

# How a fractional manager might benefit your business

*This is part two of a series about fractional management by Dan Elder.*

Last time I introduced the concept of fractional management.

If your business is fortunate enough to be participating in the uneven economic recovery but you don't feel you can afford to hire full-time executives or managers to oversee your expanding staff, bringing on one or more fractional managers may work for you.

Let's explore the concept.

## What are fractional managers?

First, fractional managers are employees of the firm. They are not consultants or typical part-timers. They are senior-level people

who've "been there, done that" with decades of experience and are proficient at what they do. Gray hair is an asset in this role, and because they're longer-term employees, they're committed to the success of your corporation.

And they only work for you between one or two days a week to one or two days a month.

How does this concept work?

A full-time manager or executive might spend 20 percent or so of their time on strategic and big-picture issues. The rest is generally taken up with routine reports, general management or technical issues.

So, by retaining senior talent for the 20 percent of the time they would be doing what only they can do best and letting lower-cost staff handle routine duties, smaller companies can afford the strategy they need to compete and grow.

They get the benefit of a

fractional manager's expertise and experience at a "fraction" of the cost of a full-time hire.

And a fractional manager also frees up time for you to allow you to do what you do best in running your business.

When should you consider hiring a fractional manager?

"Depending on the business model and industry, using fractional managers begins to make sense when a business's gross annual sales move past the \$1 million mark," says Bill Bliss, CEO of Bliss & Associates Inc., a business growth advisory firm headquartered in Seneca, S.C.

"At that point the 'mom and pop' business model really needs to be moving toward a more mature organizational structure. And, while there's no upper gross sales limit for bringing on a fractional manager, all department heads are typically staffed full time by the time annual sales reach \$50 million."

## The benefits of fractional management

Fractional managers are longer-term employees, so they have a stake in the company's success, i.e., they care and can be relied on, even when they're not in the office.

You can contact them outside of their regular on-site hours to talk about work, as you would with any staff manager (within reason, of course). Many will take work away from the office or request external email or system access so they can keep in touch and deal with things even when they're not physically on site.

Fractional executives aren't clock watchers. Like your full-time execs, they think about the work they do for you when they're not in the office. They'll send emails from home late at night, take phone calls after hours and be available when they're not "on the clock."

The flexibility that lets you

pick up the phone and make a call when you need your expert's opinion is the same freedom they have in being able to work from multiple locations.

## The bottom line

Fractional managers are experienced, reliable, longer-term employees whose expertise is available at a fraction of the cost of hiring a full-time manager. Using fractional managers begins to make sense when your annual sales pass \$1 million.

In part three we'll look at typical fractional employment arrangements and explore specific examples. In the meantime, I welcome your thoughts and feedback at [results@bgaccelerators.com](mailto:results@bgaccelerators.com).

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