

New Research Reveals Top Six Drivers for Business Success and #1 Underused Area

eePulse, Michigan Ross School of Business Leadership Pulse Study reports current energy data

ANN ARBOR, Mich. – August 24, 2006 – Dr. Theresa M. Welbourne of eePulse, Inc., www.eepulse.com, and the Ross School of Business, University of Michigan, today announced the results of the Leadership Pulse™. The study reveals current leadership energy trends, the importance of specific drivers for business success and undervalued drivers in select industries. Over 4,000 executives worldwide have joined the Leadership Pulse Dialogue™ since it began in June 2003. Participants receive Pulse Dialogues™ (or surveys), online reports and executive summaries every two months.

In the July 2006 study, 256 participants engaged in the dialogue. And 17 industries were represented ranging from manufacturing (19.1%) to information technology (9.0%). Organization sizes included “less than 100” (38.3%), “between 501-5000” (12.9%) and “more than 25,000” (8.6%) employees.

Results

- 12% of respondents reported being in “danger” zones (overly energized to the point of potential burnout or not energized, reflecting low productivity).

Overall results indicate a downward trend in energy (scale of 0 = not energized, to 10 = overly energized). From 10/29/04 to 7/14/06, the energy average dropped from 6.71 to 6.04 (-.67 points), respondents in high energy zones went from 62% to 53% (-9 points), and those in low energy zones increased from 10% to 19% (+9 points).

- Out of 22 drivers based on a study of long-term stock price and earnings growth conducted by Welbourne, respondents indicated six, “higher-order” categories in order of relative importance to their firm’s overall performance (1 to 5 scale used, where 1 = not at all important and 5= very important):

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|--------------------------|--------------------|--------------|
| 4.34 Agility and Quality | 4.12 Technology | 3.91 Product |
| 4.25 Strategy/Leadership | 3.97 Human Capital | 3.82 Costs |

- The majority of respondents felt that human capital drivers (e.g. employee-development practices, the manner people are energized, overall culture, and rewarding top-performers) are perceived as important but are underutilized and/or underrated business drivers. And the data analysis supports their explanations.

This finding is consistent with earlier studies conducted by Welbourne using large samples of organizations. These results indicated that factors such as technology, production and costs were considered highly important. But it was only the human capital factor that truly differentiated losers versus winners when it came to long-term stock-price growth, growth in earnings per share and even long-term firm survival.

“Using a regression analysis and self reports of overall firm performance, our data shows that only the human capital resources differentiate high from low performance firms,” states Welbourne. “Thus, what employers believe may be most important may truly be contradicting what in reality is important for results.”

For an assessment of your own firm’s own readiness to this and other demographic shifts and trends, contact Dr. Welbourne at 1-877-377-8573 or write to info@eepulse.com. To learn more about the Leadership Pulse research study, see http://www.eepulse.com/leadership_reports.html. If you want to join the Leadership Pulse study and receive free reports, sign up at www.umbs.leadership.eepulse.com.

About eePulse, Inc.

eePulse, Inc. delivers technology and research-consulting services that support Data and Dialogue Driven Leadership™ processes. Using eePulse’s proprietary, web-based enterprise-wide software suite called Measurecom™ (measurement and communication); organizations and leaders immediately improve their performance. Productivity enhancement comes from action taken in response to real-time stakeholder information. For additional information, please call 877-377-8573 or visit www.eepulse.com.

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