

Rocky Mountain News

Digital lifesaver

By Julie Poppen, Rocky Mountain News
January 10, 2005

Problems encountered in daily life often spawn new business concepts.

But few problems are as severe as those encountered by Brady Essman, the 36-year-old president, CEO and founder of digitalmedix, an Englewood-based data retrieval and [computer](#) forensics firm.

Essman's story began with a crashed hard drive that resulted in critical sales information being lost. Essman subsequently lost his job with a storage technology company. A [divorce](#) followed. And while there may not be a direct line between a dead hard drive and a wrecked marriage, Essman's world came crashing down in the spring of 1998.

"It came out of a [personal](#) disaster of my own," Essman said, describing the company's origins. "I just lost a hard drive and went through a data recovery nightmare. I paid an exorbitant fee for data recovery and never got the data back."

Thus the concept behind digitalmedix was born in 1999. He vowed then it would be a company that would not charge a cent unless data was recovered. There would be flat fees for business and individuals alike. Fees would not be based on the "value" of what was lost, an approach used by some competing firms.

Statistical data backed up the need for high-quality data recovery. Research has shown that 60 percent of companies that lose their data due to a disaster will shut down within six months, according to the Boston Computing Network. And 6 percent of all computers lose their data in any given year, according to the 1999 report *The Cost Of Lost Data* by David M. Smith.

But Essman didn't act on the idea right away, except for a brief, failed business partnership. Instead, he sank his money and time into three startups, including a [computer](#) networking company called InnerMicro that "went into the ground" when the tech boom ended.

InnerMicro's demise "brought me to my knees," Essman admitted.

His assets were liquidated and he ended up sleeping on a Murphy bed in a 600-square-foot apartment.

The former high school dropout from a family of "[computer](#) geeks" enrolled in Arapahoe Community College. He decided to steer clear of computers for a while and study to become a dentist or doctor. Then a woman entered his life. That woman would become his wife.

"She said, 'Honey, you have this great business idea. It sounds to me like your future is carved out for you,' " Essman recalled.



Chris Schneider © News

Brady Essman, foreground, is president, CEO and founder of digitalmedix, an Englewood-based data retrieval and [computer](#) forensics firm. In back, from left: Frank Harritt, vice president of sales and marketing, and Jeremiah "Bray" Weaver, chief technology officer. Digitalmedix boasts a 90 percent success rate in data retrieval.

Digitalmedix was founded in 1999 but didn't really get off the ground until March 2002. Since then, the company has achieved 70 percent annual compound growth and boasts a 90 percent success rate in data retrieval. Most important, Essman says, customers are happy. About 15 percent of the company's customers are repeats.

Digitalmedix gives free evaluations and notifies customers of each and every charge.

In 2003, the company received the Gold Star award from the Better Business Bureau for going three years with no complaints. It also received the award in 2004.

"It's not uncommon for us to get hugs from our clients," Essman said. "Sometimes it's a little uncomfortable, but enjoyable."

Essman attributes the company's success to key hires.

His chief technology officer is 29 years old and holds two doctoral degrees. But they're not in fields you would expect. Jeremiah "Bray" Weaver, though now completing an electrical engineering [degree](#), has doctoral degrees in psychoneuroimmunology, which explores how the brain affects diseases, and theosophy, the philosophy of religion.

Before coming to digitalmedix, Weaver worked as a hypnotherapist, ran his own [home](#) security systems consulting firm and worked as a technical consultant for Universal 2002 and Fiduciary Banking.

Weaver taught himself how to program because, quite simply, he needed money. He now programs in 40 [computer](#) languages. Company officials say Weaver's eclectic background comes in handy.

"Even though Bray is a techie, he understands the psychology people are in," Vice President of Sales and Marketing Frank Harritt said. "He's a very calming influence on these distraught customers."

With Weaver's expertise, digitalmedix has retrieved data from computers that have been damaged by water or fire. The firm has a clean room so that its [computer](#) surgeons can safely disassemble digital cameras, CDs, floppy disks, hard drives, cell phones or answering machines.

Weaver developed an in-house operating system for digitalmedix that is always updated to find data patterns and fill in missing chunks of information based upon probability models. Each new generation of hard drives brings new challenges.

"We continually have to grow and adapt," Weaver said. "There's not -really any road map for that. It's an industry where nobody really talks. There are no books, no manuals."

Essman said Weaver is the only person anywhere who has programmed artificial intelligence in data recovery. Digitalmedix has spent more than \$1 million on research and development in the past three years.

Harritt came up with the medical lingo as a catchy way to market the company.

"These guys are like the doctors of digital data," Harritt said.

Digitalmedix recently moved into a new, nearly 4,000-square-foot suite in Englewood. Last spring the company had plans to open a sales and marketing office with another company in Dubai, United Arab Emirates, but the arrangement didn't work out.

Still, expansion remains a major focus. Already, the company handles 8,000 gigabytes of data each week. In one year, digitalmedix technicians give first aid to 3,000 hard drives. About 63 percent of its clients are [personal](#) end users, 32 percent represent small business and corporate accounts and 5 percent are governmental.

The company plans to launch a training program in [computer](#) forensics early this year for attorneys and law enforcement personnel.

With nearly 99 percent of revenues derived from data retrieval services, digitalmedix is pushing into [computer](#) forensics to aid criminal cases and trials. [Computer](#) forensics refers to high-tech snooping to discover financial fraud, marital infidelity, intellectual property theft and sexual harassment.

"We anticipate pretty large growth this year," Essman said of the company as a whole. "It boils down to one thing - clients getting their data."

As more people use digital cameras, the technicians at digitalmedix also are anticipating growth in that area. Lost images can usually be retrieved for \$75 to \$150, compared with hard drive recovery costs that average from \$500 to \$2,000.

A Wolf [Camera](#) store in downtown Denver refers jobs involving corrupt digital memory cards to digitalmedix. At least a few people a week come in lamenting lost photographs.

"People are really relieved there is hope when they come in and talk to us," Wolf General Manager Brian Sigg said.

Sigg had a virus on his [home computer](#) eight months ago that put many professional photographs, tax information and [personal](#) data at risk. Digitalmedix saved the day.

"Even being in the picture business I had failed to put all my memories onto a separate disk," Sigg said. "I didn't lose one piece of data. They were just lifesavers."

Data retrieval by the numbers

60%: Portion of companies that will shut down within six months after losing their data in a disaster

Source: Boston Computing Network

6%: Amount of all computers that lose data in any given year

Source: The Cost of Lost Data, by David M. Smith, 1999

90%: Digitalmedix's success rate in data retrieval since the company launched in March 2002.

70%: The company's annual compound growth rate since its inception. About 15 percent of its customers are repeats.

8,000 gigabytes of data are in digitalmedix's hands each week. In one year, technicians give first aid to 3,000 hard drives.

Copyright 2005, Rocky Mountain News. All Rights Reserved.

