Riverbed Technology, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Thank you sir. [Operator Instructions]. Our first question is from the line of Ryan Hutchinson with Lazard. Please go ahead.

Ryan Hutchinson - Lazard Capital Markets

Good afternoon guys, nice to see the recovery here. Couple of questions. First, can you guys talk about the overall closure rates in the quarter, perhaps the total deals that slipped as well from March to June, and whether or not those recovered in the quarter? And then I have a follow-up

Jerry M. Kennelly - Chairman and Chief Executive Officer

Sure. I'll take that first part. In general, yes, some of the deals that had slipped from Q1 closed in Q2. As we mentioned coming out of the first quarter, in general what we saw was that sales cycles had lengthened given the macroeconomic climate. So, consistent with what we expected sales cycle continue to be longer than we saw in 2007. Likewise, overtime deals that may have otherwise closed in Q2, will go into Q3 as well.

Ryan Hutchinson - Lazard Capital Markets

Okay. And then as it relates to the guidance here, does the... does that reflect basically the same percentage of deals in the pipeline getting closed as it did in the June quarter, or has that methodology gone up or down pretty consistent here as we move into the third quarter?

Jerry M. Kennelly - Chairman and Chief Executive Officer

I think that is pretty similar. In general we sort of learned from the experiences earlier in the year, and that sort of revised methodology I think played out well in Q2. And we think we're thoughtful going into third quarter as well.

Ryan Hutchinson - Lazard Capital Markets

Okay. And then finally competitive wise, may be for Eric, with the upcoming RiOS [ph] release slated for? my understanding is, later this month, just... can you just talk to that, your view on the competitive dynamics, and specifically feature wise, does that bring one of your key competitors up to par with you guys or just to provide a little bit of color there, it'll be helpful? Thanks.

Eric Wolford - Senior Vice President, Marketing and Business Development

Sure. I'll give you a couple of facts from this quarter. First, with regard to the new releasing [ph] of the internal input is Davis. We did have the opportunity to compete with it several times this quarter, it was in its beta form admittedly, but we... and every time we went head-to-head with it, we were able to win against it. It is in its beta form but it looks to us like every summer, or every six months or so there is a new release and it is touted as something that is going to be very impactful for Riverbed, and it looks to be like more of the same, the fundamental core issue still seem to exist. Overall, our competitive win rate, relative to Cisco, they're definitely are most dominant or the most predominant competitor that we run into, but our win rate has stayed consistent at its historical norm. So, as we look at the facts, it looks like it is not having a big impact.