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## Dassault Systemes Q3 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

We will now begin the question-and-answer session. (Operator Instructions) Your first question comes from Jay Vleeschhouwer at Merrill Lynch. Please ask your question.

#### Jay Vleeschhouwer - Merrill Lynch

Hi, thanks. Good morning Bernard and good morning Thibault.

#### Bernard Charles

Good morning Jay.

#### Jay Vleeschhouwer - Merrill Lynch

I would like to ask a few questions regarding the sales channel and products. First with respect to sales channel, you mentioned Bernard, some indications of good metrics across these channels. Could you be a little bit of specific in terms of describing whether or not the average reseller productivity, in terms of sales run rates, is now in fact materially better at the business partners, and partners such as INCAT and others, than was the case previously under IBM.

Secondly, with respect to the IBM relationship, if you could clarify something. They retained responsibilities for a large number of major accounts. Is there however a provision in the contract that some number of those large accounts could be subject to your taking them on in lieu of IBM, if IBM for those accounts doesn't need any specified performance objectives?

#### Bernard Charles

Thank you Jay, for the questions. First one, related to the TLM value channel. Yes we do have -- I would like to comment briefly, our metrics for 2007 and 2008, and comeback on your question about sales productivity. We have basically three metrics for this year and next year. The first one which is shared with IBM; is ensure that we don't have disruption in the transition, and I think the first three quarters show that this has been extremely well managed through this alliance. That was a critical part, but I think it's clear now that this metric not only will have the results, but was the right one to take.

The second, we need to continue to keep it until we are over with the full transition. The second metric is related to the improved capacity for the existing recent quarters to invest in the sales capacity moving forward. And as we are preparing 2008, it's becoming obvious that, clearly all the

key partners we have working with are convinced that they must invest moving forward to continue to expand our business, and that's a very good sign.

The third metric we have is the acquisition of new partners and still to come under umbrella of the PLM value channel. We have been able to sign with several new partners to improve the coverage around the world, especially in South America, specially in emerging growth in China, in India, even in Korea, and that's a critical aspect of the coverage capability because, as you know Jay, we have in the past, suffered from not covering well in our the entire supply chain. So, we are making very good progress there,

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