Marta Valles of Vottun: “The time to learn and invest in blockchain is now”

Marta Valles tells Miguel Anton what business leaders and investors need to know about blockchain, and how to get ready for what she believes is going to be as transformational as the internet and AI.

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Marta Valles, co-founder and COO of Vottun, believes Web3 is upon us. Web1 was the early

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internet. Web2 is the internet as we know it today, dominated by the Big Five: Alphabet, Amazon, Apple, Meta and Microsoft. Web3 is the next iteration — a decentralized internet, where web services are not beholden to a single provider but are distributed among multiple hosts around the world, empowering peer-to-peer transactions and tokenized asset sharing.

This is the central premise behind blockchain, which Valles insists is as disruptive — and enabling — as the internet and, more recently, artificial intelligence (AI).

“Web3 is going to profoundly transform, and become the backbone of, many of our businesses,” she predicts.

A 2011 alumna of IESE’s Programa de Desarrollo Directivo (PDD), Valles collaborates with IESE finance professor Miguel Anton to discuss blockchain and related technologies in IESE classrooms.

Web3 is a subject she is passionate about, leading her to co-found Vottun with Luis Carbajo, former Global Head of User Experience at Amazon.

Vottun’s mission is “to bridge the gap between cutting-edge blockchain technology and the practical needs of businesses, facilitating the adoption of blockchain technology for any business, and ensuring innovative solutions are accessible and beneficial to all.”

Helping companies with their tech expansions is something Valles did during her career as a lawyer and strategy consultant. Named one of Spain’s top 100 female entrepreneurs, she also made *Forbes’* list of top 10 women leading digital transformation in the financial sector.

As she tells Miguel Anton in this interview, “the time to learn about and invest in Web3 and blockchain is now.” Here’s what business leaders and investors need to know.

Miguel Anton: How do you envisage Web3 and blockchain evolving over the next decade?

Marta Valles: I compare it to the internet. Initially creating the web was expensive. It used to be impossible to watch, much less livestream a video online. The steps needed to buy something online were convoluted.

Likewise, with blockchain adoption, we face growing pains, such as shortages of talent and tools. The infrastructure is still a work in progress. And there are user interface challenges. All these barriers are being worked on.

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This is the goal we have at Vottun. But unlike the internet's early challenges, innovation today moves at a much faster pace. So I am confident our barriers will recede soon.

Smarter regulation needed for blockchain

Miguel Anton: Is regulation one of those barriers? How is the regulatory environment shaping Web3 and blockchain?

Marta Valles: We need smarter regulation, for sure. Regulation will play a pivotal role in the adoption of blockchain technology, so long as it's not overly bureaucratic.

As with AI, blockchain is a global technology whose growth could be hampered by too much regulation. I hope regulators are wise enough to do things in a way that serves the general interests of society and not just protects a handful of special interests.

With the right regulatory frameworks, we can build confidence among established institutions. Once traditional companies and banks feel secure about using blockchain, then the tech can really take off.

This is already happening in relation to bitcoin, which, like other digital currencies, uses blockchain technology for its transactions.

Major players in the financial services industry, including BlackRock and Fidelity, have started to offer exchange-traded funds (ETFs) in bitcoin, which lends legitimacy to bitcoin as an asset class.

I see the next decade as an evolving process of building greater legitimacy for the industry.

Miguel Anton: Why is interoperability between different blockchain networks important?

Marta Valles: Because there are multiple blockchains, we need many different networks to be able to talk to each other. So, improving interoperability between blockchains is essential, not just at the application layer but also at the level of infrastructure.

As vitally important as these current developments are, they will no doubt change drastically in the future.

Miguel Anton: What are the benefits and challenges of tokenizing real-world assets

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(RWAs)?

Marta Valles: The main benefits are operational. A tokenized RWA can be bought or sold or have its ownership transferred in just a few clicks, from anywhere in the world. This can radically improve all the processes that financial or public entities currently do with real-world assets, such as cash transfers or real-estate transactions.

On a global level, this would create more liquid markets. That has immense implications.

The main challenge for this to happen goes back to regulation: the technology is ready, but the regulatory frameworks governing tokenized RWAs vary from country to country.

Environmental concerns over computers' energy consumption

Miguel Anton: As with all technology, blockchain growth implies more energy consumption at a time when environmental impacts are of paramount concern. How sustainable is blockchain?

Marta Valles: In the beginning, bitcoin, for example, required a lot of computational power and, consequently, used a lot of energy. But the newer blockchains don't require as significant an amount of energy consumption.

I would go so far as to say that, despite the industry being tainted as environmentally harmful by bitcoin, blockchain as a whole is arguably the most environmentally friendly digital industry out there. Frankly, I wish cloud computing, AI and other digital actors were as environmentally conscious as Web3 players are trying to be.

Miguel Anton: What are some innovative use cases?

Marta Valles: There are so many! At Vottun, we've been working with more than 150 major brands, such as Bimbo, Nestlé, PwC and the World Bank, to create solutions regarding traceability in everything from food to pharma and in processes for certifications, IDs, payments, digital wallets and non-fungible tokens (NFTs). Companies have started to grasp the transformative potential of tokenization and the immutability of data — things that were simply not possible in the past. This is why I think the next big set of solutions to be deployed will pertain to tokenization.

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Trust, security and privacy concerns

Miguel Anton: How important is consumer trust and what efforts are being made to educate the public about these technologies?

Marta Valles: Trust and transparency are critically important and a lot more needs to be done to improve them. The shady use of cryptocurrencies around speculation and bad actors like FTX have dented public trust. Yet, at the same time, they have inspired the establishment of new controls and regulations to ensure these things don't happen again.

As with any new technology, a lot more education is sorely needed for companies and individuals to understand the benefits. The more use cases that appear and the more widespread the solutions become, the more we will be using Web3 without a second thought, like we use the internet now.

Miguel Anton: What are the implications of blockchain in terms of data ownership and protection?

Marta Valles: Blockchain enhances data privacy and security. Owing to its decentralized nature, data is stored across multiple nodes rather than in a single location. The inherent transparency and immutability of the data means that, once recorded, it cannot be altered, providing a high level of integrity.

For businesses, this means improved security, better control over data and easier regulatory compliance. Consumers benefit from increased control over their own personal data and enhanced protection against breaches.

As data privacy becomes more and more important to us all, I believe blockchain will become the backbone for data protection.

Early movers stand to gain the most from blockchain

Miguel Anton: Which trends should business leaders and investors be aware of — and how should they leverage them?

Marta Valles: I'd suggest two. The first concerns investors. Every investor should at least be exploring the potential of including some crypto assets as part of a fully diversified portfolio,

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the same as they would with any other risk-reward bet like tech stocks and startup investments. These can provide amazing returns, and there seems to be continued positive momentum for these assets.

If you are skeptical, start by learning about decentralized finance (DeFi), which encompasses cryptocurrency-based transactions, exchanges and popular token offerings such as bitcoin and ethereum.

We at Vottun are also launching our own coin. As with other such offerings, getting in early offers the most potential for good returns.

As for companies, don't just watch and wait from the sidelines but seriously explore what tokenization could bring to your business. As with any other innovative new area, early movers stand to emerge better prepared and better positioned in the face of future competition.

The time to learn about and invest in Web3 and blockchain is now.

READ MORE: "How big data, AI and blockchain are changing finance" by Mireia Gine and Miguel Anton — originally published in *IESE Insight* magazine (Issue 38, Q3 2018) as part of a special report on Finance — contains still relevant insights on the big ideas shaping the future of the industry. It was produced on the 25th anniversary of IESE's Center for International Finance.

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