



These Stocks Will Be Big Winners in 2021

Description

Finding the next top growth stock is an art. However, like with other types of art, once you develop the mindset for it, things become much easier. Companies like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), and **WELL Health Technologies** ([TSX:WELL](#)) have all more than doubled over the past year. What characteristics indicate these companies may continue growing at a rapid pace next year?

In this article, I will discuss what made these three companies big winners in 2020. Applying this stock-picking mindset into practice will allow retail investors to find the next big winners in 2021.

The right place at the right time

As with many things in life, companies need to find themselves at the right place at the right time. Failure in doing so may result in a company's stock remaining stagnant for years or, worse, in an extended decrease in value.

An excellent example is within the 3D printing industry. From 2012 to 2014, leading companies within the 3D printing industry saw their stocks quadruple. However, widespread applications of this technology were largely restricted at that point. As a result, consumers and companies alike were unable to adopt 3D printing at a large enough scale. This resulted in companies like **3D Systems** to decrease significantly in value over the next six years.

While 3D printing has been on the decline, industries like e-commerce and telehealth have been steadily gaining traction. The gradual adoption of these industries (e.g., online shopping) has been well documented over the past few years. In 2020, the adoption of these industries was heavily accelerated.

Shopify is a leading SaaS provider in the online store-building market. In fact, it is the most popular website builder company among English-speaking countries. Regions like the U.K. may have significantly helped Shopify this past year.

Although online sales have accounted for at least 10% of all retail sales in the U.K. since late 2013, the

region saw that figure bump up to [33% in April 2020](#). After slightly normalizing over the next few months, the U.K. saw another boost in online sales in November. This indicates that consumers may have indeed accelerated the adoption of online shopping, and that the observed trends from earlier this year may not just be flashes in a pan.

Excellent leadership

One important characteristic that investors often neglect is a company's leadership team. It has been previously found that companies with founder-CEOs are able to outperform companies led by non-founders.

The very first line of code, in what would later become Shopify's platform, was written by Tobi Lütke. Dax Dasilva created Lightspeed after noticing inefficiencies within the retail POS space in Canada. These two individuals have been incredibly important in the growth of their respective companies.

In cases where the CEO is not a founder, investors should look for leadership teams that feature individuals with proven track records. Hamed Shahbazi, CEO of WELL Health Technologies, has over 20 years of experience in the tech industry. He previously founded TIO Networks, a publicly traded company on the **TSX Venture Exchange**. Over his career, he has gained valuable experience in mergers and acquisitions as well as leading a tech startup. These are all very important aspects, as he continues to apply that learned knowledge to WELL Health.

Foolish takeaway

Companies like Shopify, Lightspeed, and WELL Health Technologies have been [proven winners](#) in 2020. These three companies all share characteristics that will allow them to continue their impressive growth into 2021 and beyond. Investors should look for companies that operate in industries that are experiencing exponential growth and that have excellent management teams over the next couple weeks. Doing so will allow them to find the next big winners in 2021.

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2. Tech Stocks

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