



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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DATE: July 15, 2008  
TO: Michigan Economic Growth Authority  
FROM: Val Hoag, Director *JDH*  
Portfolio Management & Packaging  
SUBJECT: Briefing Memo – ForeSee Results, Inc.  
High Technology Credit

COMPANY NAME:

ForeSee Results, Inc.  
625 Avis Drive, Suite 200  
Ann Arbor, Michigan 48108

HISTORY OF COMPANY:

ForeSee Results, Inc., co-founded in 2001 by CFI Group and Compuware Corporation, is a leader in online customer satisfaction measurement. The company utilizes the scientific and proven methodology of the University of Michigan's American Customer Satisfaction Index (ACSI) to capture and analyze online voice of the customer data to assist clients with increasing their sales and revenues.

The ACSI is the gold standard for measuring customer satisfaction both online and offline. The ACSI is a leading economic indicator measuring over 200 companies representing nearly 50% of U.S. Gross Domestic Product (GDP) and is the only cross industry methodology that ties customer satisfaction to financial results.

ForeSee Results currently employs 101 associates in Ann Arbor and Southfield, Michigan respectively.

PROJECT DESCRIPTION:

ForeSee Results plans to expand its operations and establish a 25,000 to 40,000 sq. ft. North American headquarters in Wayne, Oakland or Washtenaw Counties. ForeSee's expansion plans include:

- 1) Development of new software technology products that will encompass a new set of internet experience metrics including behavioral, financial and usability.
- 2) A geographic expansion to include new markets in the United Kingdom, Canada and Mexico.
- 3) Expansion of the current customer base to include health care, travel and entertainment, non-profits and state and local governments.

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The proposed investment for the project is approximately \$6.6 million. The project is expected to result in the creation of 275 new jobs paying an average weekly wage of \$990. The company will also offer health care benefits and pay a portion of the benefit costs.

**BENEFITS TO STATE:**

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will create a total of 638 jobs in the state by the year 2015. We also estimate that the project would create total state government revenues through the year 2015, net of MEGA cost and adjusted for inflation, of \$7.094 million (2008 dollars) due to the creation of these new jobs.

**BUSINESS CASE:**

ForeSee Results has two venture capital investors, Investor AB based in Sweden and Updata Partners with offices in New Jersey. Both investors believe that the competitive disadvantage for a location in Michigan versus the East or West coast lies in the company's ability to attract and retain qualified talent (software developers and analysts). AB and Updata have the perception that Michigan lacks a workforce skilled in highly technical programming for such applications as Ajax, Flash, Java and PHP. Further, the perception is that the quality of life for such a workforce would be better in California or New Jersey.

**STATE AND OTHER LOCAL ASSISTANCE:**

As mentioned previously, ForeSee Results plans to expand its operations and establish a 25,000 to 40,000 sq. ft. North American headquarters in Wayne, Oakland or Washtenaw Counties. The company's existing lease with Avis Farms in Ann Arbor does not expire until the summer of 2009. Current hiring plans require that the company select a new location by the first quarter of 2009 thus a decision regarding a new leased facility will not be made prior to approval of a tax credit by the MEGA Board. It is important to note however, that ForeSee intends to seek the maximum local assistance allowable under the law prior to a final location decision.

**RECOMMENDATION:**

Based on the factors described above, the Michigan Economic Development Corporation recommends a seven-year high technology employment tax credit, consisting of a 200 percent credit for the first three years and 100 percent for the remaining four years, for up to 275 net new employees.