

Making a Comeback: Blackberry Goes All-In with Software and Cybersecurity

By Clara Knapp, J.D. Candidate 2021 | October 9, 2018

BlackBerry Limited, a Canadian corporation, announced in 2016 that it would no longer design BlackBerry smartphones and that it would outsource production of devices to other manufacturers. While BlackBerry smartphones once dominated the market, it struggled to compete when companies such as Apple and Samsung gained traction among consumers. Now, only two years after the company's announcement, hardware accounts for a mere 1% of BlackBerry's revenue.

BlackBerry decided to launch itself into new arenas as it attempted to distance itself from its floundering smartphone business. Under the guidance of CEO John Chen, the company is now focusing on its highly successful software business. BlackBerry is even branching out into autonomous cars and cybersecurity, ventures which today account for over 90% of its total revenue. In addition, since over 80% of those sales are recurring, BlackBerry now has a secure annual source of revenue flowing from corporate clients and no longer relies on individual consumers for its success.

According to CNN Business, on September 20, 2018, BlackBerry "topped Wall Street's forecasts" with its reported profits and sales from its most recent quarter. As a result, the company's stock bumped up more than 15% in trading. Even more notably, revenue from the business unit encompassing software for connected and autonomous cars grew 30% in BlackBerry's latest quarter.

BlackBerry's newfound profitability is largely a result of successfully integrating its software into automotive industry enterprises. This year the company announced a partnership to design software for autonomous cars with Baidu, a Chinese search engine. BlackBerry also boasts big-name automotive clients like Jaguar Land Rover, which announced in March that it will integrate BlackBerry's QNX software into Jaguar Land Rover cars for navigation and "infotainment" services. BlackBerry also recently launched "Jarvis," a QNX cybersecurity tool designed to help automakers secure their software supply chain and identify security vulnerabilities in their cars.

BlackBerry's innovation does not stop with the automotive industry. The company also hopes to revolutionize the health care industry. BlackBerry provides a highly-integrated Spark platform, a medium for "ultra-secure hyperconnectivity" that encompasses enterprise software, secure communications, connected transportation, secure smartphones, and cybersecurity consulting. Spark exemplifies BlackBerry's goals for its future: integrated and intelligent software and technology grounded in a corporate client base. With stock up over 60% compared to five years ago, BlackBerry is proving that its long-term strategy focused on innovative new business ventures is delivering results.

