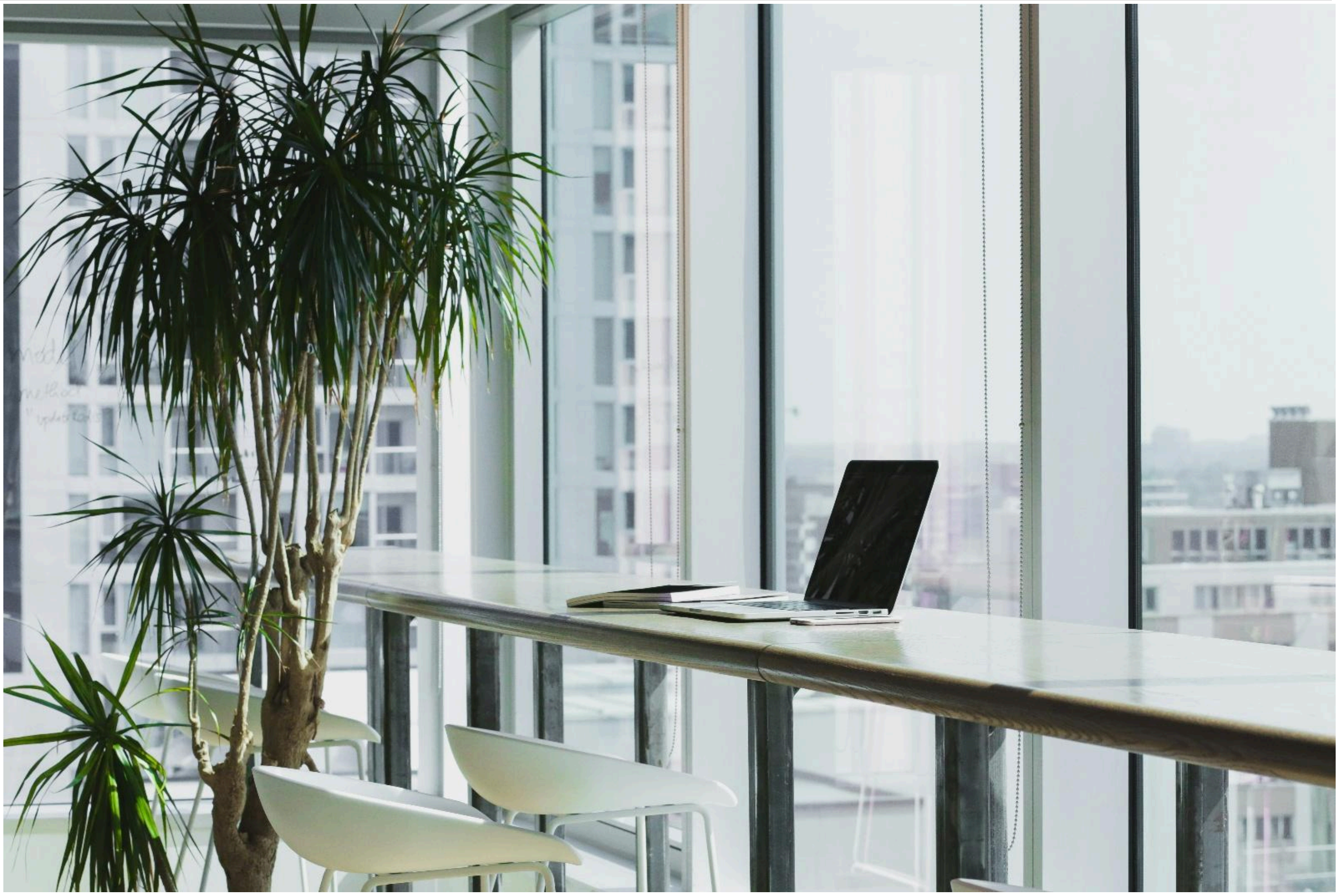

THE FRACTIONAL PLAYBOOK

A Startup's Guide to Hiring Beyond Full-Time

A 2nd Careers Report

For HR Leaders and Talent Acquisition Heads at Growth-Stage Startups

EXECUTIVE SUMMARY

This report presents one argument: **the full-time hire is not your only lever, and increasingly, it's not your best one.**

Every growth-stage startup eventually hits a critical capability gap that a full-time hire can't solve fast enough, or can't justify on the budget, or doesn't match the actual shape of the problem.

Globally, the fractional talent market has crossed $5.7 billion and is growing 14% annually. By 2027, Gartner projects that over 30% of mid-size enterprises will have at least one fractional executive on retainer. In India, the population of professionals aged 45+ with 20+ years of domain experience exceeds 150 million, a pool of calibrated expertise most startups never access because their hiring playbook only has one setting: full-time, or nothing.

This report gives you seven settings for Fractional Roles.

We map seven fractional work formats, ranging from the well-known (Fractional CXO, Advisor, Consultant) to formats most startups have never considered (Returnship, Pivot Programs), against the actual shape of your hiring problems: by function, and by the nature of the gap itself.

This is not a theoretical framework. It's a working tool, built for the HR leader who needs to know which format fits the role sitting open on their desk right now.

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> ***Startups don't lack access to senior talent. But refining the hiring models can unlock a lot more value.***
>
> **— Sushma Rajagopalan**,
> Co-founder, 2nd Careers

SECTION 1

Why Now?

THE SKILLS HALF-LIFE PROBLEM

The World Economic Forum's Future of Jobs Report 2025, surveying over 1,000 employers representing 14 million workers, found that 39% of core workforce skills will be transformed or become outdated between 2025 and 2030. The skills your last full-time hire was hired for in 2023 may already be partially obsolete.

Two forces are converging to make fractional talent the sharper response. First, AI is making experience more valuable, not less: PwC's 2025 Global AI Jobs Barometer found AI's biggest value-add is in roles requiring judgment and contextual synthesis, squarely the territory of experienced professionals. Goldman Sachs research adds a counterintuitive data point: unemployment among 20-30 year-olds in tech-exposed roles has risen nearly 3 percentage points since early 2025, outpacing older peers in the same sectors.

Second, India's senior talent pool, 150 million+ professionals aged 45+ with 20+ years of domain expertise, is increasingly choosing flexibility by preference, not necessity. NITI Aayog projects India's gig workforce growing from 7.7 million (2020-21) to 23.5 million by 2029-30, a growth curve that extends well beyond platform gig work into senior, domain-expert engagement.

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AI raises the value of judgment and accountability. That's the single biggest tailwind for experienced talent we've seen in a decade.

— Sudha Srinivasan, Co-founder, 2nd Careers

The gap isn't awareness, most HR leaders already know fractional talent exists. The gap is **operational**: knowing which format fits which problem. That's what the rest of this report solves.

SECTION 2

The Seven Fractional Formats, Decoded

There is real confusion in the market about what these formats actually mean in practice. Before you can map a role to a format, you need a precise, shared vocabulary. Here it is.

1. Fractional CXO

An embedded, part-time leadership seat. The professional sits inside your leadership team, typically 1–3 days a week, makes real decisions, and owns outcomes, not just advice.

Best for: Functions where you need ongoing senior judgment but can't yet justify (or fill) a full-time seat: Fractional CMO, CFO, CTO, Head of People.

PAYMENT	Monthly retainer
TIME	1–3 days/week, ongoing (typically 6–18 months)
NDA SCOPE	Full, similar to a full-time employee

2. Advisor

Strategic guidance without execution or fiduciary duty. The advisor shapes thinking; your team decides what to do with it. No voting rights, no legal liability, minimal time ask.

Best for: Early-stage decisions where you need a sounding board with pattern recognition, not a doer: market entry calls, fundraising narrative, board prep.

PAYMENT	Equity, flat fee, or honorarium
TIME	A few hours a month
NDA SCOPE	Limited to strategic discussions

3. Consultant

Hired to diagnose a defined problem and recommend a solution within a fixed project window. The job ends at the plan; your team owns implementation.

Best for: A specific, bounded problem with a clear deliverable: a pricing audit, a process redesign, a market-entry study.

PAYMENT	Project fee or day rate
TIME	Defined project window (weeks to a few months)
NDA SCOPE	Project-specific

4. Interim Executive

A full-time, time-bound hire filling a genuinely vacant seat, carrying the same authority and accountability as a permanent executive, on an explicitly temporary contract.

Best for: A sudden leadership gap (resignation, parental leave, crisis) where the function cannot run leaderless even for a few weeks.

PAYMENT	Monthly salary or day rate, paid like an employee
TIME	Full-time, 3–6 months
NDA SCOPE	Full, same as a regular employee

5. Fractional Board Member / Advisory Board

Governance-adjacent oversight without full board liability. Unlike a statutory director, an advisory board member carries no fiduciary duty and no voting rights, just structured strategic input on a recurring cadence.

Best for: Startups not yet ready for a formal board, or wanting sector-specific governance input (a healthcare advisory board member for a healthtech startup, for instance).

PAYMENT	Equity (typically 0.1–0.5%, vesting over 1–2 years), or per-meeting honorarium
TIME	Quarterly meetings plus occasional ad hoc input
NDA SCOPE	Confidentiality on strategic discussions; no fiduciary exposure

ADVISOR VS. ADVISORY BOARD MEMBER

An individual advisor gives you one perspective on demand. An advisory board gives you a standing panel, meeting on a fixed cadence, often with a charter. Use an advisor when the need is specific and occasional. Use an advisory board when you want recurring, structured input across a domain.

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Most format-selection mistakes don't come from picking the wrong person. They come from the wrong problem statement.

— **Shanthi Naresh**, Co-founder, 2nd Careers

6. Returnship

A structured, time-boxed program (typically 12–16 weeks, paid) for experienced professionals returning to the workforce after a career break. Pioneered by large enterprises (Goldman Sachs, JPMorgan, Amazon), the model is almost entirely unused by startups, despite being one of the highest-leverage ways to access deeply experienced talent at startup-friendly cost.

Best for: Startups wanting to build a pipeline of senior talent without competing for it in the open, expensive market. Particularly effective for finance, operations, and people functions, where deep domain experience matters more than current-tool fluency.

PAYMENT	Fixed program stipend, lower than full market rate
TIME	12–16 weeks, full or substantial part-time
NDA SCOPE	Full, treated as an employee for the program duration

WHY RETURNSHIPS ARE A STARTUP BLIND SPOT

Large enterprises run returnships because they have the structure to support them. Startups assume they don't, and miss a genuinely underused acquisition channel as a result. A 12-week returnship costs less than a single bad full-time hire and converts to full-time at rates exceeding 70% at companies that do it well.

7. Pivot Program (Senior Internship)

A short, clearly time-boxed trial engagement (4–8 weeks) where a senior professional explores a new domain or function inside your company. Distinct from a returnship (which re-enters a familiar field), a pivot program is explicitly for someone moving into adjacent or new territory: a finance leader trying product management, a sales leader trying ops.

Best for: Testing fit before any longer commitment, fractional or full-time, in roles where domain transferability is the open question.

PAYMENT	Modest stipend or expense-only
TIME	4–8 weeks, part-time or full-time
NDA SCOPE	Limited, scoped to the specific project

PIVOT PROGRAMS VS. CONSULTING

A consultant is hired because they already have the answer. A pivot program participant is hired to find out if they can build the answer in a domain that's new to them. The value isn't certainty, it's low-risk discovery for both sides.

SECTION 3

The Mapping Framework

Matching Your Talent Problem to Format Architecture

Hiring format selection mistakes are almost always about problem clarity. You might hire an excellent fractional executive, but for a role that actually needed a consultant. Or hire a brilliant advisor, but for a problem requiring someone in the seat making decisions.

This section inverts the usual hiring logic: instead of starting with "What skills do we need to hire?" start with "What is the actual shape of the gap?" Those are different questions, and they produce different answers.

The framework provides two entry points, mirroring how problems present themselves in practice.

Matrix A helps if your thinking is function-first: Finance, Sales, Product.

Matrix B helps if your thinking is problem-first: "We need expertise we can't afford full-time" or "We have an urgent vacancy."

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Matrix A: By Function

Function	Most Common Gap	Best-Fit Format(s)
Sales	Need a proven GTM leader, can't justify a full VP Sales yet	Fractional CXO, Interim Executive
Marketing	Need brand/positioning judgment, not full-time execution	Advisor
Finance	Need fundraising-grade financial leadership periodically	Consultant, Returnship
HR / People	Need to build people systems from scratch	Fractional CXO, Consultant
Product / Tech	Need senior technical judgment without a full eng org	Fractional CXO, Advisor, Pivot Program
Governance	Need sector expertise at board level, not full board	Fractional Board Member

Matrix B: By Problem Type

If You're Thinking...	Look At	Why
“We need expertise we can't afford full-time.”	Fractional CXO or Advisor	The defining feature is recurring need at a scale below full-time capacity.
“We need execution speed on a bounded problem.”	Consultant	You know the deliverable; you need someone to produce it fast.
“We have a sudden, urgent leadership vacancy.”	Interim Executive	The seat cannot stay empty, and the work is genuinely full-time.
“We need governance-level input without a full board.”	Fractional Board Member	Standing strategic input without fiduciary exposure.
“We want a senior talent pipeline at lower cost and risk.”	Returnship	This is a sourcing strategy as much as a staffing one.
“We're not sure if this role/domain fit works.”	Pivot Program	Use when the uncertainty is about fit, not capability.

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> ***Decide, or tell me to decide. No framework we've written has saved more hiring budgets than that one distinction.***
>
> **— Sushma Rajagopalan**, Co-founder, 2nd Careers

THE ONE QUESTION THAT CUTS THROUGH MOST CONFUSION

Ask: "Do I need this person to decide things, or to tell me what to decide?" If the answer is decide, you're looking at Fractional CXO or Interim Executive. If the answer is tell me, you're looking at Advisor or Consultant. Almost every format-selection mistake we see at 2nd Careers traces back to skipping this one question.

Illustrative Scenarios

The following are illustrative scenarios constructed to show how the mapping framework applies in practice. They are not profiles of specific 2nd Careers clients.

CASE STUDY · FRACTIONAL CFO

The Series A SaaS Company That Didn't Need a Full-Time CFO Yet

A 35-person B2B SaaS company closed a Series A and immediately faced investor pressure for board-grade financial reporting. The founder's instinct was to hire a full-time CFO.

What they did: Engaged a Fractional CFO, 2 days a week, 12-month retainer, with one explicit deliverable: investor-grade reporting cadence within 90 days.

Why it worked: The role's actual shape was “expertise we can't yet justify full-time,” not “we have a vacant seat.” Matching the format to the problem (not the title) saved the company an estimated 60% versus a full-time senior finance hire in year one.

CASE STUDY · RETURNSHIP

The D2C Brand That Used a Returnship to Solve a Hiring Bottleneck

A 40-person D2C brand needed deep operations and supply-chain experience but couldn't compete on salary with larger, funded competitors for that talent.

What they did: Ran a 14-week paid returnship for an operations leader with 18 years of experience who had taken a 3-year career break. Structured the program with a named mentor, a defined project (warehouse efficiency redesign), and an explicit full-time conversion conversation at week 12.

Why it worked: The returnship accessed talent the company could never have recruited through a standard job posting, at a fraction of open-market cost, while giving both sides a genuine evaluation period before any permanent commitment.

CASE STUDY · ADVISORY BOARD

The HealthTech Startup That Built an Advisory Board Instead of Hiring Sector Expertise

An early-stage healthtech startup needed clinical and regulatory credibility to close enterprise health-system deals, but didn't have the budget, or the governance maturity, for a formal board seat.

What they did: Built a 4-person advisory board, including two former hospital-system executives, meeting quarterly, compensated with small equity grants.

Why it worked: The startup gained the credibility signal and the strategic input without diluting governance control or taking on fiduciary complexity prematurely. The advisory board members later became informal references in the company's enterprise sales conversations.

SECTION 5

Getting Started — The 90-Day Pilot

Most startups overthink the first fractional hire. Here's a simple way to de-risk it.

DAYS 1–15	**Name the actual problem.** Use the Matrix B framework above. Resist the urge to default to “we need a [title].” Name the underlying gap first.
DAYS 15–30	**Scope one measurable outcome.** Every format in this report works best with a single, named deliverable in the first 90 days, even Advisor and Fractional Board Member engagements. Vague scopes produce vague results.
DAYS 30–75	**Run the engagement.** Treat the relationship as a working partnership, not a vendor transaction. Senior professionals in fractional roles do their best work when they're brought into real context, not kept at arm's length.
DAYS 75–90	**Decide the next step.** Renew, convert to full-time, or close out cleanly. Every fractional engagement should have a planned decision point, not an indefinite drift.

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> ***Treat a fractional hire as a vendor, and you'll get a deliverable. Treat them as a partner, and you'll get judgment worth returning to.***
>
> — **Shanthi Naresh**, Co-founder, 2nd Careers

TALK TO US

This report gives you the map. Most HR leaders we talk to don't need more frameworks, they need a sounding board for the specific role sitting open on their desk right now.

That's what the 2nd Careers Talent Clinic is for.

A free, consultative session with our team to map your actual open roles against the right fractional formats, and where useful, connect you directly with vetted senior professionals ready to engage on those terms.

Book a Talent Clinic with Shanthi Naresh
www.2ndcareers.com

Sources: World Economic Forum Future of Jobs Report 2025 | PwC Global AI Jobs Barometer 2025 | Goldman Sachs Workforce Research 2025 | ATOSS Resilience by Design Study 2025 | Gartner Workforce Projections | Frak Conference State of Fractional Industry Report 2024 | NITI Aayog Gig Economy Projections

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