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Forrester Research Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from the line of Brian Murphy of Sidoti. Please proceed.

Brian Murphy - Sidoti & Co.

Hi, thanks for taking my question. George could you give us some color on how the repackaging initiative might affect pricing?

Michael Doyle

Brian, its Mike Doyle. I think I'll tackle that. It's our expectation that the impact for 2009 is going to be net neutral. As with every pricing decision, this one cuts across all three client groups. And so there is puts and takes in each of those situations. So it is included and was included in the guidance that we projected for full year in February and its our expectation this year is that there's going to be net neutral for us Brian.

Brian Murphy - Sidoti & Co.

Okay, and could you talk about the timing of when I guess this initiative gets launched or rolled out, so to speak?

Charles Rutstein

Sure, Brian. This is Charles. So this packaging is now in the marketplace for all contracts in Q2. In fact, we started at with new business deals at the tail end of Q1, so it's sort of from here on forward.

Brian Murphy - Sidoti & Co.

Okay, I mean I imagine that this kind of thing would certainly improve client retention and it seems like client retention held up pretty well in the first quarter. One question is how is the new business environment? Did you see any improvement there in the March quarter? And with this new repackaging initiative, have you seen any impact yet that you can talk about?

Charles Rutstein

Sure. So, lets only take those questions in sequence, it's Charles again. First with respect to new business within the quarter, I would say we were pleasantly surprised by the new business

performance across much of the company. Previous downturns have made us concerned about what the new business performance might be, but in fact new business held up very well.

With respect to the go forward and what we expect on the new packaging and of course the pricing that goes with it, as Mike said, its net neutral for the year. But we think it gives us some real advantages going forward. It gives us the ability, first to differentially price by customer segments. And price as the market will bear in those respective segments. It allows us, as George mentioned, to monetize any acquisitions that we might do, rather than dumping it into the mix that everybody gets at the same price. It also allows us -- also as George mentioned to specialize the sales teams and therefore to make them more effective. So, I think you're going to see a lot of downstream impact from this.

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