ability to be the dominant market force in its particular sector/offering. As DLT/blockchain technology gains more traction, Vechain may very well be sought after as more and more brick and mortar companies scramble to catch up.

