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Vignette Corp. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Nathan Schneiderman - Roth Capital Partners.

Analyst for Nathan Schneiderman - Roth Capital Partners

A handful of questions, first can you talk more about your additional cost cutting measures and in what area?

Pat Kelly

Yes, so Andrew, I guess what I am talking about there is when in the Q3 we talked about how we were going to basically review all of our investments and reallocate and shift around some of that and we have gone through most of that work where there is a little bit that remains to be done in Q4 and we think that will amount to about \$500,000 in special charges and then we will be finished with that restructuring process. Does that answer your question?

Analyst for Nathan Schneiderman - Roth Capital Partners

Can you elaborate more on what areas?

Pat Kelly

Sure. I guess mostly focused around geographical investments where we are sort of making investments both sort of in various countries around the world and also in various regions around the US, so we have basically taken a hard look at that and we have made some changes, reduced investments in some areas and in fact increased investments in other areas. So, that is part of it. Another part of it as I mentioned when I was explaining the \$2.6 million, there was a million dollars associated with a termination fee with our Virtusa contract and that is really just an opportunity we think for us to in source our development resources in hydrobot in India and we think we can better align our recruiting and managing of those resources for the long-term needs of the business.

So that was the million dollars of the \$2.6 million that we just expense in Q3 and the rest of it really has mostly to do with employee separation cost.

Analyst for Nathan Schneiderman - Roth Capital Partners

Okay thanks. Can you talk more about the dynamic towards the end of September and what you are seeing so far in October?

Mike Aviles

In terms of?

Analyst for Nathan Schneiderman - Roth Capital Partners

Just business in general.

Mike Aviles

Well I think no surprise to everybody that the environment is a bit soft and uncertain out there so throughout the year, the activity that we saw in Q3 were similar to what we were experiencing in the first half of the year, Andrew. As many people know, Vignette has a strong vertical presence in the financial service sector as well as the government in a public sector. So, part of what we saw is some of the big deals we are getting smaller and some of the deals were slipping as people were holding back. So, that is pretty much what we saw continuing through Q3.

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