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Pervasive Software, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Kevin Liu – B. Riley & Company, Inc.

Kevin Liu – B. Riley & Company, Inc.

First question just in terms of this compliance deal, can you give us a sense of what the normalized run rate might look like in terms of this particular customer on an annual or quarterly basis?

Randall G. Jonkers

Kevin I would say that this transaction with this one customer is for all practical purposes a one-time transaction so it had not been in our run rate in the recent past nor do I expect it to be in our run rate for the foreseeable future. So, consider it a one-time kind of transaction. Now, that's not to say that we won't have other compliance related transactions. Some of them may be large. I mean, we have had compliance related transactions in the past.

We had a fairly good sized one back in the September quarter as well that we talked about on this call. We will continue to have compliance related transactions in the future and as I said on the call, they really do tend to be kind of inadvertent in nature and everyone involved wants to get them compliant as soon as possible but, they're really hard to predict. So, as we sit here and try and come up with our guidance for the next quarter or for that matter our plans for the coming fiscal year, we don't generally count on these kinds of transactions coming in to the mix.

Kevin Liu – B. Riley & Company, Inc.

It sounds like you guys have put together a nice team around the DataRush product. I was just kind of wondering if you could speak to the pipeline a little bit maybe in terms of the number of new customers that might be looking at it as well as maybe the transactional sizes that are being considered? Then also, talk about what your expectations might be for the length of the sales cycle?

John E. Farr

I'd be a whole lot more comfortable answering that question once we have a few closed and under our belt. I'd say that we are actively in discussion with probably two handfuls of accounts, some of which are in our integration installed base and some of which are new parties sourced by the DataRush team themselves. Transaction sizes, TBD. The DataRush team is working hard here presently to go test the pricing models that they've devised over the last couple of months and testing them in real life customer situations.

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