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Chordiant Software, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Q&A portion

(Operator instruction) Our first question comes from line of Kevin Liu with - B. Riley. Please go ahead.

Kevin Liu - B. Riley

Thanks for taking my questions. I guess first question just on the deals that you mentioned might have been pushed out on the services side. I was wondering if you had tried to see some of the statements that worked for [43:15]. Are these implementations pushed out indefinitely?

Peter Norman

Well, yes. The one transaction that we talked about, they actually did re-scope their project and enter into a subsequent statement or work for future quarters

Kevin Liu - B. Riley

And in general, I think in your initial comments you have cited that there are some deals that resulted in delayed implementations. Were that related to this transaction or were there others in a similar situation?

Peter Norman

Now, that was the one that we talked about on the call.

Kevin Liu - B. Riley

Okay. And then in terms of the maintenance revenues, just backing out your licenses and special services so the quarter, it looked like it was a little below the historical average over the past 12 months. Is that purely on the foreign exchange side or are there customers that face some sort of difficulties or maybe being consolidated that have folded out to that maintenance line?

Peter Norman

On the maintenance line, yes, the reduction is almost exclusively foreign exchange.

Kevin Liu - B. Riley

Okay. At this point I mean is there any reason to worry about potential customers who are facing financial difficulties and any risk to your receivables or is it that maintenance revenue stream?

Steve Springsteel

Yes. This is Steve, Kevin. No, maintenance renewal is still pretty high. If you recall as we have talked previously the maintenance is high because our applications are very sticky and the high reduction that you saw in the maintenance revenue line was attributable to a foreign exchange reduction and that really will drill that but renewals are still in 90 plus range.

Kevin Liu - B. Riley

Okay. And then just last Steve, I was wondering given the level of bookings that you saw in the first quarter and I am assuming there was some impact from the write offs there but at the same time it looks like you would need to either cut back significantly on some of the OpEx items or you would need this in the bookings and substantially from the level you experienced here in Q1 in order to sustain the cash flow positive that you generated in Q1? Any comments related to that in terms of either what you are going to do on the expense side or perhaps if you do see enough in your pipeline where you feel like you will be cash flow positive for the year?

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