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TIBCO Software Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And first we'll go to John DiFucci.

John DiFucci – JPMorgan Securities Inc.

Thank you. A couple of questions. First for Sydney, you said that renewal rates for maintenance, your expectation that they are going to remain 90% to 95%, which sounds great. But can you specifically tell us did maintenance – because you bundle it in with services when you first report. Did maintenance grow year-over-year? And what did it do sequentially?

Sydney Carey

Maintenance did grow year-over-year and it also grew sequentially on the period.

John DiFucci – JPMorgan Securities Inc.

Okay, great. And then, Murray, in your commentary, a couple of things you said and Sydney repeated about strengthening pipeline looking forward. And then also you mentioned a strong upcoming product cycle. I just wondered if you can just give us a little more, I don't know, color around that pipeline. It's just interesting to hear something strengthening. Are you seeing something? I know it's the first month of the quarter, but you're almost done with that. Are you seeing something out there in the field or is it just the consistent business that you see on a regular basis? And then if you could tell us a little bit about – or maybe, Vivek, about that upcoming product cycle.

Vivek Ranadivé

Yes. This is Vivek. We have seen a marked improvement from January, February, going into March in terms of bigger deals, what we're seeing from customers, just the strength of the pipeline. So we see a definite uptick from the first couple of months of the year. And we are seeing the return of big deals. We are seeing many customers who curtailed off. So I don't know, Murray, if you want to add anything to that, but –

Murray Rode

I think, as Vivek says, it's both – deal size, quality, and number of deals and quantity of deals. And I think the other thing that changed in March is budgets did really start to stabilize. I think there was a bit of a – it was a little bit of a slow start for the year in terms of companies seeming to get settled

with what their budgets were going to be and that has settled out more in March. So again, quality, quantity, and size of the deals in the pipeline.

From a product perspective, looking out into the year, it's really across the board. If you look at our major product lines, you look at SOA. There is a variety of new releases focusing on both performance, deployment capabilities in the ActiveMatrix product line. BPM has a pretty big year in terms of new releases. Spotfire and BusinessEvents both have major new releases during the year. So we think that all helps us well in terms of what we're going to sell through the course of the year.

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