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Rimage Corporation, Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. Ladies and gentlemen, we'll now begin the question and answer session. (Operator Instructions) And our first question comes from the line of Chuck Murphy with Sidoti & Company. Please go ahead, sir.

Chuck Murphy - Sidoti & Company

Good morning, guys.

Bernie Aldrich

Hi, Chuck.

Rob Wolf

Hey, Chuck.

Chuck Murphy - Sidoti & Company

A few questions for you. First, Rob, can you give me the breakout of equipment sales between producer and desktop?

Rob Wolf

Desktop for the second quarter I think amounted to about just under 10% for the quarter. And then our producer and professional would have been right around 30%, 32%.

Chuck Murphy - Sidoti & Company

32%, okay. All right. You mentioned one of the reasons for SG&A being down sequentially lower compensation for managers. Could you say exactly which positions were eliminated?

Rob Wolf

I can tell you the areas. They were in the marketing, sales, and then also our HR area.

Chuck Murphy - Sidoti & Company

And why kind of were those specific areas targeted? I mean is that going to hurt your growth any in the next few quarters?

Rob Wolf

No. We feel that the positions have been adequately filled as a result of that, either through people that are already existing in the organization or through the addition of an individual at a lower salary.

Chuck Murphy - Sidoti & Company

Okay. And was that for a particular region or --?

Rob Wolf

Primarily here in the U.S.

Chuck Murphy - Sidoti & Company

Okay.

Bernie Aldrich

Yes, Chuck, I mean, over the course of probably the last three or four years, I think like any organization where you're growing at a fairly quick pace and then you -- and you're attacking new markets, you see the organizations tend to, I think, grow. You add people. I've always said that in difficult times it's -- there is a good side to it. It forces you to look at yourself and look at your organization and see really where are you getting the real value-add. And how perhaps we need to step back and take a look every now and then. And that's exactly what we've done. And we focused primarily here in the U.S. because, as we've indicated in the past, we really look at our international opportunities as one of the real growth factors going forward. So we wanted to continue to keep our investments strong in Europe, Asia, and putting some additional focus in Latin America. And so, again, it is a business, you have to make decisions, it's still about not only growing the business but also generating a strong bottom line.

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