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InnerWorkings, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We will take our first question from George Sutton - Craig Hallum.

George Sutton - Craig Hallum

But the sales force productivity looks really strong in the quarter and I wondered if we could drill down there. I'm trying to get a sense of how high is high as we see these numbers improve year-over-year and sequentially. How should I look at that going forward seasonally and then how high is high in terms of sales force productivity?

Steven E. Zuccarini

We've been seeing anywhere from 15% to 18% sales rep productivity year-over-year and we continue to experience that again from 2006 to 2007. So, you're seeing numbers average revenue per sales rep go from about \$1.3 million to probably \$1.550 million. So you'll continue to see that growth trajectory into '08 so we feel very confident about that.

About seasonality, again as Nick mentioned, the seasonality trends in this printing industry are still 55% to 60% of the revenue in the back half of the year, we planned that way, and we feel very confident about again, full year expectations.

George Sutton - Craig Hallum

I know one of the things we're confident with as we enter a downturn as your revenues get a positive bump, in the sense that procurement managers are more interested in the savings that they can get, but what about people in terms of finding new sales people in that environment and then also acquisitions, are you starting to see more availability sales people, more availability potential acquisitions?

Steven E. Zuccarini

The first part is we've never had a better pipeline of sales executives to look at an interview right now than today, and part of it is two reasons. One, being a public company having the successes that we have in a fairly depressed tough market environment in the graphic arts industry makes us a great place to work.

We also have a very enviable position when you own no physical assets of having unlimited capacity which is a great way to be when you're in sales. So, I'll have to tell you the pipeline of

sales executives has never been brighter and as Eric mentioned, we just brought in seven business development people that have just terrific backgrounds as we enter 2008. So, I'll ask Eric to talk about the acquisition pipeline.

Eric D. Belcher

Also on the sales recruiting, I do think that there is an advantage that InnerWorkings has an advantage in recruiting sales talent during difficult economic times, as we are the low cost supplier in the marketplace.

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