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DemandTec F1Q10 (Qtr End 5/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from the line of Nabil Elsheshai with Pacific Crest Securities.

Nabil Elsheshai - Pacific Crest Securities

Thanks for taking my question. First, can you update us on the competitive environment? Have you seen any change from either the large guys or some of the smaller competitors?

Daniel R. Fishback

Really no change. If anything, your traditional enterprise software guys appear to be distracted and not as interested in this space, given the challenging software environment out there today but no significant change to report in the core competitive arena.

Nabil Elsheshai - Pacific Crest Securities

Okay. And then in terms of the deals that slipped, are those new customer deals that you had closed in June or are those installed base types of deals? I think any color you can give us there.

Mark A. Culhane

Installed base customers, existing customer deals.

Nabil Elsheshai - Pacific Crest Securities

Okay, and then last question, any kind of commentary for the full year on cash flow? Any guidance you can give us there?

Mark A. Culhane

You know, we don't have a full-year metric there yet today, Nabil. We're still in the midst of our C3 acquisition, as we said last quarter. We want to get through that across the first half of the year and then take a look at what we see.

Nabil Elsheshai - Pacific Crest Securities

Okay.

Mark A. Culhane

But we expect it -- as we said, we -- it was obviously a negative impact in Q1 and we expect it would be that way in Q2 and then it will turn accretive across Q3 and 4.

Nabil Elsheshai - Pacific Crest Securities

Okay. I'll get back in the queue. Thanks.

Operator

Your next question comes from the line of Keith Weiss with Morgan Stanley.

Keith Weiss - Morgan Stanley

Thank you for taking my call, guys. So it's apparent that the macro economy continues to be difficult. From the fact that there's still deals slipping out and we're seeing deferred revenue now declining on a year-over-year basis, and that sort of -- the growth in deferred revenue has been coming down for a while, is the macro environment getting worse for you guys? I mean, is the sales environment getting -- continuing to get worse for you guys in this quarter versus like 4Q last year or 3Q, or has it stabilized to any degree and we're now dealing at just like a very low level of demand?

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