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## Insight Enterprises Inc. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). And your first question comes from the line of Brian Alexander from Raymond James.

#### Brian Alexander - Raymond James

Thanks, good evening, guys. Rich, just a clarification, is there anything baked into your guidance for '08 for Calence?

#### Rich Fennessy

Calence from an EPS perspective is baked into the guidance, because if you remember on that call we said it's going to be neutral to slightly positive, so from an EPS perspective that is baked in. In terms of the organic growth rate growing faster than the market, which we said the market is going to earn a worldwide that will grow 5%. The net sales that we will pick up from Calence are not included obviously in the organic statement.

#### Brian Alexander - Raymond James

And I understand your objective to grow faster than the market, but if we kind of just look at how you've been trending, in North America 70% of your business and in the fourth quarter hardware and software both declined. And in fact hardware didn't grow in all of 2007.

You talked about having some execution issues and maybe you can go into a little bit of detail on what those are and how quickly they will get fixed. And we are probably going to have a more challenging economy in '08 than '07. So I am just wondering what gives you the confidence that you can grow above that mid single-digit range?

#### Rich Fennessy

Yeah. A couple of things Brian, but first of all relative to the primary strategy and that is kind of on a geographic level, leveraging the footprint that we have now. So that allowed us to grow 5% in the fourth quarter, which is obviously very strong EMEA as well as very strong Asia Pacific performance, we see that continuing. In fact we are making investments to ensure that continues.

And obviously some of the sales execution issues that we ran into in North America, specifically in the fourth quarter we believe are short term in nature. I mean real simple, kind of that's boil down, what sales executions issues boil down to is, from a net new transaction in respect of terms of winning new

business, new hardware transactions, we were not as successful in the fourth quarter as we would like.

So as we go into 2008 from a first half perspective we are putting plans in place, everything from sales incentive programs to smart aggressive bid desks to go out after the opportunity. With that said the hardware business is the only thing from a growth perspective in North America that we're concerned about.

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