



How to Invest in the Internet of Things

Description

The Internet of Things (IoT) is about to change everything we do and how we interact with everyday items.

The IoT is the concept of having everyday devices all around us connected to the Internet, feeding us information, diagnostics, and updates. It could be your car contacting your dealership and scheduling your service when the check engine light comes on after first consulting your smartphone's calendar.

Your alarm clock could send updates to your coffee maker to start brewing a pot of coffee when you finally stop hitting the snooze button in the morning. Your DVR could instruct the lights in your home to dim to theatre mode once your favourite program is on the TV. Your favourite radio stations, mirror settings, and driving habits can follow you around, syncing to each car you drive. The possibilities for interaction are nearly endless.

Cisco Systems forecasted that upwards of 50 billion things will be connected to the Internet within the next few years, which is double the amount of connected devices there currently are. Each and every device that connects to the Internet requires modems, modules, and software for connectivity, and the potential market size can be measured in the trillions.

Additionally, Radiant Insights has noted that the embedded mobile market can reach \$214 billion within the next four years. In other words, the potential for growth is massive.

Here are two companies that you might not have thought of as IoT leaders, but you'll start to see much more of them as the IoT takes shape.

Sierra Wireless Inc.

Sierra Wireless Inc. ([TSX:SW](#))([NASDAQ:SWIR](#)) is playing a major part in the IoT equation on both the hardware and software front. Sierra develops 4G LTE and advanced LTE solutions in addition to embedded software and interchangeable modules for devices.

Sierra is in the midst of a transition and becoming a pure-play IoT vendor. The company has reported

weaker-than-expected results for some time, but analysts and industry experts alike keep noting the massive growth potential the company has.

As Sierra pulls the pieces of the IoT puzzle together, it should start to see real growth and revenues. CEO Jason Cohenour recently summarized the unified IoT puzzle vision: “Customers manage their devices, global cellular subscriptions and machine data through a single portal.”

BlackBerry Ltd.

BlackBerry Ltd. ([TSX:BB](#))(NASDAQ:BBRY) is better known as a device manufacturer and software services provider for the enterprise community. The company does, however, have a significant competitive advantage over would-be competitors in the IoT space.

BlackBerry’s IoT vision builds off the company’s Project Ion initiative with a particular focus on the automotive, shopping and healthcare fields. Core elements to this vision include the device software, which generates the specific data requests, cloud services, which processes, stores, and exchanges data, and the data interface itself.

The company already has one of the best embedded systems around in the QNX operating system, which is already found in a surprisingly large number of the world’s automotive infotainment systems. It has one of the largest networks on the planet that’s able to handle massive transmissions of data securely.

Put the pieces together and you can see that BlackBerry’s is able to provide a secure backbone connection to countless devices and a software platform that is already in mass use today.

In my opinion, both BlackBerry and Sierra Wireless remain great options for investors looking to get a position in the IoT market. Both stocks are priced relatively low in comparison to the sheer potential that they have in the IoT field.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:SW (Sierra Wireless)

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