



Foolish Book Review: “Losing the Signal”

Description

It was early 2007. Each morning, I was driven to school by a neighborhood parent, Mrs. Hoffman. While the kids she drove looked disheveled in the early mornings, Mrs. Hoffman always dressed in sleek business clothes. She worked at a health insurance company, and commuted to a large office in the city each day. It was during one of these drives that I laid eyes on my first smartphone.

Mrs. Hoffman had just bought a new Pearl, and was enamored with its messaging and email capabilities. While stopping to pick up her charges, she could schedule lunch plans or tell her boss she'd be 10 minutes late to work. She frequently boasted about the convenience of the phone's emailing capabilities, and would often be seen tapping out messages at lightning quick speed.

Mrs. Hoffman, along with 8 million others at the time, were “CrackBerry evangelists,” corporate professionals who made up **BlackBerry Ltd.**'s ([TSX:BB](#))(Nasdaq:BBRY) core consumers, then a quickly ballooning market. BlackBerry was revolutionizing the world's modern workforce.

Now in 2015, almost no one is buying a new BlackBerry smartphone. The company has a global market share of less than 1%.

So just how did BlackBerry, once the world's fastest growing company, go from dominating the mobile phone market to near falling off the face of the planet in less than 10 years?

That's the key question for Jacquie McNish and Sean Silcoff, two acclaimed journalists who've co-authored the book *Losing the Signal: The Untold Story Behind the Extraordinary Rise and Spectacular Fall of BlackBerry*. The answer boils down to three words.

Innovate or die

Losing the Signal documents the history of the Waterloo-based company through the stories of the two men at its heart: co-CEOs Mike Lazaridis and Jim Balsillie. One an engineering wunderkind, the other a Harvard Business School grad described as a financial “shark”, the duo banded together to build a wireless empire at the dawn of the 20th century. Together, Lazaridis and Balsillie pioneered breakthrough technologies in the mobile phone stone age to turn a small technology startup into one of

the world's largest technology companies.

The book is at times long-winded, especially in describing BlackBerry's formative years. But it gathers steam during what I think is the most intriguing section of the book, a chapter entitled "The Jesus Phone".

BlackBerry had just closed another incredibly successful quarter in 2007, and was riding a seemingly unstoppable upwards crest towards market dominance. But then, in a sudden, earth-shaking moment, **Apple** CEO Steve Jobs ascended a stage in San Francisco and introduced a new product that would revolutionize the smartphone industry: the iPhone.

The introduction of the iPhone, and soon **Google's** Android, completely changed consumers' perceptions of what a smartphone could be. Where BlackBerry marketed to working professionals, its competitors saw a wider market — everyone. The resulting market disruption is described by McNish and Silcoff in the following way:

"[Apple and Google] had shifted the smartphone market away from Lazaridis's vision of a simple mobile e-mail device to a handheld mini-computer that was loaded like a Swiss Army knife with practical and whimsical add-ons."

From then on, BlackBerry could simply not catch up with its more nimble competitors. Pressure from carriers forced BlackBerry to release disappointing product after product (I'm looking at you, Storm and PlayBook), and soon sales sagged. As the cracks in BlackBerry's armor grew bigger, Lazaridis and Balsillie fought over the company's future with disastrous results.

BlackBerry's story is an allegory for what can happen to any company, even the most successful, in a competitive industry like technology. It is in the final chapters where McNish and Silcoff's message blares clear: innovation can never cease. When one thinks they've conquered the "game" of business, it only takes a moment (or one keynote speech in California) to change the rules forever.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
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