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Synchronoss Technology Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) Your first question comes from the line of Tom Roderick - Thomas Weisel.

Tom Roderick - Thomas Weisel

I was hoping maybe you could just talk a little bit about the dynamics of the AT&T relationship with respect to perhaps what pushing more transaction types and more traffic in your direction? Can you speak at a high level with respect to the idea that a managed services arrangement is far more beneficial type of solution, as big carriers try to cut CapEx or are there other dynamics that come into play when you are structuring big relationships like this?

Steve Waldis

Hi, Tom this is Steve. Certainly, there is pros and cons in today's economic world. One of the pros certainly is that managed services environment allows us through automation to dramatically reduce cost at the same time improving service levels; and so a lot of the work that we did in the fourth quarter especially with AT&T in terms of on-boarding their new wireline program is a good example to that and so we look forward into 2009, I think the dynamics that we focus in on are obviously, the offset of potential existing programs and that may have a dampened transaction flow, but offsetting that with the ability for us to go through an onboard program so efficiently since automation obviously drives a much better cost at the providers.

Tom Roderick - Thomas Weisel

So, specifically with AT&T and thinking about the transaction volumes that have an opportunity to grow I think you said 300% to 400%. What would it take to, what sort of channels would you look to add that could potentially create this volume growth numbers like you approach there?

Steve Waldis

Well, I think, the agreement doesn't commit to any type large scale transactions, but definitely provides the ability to do so Tom, and I think what and obviously to contemplate that type of growth that would require new channels above and beyond the existing ones that we perform today and so I think essentially what we are excited about it took more of a global approach in terms of what are the items and elements that are required for our platform and managed service to deployed in a new channel, and took that into consideration and made it a win-win.

I think for both companies in the sense that Synchronoss is kind has a defined plan and opportunities to get there and AT&T gets their benefit obviously getting discount from the higher volumes of those transaction. So, it really ends up in an opportunity or mechanism in the new contract for us to do that and more importantly, as I stated in a few minutes ago our old agreements where with Cingular AT&T Mobility, the new agreement is with Corporate AT&T and so that allows us to be utilized potentially across all of the...

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