

# When Your Business Grows, Consider Renting a CIO

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For years, small business owners, mid-sized firm executive boards and venture capital-backers of biotechnology and medical device startups have faced a no-win question: do you spend your limited money on hiring an IT executive for your growing company or do you try to somehow do it yourself without risking your company growth or making a mistake protecting sensitive information like clinical patient records or intellectual property?

Or, do you just hire a temp?

An increasing number of small to mid-sized businesses are trying out that third option, skipping the do-it-yourself risks while avoiding the full-time executive team member costs by hiring part-time or retainer-based information technology executives called temporary or interim Chief Information Officers (CIO). “It’s fantastic opportunity for companies with income under \$900 million,” said Richard Eichen, who runs a New Jersey-based interim CIO service, [Return on Efficiency](#), focused on the northeast market. “You can get someone to come in a few days a week to oversee your information technology department, negotiate with computer and software vendors, and keep an eye on costs. I’ve even worked with several clients solely to handle the search and new hire process to build a permanent information technology (IT) department for a new production facility.”

Benard Longo, director of a mid-sized nonprofit group in Hampton, Virginia looked to a local interim CIO service to advise him on a complete revamp of his organization’s network, computer systems, software and outsourced support vendor contracts. To keep costs low, Longo chose the firm’s “virtual CIO” service, available through phone conferences and over e-mail. “In the span of an hour phone call, we saved over \$53,000 – including the cost of the service,” said Longo. “And that doesn’t even touch all the productivity insights, tips and suggestions we received along the way whenever questions came up.”

For companies, particularly biotech startups, struggling to meet regulatory guidelines, keep expenses low and complete short-lived technology projects, bringing in an experienced, outside advisor on the technology side – just as startups and venture capitalists have done with temporary finance chiefs for the past 15 years – increasingly makes a lot of sense.

Typically, when a firm hires for an executive role, that position is expected to have long-term, direct impact on the bottom line; as a result, priorities usually resolve around product development and commercialization, marketing and business development. Just like a temporary finance executive, the interim or virtual CIO can be brought in smoothly for dedicated, short-lived initiatives such as creating or fine-tuning a technology strategy, negotiating with outside IT vendors on behalf of the business, overseeing electronic information

management or compliance projects, and helping develop trigger-points for the company to keep an eye on as it grows, such as when to outsource, what to outsource, and so on.

Most interim CIO services base their work and fee structure on the interim chief financial officer services that have been around for far longer. Depending on if you chose to go with an on-site executive or a remote, virtual CIO, expect to pay for expenses like supplies and travel, a directors and officers insurance policy as necessary, plus the individual fees. In the interim financial officer marketplace, hourly fees run between \$125 to \$300 with daily rates between \$1,000 to \$3,000.

## WHERE TO LOOK FOR HELP

If an interim CIO service sounds like a good fit for your growing business, consider trying three ways to find the service right for you:

1. If you are satisfied with your current technology support vendor, ask them for recommendations. You may be able to negotiate a mutually beneficial arrangement.
2. Ask your colleagues at other, similar sized companies.
3. Search an on-line database or simply e-mail the executive director of a nonprofit IT-specific professional association like the [Independent Computer Consultants Association](#).

If you want improve your chances of getting someone who has business and personal skills and knowledge, not just technology expertise, restrict your search only to those interim CIOs who are small business owners themselves. Chances are, they already have a good grasp of the challenges and tradeoffs you face, and will quickly agree with you on the need for practicality and flexibility.

Are you ready?

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