



## The Next FAANG: 1 High-Growth Tech Stock That Can Make You Crazy Rich

### Description

Flow with the tide or you will be left behind. The world has changed at a rapid pace in the last decade, and technology was the change driver. The internet revolution connected the world through online platforms. These platforms brought people from different geographies, cultures, and societies on a single platform where they could socialize, shop, communicate, learn, and entertain. Those who accepted this changed and invested in the FAANG (**Facebook, Apple, Amazon, Netflix, and Google**) stocks are crazy rich today.

### The FAANG growth strategy

Warren Buffett has two A's of FAANG stocks, with Apple making up the largest holding of **Berkshire Hathaway**. The secret ingredient that made these tech stocks so large is the power of scalability. The FAANG companies used technology at a global scale and became world leaders in their respective areas. Google is the global search engine platform and mobile operating system. Amazon is the global e-commerce platform.

## One Canadian stock on the journey to becoming the next FAANG

The FAANG stocks have become too large and are growing larger by the day. But one Canadian high-growth stock is on the journey to becoming the next FAANG.

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) aims to become the global omnichannel platform for retailers and restaurants. It is doing everything to acquire the technology, expertise, and market share in the fragmented market. Lightspeed has been in the retail point-of-sale (POS) business for the last 15 years, and it has grown in the hospitality sector. The Lightspeed platform helps merchants manage inventory, purchases, customer relations, orders, and finances of multiple stores. E-commerce is just one part of its omnichannel platform.

All FAANG stocks faced the issue of high churn rates in their initial stages. It took a while for them to make their platforms a necessity than a luxury. Today, all five FAANG companies have become a way

of life. Similarly, many retailers considered the Lightspeed platform a nice-to-have platform, but now it is becoming a necessity. It is at an inflection point where the platform is scaling.

## The way forward for Lightspeed

In an interview with Motley Fool Canada, Lightspeed POS CEO Dax DaSalvia stated that the company is becoming the acquirer of choice as many omnichannel solutions prefer consolidating with Lightspeed.

Lightspeed saw significant growth in the last two years, with its latest fiscal 2021 third-quarter earnings being its [strongest](#) in three years. During the pandemic, Lightspeed accelerated its growth by adding new features like order ahead, E-com for restaurants, shipping, and curbside pickup. It is now looking to increase its average revenue per user by increasing the adoption of Lightspeed Payments and Lightspeed Capital.

## What is Lightspeed doing differently to become the global platform?

Lightspeed is eyeing the [Supplier Network](#), which is free for its platform users. The suppliers who join this network will get access to data. This data will answer questions, such as how many products retailers sold, how much is in the inventory, which product is selling fast, and in which area? With this information, suppliers of niche products can forecast demand and plan production efficiently.

What's in it for retailers? Retailers, especially the mom-and-pop stores, face the problem of setting up an e-commerce store as taking pictures and writing descriptions is a taxing job. Using the Lightspeed platform, this onus falls on to the supplier. Retailers can just drag and drop the supplier's high-resolution product catalog in real time, thereby reducing the effort to create e-commerce stores.

- Suppliers benefit from brand consistency and data analytics.
- Retailers benefit from seamless inventory management and high-quality e-commerce stores.
- End-users benefit, as they can see the real-time inventory availability by location.
- Lightspeed benefits from the low cost of acquiring new customers, as suppliers recommend its platform to their retailers.

If I look at the Supplier Network from the investor lens, it has the potential to scale. Once the Supplier Network gathers momentum, Lightspeed looks to monetize it by integrating Lightspeed Payments and Capital. The bulk transactions between suppliers and retailers will bring a higher transaction commission for Lightspeed.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)

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