



This Canadian Tech Company Just Invested in Greatness and So Should You

Description

A world leader in logistics solutions, **Descartes Systems Group** ([TSX:DSG](#))([NASDAQ:DSGX](#)), has announced that it's bought Swiss supply chain network StepCOM. Let's take a look at why this latest buy is such a big deal for would-be and current investors in one of Canada's top tech stocks.

This top-tier Canadian tech stock was already a solid buy

Two words make Descartes Systems Group an appealing buy: *economic moat*. The company is the number one provider of cloud-based logistic. If you're an infrastructure buff, you'll know how important supply chain management (SMC) is in today's world of fast-paced business efficiency. With every industry focused on reducing waste and improving their bottom line by even the smallest of margins, lightning-fast, organized SMC is essential.

In other words, no outsider is standing on the sidelines about to steal Descartes Systems Group's market share. More than 160 countries have buddied up with Descartes Systems Group, meaning that investors in this stock have every assurance that the cash will keep flowing and that their investment will grow. This makes it an excellent stock to buy and hold for the long term with very little oversight.

What makes StepCOM such a big "get" is its 15-year track record of building a supply chain participant network of over 600 business customers hailing from a variety of global industries. StepCOM's business is not unlike Descartes Systems Group's and allows the Canadian company to broaden its scope without having to build infrastructure, train, or recruit, or do any of the other time- and labour-intensive things a business normally does to expand its base of operations.

In short, with just one purchase Descartes Systems Groups has instantly boosted its international customer network. While this is unlikely to affect the share price by any significant margin, the acquisition should serve to encourage a would-be investor that the Canadian tech stock is still growing, while also reassuring current stockholders that their money is intelligently invested.

The global outlook just got even better

Descartes Systems Group's CEO, Edward Ryan, had this to say about the buy-out: "The STEPcom acquisition complements our previous **Compudata** investment in Switzerland, helping us to better serve the market and introduce a wider set of solutions to a larger customer base. We welcome STEPcom's customers and its strong team of B2B supply chain domain experts to the Global Logistics Network."

One of the reasons why Descartes Systems Group is such an attractive proposition is [exactly this type of acquisition-led management style](#). While it's no secret that so much of the company's growth comes from absorbing other entities in its space, its latest buy is encouraging as it continues to broaden and solidify Descartes Systems Group's international scope. As such, it serves to make this stock and even more desirable holding in a long-range portfolio, especially one light on Canadian tech.

The bottom line

A logistics solutions stock with an unassailable market share and making impressive, assured profits combined with significant growth prospects, Descartes Systems Group is almost certain to [reward patient investors who are bullish on infrastructure with significant upside](#). Its latest acquisition only strengthens this outlook, with the Canadian tech stock looking more appealing every day.

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