

A person in a light blue shirt is standing in a server room, holding a laptop. The room is filled with server racks and cables. The entire image has a blue tint.

planetmaggie

THE CASE FOR THE VIRTUAL CIO

How Smart Biotechs Save on Executive-Level
IT Decisions at Every Growth Stage

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What if you could 'rent' a Chief Information Officer for less than half the cost of 'owning' one?

A "Virtual CIO" is a Senior-Level IT Consultant who acts as the Chief Information Officer for your company. They provide the strategic direction and IT solutions to support your company's growth and business goals.

Hiring a Virtual CIO typically goes like this:

1. A company contracts a Virtual CIO for a new IT project. For example, generating an IT strategy they can follow as they scale for the next 3 years.
2. The Virtual CIO leads the creation and implementation of the IT strategy—builds out a new network, plans deployments, sources hardware/software, arranges for service contracts like ISPs, support techs, etc.
3. He/she reports on progress regularly to the company's Board/Investors.
4. Once the project is complete, the Virtual CIO moves into a maintenance role, overseeing the implementation of the strategic plan and serving as a technical expert for the company.
5. The difference from a CIO? All the work is performed on an hourly basis.



Five Advantages a Virtual CIO Brings to Emerging Biotech Companies

Emerging biotech firms typically don't need the full-time services (or expense) of a CIO. But they do need CIO-level insight in order to make critical IT decisions at all their growth stages.

A Virtual CIO brings that insight from their own varied experience working in the IT field over many years. The typical Virtual CIO has a broad experience base across different business verticals and company sizes. This helps guide companies quickly to the best solutions.



A Fraction of the Cost of
a Full-Time CIO



Respect for
Cybersecurity, Born of
Experience



SOX and HIPAA
Compliance Expertise



Forward-Thinking IT
Budgets and Planning



IT Advocacy with
Cross-Department
Management Skills

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#1

A Fraction of the Cost of a Full-Time CIO

A Virtual CIO is much more cost-effective than a full-time CIO and often better-qualified.

Virtual CIOs are Senior IT Consultants with a breadth of experience from consulting, often with direct industry IT experience. Senior IT Consultants are often called on to help in disaster recovery situations—which helps them design/build networks to avoid those mistakes!

A full-time CIO with C-Level/Board experience averages \$318,000/year plus benefits in Silicon Valley. If you want a CIO with SOX experience, expect to pay \$386,000/year. On the other hand, a Virtual CIO in the Valley would bill at hourly rates in the \$250/hour range.

Since the Virtual CIO only consults as-needed, you only pay for what you use. This is more cost effective than a full-time hire. How much more cost-effective? Let's use a typical first year for a Virtual CIO at an emerging company preparing to go public:

Network Review & 3-Year IT Plan: 200 hours at \$250/hour = \$50,000
Consulting on SOX Compliance: 200 hours at \$250/hour = \$50,000
IT Staff Management & Projects: 100 hours at \$250/hour = \$25,000
Total: \$125,000

Annual Cost for Full-Time CIO = \$386,000++

Total Billings for Virtual CIO = \$125,000

Cost Savings = \$261,000



#2

Respect for Cybersecurity, Born of Experience

Healthcare (including biotech) is one of the most-hacked industries in the world. If your IT strategy doesn't make cybersecurity its foundation, you're asking for trouble.

The Senior IT Consultants who serve as Virtual CIOs have been hired to work on more disaster recoveries than they probably care to remember. They want to avoid another one, however possible.

But to combat serious cyber threats, they'll need buy-in from company leaders.

A Virtual CIO relates the issue to the C-Levels in their terms. Then provides the solution—in the form of a custom, scalable cybersecurity strategy that protects their IP assets for years.

The kind of IT strategy you get from a good Virtual CIO:

- Includes all necessary IT elements: security, reliability, scalability, business continuity, apps and cloud apps suited for your industry, etc.
- Creates the right corporate culture for an easy IPO transition later.
- Frees up your management to focus on building the core business.
- Shows how to use IT as your company's competitive advantage, instead of just a line item expense.

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#3 SOX and HIPAA Compliance Expertise

Do you know every compliance requirement in SOX 404? Most people don't or ever want to!

The top Virtual CIOs already know the IT requirements for SOX and HIPAA compliance from working with audit firms. They can start putting IT controls in place early, to make sure the company adheres to all relevant compliance requirements. This also makes going public easier when the time comes.

One example of a compliance requirement:

Biotech companies must send secure emails to the FDA. They can't use a non-domain-based email address (user@yahoo.com, user@gmail.com). As a first order of business, a good Virtual CIO will move your company to a properly secured domain-based email system to meet FDA requirements (user@yourcompany.com).



#4 Forward-Thinking IT Budgets and Planning

Budgets restrict IT. A Virtual CIO has learned how to reduce long- and short-term costs through standardization, IT controls, and various support models.

They can plan out a 3-year IT budget, with ALL of the elements you'll need to consider based on your existing network, projected growth, and team's functional needs:

- Hardware procurement and warranties
- Software licensing
- Cloud services
- Disaster recovery
- Applications
- Telephony
- Bandwidth
- Cybersecurity
- Tech and employee training
- Inside and outside IT support
- Relocation and expansion
- SOX and HIPAA compliance
- And more

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#5 IT Advocacy with Cross-Department Management Skills

The best Virtual CIOs can effectively communicate with everyone on your team, from desktop support to C-level executives. They have worked in many different environments, learning how to relate to everyone's needs.

A Virtual CIO knows when to work exclusively with a CEO to develop an IT plan, and when to suggest the creation of an IT Steering Committee. They can speak authoritatively in Board meetings and provide technical explanations as experts in their field.

Most importantly, a Virtual CIO can improve your customers' experience. How? By using IT to boost your company's overall productivity (including remote & mobile workers).

They can also assist in hiring IT staff when needed, including a full-time CIO when the time comes.

Reducing Costs, Planning for the Future, Best-Practice IT ... all at a Big Savings

We hope these 5 advantages demonstrate the value a Virtual CIO can bring to your company.

"Renting" a CIO might seem curious at first. But the cost savings for expert IT direction supplies real value, at any growth stage.

Interested in bringing on a Virtual CIO?

Contact PlanetMagpie IT Consulting at info@planetmagpie.com.