



## This Tech Stock Is a Work-From-Home Beneficiary

### Description

Rewind the clock back to 2007, and you may remember a time when **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) was a household name. At the time, the company was a market leader in mobile phones and the [largest company by market cap](#) in Canada. Now, in 2020, most seem to have left BlackBerry in the past, but the company may be setting up for another impressive run.

### Learning from experience

Since 2013, BlackBerry has been led John Chen. This is important to note, because Chen is no stranger to reinventing struggling companies. In 1998, Chen was named CEO of Sybase, a struggling enterprise software company valued at \$362 million. The end of his time at Sybase is marked with an acquisition by **SAP** for \$5.8 billion, 16 times the original value of the company when Chen took over. It is possible that BlackBerry may experience a similar story.

### Platform businesses win

Think back to some of the best-performing stocks in the past decade. Many of them are companies that are platform businesses, such as **Facebook**, **Amazon**, and **Netflix**. Similarly, BlackBerry has created a platform for software security, signalling a shift away from manufacturing mobile phones. The company has mostly caught the attention of investors with BlackBerry QNX, which is primarily used in support of [automotive, medical, and industrial automation](#). However, it could be its enterprise security platform that causes BlackBerry stock to pop.

### Why now?

The COVID-19 pandemic has forced businesses in every industry to close their doors. One solution to combat this issue is to allow employees to work from home. This introduces new challenges, as personal computers may be targeted by cyberattacks. In addition, enterprises will also need to track the identities of every entity attempting to access its network. The BlackBerry Spark platform may be

the solution.

The platform largely uses artificial intelligence to perform continuous authentication, allowing it to predict and protect from cyberattacks with efficiency. If companies follow in the footsteps of corporate giants, like **Twitter**, and allow employees the option to permanently work from home, then BlackBerry may be very well positioned to benefit from the shift.

## Risks

Although the run by BlackBerry in the late 2000s was nothing short of spectacular, so was its fall. From fiscal years 2014 to 2018, the company saw its revenue decline by over 85%. BlackBerry finally reported an increase in revenue this past fiscal year. If the company is unable to build off that momentum, then it may struggle to attract new investor money in the near term. It also took Chen over a decade to orchestrate the turnaround with Sybase, which means investors will have to be in it for the long haul if they want to reap the rewards from this stock.

## Conclusion

The story is likely far from over for BlackBerry. The company has recently been exhibiting excellent momentum and the COVID-19 pandemic may have given it an additional boost. BlackBerry may return to be a household name sooner than you think.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

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jedlloren

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