

Planning helps firm avoid a downturn

Whether it's using technology well or developing uses for it, Virtual IT comes to the rescue

BY ROD BELCHER

When the high-tech business bubble burst a few years back and the music stopped, many IT companies found themselves without a chair. That was not the case with Roanoke-based Virtual IT Inc., however.

Founder and CEO Juliet Silver says that last year showed a significant downturn in business from 2001. But while "2002 saw a slow-down in revenues, about a 20 percent dip," Silver says, "we had such a backlog of work from the first quarter of 2002 that we didn't notice the drop at first, but the rest of the year was diabolical."

Silver says her company, which she founded with Senior VP Rebecca Gibbs, weathered the storm of 2002 with hard work and a change in marketing. "It was a year to work twice as hard to stay in the same place," Silver says. "We developed a new marketing strategy. We got very precise on what markets we were targeting."

Virtual IT has developed a great deal of success with local government clients, including Roanoke City and County, Montgomery County, the City of Lynchburg and Rockbridge County.

Strategic applications

"Local governments make up about 20 percent of our business," Silver says. The other 70 percent she categorizes as small to mid-sized businesses with information technology departments. They're looking to develop an edge in their markets by careful and specific application of IT.

"These businesses are looking for strategic IT applications," Silver says. "Larger companies look



Dan Smith photo

Virtual IT's Juliet Silver: 'Smaller businesses are looking for tactical uses of IT'

at business goals using emerging technologies a great deal, but smaller businesses are looking for tactical uses of IT to give them an edge in efficiency."

Silver showed the need for such surgical applications of IT by explaining that there is a curve of acceptance and implementation in emerging technologies that drives what type of businesses will embrace technology and when they will accept it.

"A few of the larger companies are early adopters of new technology because they can afford to be," she says. "Most businesses don't have those kinds of resources, so they wait until the technology reaches a general level of acceptance and then they apply it to their business model. At the far end of the spectrum you have the industries that pretty much never adopt new technologies.

"The interesting thing we are seeing is that the economy is pushing more businesses to become early adopters so that they can stay competitive and streamline their business processes. You are also seeing many of the industries that traditionally did not adopt technological changes, like the textile industry,

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Virtual IT

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dying off or rushing to adopt new technology to stay alive.”

Typical client

Silver says that the typical client of Virtual IT is such a company, one that needs to adapt but doesn't have the resources and expertise in-house to know where, or how to start. Virtual IT offers these clients several different services to help them through the IT minefield to gain market share.

“We offer system development and enterprise architecture, business community planning, staff assessment and mentoring and security and disaster planning,” she says. “We remained focused on offering strategic and technical experience, instead of selling products. Keeping our focus on these basics is what has made us successful and made the slow times less painful.”

Silver describes enterprise architecture as one of the crucial weakness many of Virtual IT's clients come to them to overcome.

“It's a detailed informational blueprint of how they can reach the goals they want for their business. You wouldn't build your office building without a blueprint, but many of these small to mid level businesses don't have any plan for developing their IT resources and integrating new technology into their business model. That may include everything from physical items, like the actual computers and information networks, to personnel issues like training and adapting the business's culture to work with the new technology.”

Contracting out

Virtual IT has practiced what it preaches and stayed competitive through extensive outsourcing for many of its IT experts. The company has 18 people on staff for various projects. Four of them are sub-contractors. Silver says it made good sense given the IT marketplace today.

“We didn't see a reason to carry all those subject matter experts on the payroll,” she says. “There is an abundance of IT expertise out there currently, so we can find the right fit for each client's project. It's done very well for us.”

So well, in fact that Virtual IT is expanding and spinning off a division while many of their fellow IT competitors are just beginning to see the light at the end of the tunnel.

The company is opening an office in Northern Virginia and has completed the groundwork for their GSA application to throw their hat into the ring as a federal contractor.

In July, Virtual IT spun off its risk assessment and security operations into Virtual High Tech, which is setting up shop in the Warehouse Row of downtown Roanoke. The new company offers a holistic approach to organizational security by combining physical security assets with information security under a common umbrella.

Spinoff

Silver says the idea for the spinoff came after seeing a need for more comprehensive security solutions from several clients of Virtual IT.

“Security systems are moving from analog technology to digital technology,” Silver says. “We developed a software program called iSpy Security Manager, which provides Internet based security monitoring with physical and data assets on one console.”

Silver says there was already interest in the iSpy system from a state agency. She says that the development of the product was one of the main reasons for Virtual High Tech's separation from Virtual IT.

“It just didn't fit with our vision,” Silver says. “We didn't want to muddy the water and we wanted to stay true to our mantra of being impartial and unbiased. We don't sell products. We want our interest in our client's success to be uncompromised by the things we sell.”

(Rod Belcher is a Roanoke-based freelance writer.)