



If You Don't Buy Sierra Wireless Inc. Now, You'll Hate Yourself Later

Description

Over the past few years, a handful of hedge funds have quietly accumulated positions in a little-known technology company out of British Columbia.

According to sources deep inside the industry, this company's innovative product could be bigger than 3D printing, the personal computer, and even the iPhone. Early estimates predict that this emerging market might be worth up to US\$19 trillion, larger than every company in the **S&P 500 combined**.

Now their bet is paying off. The company has already reported blowout earnings from its operations, and this is only the beginning...

How to strike it rich in the second Internet gold rush

More than 99% of all "things" in the physical world remain "unconnected," but that's about to change.

As regular Motley Fool Canada readers know, the Internet of Things, or IoT, is the biggest development in the technology industry today. To put it simply, the IoT is the connection of people, data, and objects to the Internet. And every day, more "things" are being connected to make life easier for their owners.

Imagine: What if your coffee maker automatically brewed a fresh pot just before you got out of bed each morning? What if your medicine cabinet could track prescriptions and automatically order refills? What if your washing machine could schedule loads at off-peak hours using real-time electricity prices?

These innovations are all possible today thanks to the IoT. Soon, just about every device you use — including your car, television, appliances, and alarm system — will be connected to the Internet. That means you will be able to remotely control just about everything from your PC, tablet, or smartphone.

The consumer market is just the beginning. For instance, the IoT could manage irrigation systems to save water, control traffic lights to reduce energy consumption, and exploit sensor-equipped garbage cans to slash waste management costs. The uses for companies, cities, and countries are virtually limitless.

During his keynote speech at the 2013 Consumer Electronic Show, **Cisco Systems, Inc.** CEO John Chambers predicted that the IoT will be bigger than any technological development in the past decade. According to Cisco, the number of devices connected to the Internet is projected to hit 50 billion by 2020. That would represent a fivefold increase over the number of devices connected today.

However, even if the IoT only lives up to a fraction of the hype, the opportunity will still be huge. This could lead to big profits for investors betting on the IoT trend.

Sierra Wireless Inc. ([TSX: SW](#))([NASDAQ: SWIR](#)) is one of those behind-the-scene companies on the forefront of this development. Its wireless modules and cloud management services allow devices to connect to the Internet and be easily controlled. In plain English, Sierra is building the nervous system of the IoT, creating the infrastructure needed for all of these devices to talk to one another.

The company is in a great position to lead this revolution. Sierra's technology is already found in thousands of **Tesla Motors Inc.** infotainment systems. It has also partnered with a number of top automakers including BMW, the **Ford Motor Company**, and **Toyota Motor Corp.**

And the auto industry isn't Sierra's only customer. Its modules are also found in Nespresso coffee machines, wireless payment devices, government energy systems, and much more. Sierra's reach will only continue to grow as the technology improves.

Is this company the next Intel Corporation?

But as I hinted at the beginning of this post, Wall Street is starting to catch on to this opportunity. In May, CIBC Capital Markets upgraded their rating on the stock. And according to recent SEC filings, a number of billionaire hedge fund managers including Chuck Royce, Jim Simons, and Dmitry Balyasny have begun accumulating positions in the company.

What could have attracted the attention of all of these financial titans? I don't know about you, but I'd say it could mean only one thing: They see an epic rally ahead.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CSCO (Cisco Systems Inc.)
2. NASDAQ:SWIR (Sierra Wireless)
3. TSX:SW (Sierra Wireless)

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