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## Ultimate Software Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator Instructions). We'll take our first question from Richard Davis from Needham.

#### Richard Davis - Needham

Hey, thanks very much. I guess, Scott, with regard to when you guys -- you're winning a large proportion of deals, but at some point you also probably compete with Point Solution folks, and it looks like in many cases you beat them. When you win, and what do the buyers say why you're winning? Is it because you've already had a -- now this would be let's say an extension, for example. You have great customer service and they say look, we'll just add it on and it's easy. And then when you do lose, what is the reasoning behind it other than presumably they are not very smart?

#### Scott Scherr

Thanks, Richard. Well, one I think which I've said, in the first quarter, our win rate, when we're allowed to go through our process, which our process means like they allow us to basically do an analysis of the need. Do a presentation to those needs. And then give them a proposal within ROI, like around 90%, but I think that -- remember, everything keys off our integrated HR payroll. And then I think on the other solutions, if they're using a solution you're talking about, then they might say, hey, we are using that solution, it's fine with us now. We say fine, we do have a solution. If it's ever down the road, it doesn't work out, we have an integrated solution for recruitment or performance management, or attendance. But 100%, we don't sell anything standalone other than HR payroll, everything is attached to that. I would say that what we are finding, which is very exciting, is that the attached rates on the 200 to 700 market workplace are superior to our Enterprise which have been very good. And I think as that those people can't afford the people you're talking about. So when they see us, they are thinking, hey, I got this company that has 300, 400, 500 employees, and I can get the same system that Texas Roadhouse has or Omni Hotel has. So I just don't think we compete against those people head on.

#### Richard Davis - Needham

Right.

#### Scott Scherr

Did that answer the question?

#### Richard Davis - Needham

That's good. And then, do you think about international expansion and if so, should we be thinking about it? Or is that, you still have so much opportunity in North America?

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