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## Convergys Corp. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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Thank you. We will now begin the question and answer session. [Operator Instructions]. Our first question comes from TC Robillard with Banc of America Securities. Your line is open.

**TC Robillard - Banc of America Securities**

Great, thank you. Good morning, guys.

**David F. Dougherty - President and Chief Executive Officer**

Hi, TC.

**TC Robillard - Banc of America Securities**

Dave, I just wanted to... you gave some good granularity on what's been happening in CMG and what gives you some confidence as you go into the first quarter. But, if I could just drill down two specific areas; with respect to converting on the pipeline, is there anything specific that you are seeing with respect to slower conversion? I mean, is this simply just a situation whereas economic uncertainty continues to move forward, clients just get a little more cautious about pulling the trigger on any type of investment, even if it's something that saves them money. Or is there a specific couple of clients that you were expecting that pushed out a couple of months. I'm just trying to get a little bit of granularity on how we should be thinking about that pipeline conversion over say, the next kind of three, four, five quarters.

**David F. Dougherty - President and Chief Executive Officer**

Well TC, I think you largely got it. I mean, we talked about one big opportunity with a financial services provider at the analyst meeting and then on our last call we indicated they decided not to go forward. And so that certainly came out of our pipeline. But generally, what you said is accurate. What we are seeing is that in the current situation and conditions, clients are being pretty cautious. And so, we are getting conversions that are tending to be a bit smaller than what we anticipated. But people are being pretty cautious.

**TC Robillard - Banc of America Securities**

Alright. And then I guess then that leads me into looking then specifically at the fourth quarter, you clearly reiterated that you've got some confidence, or significant confidence that you'll see the revenue growth improve in the fourth quarter in CMG. What gives you the confidence that your sales people are going to be able to improve penetration with the existing accounts which in turn will help

the margin? I am just trying to weigh both of these things where we've seen push outs versus two quarters out you guys are pretty confident that you should see revenues pick up?

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