

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.

## Administaff, Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Ladies and gentlemen, if you wish to ask a question (Operator instructions). Your first question comes from the line of Tobey Sommer of SunTrust Robinson Humphrey. Please proceed.

#### Tobey Sommer – SunTrust Robinson Humphrey

Thank you very much. Thank you for all the detail, very helpful prepared remarks. I wanted to ask a question about the sales force. You had a tremendous amount of growth in the trained salespeople. I wanted to see if in the course of the fall campaign or maybe in 2009, how you think about the mix of advertising versus kind of feet on the street, what has been successful for you and maybe any changes you would have looking at how you would allocate that kind of effort in 2009 versus kind of more stable growing years in the economy.

#### Doug Sharp

Thank you Toby, appreciate the question. Really, I'm very enthused about what is in front of us in 2009 from a sales standpoint, because as you know we grew the sales staff dramatically, a 20% increase last year; and the fall campaign, although the closer rates were not good, the activity remained high, which means all the new sales staff got a lot of good experience through the fall campaign. And that is what you really look for, those sales opportunities so they can hone their skills through that time period. Now on the advertising front, even though we are lowering our advertising spend and some of our business promotion expenses, we actually think we are going to be able to buy the same or maybe even higher number of gross rating points through this period because you don't have an election year and really the economy has dramatically lowered advertising rates. So we think we are positioned well to support our sales staff in the lead process of providing qualified leads and although and again more experience than they were last year, we are still going to be conservative and actually estimate a lower efficiency rate even than we experienced last year.

#### Tobey Sommer – SunTrust Robinson Humphrey

Thanks. And let me ask a follow-up of perhaps Richard, if you could help. Several of the things that you discussed in terms of the markup and the difference variance of surplus, sounds like you built in some conservatism. If you were to net those different metrics out in terms of the opportunity for continued development, how would you quantify that looking forward in 2009?

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