



## **FOR IMMEDIATE RELEASE:**

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### **Ann Arbor Firm Links Fast Growth Companies to Scientific Management of Employee Energy Cycles.**

#### **eePulse Customers Are Companies Pursuing Fast Growth and Change.**

***“Think of Your Company As An Indy 500 Race Team.”***

FOR IMMEDIATE RELEASE—At the end of an hour’s discussion high atop a giant tower overlooking an historic manufacturing and shipping center, a chief executive officer stares pensively at the industrial landscape below.

*“Why is everything taking so long?”* he asks the firm’s executive committee.

Across the country, in a gleaming brick and glass edifice nestled in a rising hillside of Silicon Valley, the President of a startlingly fast-growth company turns away from the firm’s raucous 2<sup>nd</sup> birthday party, celebrating in part a doubling of the work force in the past twelve months.

He confides in one of the earliest hires who dates back to the original office in the old airplane hanger. *“We’re losing our culture,”* he murmurs. *“We’re making sales, but our employees just don’t have the same energy level ... I’m worried about losing our competitive edge.”*

You’ve just met two of eePulse’s newest and most ardent customers.

The clients of this growing Ann Arbor, Michigan e-commerce firm are a diverse collection of large and small companies, manufacturing and computer software, financial and consulting, for-profits not-for-profits and academic institutions, West Coast, East Coast and in the middle by location. Yet they are all united by common belief and shared desire:

They believe that positive change is the key to growth, and they want to grow *fast*.

“We don’t have any stable clients who want to stay just as they are,” says Dr. Theresa Welbourne, a widely published Human Resources expert, and the founder and CEO of eePulse. “We get hired by companies and institutions that want to seriously pursue high rates of growth and change.”

It is Dr. Welbourne’s command of employee management strategies in entrepreneurial, high growth and high change organizations that won her an appointment as an Associate Professor of Organization Behavior and Human Resource Management at the University of Michigan Business School.

When she was recruited from Cornell University’s Industrial and Labor Relations School and moved to Ann Arbor, today a national center for information technology, eePulse and its employees moved with her.

Of great interest to the customers of eePulse are the number of studies Dr. Welbourne and her team have conducted with initial public offering (IPO) firms, showing the direct effects of employee management strategies on firm survival and financial performance, as measured by stock price growth and earnings growth.

Additionally, Dr. Welbourne’s research on the effect of innovative compensation systems on employee and firm performance is also a draw.

“I was very frustrated with traditional employee survey methods,” Dr. Welbourne recalls. “So I tried something new. I was conducting a study of one firm going through an initial public offering process. Because no one had ever studied the IPO process, I could not assume that I knew what questions to ask.

“Granted, I could have suggested many things based on theory,” recalls Dr. Welbourne, “but I really wanted to know what employees thought. And I did not want to constrain my data to my own pre-conceived notions of what’s important during an IPO. At the same time, as a scientist, I did have some ideas about what to study. So, I compromised. I used email to deliver a simple weekly communication message.

Dr. Welbourne emailed every employee in the firm, asking just one traditional question based on theory, and then opening up the discussion by soliciting open-ended comments on anything that impacted on work.

As employees realized that their responses to Dr. Welbourne would be kept confidential, these comments became more and more candid. She suddenly found herself in an energized dialogue that produced a steady stream of thoughtful and in-depth responses from employees. “Their open-ended comments brought the data alive,” she recalls.

Dr. Welbourne sorted and analyzed these responses and presented them to the firm's CEO, excluding the employees names. The discussion of the company's problems and opportunities was at a more sweeping level than the CEO had ever seen, among them some unintended outcomes of new company policies. He took action immediately and asked Dr. Welbourne to continue her work.

The employees really appreciated the fact that the company was interested in their comments and ideas. The quality of suggestions kept improving. Dozens of sometimes small but highly productive changes were adopted. Dr. Welbourne's approach was a far cry from the traditional suggestion box in which good ideas go to be entombed.

Dr. Welbourne's findings also startled and excited both herself and her colleagues. She immediately launched additional research that confirmed her trend analysis.

"I found that it was not the data reported at one point in time that mattered," Dr. Welbourne explains. "The benefits come only when study subjects are continuously polled. It is the within-person variance over time that predicts individual performance.

"In all our studies of companies, and in additional studies of students at the university, I found that energy levels that predicted performance could be reliably collected. The degree to which employees are energized accurately predicts absenteeism, turnover, goal achievement, performance appraisal scores and student test scores," says Dr. Welbourne.

One of Dr. Welbourne's earliest clients, a CEO of a very successful fast-growth software firm, was so pleased with the tool, that he funded eePulse as a startup.

Assembling a team of experts to design the proprietary software and Internet links, eePulse was born as an Internet business-to-business application service provider. Their client roster immediately began to fill with companies and institutions, some seeking growth, some wanting more agility, others pursuing a higher return on net assets. "Ask for it all," counsels Dr. Welbourne. "The people who *really* know how to deliver it are your employees."

Among eePulse's clients is Amazon.Com, the hyper growth e-commerce company that is the envy of the e-commerce industry. "Give me five minutes with any CEO of any firm of any size in this country, and he or she gets it," say Dr. Welbourne.

eePulse's system design reduces one of the major barriers to purchase. As Dr. Welbourne explains, "On the customer side, there is no software to buy, no software bugs to discover, no emergency 'round-the-clock' fix while the line is shut down, and no employees to train."

Instead, eePulse offers its customers a product called Measurecom<sup>sm</sup>. The product is an Internet application service that sends a series of email messages from eePulse's servers to a customer's employees. The messages are specifically tailored for content to each client company and its concerns. Transmission cycle can be weekly, biweekly, or

monthly, depending on the customer goals. “And at eePulse, we know what follow up questions to recommend,” Dr. Welbourne says.

“This is an excellent application of Internet technology to the inter-related problems of employee motivation, company change and growth, and stock performance,” explains Dr. Welbourne.

“Because employee open-ended comments come to us, and not their managers, they are both representative and confidential as far as the employer and employee are concerned. As trust is built, employee comments become more honest and more valuable.

“The benefits to the company begin within two weeks of startup,” Dr. Welbourne notes.

Employers are encouraged by eePulse to give back something to the participating employees as soon as possible. “As a CEO, you can count on the open-ended comments to give you something fixable almost immediately,” Dr. Welbourne observes.

“If employees say that the bathrooms are dirty, I tell the client to clean the bathrooms,” Dr. Welbourne says. “The important thing is to show the employees that the company’s management holds their feelings and ideas in high regard and is paying attention. If you want motivated employees, there are several things you must do. Key among them is to tell your employees that they are valued, and that they as individuals make a difference to the firm’s success.”

Among the issues on which employees are polled by eePulse is a key indicator identified by Dr. Welbourne’s research. “We ask them to rate the degree by which they are individually ‘energized’ by their job.”

“The correlation to high job performance is not being happy but being *energized*,” says Dr. Welbourne. “eePulse has found again and again that employee energy levels predict employee performance in the areas of absenteeism, turnover, performance appraisal scores, and goals being met.”

The big change this brings to all sectors of business—whether manufacturing, e-business, distribution, or service based—is that the traditional annual company-wide survey, no matter how expensive and carefully planned, and whatever it may tell you about job satisfaction, does not give you real time data and does not predict employee performance.

And it does not tell the CEO or the department supervisors what to do about their company problems, or what potentially catastrophic problems lurk just below the surface.

“If you don’t collect within-person variation over time, your data are not as powerful,” explains Dr. Welbourne. “Every company tracks variation in production and cash flow. If you really want to offer your stockholders accurate forecasts of company performance, the same should be done with employee data.”

Measurecom<sup>sm</sup> also helps employees better understand the challenges that are facing their company. Employees need to experience the same sense of urgency or market-induced fear and awareness of operating issues as their firm's top executives face. This doesn't necessarily make the employees *happy*," says Dr. Welbourne, "but it sure energizes them.

"It motivates them to speedily embrace whatever changes are necessary to keep the company growing, and to drive up its revenues and stock value."

Core to eePulse's reports to management are graphic representations of the client company's energy cycles, which are charted for departments. In less than thirty seconds, the appropriate manager can spot where the probable snarls are developing within the company. From a series of ongoing reports from eePulse, senior management from the CEO on down know instantly whether their employees are energized—and importantly, whether they are potentially under or overworked.

"Growth needs to be sustainable," cautions Dr. Welbourne. "Bored employees aren't going to take you anywhere. But the only place consistently overworked employees take you is down. The major value of our service is that managers now are able to know whether they are energizing or burning out their employees."

"Think of your company as an Indianapolis 500 race team," suggests Dr. Welbourne. "The drivers have to go fast to win, while the rest of the team works steadily in the pits, but sometime you have to bring the drivers in and let the pit crews go to work at top speed while the drivers sit in the car, drink fluids and rest."

Fast-growth companies always endeavor to retain a high level of urgency at the organization level, and make it the job of their managers to help individual employees cope with that high level of urgency.

With its web-based Measurecom<sup>sm</sup> system, eePulse can instantly discern whether a set of responses are representative of a wide spectrum of the company's employees, or are minority opinions of a single or small group of individuals within that company. Among the benefits, Measurecom<sup>sm</sup> provides senior managers with a continuous heads up about Things About To Go Wrong.

"A quick read of the open-ended comments, and it becomes pretty clear what to do to get the company moving again and back in the race," explains Dr. Welbourne.

"The advance warnings of these messages from the employees are very important," Dr. Welbourne emphasizes. "Things gone wrong are very expensive to remedy in terms of dissatisfied and lost customers, bad press, product recalls, unplanned capital allocations for product and systems re-design, employee turn-over, increased absenteeism and sexual harassment lawsuits.

"Things *About* To Go Wrong can be fixed," says Dr. Welbourne.

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