



What to Look for When BlackBerry Reports This Week

Description

On Friday, **BlackBerry** ([TSX: BB](#))(NYSE: BBRY) will report results for the fiscal fourth quarter. Analysts are predicting revenue of \$1.1 billion on average, as well as a loss of 57 cents per share.

As every BlackBerry investor knows, waiting for profitability from the company will require a lot of patience, though fellow Fool contributor Nelson Smith sees [reason for optimism](#). In the meantime, there are more important subjects that should come up during the call.

The Foxconn Deal

In December, BlackBerry announced a five-year partnership with Taiwanese manufacturer Foxconn to manufacture devices. The move allowed BlackBerry to focus on “iconic design, world-class security, software development and enterprise mobility management,” as CEO John Chen put it at the time.

The Foxconn deal was meant to cover lower-end, commodity-type phones, which would be targeted at overseas customers. And last month, Foxconn released its first phone, the Z3 (appropriately codenamed Jakarta), a 3G phone that will retail for less than \$200 and initially be targeted at the Indonesian market. The second Foxconn phone was the Q20, a keyboard phone that will be targeted more towards big business and government clients.

Any updates on the Z3 or Q20 will draw lots of attention this Friday. According to International Data Corp, BlackBerry’s market share has plummeted to 0.6%, trailing even **Microsoft’s** Windows-based phones. But the Indonesian market has remained quite loyal to BlackBerry, and any turnaround in market share could come from the Z3 in that country.

The shift to enterprise

The Foxconn deal was really just a part of BlackBerry’s grand strategy of shifting from a device manufacturer to an enterprise services provider. The company is hoping to exploit its customer base in this space, which currently exceeds 80,000. As well, BlackBerry constantly reminds both customers and investors of its advantages in security.

If John Chen announces a major new enterprise deal, or gives other promising signs, the stock price could take a serious jump, even if BlackBerry's quarterly loss is worse than expected.

Other pieces

There are other parts of BlackBerry that have popped up in the news recently. First of all, Blackberry announced the sale of 3 million square feet of real estate just last week. Secondly, BBM got a lot of extra attention after **Facebook** bought WhatsApp. There were also reports from Bloomberg that **Ford** had switched from Microsoft to Blackberry's QNX system for in-vehicle technology.

Any updates on these news items will also draw a lot of attention.

Foolish bottom line

Just last week, Fool analyst Iain Butler [gave a detailed explanation](#) about why he's not recommending BlackBerry. Despite all the promising signs, this is still a money-losing business. And betting on such a turnaround is a real roll of the dice.

People who really believe in John Chen may want to consider owning the shares. Otherwise, BlackBerry's future is far too unpredictable for an investment to be sound. The future will become clearer as time passes, but until then, it may be best to just wait and see.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

Category

1. Investing

Date

2025/07/27

Date Created

2014/03/24

Author

bensinclair

default watermark