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InnerWorkings, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And we will go first to George Sutton with Craig-Hallum.

George Sutton – Craig-Hallum

Hi guys. I have a few things. I'm curious, Eric, I know one of the challenges has been as you bring on these new enterprise customers, getting them to revenues has been a challenge in terms of getting that process ramped up, is there anything you can do to accelerate that? And you mentioned the \$50 million that you will get from those customers in 2009, what would that number potentially look like in 2010 from that customer base?

Eric Belcher

Okay, first of all, hello George. Let me answer the first part of your question first. With respect to landing an enterprise contract and then recognizing revenue going forward, we have learnt a tremendous amount over the past few years, and in fact even in the past year or two about how best to ensure that we takeover and control all of the print spend associated with our new clients, becoming the buying authority, eliminating the historical method of participating in this channel, buying in this channel. So I would say primarily due to the fact that we have learnt how to implement more effectively over the past one to two years as we have gone from a small number to frankly a very large number of enterprise wins gives us confidence going forward that as we continue to ramp recent wins as well as set up and close new enterprise contracts, we're going to be recognizing this revenue much more effectively and quickly than we have historically.

Regarding your question of what our estimated \$50 million in revenue recognized in 2009 might look like in 2010, I don't have a specific number, George, in front of me right now. Suffice it to say that it would be quite a bit more than \$50 million and what that number might ultimately look like depends in large part on how well we are able to integrate our solution into additional business units that might have been not included in the original contract as well as continue to take over product categories that might be either under contract today or have been deliberately excluded for some reason with our initial contract, with our initial enterprise win. So as with our other enterprise accounts, there is quite a bit of room even within our existing client base to grow our business. And as we learn and gain momentum and gain credibility and again influence in this industry, we expect a lot of growth coming from the current enterprise contracts that we have got right now.

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