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**Adaptation, flexibility keys to technology company's success**  
**Juliet Silver, CEO of Virtual IT, on finding financing and weathering the recession.**

By Annie Johnson, Blue Ridge Business Journal

*Juliet Silver is CEO of Virtual IT, a 21-person Roanoke-based technology company that recently celebrated its 10-year anniversary. She talked about staying afloat during the recession — and about how living in France prepared her for doing business in the United States.*

**How did you get your start?**

I've actually worked in Charlotte, N.C., for two other companies who asked me to start up branch offices for them and I was very successful in both endeavors and ended up making a lot of money for a lot of other people.

And you know, you have one of those epiphanies. ... One day, you wake up -- I call it a "shower moment" - - and I thought, "Why am I doing this for someone else?" So I guess it was back in kind of the '98, '99 time frame, really during the boom years of the dot-com era, and I saw an opportunity up here because I had a home in Bedford County ... and I wanted to spend more time at home at that point with my late husband, who was a large-animal veterinarian.

So I saw an opportunity in this marketplace to start a company that really served the middle market with virtual CIOs and virtual CTOs. And so at the end of 1999 I kind of bit the bullet and decided to start out on my own.

**What are the keys to your longevity?**

First of all, we're self-funded so we've never taken any angel investment or venture capital investment. That's been by design, that's been by choice, so we've had to find alternate avenues of funding, if you will.

When we first started out we used credit cards, then we worked with a couple of community banks who seem to be a lot more flexible in their lending practices than the large banks. We've stuck with community banks, quite frankly. We started out with a bank in Lynchburg called Bank of the James when they were a

start-up ... but eventually we moved to Roanoke and they didn't have any local presence here, so we decided to switch and now we're back to Valley Bank. ... From a small-business perspective, they are going to be a heck of a lot more flexible than a BB&T or a B of A [Bank of America].

Second, to plan ahead financially, always know what you need and ask for more than you're going to need and secure it when you don't need it, not when you're desperate for it. Have a close working relationship with a community bank or whoever your banker may be. ... You've got to have upfront planning, you've got to have multiple sources of working capital, both short-term and long-term. And then you've got to have a close working relationship with whoever your financiers are ... and keep them apprised of where you are so you can get access to capital.

## **How did you grow your vision?**

It changed, and I think that's another good point for anybody thinking about starting a business.

What you initially think is going to be the way your business strategy is going to be defined in your marketplace, you have to be adaptive because it's never quite what you think its going to be.

Case in point: When we started out, we identified an opportunity with small businesses to bring to bear expertise that they wouldn't ordinarily be able to afford on a full-time basis -- experts, CTOs, CIOs -- to help them make strategic decisions about the applications of technology so that they could be more efficient.

What we actually found when we got into this was small businesses were very tactical and only a few of the very best and brightest recognized the need for this type of service -- and that we were actually better suited for the middle market. So we had to adapt our marketing model to shift our focus from small business to middle market.

And then of course the other thing you never count on is we started out in business in 2000 and the dot-com bust happened in mid-2001. (Laughs.) So overnight we dropped 25 percent in revenue. Belt-tightening time. ...

The other thing we've learned, I think, from being in business is: Manage to your valleys and plan for your peaks in the way you scale your business. So always prepare for the worst-case scenario and have a plan for dealing with the best-case scenario.

## **What's it like being a woman-owned business?**

There will be situations where perhaps I go with a team of consultants to a client meeting and it's a C-level, executive-level, client meeting and it's the first time I've met with these clients perhaps, so they don't know who I am. Sometimes, certain individuals in the room will automatically assume that the men in the group are the leaders of the conversation. That's just kind of an automatic assumption, until you're more assertive and they suddenly realize, "Oh, she's the boss."

There are also situations I know that some of my clients or some of my partners are going to have a better dialogue with a male than they would with me. And so there are certain situations and certain meetings when I will take a male consultant along with me because I know it will make for a better conversation. Strange. But it's true. ...

I used to live in France. The French can be a little chauvinistic, so you learn to deal with it. ... It's not going away. It doesn't matter how assertive we are or how charming we are. For the time being, at least with certain generations of individuals, it's what you have to deal with.

## How did you weather this recession?

The advantage we have is that we've been through one of these before.

Our second year in business we experienced a 25 percent reduction in revenue because people stopped spending during the dot-com bust. So we've always managed, again, to our valleys.

So for us, we're in what I call sustainment mode. When we went through the last recession we recognized that one of the things we needed to do was to diversify our portfolio of clients, so that we had a third local government, a third federal government and a third commercial. And we did that because they peak and bottom out in different cycles. ...

Federal government, for example, right now is one of the few sectors that is still spending money. So you're spreading your risk by diversifying. Just like you would diversify your stock portfolio, we believe in diversifying our client portfolio. ...

To the extent you're able you have long-term contractual commitments, you have a degree of committed revenue. You don't show up one day and people stop ordering from you.

## What's next for the company?

We're going to be heavily focused for the next few years in the federal government marketplace, particularly in the DOD [Department of Defense] arena. We've got 10 years of past performance there already, as a small woman-owned business we have a GSA [U.S. General Services Administration] schedule, so we're well-positioned with some of the things we are working on currently.

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*Virtual IT is an information technology consultancy that applies its **vast domain experience in Energy, Government (Local and Federal)** and other select industry sectors to deliver a wide range of solutions for: Information Technology Strategy and Cyber Security; Project, Program and Portfolio Management; and Microsoft SharePoint®. Our firm focuses on continual and intentional commitment to performance and integrity, a hallmark of Virtual IT since its inception in 2000.*

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