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SumTotal Systems Q1 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. The floor is now open for questions. (Operator Instructions). Thank you. Your first question is coming from Michael Nemeroff of Wedbush. Please go ahead.

Michael Nemeroff - Wedbush

Hi guys.

Neil Laird

Hi Michael.

Michael Nemeroff - Wedbush

Just a couple of quick questions. Were there any TotalPerformance deals that were exclusive of the LMS or were they combination deals? Or how many of them were part of larger deals with the LMS?

Neil Laird

In Q1 most of the deals that we close were actually standalone deals. We have strategy where we are very aggressively pursuing standalone deals in the performance management marketplace as well as aggressively marketing our performance management solution within our customer base.

Michael Nemeroff - Wedbush

Are you sure there were no deals where TotalPerformance had included in LMS product as well?

Neil Laird

Their may have been one.

Michael Nemeroff - Wedbush

Okay. And then I don't think you mentioned, but you have in previous calls what percent of the customer base have upgraded to the 7.2 or 7.3 LMS platform as of now?

Neil Laird

Yeah. This has been, yes we went through 2006 clearly this is kind of a business trend that we track closely and we drive in forward. Yeah, as we look at that business in 2007 some of the key metrics

for business get more into things like performance management penetration, yeah penetration in the install base. So we are not intended to breakout different legacy basis and where they are in the upgrade cycle.

Michael Nemeroff - Wedbush

Can you just comment on whether there was an improvement sequentially quarter-over-quarter in upgrade cycle?

Neil Laird

Yeah. Certainly we have seen great improvements in both the path flow basis whether its upper legacy basis during the course of 2006 and we continue to make progress in terms of those upgrades. From a total perspective we now have nearly 200 customers live on SumTotal 7 which is approximately 20 to 25 larger than Q4 and we will serve about 270 customers that have actually signed up for SumTotal 7.

Michael Nemeroff - Wedbush

Great and then Neil just one for you, could you breakout the percentage of the subscription and support revenues that was subscription revenue. And then also if I assume that the difference between the lower license comparison license numbers is due to putting term license in the subscription and support revenue line is that correct?

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