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Spherion Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. (Operator instructions). The first question comes from Mark Derussy from Raymond James. Please state your question.

Mark Derussy - Raymond James

Good morning, everybody. Could you speak a little bit about what the penetration levels are in pre-2Q '08 markets? You mentioned that 80% of your growth came from those markets versus 20% coming from the 2Q, '08 going forward market. So I am just curious what the penetration is in those legacy markets?

Rian Wren

I don't think Mark right with us we have those numbers. Typically what we have done is we've given an overall penetration rate that we based it on assigned phone numbers and that's 65%. So, if you look at the entire business, we've got it to say that, we believe, we've got from a phone number perspective connected to 65% or reachable to 65% of the addressable phone numbers.

Now, what we've tried to do this time, since, we tried to describe that when connect through an office, and we basically take, we claim the ability to have connectivity to all the phone numbers at office.

The processes that really occur are little bit more complicated. We don't necessarily have all the capacity to that office, customers are not necessarily routing to all their calls to that office and it takes a process we described over several quarters to get to that point in time.

So we attempted to do at this time was to combine and I give you some guidance in terms of penetration with both processes connecting and routing and that's why we actually gave some information on minutes where we talked about the 80% of our minute growth in the first quarter of '09 really came from markets that have been established over a year ago or prior to that.

We don't actually breakout market specifics, in terms of what a specific penetration is in the market or not, but we try to give a little bit more detail to describe that. In fact, markets take time to actually mature and for us to realize all the revenue associated in the market.

Mark Derussy - Raymond James

So the salient point there with that comment, as we should look at this as you are 65% penetrated and take that revenue number that we have today and use that as a run rate to get to what the potential market opportunity is for you?

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