



Why Are Blackberry Shares Surging?

Description

It is very difficult for anyone to admit their own mistakes. In a corporate setting, this can be one of the biggest benefits of bringing in new management. Sometimes a company needs to press the undo button, and this is far more likely to happen when a new leader is in charge, and doesn't have to reverse his own decisions.

So it should not be a major surprise that **Blackberry** ([TSX:BB](#))([Nasdaq:BBRY](#)) is bringing back its "belt" of five function keys that sit between the screen and keyboard, according to a Globe and Mail report. While this move on its own may not seem earth-shattering, the decision is very significant symbolically.

The belt used to be a favourite among Blackberry's most loyal users, but was removed with the release of the company's most recent phones. That decision was made as part of a push to compete more aggressively on the consumer side with **Apple** ([Nasdaq:AAPL](#)) and Android phones. But the move backfired, accelerating Blackberry's decline in market share. In fact the decision was a perfect example of the Blackberry's flawed strategy, which ended up alienating the company's most loyal enterprise users.

New CEO John Chen has already made it very clear that he plans to bring Blackberry back to its enterprise roots. His latest move shows that he is serious.

Is Ford switching to QNX?

There is more good news for Blackberry. Bloomberg is reporting that **Ford** ([NYSE:F](#)) will be switching from **Microsoft's** ([Nasdaq:MSFT](#)) Windows to Blackberry's QNX for the next-generation Sync system.

Ford's decision represents a major vote of confidence for QNX, which Mr. Chen has already identified as a key pillar of Blackberry's future. The news is also a major blow to Microsoft, since Ford was by far the company's largest customer for in-vehicle technology. But it should not have come as a surprise. There have been numerous complaints about Ford's in-car technology, which have hurt the company in consumer surveys.

Foolish bottom line

The market is also still digesting **Facebook's** (Nasdaq:FB) decision to buy WhatsApp for \$19 billion, and trying to decipher what it means for BlackBerry Messenger. That may be part of the reason why BlackBerry's shares are continuing their ascent.

But most importantly, investors are starting to get a clearer picture of what John Chen was talking about late last year. In BlackBerry's most recent earnings call, he identified the shift to enterprise, QNX, and BBM as three of BlackBerry's pillars in its recovery. And although the company is still in the early innings, these recent news items have given investors much more hope. Time will tell if that hope is well-founded.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:META (Meta Platforms Inc.)
2. NASDAQ:MSFT (Microsoft Corporation)
3. NYSE:BB (BlackBerry)
4. NYSE:F (Ford Motor Company)
5. TSX:BB (BlackBerry)

Category

1. Investing

Date

2025/07/04

Date Created

2014/02/24

Author

bensinclair

default watermark

default watermark