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## Interactive Intelligence Q3 2007 Earnings Call Transcript

### Question-and-Answer Session

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Thank you, sir. (Operator's instructions) We'll go first to Shyam Patil of Raymond James

**Shyam Patil - Raymond James**

Hi, good evening. Congratulations on the quarter. Just to get an update on the market could you provide your thoughts on penetration of IP in the contact center enterprise and if there's any noticeable difference between small to midsized contact centers versus large contact centers.

**Donald E. Brown**

Well, everything we see indicates that were still pretty early along in the conversion to IP and even more so on the path towards the new applications that are opened up by that change. So, we feel that we are well positioned to enjoy tremendous growth for a long time to come I'll maybe throw over to Paul the question about where that growth is coming from in terms of large, medium sized or smaller contact centers?

**Paul Weber**

Ok I don't know if I've seen any specific segment that's showing faster growth than the others on the IP Telephony side the pure PBX side nobody is buying TDM based solutions anymore than we see on the most side on the contact center side the impact that we've seen from a sales perspective is that we're able to participate in larger opportunities and customers are buying larger implementations based on the fact that they are implementing IP which allows them to look at their whole company no matter where the people are located and when setting up their contact center applications so its helped us push up market but I cannot say that it's small medium or large across the board we're seeing everybody look at their contact center when they first look to IP enable some area of their communications.

**Shyam Patil - Raymond James**

Ok, great and when you look at your pipeline today? How does it compare to your pipeline a year ago especially in terms of the number of large deals you have and the geographical breakout?

**Donald E. Brown**

Paul, I think that one's for you

**Paul Weber**

The biggest difference is a year ago a lot of our business was coming out of the central region North America I am speaking of is broken up in to four regions a year ago we had, we were starting to see a lot of pretty decent sized deal. A lot of them were centrally located, what I am seeing now is all four of the regions over 100% for the year and the disbursement and the number of these opportunities are just significantly the pipeline is just a lot bigger than it was. I used to be able to pinpoint what big deals we were working on in any given quarter but now there are so many of them it's really spread across the country now.

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