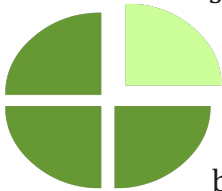


As companies strive to streamline operations, they look to reduce permanent high-level talent but that talent is still needed. Hiring specialized expertise on a per-project basis may make more sense to drive profitability without draining a company's best assets – its talent.

Fractional Talent– what is it?

How do small businesses leverage the trends that big businesses are adopting to stay competitive and grow? Most often companies hire to grow. Often they need specialized talent to grow as well. One trend that is helping companies grow is to hire a high-level executive for a project or piece of work to be done, this person is called a fractional executive. Fractional executives can help take your business to the next level. You're hiring the expertise, someone who can give you the strategic outlook your business will need at only a fraction of the cost and time.



When Does Fractional Talent Make Sense?

A business needing expertise and doesn't have the specialized talent in house or can't afford a full time executive, still has business challenges to be solved. Why hire a full-time employee when you can rent one? Let's say you needed a strategic marketing plan designed and executed over the next 3 months to grow your business by 50%. A Chief Marketing Officer (CMO) will help you do that. How much do you think that person would cost you in a competitive market? What about the cost of benefits, unemployment insurance and other perks that Executive price tags come with, how much does all that cost? When you add it all up, to hire and retain a full time CMO you're looking at around \$400,000 give or take. That might be more than your businesses entire first year profit!

"Don't tell me where your priorities are. Show me where you spend your money and I'll tell you what they are."

- James W. Frick



Fractional executives work in your business, often making a tremendous impact in a short amount of time. Fractional executives generally earn from \$1,000 to \$2,000 a day, sites **Fortune Magazine**. You are paying for quick results. According to a recent article, "If you hire someone full-time, it takes 90 days to ramp up. When an interim executive has been on the job three days [the person is] 90%" effective. So you could hire a fractional CMO to come in for three days a month with a high end cost of \$72,000 a year versus \$400,000.

Why it works

Like agile software development, fractional hiring allows you to take the most important pieces of your growing company needs and buy that first. Macro or micro projects led by an expert in the field can be a fraction of their total cost to give you a project ROI of having a CFO, CIO, CMO or COO. A Fractional Chief Operating Officer saved a publishing company \$1 million dollars during the nine month gig he had. During that time he replaced himself with a



\$60,000 employee. The business was going to pay \$160,000 for this position, which wasn't needed. A high level executive can recognize these needs that often a business can't. With a fractional executive you are leveraging their experience which just can't be found in an entry level or even mid-career level professional.

Conclusion

The trend of hiring and utilizing a fractional executive gives small business the talent needed to lead and execute specific projects. Having a fractional executive helps you balance the need versus cost. The cost savings of one project alone could even pay for these positions, sometimes even more than 10 times the dollar cost.

About the Author:



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Footnotes

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