

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

## Kelly Services Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions) Your first question comes from Tobey Sommer – SunTrust Robinson Humphrey

#### Tobey Sommer – SunTrust Robinson Humphrey

I was wondering if I could ask a question about your OCG business? You seem to suggest that you've got some infrastructure that you kind of put in place for some recent wins that should allow some good leverage windows when those contracts and relationships ramp up. Are you, could you give us some more color to the degree what makes you confident that those are still ramping etc. and maybe the proportion of kind of new sales that are yet to ramp up?

#### Carl T. Camden

Some of the details I can't go through but let me step back Tobey and start first with what I see taking place within our OCG unit. There still are a good number of new account wins. Countervailing against that are decreased volumes inside the accounts that we have already won. Given that a good number of the fees inside OCG business are transaction sensitive, as hiring decreases for example you would see RPO fees come down and so we have new account wins on one side, producing growth but you have lower volumes now taking place in some of the accounts that we've won.

Additionally then several of the accounts particularly in the VMS space are global accounts. There customers have an ability to dial up or dial down how fast they incur their own implementation, charges related to that and customers have slowed down the implementation on some of these accounts. We have in place that global infrastructure to implement these accounts; the pace is just going slower than originally projected.

And so what you should look to see, would be none of the extremely rapid increases that you've seen in the past as we've been building up the infrastructure, but by no means should you be looking for significant decreases in the expense space either.

#### Tobey Sommer – SunTrust Robinson Humphrey

And then I heard this correctly I apologize if I didn't, that Eastern European markets still showing some growth there. Is there an expectation for that to continue and if so what may be the drivers of that kind of pocket of growth, is it just small numbers etc?

#### Carl T. Camden

Yes to many of your conjectures, no I'm not in – the global economic slowdown is a global economic slowdown you're already seeing that take place in countries like Russia where in fact we had a very strong performance but in terms of macro economics, Russia is already also beginning to experience, particularly with the price of oil and other resources in decline, our experience sees their economic turmoil too.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.