After Sept. 11: Gene Codes finds money's not everything

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The Sept. 11 terrorist attacks largely are a tragic historical event, but for Ann Arbor software firm Gene Codes Corp., they're still very much a part of daily life.

Gene Codes, which developed DNA-analysis software for the New York City medical examiner's office to identify the remains of people killed at the World Trade Center, continues to provide software updates every two weeks. The software is still identifying victims, though at a much slower pace than it did two years ago, when Gene Codes CEO Howard Cash personally delivered updated software every week.

Yet the work continues to be a financial drain on the privately-held company. The company in April recorded its first money-losing month in about 11 years, but its CEO said it has enough cash reserves to cover expected losses.

Gene Codes took on the challenge because "it was a real call to service," Cash said, and Gene Codes was the only company that could provide a software tool quickly.

"This is something we can't really say 'no' to and say we're a company that has a social conscience," Cash said.

To date, 1,558 of the 2,749 victims have been identified, virtually all of them with the help of Gene Codes software, which analyzes badly damaged fragments of DNA to make a match.

For Gene Codes Forensics Inc. - formed to focus exclusively on the World Trade Center victims - it's been a money-losing proposition. However, technology developed during the project should find its way into new products within a couple of years, Cash said.

Gene Codes added five employees to shore up its basic Sequencher software business; nine employees have been exclusively devoted to the World Trade Center project since it began, Cash said, adding that the company lost some good employees early on because the project was too demanding and emotionally draining.

A $10 million contract with the New York medical examiner's office has not covered the cost, Cash said, but he knew that would happen when he accepted the project. He expects to eventually be paid in full.

"It would have been very tough to do if we were publicly held or venture funded," Cash said.

Gene Codes' basic Sequencher software has suffered because the company hasn't had the manpower to devote to product development.

"Some of our customers are less sympathetic than they once were," Cash said. "Some have complained about the pace of development and whether we've lost some of our abilities or lost some commitment (to the product). We're extremely committed to that customer base but it would not be an ethical way to divert resources."

But the end of the World Trade Center project is in sight. The New York medical examiner's office plans to finish the work it can finish by Sept. 11 of this year.

Cash said it will be a bittersweet day. He'll be able to focus on growing the business
again, but more than 1,000 families will have to be told their loved ones couldn’t be identified.

Soon thereafter, Cash hopes to roll out his first major product in several years - a project that was put on hold when the twin towers collapsed. He won’t talk about it for competitive reasons, but he’s confident it will provide a big financial boost.

_Brian Hamilton covers technology for Business Direct Weekly._