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SAVVIS, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Our first question comes from Sri Anantha from Oppenheimer. Your line is open.

Srinivas Anantha – Oppenheimer & Company

Yeah. Thank you, and congratulations on a good quarter. And Jeff, I didn't relate that, you are going to be [dismotivator] in cutting expenses?

[Multiple Speakers]

Srinivas Anantha – Oppenheimer & Company

A couple of questions, I know you've talked about still the difficult environment. Could you just give us some color, if there has been any incremental change within the sales cycle, just on a monthly basis, if March was better than February or if you have seen any significant differences. And also from which verticals are you seeing the most interest today compared to what you have been seeing six months ago, three months ago? And the second one is on cloud computing, I know there is still a lot of variables or there is still lots of doubts when you especially speak to large enterprises, but when you pitch your cloud services today, where do you see the most interest. Is that coming mainly from the SME segment or is it the medium and large enterprise? Thank you.

Philip J. Koen

Well, Sri, first of all thanks for the complement and you are right Jeff is highly motivated and driving of efficiencies is great to see. Let me take your first question, and if I miss it most one please, please pop back in, but with regard to the sales cycle, I haven't seen in my visits and talking to our sales organization, any real change in the length of time. It is still on that 9 to 12 month type of horizon. I would only color I would add and we tried to state this on our prepared remarks is, the level inspection and the number of approval levels have definitely increased. And the thing that especially as you are going through the quarter is that, what you find is even fluid, people would think that they understood the decision making cycle, we won't need to find that. In some instances, decisions now or have to made at a Board level or now there at a CEO level. So I think our biggest challenge for sales organization is really mapping and understanding these approval processes, which tend to be highly fluid. But having said that, our actual length of time, I really don't see that the 9 to 12 months is still probably operative.

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