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## Insight Enterprises, 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 Brian Alexander of Raymond James. Please proceed.

#### Brian Alexander – Raymond James

Thanks. Just starting with the demand picture in North America, where you just mentioned that it worsened in September. I am wondering if October continued that trend where you saw a continued deterioration year-over-year or have you seen any signs of stability, and if you could also just discuss the general trends in North America between SMB and enterprise?

#### Rich Fennessy

Sure, Brian. Yes, as we commented on the scripted portion, clearly July and August were stronger than what we saw in the month of September, specifically the middle part of September with all the activity that's going on in the marketplace, we saw our business really slow down considerably. Going into the October, what we see is continues to be in terms of our run rate business kind of very choppy and in relation to big projects, which really goes to your enterprise question, clearly we are seeing some of those projects still go through, but many more also being delayed or reduced in some sense. So as you look at demand right now in the fourth quarter, which is kind of what we are taking into consideration as it relates to the guidance we put out there, we anticipate the run rate business to be choppy throughout the quarter and as relates to the big projects, I think those are going to be less in the fourth quarter. I think you are going to see a lot of deferrals of those or some cancellations.

As relates to our business today in SMB versus enterprise, our SMB business because as you all recall, we saw softness in our SMB business back in the fourth quarter of last year, in the third quarter of last year relative to our SAP upgrade. We are actually seeing improvements relative to that business as a result of having the system we are now more stable and now fully deployed. So our SMB business, while it's not booming given the overall market situations is doing okay. And if you look at the enterprise business, we obviously are seeing softness in that. Again it goes back to my comments about the big projects and – because obviously inside the enterprise you have a sum set of our run rate business. We also have a lot of significant projects that drive that business and again what we see is deferral of those, cancellation of those, some cases at least reducing some of those key projects.

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