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Rainmaker Systems Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. We will now begin the question-and-answer session. (Operator Instructions) Our first question comes from the line of Jon Maietta with Needham & Company. Please go ahead.

Jonathan Maietta - Needham & Company

Thank you very much. Hey, Michael, hey, Steve. First question I had was yeah, tough economic backdrop for everybody. Do you think you could take some share in this market both in the lead development side as well as contract sales and training sales for that matter?

Michael Silton

Yes, absolutely, and when I talked about emerging as a stronger company out of this, I see some definite opportunities. We talked about one of the deals, where one of our clients moved business away from a private company to us. Our public company stature, our balance sheet and execution we are doing, is helping us move business away from those kinds of situations. And so, we are seeing more and more of the kind of competitive takeaways.

If you look at our pipeline, in all three of the product lines, there are significant opportunities of competitive takeaways, predominantly from private companies, but also from other market players that just don't have the same degree of technology.

As you know, we made fairly significant investment in our technology over the last year and half, and where we're seeing growth from clients especially in the lead development area, which has traditionally been more transitory, is from those customers that have adopted our web-enabled technology and as that's kind of being scaled across the globe, we are seeing strength.

So the investments we've made in technology and globalization over the last couple of years and our public company stature are helping us win some competitive takeaways. And if you look at it, the deals that we're winning out there and the New Year starting off with a growing pipeline right now, I'd say are predominantly competitive takeaways moving them to new generations of approaches or away from smaller competitors.

Jonathan Maietta - Needham & Company

Okay. And Michael, could you talk a little bit about, I guess coming out of the December quarter, going through January and up to this point in February, what have you seen in terms of customer

demand patterns or the different sides of the business? Has it been up and down from week-to-week or is there any discernable patterns there?

Michael Sifton

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