



3 Long Shots That Could Save BlackBerry

Description

We don't really know what **BlackBerry** ([TSX:BB](#))(NASDAQ:BBRY) will look like five years from now. However, if the company survives, it won't be as a smartphone maker. Rather, will be as a provider of software to both consumers and other companies. Though they're all long shots, here are three ways BlackBerry could emerge from the ashes.

1. BlackBerry Messenger

Last year, BlackBerry opened up its popular BBM application to iOS and Android. In the first two months of availability, more than 40 million users registered BBM accounts, doubling the company's user base. On the company's most recent earnings call, BlackBerry CEO John Chen reported that the service has 80 million active users on a monthly basis, with 60% of those using BBM daily for an average of around 90 minutes.

BBM's ultimate value will be determined by how successful the company is at converting its large user base into revenue. BlackBerry has outlined one potential way to monetize its traffic through advertising. The company is using BBM Channels where companies can connect with users who can follow brands that they like. Like any ad platform, business will pay for sponsored ads and other paid forms of interaction.

However, the valuations of other messaging and social media firms suggest that BBM could be worth quite a lot. By applying the same dollar-per-user calculation on the acquisitions of comparable applications such as Viber and WhatsApp, BBM could be worth between \$650 million and \$3.4 billion.

2. QNX

There's huge licensing potential for QNX. The operating system is not only used to power BB10 devices but also surgical equipment, nuclear reactors, air traffic control systems, and anywhere else where the cost of failure is high.

One big market for QNX could be the automotive industry. Imagine a future where you can customize your vehicle's dashboard, your car can send you a diagnostic before a scheduled repair, or enable

third party apps. That's all possible today on QNX.

BlackBerry is making significant headway on this front. In February, it notched another key victory when **Ford** announced it may switch from **Microsoft's** Windows to QNX to power Ford's Sync in-car technology. This would add another key domestic automaker to BlackBerry's already-impressive roster of automakers that use its QNX operating system, including **Fiat Chrysler**, **General Motors**, **Kia Motors**, and **Nissan Motors**.

All told, it's estimated that QNX powers roughly 50% of all in-car operating systems globally. This positions the company nicely in what should be another major area of opportunity in the years ahead.

3. Mobile device management

BlackBerry may not manufacture your phone, but it can help companies run the behind-the-scenes networks needed to manage them. BES10 allows clients to manage its new generation of devices powered by its BlackBerry 10 operating system, along with devices that run on **Google's** Android and **Apple's** iOS operating system.

BlackBerry is already well positioned in the space. The company can tout its reputation for security as the main differentiator from the competition. And BES10 is already installed at 65% of Fortune 500 companies.

However, MDM cannot save BlackBerry in and of itself. According to Gartner the entire MDM industry generates only a \$500 million in revenue annually. BlackBerry would need to corner the entire market and grow it by a factor of 10 just to replace its current service business.

Foolish bottom line

If you can't handle a lot of "if's", then you probably shouldn't consider investing in BlackBerry. Over these past few months the company has totally upended its business model and it's not clear what the firm will look like (or even if it will survive at all) five years from now. However, a viable business may yet emerge.

CATEGORY

1. Investing

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