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If it works for us ...

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Startup finds success with billing software it developed for its own use

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A project begun in 1999 by two University of Southern Mississippi students has turned into a booming Louisville technology company , with 10,000 customers in more than 60 countries.

The business, ModernGigabyte, was founded by Jeremy Christ and Michael Fountain, who were college juniors when they decided to "get real life experience" by working with businesses in Hattiesburg, Miss., Christ said. "We were thinking to catapult ourselves further than the rest of the students in the university."

ModernGigabyte originated as a Web-hosting business, providing Web sites and e-commerce services.

Christ and Fountain were working on degrees in management information systems the use of computers and other information technology to collect and distribute data that managers need to run a business.

Through the company, they learned more about what companies needed to conduct e-commerce and run successful Web sites, said Christ, president of business operations.

ModernGigabyte has come a long way from the Hattiesburg campus .

The business moved to Louisville in late 2000, and Web hosting now provides less than 1 percent of its revenues, Christ said.

Today, the firm is primarily a software company, and its flagship product is ModernBill, which automates billing and payment operations. The business is one of five Louisville companies among 25 finalists competing this month for the Ernst & Young Entrepreneur of the Year 2006 award in Kentucky and south-central Ohio.

ModernGigabyte's 20 employees work on the second floor of the MedCenter Three building at 201 E. Jefferson St. But the company may be looking for new space soon, if growth continues as expected, said Fountain, president of research and development.

"I'm easily foreseeing us doubling our employment by the end of the year," he said.

The company got help from the Information Technology Resource Center, a unit of the University of Louisville College of Business and Public Administration, which formerly ran a business incubator.

"They've grown at a tremendous rate. They've probably tripled in size in the past three years since I first met them," said Jim Graham, the center's director . "Something we like to see is adding high-technology

jobs in the commonwealth."

ModernGigabyte developed ModernBill to meet its own billing needs. The tasks were being done with pen and paper, and "it was a very manual process," Christ said.

When the company couldn't find software on the market to automate the process, "W e built our own," he said.

Seeing how well the new program worked for ModernGigabyte, "W e knew how it could possibly benefit other entrepreneurs, other business owners in the same market" of Web hosting and Internet service, Christ said.

Updates of the software followed. The company is now releasing V ersion 5.0 , rewritten to make it more versatile and with the capacity to handle larger jobs.

ISelect, a Lodi, Calif., Web-hosting company with 35,000 accounts, is a ModernBill customer. ISelect learned about the software about a year ago after buying a company that was using the program, said Gary Widener, its general manager. Now iSelect plans to use ModernBill companywide, he said.

"We were faced with some fairly astronomical upgrade fees or going with ModernBill," Widener said. "We decided to migrate everything over to the ModernBill solution."

ModernGigabyte is "kind of a young, aggressive company, and they are really responsive" to customer needs, Widener said. "And their product is good. Their product works. "

Christ moved to Louisville, bringing ModernGigabyte with him, to be with his girlfriend and now wife, Regina Christ, who had taken a job here. Running the company was part-time work for Christ, who had taken a full-time position at a Louisville technology company. Fountain, in the meantime, had accepted a job with Amazon.com and had moved to Seattle.

The business partners, who talked on the tele phone daily, soon realized they needed to streamline ModernGigabyte's monthly billings.

"We'd have to figure out how many customers we'd have to bill, and then we'd have to bill them and make sure that everybody paid. It was a very manual process, and it took a lot of time that we really didn't have," Fountain said. "We needed to automate this so we could enjoy our lives."

He and Fountain began working on a software solution in their free time.

"We were basically working nights out of our basements my basement up in Seattle, damp and wet, and Jeremy's basement down in Louisville, nice weather all the time," Fountain said.

When they launched ModernBill, the entrepreneurs soon saw it as the future of their company. They initially marketed through word of mouth, selling to small Internet- service providers and other Web-hosting businesses.

"As the industry evolved, we found that our product was actually being used for a lot different things than we had ever envisioned," Fountain said.

Customers included vacation-rental companies and cell-phone services, which bill for recurring services in much the same way as do the tech companies ModernBill originally served.

Now "we reach out to 66 countries and a dozen languages, and are looking to expand into other types of languages," Fountain said. "Our market is very international in nature."

In addition to ModernBill, the company sells add-on software it developed, such as a program designed to spot credit-card fraud. And the company resells related software from a variety of corporate partners.

In 2002, Fountain joined Christ in Louisville, and the partners have become big boosters for the city, its low cost of living and high quality of life.

ModernGigabyte has had success luring talented workers from Atlanta who were looking to escape the stress of the big city, Fountain said. "We got them to move here, and we got their families to move here. And they're very happy in Louisville."

"Yeah, Seattle was a beautiful place to live," he said, but overall, this city's hard to beat, he said. "Louisville just brings it in really, really nicely."

Reporter Bill Wolfe can be reached at (502) 582-4248.

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