

Look to Sierra Wireless Inc. for a Dose of the Internet of Things

Description

There's a movie that came out in the 90s about a smart house that could do everything: clean, feed its inhabitants, and with a few voice commands, do anything else that was needed. While we are nowhere near an artificial intelligence powering our home, we are very near the potential for you to pull out your mobile phone, press a few buttons, and have the oven on, the thermostat at the right temperature, and the TV on the sports channel as you walk in the front door.

This reality is called the Internet of Things. And what it means is that everyday appliances, such as ovens, thermostats, and televisions, are connected to the Internet and controlled by a central device. In many cases, that device is your phone.

What's really special about this is that it could be a multitrillion-dollar market. The CEO of **Cisco** says that this could be a \$19 trillion opportunity, with more than 50 billion devices hooked to the web by 2020. That's a lot of money.

Sierra Wireless Inc. ([TSX:SW](#))([NASDAQ:SWIR](#)) is one company that could very well become a leader in getting these independent devices talking to each other.

What makes its offerings so unique is that it routes all connections through the cloud. The use case could be something like this: I use my phone to connect to my coffee pot to tell it to start brewing 10 minutes before I get home. That connection first hits the cloud, and then the cloud directs it to my coffee pot. What this does is offer a secure connection to the coffee pot.

Why do this?

If everything is connected to one Internet connection, all I would need to do to access your laptop is access your coffee pot. By adding this layer of security in the middle, you're safe.

But it's not just the security that makes this company so attractive. **General Electric, Honeywell, Tesla Motors Inc., the Ford Motor Company**, Nespresso, and so many others have partnerships with Sierra. And as more devices start to get connected to the Internet, these partnerships are going to continue to grow. This gives the company reach into numerous different B2B and B2C products.

Should you buy?

Most definitely. Sierra Wireless is in a really unique place that will enable it to grow quickly when the Internet of Things becomes a bigger reality. If you believe that all devices will be connected, this is a great way to get some exposure to the Internet of Things. However, Sierra is not your only choice.

There is another company that I think is also worth adding to your portfolio if you want even more exposure to the Internet of Things. It's a Canadian tech sweetheart that has been suffering for a few years. If its transition into the Internet of Things works, this company could be even better than Sierra.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:SW (Sierra Wireless)

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Date

2025/08/26

Date Created

2015/02/09

Author

jaycodon

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