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## Art Technology Group, Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator instructions). Your first question comes from the line of Michael Huang.

**Michael Huang – Thinkpanmure**

Thank you very much. Good morning, guys.

**Bob Burke**

Good morning.

**Julie Bradley**

Good morning.

**Michael Huang – Thinkpanmure**

Few questions for you. First of all, so given what you've seen early in Q4, what are your assumptions in Q4 with respect to close rates and sales cycles, both at the low-end and high-end of your guidance, and are they consistent with what you saw at the tail-end of Q3, or are you more aggressive or more conservative?

**Bob Burke**

First of all, our sales cycles overall have really not appreciably changed. They are still in that six to nine-month range. I think the variance we saw was at the very, very end of Q3, literally in the last week or two. So we don't see deals stretching out at this point and so the – when we look at what's happening in Q4, so far it looks like things are on pace in terms of the deal. So we don't see that lengthened.

**Michael Huang – Thinkpanmure**

Okay. So at the lower end of the guidance, are you assuming that things don't appreciably get better from the tail-end of Q3, or can you help us understand between the low-end and the high-end of the product license booking guidance?

**Bob Burke**

I think the only reason for the low-end and high-end of the range is in case some deals do get pushed out beyond the end of the year. So I think it's more of an issue of – say, as opposed to longer period of time.

**Michael Huang – Thinkpanmure**

Okay, and then so in terms of the deals that actually slipped out of Q3, were they attached to any particular vertical and were there any kind of, product trends with respect to those type of deals?

**Bob Burke**

There's really no product really – they were all eCommerce related. In terms of verticals, they were primarily in the retail space.

**Michael Huang – Thinkpanmure**

Okay.

**Bob Burke**

As I indicated earlier, the positive thing is that we're seeing progression on a number of those deals already in October.

**Michael Huang – Thinkpanmure**

And last question for you, so in terms of product activity in general, can you update us on CleverSet and how that's doing and when you look at the various product areas, including eStara, eCommerce, CleverSet, heading into a less certain '09, which of those areas do you think would be most resilient and which ones would be most susceptible to getting cut or being pushed out? Thanks.

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