

# Fractional or Interim? Choosing the Right Leadership for the Moment

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## **Fractional or Interim?**

### **Choosing the Right Leadership for the Moment**

#### *A White Paper for Fulcrum Nonprofit Leadership*

Nonprofits have traditionally thought about leadership in fairly simple terms: a position exists, someone occupies it, and when that person leaves, the organization hires someone else.

But increasingly, leadership does not have to be permanent or even full time to be effective.

Interim and fractional leadership give nonprofits different ways to access experienced leaders when circumstances do not call for a traditional full-time hire. While the terms are sometimes used interchangeably, they solve different organizational problems.

***Interim leadership is time-bound. Fractional leadership is capacity-bound.***

An interim leader serves for a temporary or defined period, usually until a permanent leader is hired, a transition is completed, or another organizational need is resolved. A fractional leader provides a defined portion of executive capacity, whether that means several hours a week, several days a month, or another agreed-upon level of engagement.

Put another way:

***Interim leadership fills a leadership vacancy. Fractional leadership fills a leadership capacity gap.***

But the two are not mutually exclusive.

An interim leader may also serve fractionally. A nonprofit may need someone to temporarily occupy the CFO or Chief Development Officer role, for example, but neither need nor be able to afford that executive for 40 hours each week. In that



case, the organization may engage a fractional interim executive, combining the temporary nature of interim leadership with the flexible capacity of a fractional model.

### **Interim Leadership: Filling the Seat**

When a CEO, CFO, Chief Development Officer, or other senior leader departs, the organization may not be ready to immediately select a successor. Yet leadership cannot simply stop while a search takes place.

An interim leader temporarily assumes the position, usually with much of the authority and responsibility of the permanent role. The interim provides continuity, stability, and experienced decision-making during the transition.

More importantly, the right interim leader can give an organization space to determine what it actually needs next rather than rushing to replace the person who left.

Interim leadership is therefore not merely about keeping the seat warm. Done well, it creates a bridge between what the organization has been and what it needs to become.

### **Fractional Leadership: Expanding the Table**

Fractional leadership addresses a different challenge.

The organization may have no vacancy at all. Instead, it lacks sufficient executive capacity or specialized expertise in an area such as finance, fundraising, strategy, human resources, technology, marketing, or operations.

A fractional executive provides senior-level leadership without requiring a full-time position.



This can be especially powerful for nonprofits. An organization may need the judgment and experience of a seasoned CFO but not require one 40 hours a week. Another may need strategic fundraising leadership but lack the scale to justify another permanent executive position.

Fractional leadership allows organizations to access the level of talent they need at the level of capacity they require.

### **Leadership Is Not Consulting**

There is also an important distinction between fractional leadership and consulting.

A consultant typically advises. A fractional executive helps lead.

The fractional leader should have defined responsibility, authority, accountability, and ownership for outcomes. The arrangement may be part time, but the leadership responsibility should not be.

Similarly, an interim executive is not simply advising the person occupying the position. For a defined period, the interim leader is occupying it, whether for 10, 20, 30, or 40 hours each week.

### **Design Leadership Around the Mission**

Perhaps the greatest opportunity presented by these models is that they challenge nonprofit leaders to reconsider the organizational chart itself.

The question should not always be:

Who should we hire?

A better question is:



What leadership does our organization need right now?

That requires answering two separate questions: What leadership role or expertise do we need, and how much of that leadership capacity do we actually require?

Sometimes the answer will be a permanent, full-time executive. Sometimes it will be an interim leader providing stability through transition. Sometimes it will be a fractional executive adding expertise and capacity. And sometimes it will be a fractional interim leader temporarily filling an essential leadership role at precisely the level the organization requires.

Future Ready organizations will increasingly design leadership around the needs of the mission rather than the conventions of the organizational chart.

Because the goal is not to fill positions.

The goal is to build the leadership capacity necessary to move the mission forward.

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