



The Trend Continues – Rogers Acquires BLACKIRON Data

Description

The continuation of an emerging trend continued yesterday with **Rogers** (TSX:RCI.B,NYSE:RCI) announcing the purchase of BLACKIRON Data from Primus Telecommunications.

BLACKIRON is a data centre and cloud computing provider with 4,000 customers and 132 employees. The company generated sales of \$34 million in 2012. Rogers paid \$200 million or about 6 times sales to complete the deal.

The acquisition has more strategic significance than it does financial. After all, Rogers has more money tied up in its 3 top players on the Blue Jays than it paid to acquire BLACKIRON.

The strategic takeaway is that the Canadian telecom players are increasingly turning to the country's commercial sector for growth. This is a change from their historical model that saw them grow by forcing more services upon their extensive consumer base.

One of the gang

The Rogers deal is the fourth that points to this strategic shift.

The deal that seemingly got the ball rolling occurred last fall when **BCE** (TSX:BCE,NYSE:BCE) was part of a consortium that acquired Q9 Networks, Canada's leading provider of outsourced data solutions. BCE's share of the \$1.1 billion transaction was \$185 million.

Regional player **Cogeco Cable** ([TSX:CCA](#)) got into the act when it announced a deal in December to acquire Vancouver based Peer 1 Network Enterprises. This \$526 million transaction bought Cogeco a seat at the cloud computing table.

And, just a few weeks ago **Shaw Communications** (TSX:SJR.B,NYSE:SJR) upped its exposure to commercial services when it announced the \$200 million acquisition of ENMAX Envision, the owner of an extensive commercial fibre optic network in Calgary.

Foolish Takeaway

Just like a good investor, the corporations that thrive over the long-term are the ones that successfully prepare for the future. All four of these transactions indicate that these companies are laying the groundwork for their respective visions of the future. Seemingly, the vision for each involves less consumer exposure, the business that has made them into what they are, and more involvement with this country's commercial sector.

Canada's telecom sector is full of great dividend payers but there are only a handful of names to choose from and diversification is slim. We have created a special report that will eliminate this diversification issue and fill your portfolio with a wide range of equally great dividend stocks. Simply [click here](#) to receive "**13 High-Yielding Stocks to Buy Today**". This report is absolutely FREE and will have you rolling in dividend cheques before you know it. You are just [one click](#) away from dividend nirvana!

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Fool contributor Iain Butler does not own shares in any of the companies mentioned in this report at this time. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:RCI.B (Rogers Communications Inc.)

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