



11-18-2024 | FAST COMPANY EXECUTIVE BOARD

The strategic advantage of hiring fractional executives: Empowering CEOs to lead

Fractional executives offer CEOs the opportunity to reclaim time and concentrate on what matters: leading their organizations through uncertainty and fostering growth.



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BY **BETH JANNERY** 4 MINUTE READ

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CEOs face immense pressure to balance long-term strategy with daily operational demands. Challenges ranging from geopolitical instability to the rise of generative AI have complicated leadership roles. To maintain a focus on growth and innovation, many CEOs are turning to fractional executives—experienced leaders who engage on a part-time or project basis to drive key initiatives.

As a founder, thought partner to CEOs, and a fractional leader in roles such as chief strategy officer and chief marketing and communications officer, I have witnessed firsthand the substantial value that fractional executives bring. By offloading critical responsibilities, CEOs can concentrate on what truly matters: navigating uncertainty, driving growth, and harnessing technology to unlock new opportunities.

WHY FRACTIONAL EXECUTIVES MATTER NOW MORE THAN EVER

Fractional executives provide organizations access to senior leadership expertise without the commitment of a full-time hire (full disclosure: Titan offers fractional executive services).



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Here's why CEOs should consider engaging these seasoned leaders:

1. Relieve operational burdens: Fractional executives can manage vital areas such as operations, mergers, and change management, enabling CEOs to focus on long-term strategic goals instead of being bogged down by day-to-day management.

2. Navigate growth and uncertainty: In an era marked by geopolitical challenges, fractional leaders can handle operations, allowing CEOs to address external issues and explore new market opportunities.

3. Facilitate change management and innovation: As companies undergo transformations, fractional executives can guide them through restructuring and cultural shifts, providing the necessary leadership to maintain stability and foster innovation.

SHIFTING CEO FOCUS TO STRATEGIC PRIORITIES

CEOs today are increasingly concerned about external disruptions. According to a Deloitte survey, **top concerns** include managing growth and navigating geopolitical uncertainty. Additionally, generative AI is revolutionizing business innovation, with nearly a quarter of CEOs leveraging it to support their work. However, effectively implementing AI requires strategic oversight and time—resources many CEOs lack.

Fractional executives can bridge this gap. With operational concerns managed effectively, CEOs can then focus on broader issues like strategic growth and leveraging AI. Moreover, fractional leaders can guide the complex integration of AI into business processes, ensuring alignment with long-term goals and fostering responsible AI policies.

LEVERAGING FRACTIONAL EXECUTIVES FOR AI AND INNOVATION

As companies increasingly explore AI's potential, fractional leaders can play a crucial role in overseeing its implementation. CEOs need time to develop forward-looking strategies and explore how AI can transform their businesses. Fractional executives, especially those with tech expertise, can help ensure seamless integration of AI tools, facilitating innovation without disrupting daily operations.

Furthermore, AI adoption raises concerns about data security, privacy, and ethics. A seasoned fractional executive can provide the strategic guidance needed to establish responsible AI policies, allowing CEOs to concentrate on leveraging technology for growth.

A SMART MOVE FOR CEOs AND PRIVATE EQUITY OWNERS

Hiring fractional executives can offer significant advantages for companies in transition or facing leadership gaps:

1. Focused leadership: By assuming key roles, fractional executives can enable CEOs to concentrate on growth, market expansion, and risk management, allowing them to lead with clarity in a fast-paced,

disruptive environment.

2. Access to expertise: Fractional executives offer high-level guidance, facilitating organizational growth and operational efficiency without the burden of full-time leadership costs.

3. Driving innovation and AI: Fractional leaders can manage AI implementation, freeing CEOs to stay ahead of technological trends and capitalize on emerging opportunities.

THE RISE OF FRACTIONAL CEOS

The trend of hiring fractional CEOs is transforming leadership dynamics across various sectors. This model provides businesses with strategic guidance during crucial transitions, such as scaling operations or entering new markets.

Companies in fast-paced industries like tech and health care can benefit from the expertise of fractional CEOs, who deliver targeted leadership without the commitment of permanent roles. This approach is also gaining traction among private equity firms, which utilize fractional CEOs to enhance portfolio performance and drive value creation.

FRACTIONAL EXECUTIVE TITLES

These roles provide organizations with the flexibility to access high-level expertise tailored to their specific needs, without the commitment of full-time hires. The following fractional executive titles highlight the hiring possibilities for the C-suite:

- Fractional chief executive officer (CEO)
- Fractional chief financial officer (CFO)
- Fractional chief marketing officer (CMO)
- Fractional chief operating officer (COO)
- Fractional chief technology officer (CTO)
- Fractional chief human resources officer (CHRO)
- Fractional chief strategy officer (CSO)

WHAT TO LOOK FOR IN A FRACTIONAL EXECUTIVE

Leaders should prioritize candidates with a proven track record in strategic decision-making, adaptability across industries, and the ability to quickly integrate into a company's culture. Look for expertise in the specific area where your business needs guidance, such as growth strategy, marketing, or operations.

To assess if a fractional executive is right for your company, start by identifying the critical gaps in your leadership team, determine if a full-time executive is necessary or if part-time expertise would suffice, and evaluate your budget and timeline for achieving key objectives.

CHALLENGES AND CONSIDERATIONS

Fractional executives may need time to fully understand a company's culture and processes, potentially impacting the speed of execution. There's also the risk of misalignment between their strategic focus and an organization's long-term vision.

Leaders should consider the scope of work and whether the fractional executive has the bandwidth to dedicate sufficient time and attention. Ensuring clear communication of expectations, timelines, and objectives is crucial to avoid confusion. Leaders should also assess the flexibility of the fractional role and how well it can integrate with full-time leadership.

THE BOLD TAKEAWAY

Fractional executives offer CEOs the opportunity to reclaim valuable time and concentrate on what truly matters: leading their organizations through uncertainty and fostering growth. I have seen how the right fractional executives can empower CEOs to innovate, grow, and navigate disruption effectively.

For CEOs eager to lead with vision and stay ahead of the curve, bringing in fractional executives isn't just a smart move—it's essential. For tech startups, mid-sized businesses, and private equity firms facing critical transitions, a fractional CEO can deliver vital strategic insights and operational guidance, enabling these organizations to achieve their strategic goals and drive sustainable growth.

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ABOUT THE AUTHOR

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