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Deltek Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from Bryan McGrath – Credit Suisse.

Bryan McGrath – Credit Suisse

I just want to dig in a little bit to the consulting line. With Insight happening in this quarter, would you expect a rebound in training fees kind of would go in conjunction with that?

Kevin Parker

Bryan, it's Kevin. We do expect that, I think you can tell from the overall guidance that Mark gave. We're pretty cautious these days and looking for an effectively flat Q1 to Q2 but the training business we think will come back, I think the early indications are that customers are back and we also do training at Insight, the people have signed up for, so there is a natural up tick in terms of revenue, because people take training when they are there or immediately prior to going there. So there is some upward pressure on that.

Bryan McGrath – Credit Suisse

And one more follow-up on the BearingPoint bankruptcy; it's impacted roughly 700 K in this quarter. Was there anything that would have been in your future plans that is now taken out of the model or there is no more impact kind of in the future quarters because of BearingPoint?

Kevin Parker

There probably is very limited impact. I think the tragedy of BearingPoint was not days but maybe weeks away from going live with their new implementation of Costpoint. They were quite enthusiastic about it, so it was going to be a defining moment for them. The resources are very highly utilized in that part of our business, so those resources have been goggled upon other things and the benches are staying very low on utilization and business stays very high. So there is no real impact on us.

Bryan McGrath – Credit Suisse

And then just from modeling perspective, you've done obviously a really good job of lowering the cost base; should we going forward model kind of flat operating expenses or do you still think there is still areas where you can improve and slightly decrease that going forward?

Kevin Parker

Well, we're not done exploring and that's sort of a never ending exercise as we continue to optimize around that. I think the guidance that Mark gave; and Mark you can fill in the details, but almost implicitly assumed flat expenses to a large degree, so we're not making a prediction about when those additional optimizations will bear fruit, but we've not done exploring and Mark why don't you fill in some of the details from your view.

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