



Buy Sierra Wireless, Inc. if You Believe in the IoT Future

Description

There are a lot of really great technologies coming that I believe investors should pay attention to. Anything that has to do with blockchain technology, 3-D printing, and additive manufacturing is ripe for disruption. But one sector that could be even bigger than these is called the Internet of Things (IoT).

The IoT is the simple way to describe a world when everyday items can be connected to the Internet. Devices such as thermostats, washing machines, cars, refrigerators, and other devices will one day be connected to the Internet, allowing for users to communicate with them without having to be next to them.

While it might sound like science fiction, the truth is that this is the future. According to research firm IDC, the connected device market will grow from \$655 billion in 2014 to \$1.7 trillion in 2020.

Sierra Wireless, Inc. ([TSX:SW](#))([NASDAQ:SWIR](#)) is a relatively small technology company that has effectively staked its entire reputation on this technology. If IDC is right and the market does grow to \$1.7 trillion, Sierra has a particularly bright future ahead of it. If IDC is wrong, things could get very bad for the company.

Sierra is broken up into two parts that, when combined, make up a complete strategy for the IoT. The first is its hardware division, which is known for its embedded wireless modules. Sierra is creating particularly small modules that are like a wireless router that is shrunk down very small. This is necessary because a small device such as a thermostat doesn't have a lot of space for a networking capabilities.

Sierra is also investing significant money in gateway capabilities. If every device is going to be connected to the Internet, it is required that even obscure locations have an Internet connection.

On the software side, Sierra is investing in and running its "IoT nervous system." This is, in simple terms, a cloud computing division that allows for the transfer of data from point A to point B securely. If your refrigerator is going to order milk, it's necessary that your payment information doesn't get hacked.

Should you buy?

If the IoT does take off and becomes a \$1.7 trillion market, then Sierra Wireless is going to be very successful. It will find its niche in the sector and have multiple clients. Therefore, if you believe in the IoT, I advise buying shares in the company.

Fortunately, shares are down significantly from its 52-week high, making it an attractive point of entry for long-term investors. The one thing investors do need to understand is that it will take time for the market to take off. This is not a short-term play.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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

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