

# Develop CENTS

## On Starting an IT Business and What I've Learned



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<https://developcents.com>

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Chattanooga State  
on July 13, 2016

# History



- B.A in Community Development from Covenant College
- Americorps Intern in Boston
- 6 month internship with Acquia, a Drupal Services company (also in Boston)
- 2 years in IT Department with Chattanooga venture incubator Lamp Post Group

# Current

- Founder & CEO of Develop CENTS
  - Launched in January, 2013
    - Worked out of my home office
    - Met clients at their offices & coffee shops
  - Opened an office last month (June, 2016)
- Married since August 2014

# Develop CENTS

## The 10,000 Foot View



### **Two Categories of Services:**

- On-site Consulting and Technical Support
- Off-site Web Services (including Hosting and Server Administration)

# The Vision: Helping Nonprofits...

## I Have a Dream

Use my IT expertise to help non-profit organizations that are improving their communities.





# Building the Foundation...

- Always an entrepreneur at heart
  - Tried to sell spring onions that I dug up in my yard to my neighbors with a pop-up stand
  - Tried to sell sea shells to people at the beach



# Building the Foundation...

- Began writing a business plan in college
- Met with SCORE counselor in Chattanooga
- Moonlighted before launching Develop CENTS
- Met with SCORE counselor in Boston



# Building the Foundation...

- Met with SCORE counselor in Chattanooga
- Met with a mentor (a friend) on a regular basis who helped me plan
- Saved \$\$\$ and paid off my student loans as fast as possible



# Seeking Advice...

- In addition to my mentor friend, I've received advice from multiple people and companies
  - SCORE Business Counseling
  - TN Small Business Development Center (TSBDC)
  - Accounting & Taxes

# Seeking Advice...

- After launching in early 2013, I continued to learn

*"I had no idea what I was doing, and had to figure it out, and that was annoying because there's so many moving parts," he said. "Even with the legal and business advice I got from various people, I still missed one of the state requirements."*

David White, <http://nooga.com/163777/locals-provide-insight-advice-on-challenges-of-entrepreneurship/>, October 2013

# Starting the Business...

- Joined professional organizations
  - Business networking group
  - Chattanooga Technology Council (now known as CHATECH)
  - United Way's CNP as a Business Affiliate Member
  - Chattanooga Area Chamber of Commerce
  - Better Business Bureau (BBB)

# Persistence is Key

- Got kicked out of a short business competition at the very last minute (several years ago)
- Net income of less than \$9,000 in my first year
- Met with a job recruiter and sent resumes to employers while running the business; Almost gave up several times due to tight finances.

# Sustaining the Business...

- Not every professional organization is right for your company
  - All of the above organizations are great in and of themselves, but I left a couple of the organizations because they weren't providing what I needed
  - Only participate in the ones right for your company

# Doing What I Know...

- I'm an Infrastructure Engineer. I am not...
  - A designer
  - A programmer
  - A lawyer
  - An accountant
  - A marketer



# Growing the Business...

- Recently hired our first employee
- Met with an HR lawyer
- Secured payroll services from a local third party provider

# Legal Structure is Important

- Develop CENTS is structured as a Single-Member LLC. But this brings challenges, including:
  - Annual Franchise & Excise Tax  
(TN Department of Revenue)
  - Annual Report  
(TN Secretary of State)

# My Legal & Tax Checklist

<u>Who</u>	<u>What</u>	<u>Due</u>	<u>Where</u>
TN Secretary of State	Annual Report	April 15	<a href="https://tnbear.tn.gov/Ecommerce/AnnualReportID.aspx">https://tnbear.tn.gov/Ecommerce/AnnualReportID.aspx</a>
IRS	Personal Taxes	April 15	Paper, Online, Doesn't Matter
TN Dept of Revenue	F&E Tax	April 15	<a href="http://www.tn.gov/revenue/article/franchise-excise-tax-e-file">http://www.tn.gov/revenue/article/franchise-excise-tax-e-file</a>
City of Chattanooga	Personalty Tax	March 1	Paper (bill mailed in October)
Hamilton County	Personalty Tax	March 1	Paper (bill mailed in October)
TN Dept of Revenue	Business Tax	April 15	<a href="https://apps.tn.gov/biztax-app/admin">https://apps.tn.gov/biztax-app/admin</a>



# Free Resources

- **TN Secretary of State – LLC Resources**  
*<http://sos.tn.gov/business-services/limited-liability-companies>*
- **The Company Lab**  
*<http://colab.co>*
- **SCORE Small Business Counseling**  
*<https://www.score.org/>*
- **TSBDC Chattanooga**  
*<https://www.tsbdc.org/chscc/>*



# Lessons I've Learned

- Stay current with your book keeping (and reconcile your bank statements every month)

# Lessons I've Learned

- Remember: The IRS or TN Department of Revenue are completely separate from LLC Organization
  - One is for taxes, the other is for your legal structure



# Lessons I've Learned

- Always seek advice and ask for help if you're unsure of something

# Q&A

# Thanks

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<https://developcents.com>  
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