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Cbeyond Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) We'll go first to George Sutton with Craig-Hallum.

George Sutton – Craig-Hallum

Thank you. Hi, guys. I hopped on late, so if I ask a dumb question, I apologize in advance. As you look out through the rest of the year and you look at your guidance, do you feel you're building more or less caution than you were three months ago?

Jim Geiger

Boy, that's a tough question, George.

George Sutton – Craig-Hallum

That would be the longest non-response I've ever heard.

Jim Geiger

If you're asking whether we feel better about our guidance, because we're, you know, the Rule of 78 can be your best friend, or it can be tyrannical. But as you get more, each month into a year, I think you feel much more comfortable about guidance that you give. And I think the progress that we made on receivables and churn buoys us. We have good momentum in sales. We had 8% more gross sales in the quarter than we did in the fourth quarter. So I think there's a lot of reasons for us to be, feel some wind at our back here, George, related to guidance.

Bob Fugate

I'd say we feel more confident around today's guidance, as Jim said, because we're farther into the year.

George Sutton – Craig-Hallum

That makes perfect sense. Now, with respect to, and since Bob spoke, can you discuss your pipeline for disconnects? You talked a lot about that last quarter.

Bob Fugate

Yes. We are, we're seeing confidence around churn being, for Q2 and beyond, declining from Q1. How far and how fast is not, that's really not possible to state at this point. But as we mentioned in our prepared remarks, Jim mentioned that at this point in time, we have some confidence in the visibility from our churn pipeline that it should be, we're expecting it to decline.

George Sutton – Craig-Hallum

Okay. The last question from me. You're consistently state that cable competition's not materialized, CLEC competition's been lessened by consolidation. Can we just update those thoughts today?

Jim Geiger

We don't really see any change in the competitive environment. It is consistent with prior quarters, and in our opinion, one of the better environments that we have operated within.

George Sutton – Craig-Hallum

Super. Thanks, guys.

Jim Geiger

Thank you.

Operator

And we will go next to Frank Louthan with Raymond James.

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