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## Art Technology Group Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) And your first questions comes from the line of Jeff Van Rhee – Craig-Hallum.

#### Jeff Van Rhee – Craig-Hallum Capital

Thanks. Congrats everybody. These numbers look great. First, just maybe, Bob, in terms of understanding your now down to one quarter's of guidance, can you give us maybe, a little more color about what the pipeline looks like?

Particularly, as things are coming into the funnel and what you've assumed in terms of closure rates in a pretty uncertain world?

#### Bob Burke

So basically what we see out there right now is we do have the strongest pipeline ever and lots of activity going on. I think that in terms of close rates we don't expect that we have to improve those dramatically, to have a good year.

Certainly, in terms of the overall economic conditions that we're seeing out there, as we've indicated there's some impact to some customers. On the other hand we've had other customers that have been motivated to move faster into the online channel, so I think in terms of the pipeline, we're very pleased with what we've seen so far.

We're pleased with the traction that we've seen already in the quarter and I think given the leadership and our products, our close rate is assumed to be at or better than what we've enjoyed in the past.

#### Jeff Van Rhee – Craig-Hallum Capital

Just to be clear, so you're saying in the Q1 numbers, you're assuming flat or modestly improved closure rates based on what's in the pipe?

#### Bob Burke

In terms of the assumptions we've had, in terms of the forecast, we're assuming the same.

#### Jeff Van Rhee – Craig-Hallum Capital

The eStara side, certainly you've closed considerably more customers over time, new customers, but you had re-tasked sales comp to really get these guys focused on targeting the install base. Can you give us a sense of how that up-sell has gone as well as the initial reactions to CleverSet?

**Bob Burke**

Yes, so really the number that we've given out Jeff is the net new number, so actually the new customer count has remained strong, but we have churned out a number of the very small accounts that quite

Frankly, in some cases were probably not worth the cost of invoicing and certainly supporting. So that continues to be strong there.

There have been some great examples, in fact we mentioned one, Wilmington Trust, it was an ATG customer – examples where we've had cross-sale and up-sell opportunity. But I think in terms of overall business traction, that business, I think, continues to enjoy strength and to that end that's why we mention that we're actually increasing our sales force to go after that this year, because I think we see some definitely upside, particularly as we get into bigger accounts and can sell more of a full range.

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