



Why This Company Could Be a Strong Buy Today

Description

Not many companies can manage to come back after being completely decimated by its competitors. Companies that were once unfathomably large but eventually got overtaken include **Kodak**, **Xerox**, Blockbuster, and **JCPenney**. However, there is one company that may have something up its sleeves, despite being knocked off its pedestal.

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) was formerly known as the top brand of smartphones and tablets in the early 2000s but was completely wiped out by what is now the largest company in the world, **Apple**. I have [previously written](#) about this company but feel now is an appropriate time to re-visit it.

Overview

BlackBerry was founded in 1984 under the name Research in Motion (RIM). From the late 1980s to the mid-1990s, RIM had an unstoppable series of success. RIM quickly became the first mover in many technological developments. In 1994, RIM received the Emmy Award for Technical Innovation and the KPMG High Technology Award.

In 1995, RIM was financed by Canadian institutions and venture capitalists as a private equity. Working Ventures Canadian Fund led the first investment round with a \$5 million investment. A total of \$30 million was raised by the company prior to its first appearance on the Toronto Stock Exchange in January 1998 under the ticker RIM.

RIM introduced the BlackBerry 850 pager in 1999. This was named because of its resemblance of the keyboard's keys to the blackberry fruit. The device could receive push email from a Microsoft Exchange Server by utilizing its complementary server software, BlackBerry Enterprise Server (BES).

The BlackBerry 957 was brought to the world in April 2000 as the first BlackBerry smartphone. From 1999 to 2001, total assets declared on RIM's balance sheet grew eight-fold because of capacity expansion. RIM was not matched by competition until 2007 when Apple came out with its first-ever iPhone.

No one thought Apple would be a threat, because BlackBerry was already well established as the primary market share in consumer mobile devices. However, with the arrival of Android phones, BlackBerry was met with too much competition. Its market share was reduced to about 0.8% of the smartphone market, while Apple held strong at 43.9%.

This would be the beginning of the end for BlackBerry as a mobile company, but is it really over?

Shifting to software

As a result of failing to compete in the mobile device sector, BlackBerry expanded its [software and services offerings](#) with several key acquisitions. Such acquisitions included file security firm WatchDox, crisis communications leader AtHoc, and its rival EMM vendor Good Technology. These firms and their products were eventually re-branded as BlackBerry's own.

In 2016, BlackBerry acquired Encryption, a United Kingdom-based cybersecurity firm, with the goal of expanding into the security consulting business. It later released BlackBerry SHIELD, which was an IT risk-assessment program for its corporate clients.

BlackBerry stock rallied to a high of \$17.17 in early 2018 after the company revealed its KeyOne and Key2 mobile devices. These ended up being a failure, and BlackBerry's share price has continued to tank over 60% since its 2018 high. Currently, BlackBerry stock has been trading between \$6 and \$7 per share, and its market cap stands around \$3.5 billion.

At the time of writing this article, BlackBerry is continuing to pursue its goals in the advancement of cybersecurity and software development. Notable partners include Google, **Panasonic**, **LG**, **Microsoft**, **Amazon**, and **Samsung**.

Foolish takeaway

BlackBerry is a prime example of the risks associated with investing in the technology sector. Despite appearing to be on top of the world as a leading company back in the early 2000s, BlackBerry failed to innovate and keep up with its competition.

Long-term investors in the company have lost a significant portion of their investments and will continue to do so until something drastic changes. However, the company has been showing some promise in recent years. If you believe BlackBerry has the potential to innovate and produce a life-changing product, now may be the best chance to invest in the company.

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