



Forget the Passport; 3 Technologies That Could Save BlackBerry Ltd.

Description

Last week, **BlackBerry Ltd.** ([TSX:BB](#))(NASDAQ:BBRY) launch its new Passport smartphone, and the media went into a frenzy.

They talked about specs. They talked about battery life. They talked about apps. However, if any of the talking heads had bothered to pay attention, they would have known that the new Passport doesn't really matter.

No, BlackBerry hasn't abandoned the handset market. But CEO John Chen has his eyes on a much bigger prize. If BlackBerry survives, here are three ways the company could emerge from the ashes.

1. Mobile device management

According IDC, BlackBerry's share of mobile devices shipped globally fell to just 0.5% in the second quarter of 2014, versus 13.6% in 2011. Big corporate customers — banks, governments, and pension funds — are letting employees use other devices. Some are even abandoning the platform outright.

But while BlackBerry may not manufacture your phone, it can help customers control them. The company has emerged as a leader in mobile device management, the behind-the-scenes networks corporate clients need to manage all of these devices. According to MarketReports, this could represent a US\$5 billion market by 2019.

BlackBerry is well positioned in the space by touting its reputation for security. As a result, the company already has more customers than its top three rivals *combined*.

2. Internet of Things

In hindsight, losing the smartphone battle may be the *luckiest* thing to ever happen to BlackBerry (yes, I'm serious). After all, who wants to settle for a market that should be worth \$150 billion in sales this year? Wouldn't you rather move on to one that could be worth 100 times that by 2020?

By now, you've probably heard of the Internet of Things, or IoT. Put simply, the IoT is the connection of

people and devices to the Internet. This is the new buzzword that foresees your coffeemaker automatically brewing a fresh pot each morning or your car emailing you the fastest route to work.

In May, BlackBerry announced its latest initiative called Project Ion. In essence, the company wants to create the Philosopher Stone of this new Internet age, building the infrastructure needed for all of these devices to communicate with one another. BlackBerry could become the toll road operator of a new US\$19 trillion market.

3. 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. Today, the service has a whopping 91 million active monthly users.

BBM's ultimate value is hard to determine. However, the valuations of other messaging apps such as Viber and WhatsApp suggest that the service could be worth quite a lot. By applying the same dollar-per-user multiples, BBM could be valued between US\$650 million and US\$3.4 billion.

Foolish bottom line

If you're still talking about handsets, then you don't understand this stock. Over these past few months, Mr. Chen has completely upended the company's business. And although we still don't know what it will look like five years from now, the three technologies listed above will likely be the foundation of the new BlackBerry.

CATEGORY

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