



**To Exit and Beyond:  
Grow Your Tough  
Tech Startup with  
Managed IT**

# THE RAPID RISE OF TOUGH TECH

The world is complicated. As complexity increases, so do problems—which seem to only get tougher. Urgently addressing global challenges, such as climate change, human health, agriculture, nanotechnology applications, and more, is increasingly important. The potential benefits have wide-ranging, long-term impacts for everyone, as well as the planet. To tackle these challenges, Tough Tech innovators are blazing new trails in search of technological solutions to the world’s most complex problems.

The Tough Tech community only continues to grow—this is reflected in the rate at which investment dollars have flowed into the space. Over the last few years, the number of Tough Tech investments has skyrocketed:

**From just shy of 500 venture transactions closed in 2012 across \$2.9 billion in aggregate VC, funding of companies tackling myriad Tough Tech arenas has soared to a mammoth \$35.7 billion in 2018 across over 1,600 deals. Quarterly deal flow further reveals that such sums aren’t due to outlier quarters; rather, since the middle of 2017, quarterly VC investment has been robust, while Tough Tech financing volume has held steady across the board. [1]**

As a Tough Tech pioneer, you created your startup because you are passionate about solving tough problems using technology. You’ve brought together, and invested in, smart people and their ideas to get your company off the ground. While there are always challenges that must be addressed as you grow your business, some of these are present within the context of the startup environment itself: budget constraints, fast-moving competitors, regulatory requirements, pressure from investors, security and IP concerns, and more. To mitigate these challenges, and facilitate the growth you expect, it is critically important to give your people the tools and systems they need to get the job done.



[1] Source: “2019 Tough Tech Landscape.” The Engine, Massachusetts Institute of Technology (MIT). [https://www.engine.xyz/wp-content/uploads/2019/10/The-Engine\\_2019\\_Tough\\_Tech\\_Landscape.pdf](https://www.engine.xyz/wp-content/uploads/2019/10/The-Engine_2019_Tough_Tech_Landscape.pdf).

# IT Infrastructure:

## A key building block of startup success

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One of the main components of any business is a solid IT infrastructure. Many companies use existing staff, hired for non-IT roles, to fill in and take on the initial IT tasks. But it is highly likely that these chosen few don't know what they don't know. While a solution may work well in the short term, with a limited number of staff or in a limited way, understanding the long-term IT needs, efficiency, and scalability requirements is beyond the knowledge and experience of most non-IT professionals.

Another option is hiring an in-house IT team. Unfortunately, there are crucial drawbacks and missed opportunities with this approach. First, a single person (or even a small team) can't possibly know everything about IT. Even the world's best IT manager can't do it all. To get the job done right, you need a full team. Plus, a company's needs will change over time. For example, setting up one user is easy, but setting up 150 consistently is very difficult—you likely do not want or need to hire a full IT team when you only occasionally need that level of support.

Engaging an IT managed service provider (MSP) to support existing IT staff (or on their own if there is not an in-house IT team) is another way to create the IT infrastructure that a growing business needs. These seasoned professionals work closely with the in-house team to deliver solutions and services that are tailored to the business' needs, improving efficiency and effectiveness. By maximizing its familiarity with the environment and people, the IT service provider provides consistent support and offers best practices that keep things running smoothly.

The bottom line is that as your company matures, it's important to keep your experts focused on the problems they were brought in to solve, rather than have them distracted in other areas.

While information technology is not always top of mind, it's a key component of a startup's success. If it's done by the wrong people, IT becomes a barrier to the company's success. On the other hand, if it's done by a team of experienced professionals, IT can fast-track a startup's success and become an enabler for growth and productivity.

# HEADING FOR THE EXIT



The VC and private equity firms that fund startups are seeking a return on their investment and, ultimately, an exit. One common exit strategy is via mergers and acquisitions. During that process, a lot of preparation is required of the startup as their structure and solutions are evaluated in detail. A key component of this review involves the IT systems and security—if a startup has sound IT systems and processes, the chances of a maximized value at the exit is more likely. It shows that the startup has done its due diligence and understands the key role IT plays in its current and future success.

Working with an expert IT provider accelerates a startup's potential to reach its goals. A truly world-class IT provider will do things right the first time: they focus on your immediate technology needs, but also keep in mind how your business will scale so that you have everything in place for the future. Although some IT solutions may seem small and insignificant now, if selected appropriately and implemented correctly, they can seamlessly scale as your business grows because everything was thought through and done right at the beginning. For example, if your business chooses the wrong email provider at the start, you will need to invest more money and time down the road migrating to another email provider that can scale later.

## *Overall Tough Tech highlights include:*

- ***\$307.6 billion total VC invested in Tough Tech from January 2016 through August 2021 [2]***
- ***\$77.5 billion total VC investment in Tough Tech from January 2021 through August 2021; on pace to exceed \$115 billion capital invested and deal count of 5,800 by the end of year [2]***
- ***\$80.7 million median late-stage pre-money valuation in Tough Tech hits a new high [2]***
- ***48.7% year-over-year increase in Tough Tech VC investing from 2019 to 2020 [2]***



# TOUGH TECH IN REAL LIFE

Industry: Life Sciences & Cloud Infrastructure

## Challenge

A life sciences company specializing in medical engagement management had an older cloud infrastructure that was, at the time, designed to simply migrate them to the cloud. The lack of thought that went into the architecture or best use of cloud services led to a cloud spend that was astronomical.

Additionally, they were in the midst of being acquired by a large, global company and had lots of turnover in the engineering staff. Knowledge of the environments was quickly leaving with those departing employees, and it was difficult to tell whether resources were still needed or had been abandoned. As part of the acquisition, there was also a desire to figure out how to templatize environments for easier global replication in other areas within the new parent company.

## Solution

The solution was to engineer a new, cost-effective, easily-replicable cloud infrastructure. The cloud infrastructure needed to be completely rebuilt and had to account for the complexity of multiple existing environments.

The AWS-based solution utilized automation where previously there had been none, templates defined the various elements of the environments, and custom functions defined the network and account architecture.

By adopting an automation-first strategy for resource deployment, the tracking and scaling of resources allowed the enforcement of policies that, for example, required resources to be tagged with an expiration date so that they could be automatically shut down when they were no longer needed.

## Results

### Cost savings

Rearchitecting the cloud infrastructure and creating automation allowed for significant cost savings – about 1/3, or \$83k per month. Role-based access enhanced security, increased scalability, and streamlined processes. This also made audits, of which they are frequently a target, much easier to screen for compliance and complete in a timely manner.

### Enhanced disaster recovery and security

Disaster recovery became practical rather than extraordinary. The old environment, hand-built by long-departed staff, contained many mysteries. The new environment was standardized, meticulously documented, and codified into the automation. New environments are now generated, with appropriate data, as needed to support the growth of the business.

### Time-saving automation

The templated and replicable environments meant that additional environments could be added anywhere in the newly-merged company, allowing for accountability and ease of management. New environments are now created in minutes versus months. This substantial time savings let the company focus on revenue-generating projects rather than the context that delivers them.

# Doing IT Right From The Start

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How can you ensure that your Tough Tech company is setting up its IT correctly? By delegating this part of the business to a team of experts who bring a wealth of knowledge that enables startups to succeed. Partnering with an MSP that makes educated decisions helps ensure your IT budget is spent wisely and creates a framework for an efficient, flexible, and responsive system capable of meeting the needs of a growing company.

A team of IT experts, with extensive experience in startups, can establish data policies, compliance, security and protection, cloud infrastructure, device management, IT focused on business outcomes, leadership, and unique insights. By partnering with IT providers, you can discover solutions that boost efficiencies and allow you to focus on scaling and growing your business.

Starting operations with the correct hardware, software, and infrastructure can help you avoid playing catch-up in the future. When a non-expert starts building their business around IT systems that are not configured properly, built in a way that doesn't scale, or lacks proper security, it creates additional costs, in both time and money. There is the direct expense of repairing what is broken, and the far more costly expense of lost productivity or IP. Instead of starting with a seemingly fast and easy solution that leads to costly challenges in the future, a team of experienced IT professionals gets it right the first time so that your startup is primed for growth. Implementing the right systems the first time saves you time and money in the long run.



# WHAT YOU NEED FROM MANAGED IT SOLUTIONS

There are solutions to the IT challenges your Tough Tech startup is facing—the best managed service providers can bring these solutions to you immediately, saving you the time and resources required to figure it out on your own, and help you pave the way for your ideas to rapidly become reality.

Tough Tech brings together the brightest minds to solve the toughest problems at a large scale. An MSP should have years of experience working with startups in a variety of Tough Tech fields, such as life sciences/biotech, semiconductors, exploratory data analysis (EDA), and more, to fully understand the IT challenges faced by Tough Tech companies. A critical element of an MSP's approach to working with a Tough Tech startup should be understanding what IT systems are required to fully support its success.

It is important to consider your MSP as a trusted business advisor who provides proactive, highly-customized, high-value IT services through strategic consulting and great relationships. The MSP should be focused on finding the right solution for your business and not pressuring you into buying a pre-packaged, one-size-fits-all solution. Working with this type of MSP gives you the following benefits:

- The right IT solutions for your business, the first time
- Broad expert IT knowledge
- Efficiency
- Higher productivity
- Seamless, rapid scalability
- Focus on business within the company
- Cut labor and other costs
- Ownership of solutions and issues

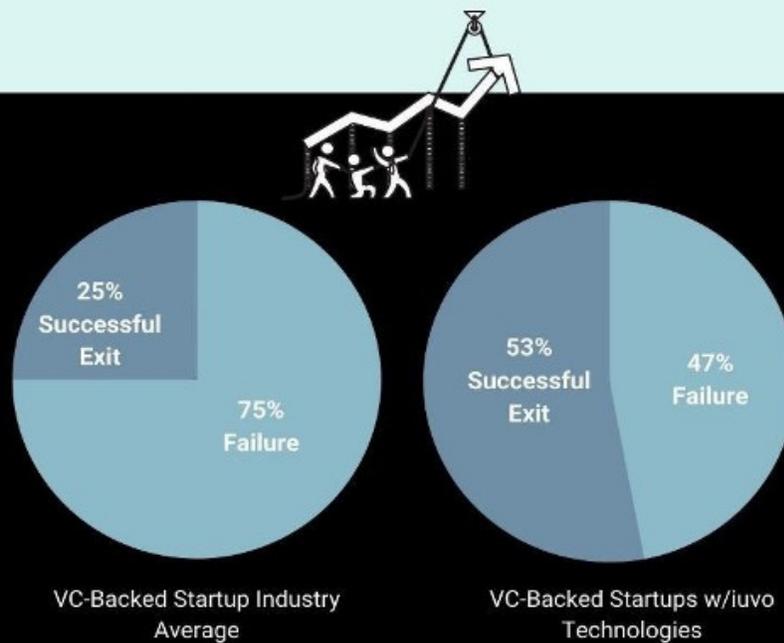
Your MSP's expertise should help your startup stay one step ahead of your competitors and get your solutions to market faster. Implementing efficient IT systems means you can remain focused on your business and strive to achieve your goals, with the peace of mind that comes from the support of a solid IT infrastructure.

# iuvo Technologies: World-Class, Managed IT Services

When you're ready to make a strategic investment, be sure to hire the best managed IT service professionals for the job. Many providers say they are the best, but you need a provider who can back up their claims with evidence.

When you partner with iuvo Technologies, you put your trust in a company that has many years of experience working with Tough Tech startups. We understand what it takes for a startup's IT systems to support the success of the business. In fact, startups who choose to empower their business with IT solutions from iuvo Technologies are more likely to achieve a successful exit.

**On average, only 25%\* of VC-backed startups have a successful exit. With iuvo Technologies, 53%\*\* of VC-backed startups achieved a successful exit, outperforming the market by more than 100%.**



\*Source: HBR Study Authored by Shikhar Ghosh & WSJ Article

\*\*iuvo Technologies startup data analysis: 26 startups, 9 successful exits, 9 active invested funds, and 8 failed

# Uniquely Tailored Solutions for Your Business

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Whether you are just opening your doors or have been in business for a while, iuvo Technologies can work with you at any stage of the startup life cycle. Our IT experts can build your infrastructure from the ground-up or work with your existing systems, no matter how disparate they may be.

**IT Chaos** —→ **Clarity**

The solutions we create for your company are uniquely tailored to your IT needs. We use our years of experience and knowledge to first assess your current IT systems. We then create the best mix of technologies and integrations that make the most sense for your business, your budget, and your future plans. Once your solution is in place, we advise you on best practices and offer information on IT processes that help you scale seamlessly and quickly so you can take your business to the next level.

We also make sure to document every part of your solution—we explain why we made the choices we did, how everything works, and the options you have as your business grows and changes. The documentation becomes a history of our partnership and is also available as a tool to help educate people who come into the business later.

We don't stop at the initial solution: iuvo Technologies implements elegant IT and provides ongoing support so you can focus on getting your novel Tough Tech idea to market. And most importantly, we take ownership of our work with you: we're not satisfied until you're satisfied.

With help from iuvo Technologies, you can build the IT foundation of your business, while receiving world-class, startup IT support services.



# TOUGH TECH IN REAL LIFE

*Industry: Semiconductor Startup, Acacia Communications*

## Challenge

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Acacia Communications was a newly formed startup with typical budgetary and staffing restrictions. They did not have any IT set up and needed a solid IT partner who could strategize and implement a complete solution, while allowing for future growth—all on a startup budget.

## Solution

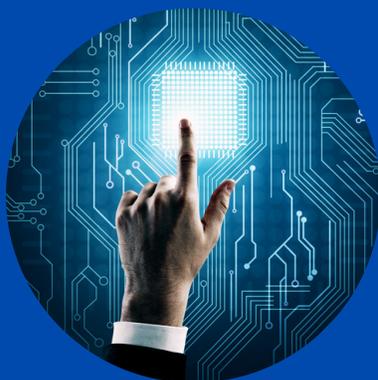
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Acacia chose to partner with iuvo Technologies, which used its expertise to build an entire IT infrastructure that supported both Acacia's current needs and plans for future growth. Working closely with Acacia, iuvo Technologies designed and developed a scalable electronic design automation, ERP, security, backup, collaboration, and telecommunications infrastructure that provided support for their growth and flexibility to scale for success. Acacia also knew exactly how much it would cost for each new hire.

After the implementation, Acacia was able to build their high-speed, coherent interconnect products with incredible efficiency and speed. Once set up was complete, iuvo Technologies then shifted gears to build on this strong foundation and provide Acacia with ongoing IT expertise to ensure issues were solved quickly and correctly the first time.

## Results

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**With the proper IT technology and solutions implemented, Acacia was able to scale incredibly quickly—within 5 years, their startup became the 5th fastest-growing company in the Inc. 5000, growing 20,690% over 3 years. After going public, they were acquired by Cisco for \$4.5B and continue to use iuvo Technologies as their trusted IT advisor.**

**The seamless onboarding of modernized IT solutions and predictable, scalable spend was a critical component of this rapid success—all made possible because of Acacia's partnership with iuvo Technologies.**

# THE IUVO TECHNOLOGIES DIFFERENCE

Here are six key differentiators that iuvo Technologies' clients experience every day:

## Responsiveness & Customer Service

- We don't just respond quickly—we have a **16-minute (average) and 10-minute (median) response time to critical tickets** over the lifetime of our company.
- We **measure customer satisfaction regularly** via the NPS (Net Promoter Score) survey, a standard metric used in customer experience programs.
- Our **world-class NPS score of 74** places us among the best customer service companies in the world and is over two times better than the average score for managed service providers.

## Dedicated Teams

- Most MSPs have a help desk that handles basic IT issues; in other words, they don't know their customers directly and they do not have the context or knowledge to see the big picture.
- When you work with us, you get a **dedicated team of people** who not only have **deep expertise** but also **take the time to get to know the company** and feel more like co-workers.
- Each company **gets a minimum of two direct service engineers plus an engagement manager** as dedicated support personnel.

## Senior Experts

- While other MSPs put less-experienced junior staff at the virtual help desk, **we only hire senior consultants** who (on average) have **22 years of IT experience**, saving you precious time and money.
- When a problem arises, **your dedicated team draws from a wealth of knowledge** to find the best solution the first time.
- Our experts **find the root cause** and then **proactively search for similar issues** within the company and **solve them behind the scenes** so that **the whole team can stay productive**.
- When comparing MSPs, be sure to ask about their **average years of technical experience**—it can make a huge difference.

***“iuvo Technologies provided a level of expertise that was difficult to achieve given our staffing constraints. We would highly recommend iuvo Technologies.” – Steven Cote, IT Manager, Acacia Communications***

# THE IUVO TECHNOLOGIES DIFFERENCE

## Engagement Managers

- When you work with iuvo Technologies, your Engagement Manager (EM) is your primary business interface—a **senior technical resource** whose entire job is **dedicated to ensuring** you are **getting the right solutions and service**.
- We ensure **you get what is right for you**, not what is right for the salesperson or quota.
- **Your EM performs Quarterly Business Reviews**, acts as a trusted advisor, and is rewarded for your content.

## Broad Skill Sets

- Other MSPs focus exclusively on Microsoft products and services.
- Rather than this one-size-fits-all approach, **we match your needs to the right solution for the job**.
- Our technologists have a **broad set of skills and knowledge**, including Windows, Macs, Linux, networking, and cloud technologies.

## Part of the Team

- We are **on-site at your locations whenever possible**, which allows us to become familiar with the environments and people, and ensures **we are on-hand when needed**.
- We also **seamlessly join remote workforces** on video calls **to develop deep relationships** while leading you in **best practices for working from anywhere**.

## iuvo Technologies by the numbers:

✓ 22 Years  
Industry  
Experience

✓ 74 NPS  
Score

✓ 37 Awards  
Won

✓ 16 Minutes  
Avg.  
Resonse

✓ 21+  
Premium  
Partnerships

# Ready for the Next Level?

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A startup has a critical need for speed and scale. To meet these needs, your Tough Tech company requires a solid and secure IT solution to meet your business goals and get to market quickly.

Engaging with a skilled team of professionals to manage the IT side of your business can help you stay focused on the problems you're trying to solve, scale seamlessly, become more productive, protect valuable IP, and operate with a predictable IT budget—all of which help to increase your chances for a successful exit.

When you're ready to take your Tough Tech startup to the next level, schedule a call with iuvo Technologies—let us transform your IT chaos to clarity.

***"Our partnership with iuvo Technologies and their investment in our success has been instrumental in establishing our sound IT foundation." – Bhupen Shah, VP of Engineering, Acacia Communications***

