



The Strategic Role of Interim and Fractional Executives

The growing interim and fractional sector is revolutionizing talent strategy and driving competitive advantage for organizations worldwide.

Introduction

In today's fast-paced and unpredictable global business environment, agility is paramount. Companies are increasingly turning to a flexible and powerful talent solution to navigate complex challenges and seize emerging opportunities: Interim and Fractional (I&F) Leadership.

The I&F sector provides on-demand access to experienced executives who can manage transitions, lead critical projects, and provide strategic guidance.

Through real-world case studies, we demonstrate how this agile approach ensures business continuity, drives growth, and delivers a significant return on investment, solidifying its place as an indispensable tool for the modern enterprise.

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The authors and contributors are all members of IIC Partners – a global executive search and leadership consulting organization with 40 offices worldwide.

Interim vs. Fractional Leadership

Interim and fractional executives are two distinct but complementary leadership categories. Understanding the difference is key to leveraging them effectively.

Interim Executives

Interim roles are typically full-time but for a defined, non-permanent duration. They are deployed to solve immediate and substantial business needs and generally fall into two categories:

- **Gap-Filling:** This is the classic use case for an interim leader. When a critical role becomes unexpectedly vacant due to a resignation, health issue, or maternity leave, an interim executive steps in to maintain operational stability, manage the team, and ensure business continuity. If the permanent employee does not return, interim leaders can provide the organization time to conduct a thorough search for the successor without pressure.
- **Project-Based:** This is the fastest-growing segment of the interim market. A company faces a specific challenge or opportunity—such as an M&A integration, a system implementation, a business turnaround, or international expansion—but lacks the specific internal expertise or capacity to lead the initiative. A project-based interim executive is brought in with a clear mandate and timeline to drive the project to a successful conclusion.

"Utilizing interim executives for critical, high-level projects is a growing trend. It is no longer just about gap-filling, it's about adding vital resources to the company."

– Christian Buhagiar, Principal, GlassRatner

Interim Market Spotlight: Japan

David Sweet, Founder & CEO, FocusCore

“Interim executives are highly skilled leaders who bring clarity, control, and momentum during periods of change.

In Japan, where decision cycles are long, speed and precision make all the difference. For me, an interim CFO isn't a stopgap, but a catalyst into moving the business and strengthening processes.

A recent interim CFO placement with a Tokyo-based consumer company was an eye-opener. Within 90 days, they rebuilt the finance team, implemented new controls, and prepared for their SAP upgrade.”



Fractional Executives

Fractional roles are part-time, but typically long-term and strategic. This model is a game-changer for startups and scaling mid-market companies that require C-suite level expertise but may not yet have the need or budget for a full-time executive.

A fractional executive might serve as a Chief Financial Officer or Chief Operating Officer for two days a week, providing high-level strategic direction, building foundational processes, and guiding the company through critical growth phases.

"Fractional executives are being employed as longer-term strategic partners to companies as they grow and transition." - Christian Buhagiar, Principal, GlassRatner

Sourcing Talent

There are three distinct groups of I&F candidates:

- **Career Contractors:** Professionals who choose the contracting lifestyle for flexibility.
- **Seasoned/Semi-Retired Executives:** Highly experienced leaders (often 55+) who no longer want a full-time permanent role but wish to continue applying their expertise.
- **Executives in Transition:** High-caliber leaders who are currently between permanent roles and are open to contract work.

Leading search firms who operate in this sector maintain deep relationships with executives across all three of these categories to deliver fast results for hiring clients. IIC Partners member firms benefit from advanced talent networks across 40 offices worldwide.



“The talent landscape has fundamentally shifted. Organizations are increasingly adopting a blend of interim and permanent talent to strengthen agility, expertise and resilience. Interim and fractional leaders bring expertise at critical junctures. They provide decisive leadership and can have a transformative effect on organizations; from accelerating strategic initiatives and navigating high-risk or volatile periods to embedding lasting capabilities that support the successful execution of priority initiatives.” – Arlene Moran, Managing Director - Contract & Interim Business, HRM Search Partners

Market Trends

The I&F sector is not a niche market; it is a substantial and rapidly expanding part of the global talent ecosystem. While tracking exact figures is challenging due to the flexible nature of the positions, we have gathered a number of key data points that underscore its growing importance:

Interim Market Insights

- The global interim management sector was valued at \$26 billion in 2023 and is projected to grow annually at 7.5% (CAGR). (Source: The Business Research Company, "Interim Management Global Market Report 2024")

- The United States accounts for approximately 40% of the total global revenue for interim management services. (Source: Market Report Analytics, "Interim Management Service 2025-2033 Market Analysis")
- The finance function is the most common area for interim placements, with demand surging during economic uncertainty, M&A activity, and finance transformations. (Source: CFO.com, "Demand for Interim CFOs Is Surging")

Key Trends

- No longer just gap-filling. Interim executives fill critical roles during transitions and transformational projects.
- High demand for expertise in digital transformation, AI integration, supply chain optimization, and ESG initiatives.
- This demand is especially strong in private equity-backed companies and sectors like AI, climate tech, fintech, consumer health, and industrials.

"Interim leaders are catalysts for transformation, whether that's driving turnaround, stabilizing under-performing teams, or accelerating change programs. They step into pivotal situations where results can't wait, bringing both technical depth and people leadership that deliver visible impact from day one." - **Richard Jackson, Managing Partner, JacksonGrant Executive**



Fractional Market Insights

- 55% of workers are open to non-full-time employment arrangements, ensuring a robust supply for fractional roles. (Source: Deloitte, 2024 HR Tech Predictions: Total Workforce Intelligence)
- Since 2018, the share of new executive job postings that mention "fractional" work has increased by more than 300%. (Source: Revelio Labs, as reported by Newsweek, February 2025)
- 76% of executives believe that effectively leveraging external contributors—such as freelancers, contractors, and fractional experts—is critical to their organization's success. (Source: Deloitte, "2024 Global Human Capital Trends").

Key Trends

- Fractional executives are increasingly seen as strategic growth partners rather than short-term stopgaps.
- There is strong demand for expertise in digital transformation, AI integration, finance, marketing, HR, and operational scaling.

"SMEs and scale-ups deserve expert leadership without the full-time cost. Fractional executives deliver focus, expertise, and results—when and where you need them." - [Hendrik Geleyte, Managing Partner, GR & Partners](#)



Interim Market Spotlight: Australia

Danny Hodgson, Partner, Interim Management, Omera Partners

“The use of interim managers in developing markets like Australia is maturing from the core “corporate officer” roles of interim CFOs, CIOs and HRDs into a wider and deeper range of industry-specific areas such as manufacturing and supply chain.

In recent months, clients have turned to interim executives as a cost-effective alternative to management consultancy engagements, preferring to contract with a seasoned interim manager free of sales pressure to expand the engagement and purely focus, and be accountable, for the assignment at hand.

Australian businesses have recognized the strategic value of deploying an interim executive while the permanent search process is underway. This has given them a competitive advantage, allowing them to bring in an interim focused on very specific short-term tasks ahead of the new starter joining. This has included specialist project skills, sector experience or cost cutting initiatives.”



Strategic Benefits

Integrating I&F leaders into your talent strategy offers several powerful advantages that directly impact organizational performance and resilience.



1. Business Continuity

Interim executives ensure a seamless transition during gaps, providing stability and confident leadership.

2. De-risk Permanent Searches

I&F leaders can buy you the crucial time needed to conduct a comprehensive search for the ideal long-term leader. This two-pronged approach de-risks the entire hiring process and consistently leads to better outcomes.

3. Access to Specialized Expertise

Your organization gains on-demand access to an elite pool of talent with deep experience in specific areas like turnarounds, M&A, or digital transformation. These are specialists who have solved the same problem for multiple companies and can deliver immediate value and knowledge transfer.

4. Agility and Speed

The I&F model is built for speed. When a need is urgent, a highly qualified leader can be identified and in place within days, not months.

"When we're doing an interim search, we're planning that search using our watch, not our calendar." - [Steve Rosen, Partner, GlassRatner](#)



5. A Cost-Effective Growth Model

For scaling businesses, fractional executives offer the wisdom and experience of C-suite leaders at a fraction of the cost of full-time salaries and benefits. This allows you to invest strategically in top-tier talent to guide your growth.

6. Driving Change and Transformation

Interim executives are outsiders with an objective viewpoint. Unencumbered by internal politics, they can make tough decisions, challenge the status quo, and act as catalysts for necessary change, ensuring critical projects stay on track and deliver results.

"An interim engagement is a unique opportunity to test a contrarian approach. You can bring in a leader from a different industry to introduce new methodologies and challenge established norms. They can be a powerful change agent, implementing necessary but potentially uncomfortable initiatives." - **Steve Rosen, Partner, GlassRatner**



The Myth of "Try Before You Buy"

Some organizations attempt to view an interim engagement as an extended interview—a way to "try before you buy." While this can sometimes lead to a successful permanent hire, viewing it as the primary goal is a flawed strategy for several reasons:

- **Limited Candidate Pool:** A search for an interim-to-permanent role automatically excludes over 90% of the market—namely, high-performing executives who are currently employed and not open to temporary roles. You limit yourself to only those candidates who are immediately available.
- **The Goal is Different:** You are expecting a permanent-level cultural fit from a candidate pool selected for immediate availability and specific project skills. An interim leader is measured by project completion and impact, not by their long-term strategic delivery. This can lead to disappointment and an inefficient search process.
- **I&F Leaders Are in High Demand:** With this sector on the rise, top I&F leaders often maintain close relationships with search firms and receive multiple offers for lucrative engagements. Many plan their careers around short engagements, so expecting long-term availability can be high-risk.

We advise clients to see the potential conversion of an interim to a permanent role as an unexpected and rare bonus, not the core objective. The primary goal should be to solve the immediate business problem. If a perfect long-term fit emerges, it is a fantastic outcome, but it should not be the expectation that drives the search.



Case Studies: Success In Action

Case Study 1: Post-Acquisition Integration

- **The Challenge:** After our SaaS client was acquired by a PE firm, the VP of Finance resigned shortly after the transaction closed. They needed immediate, senior financial leadership to manage the complex post-acquisition integration.
- **The Solution:** We placed a seasoned interim CFO within one week to stabilize the finance function. Simultaneously, we conducted a search for a permanent hire who fit the company's long-term cultural vision.
- **The Outcome:** The interim CFO successfully managed the integration. When the new permanent CFO later went on maternity leave, the company was able to bring the same trusted interim executive back, demonstrating the full life-cycle value of building a relationship with top-tier interim talent.

Case Study 2: Private Equity Due Diligence

- **The Challenge:** A European private equity firm was considering acquiring an aviation company in Canada but had no local presence or industry-specific expertise to conduct thorough due diligence.
- **The Solution:** We provided a fractional CFO with deep expertise in the specific aviation sub-sector to lead the due diligence process.
- **The Outcome:** The fractional CFO uncovered significant issues with the target company that were not previously visible or obvious. The PE firm chose not to proceed with the deal, saving them from a potentially disastrous investment. The engagement was a resounding success, delivering immense value.

Case Study 3: Startup Acceleration

- **The Challenge:** The founder of a pre-revenue startup needed to launch a new product within nine months but lacked the operational expertise to manage the complex supply chain and manufacturing process.
- **The Solution:** We placed a fractional Chief Operating Officer with 30 years of relevant experience. Within two weeks, she was in place and executing. This success led to further engagements for a fractional Chief Commercial Officer and a strategic advisor for an expansion into Asia.
- **The Outcome:** The company is set to launch its product two to three months ahead of schedule, moving from pre-revenue to revenue-generating far faster than anticipated. The founder now views our firm as a long-term human capital partner for future permanent hires.

Case Study 4: Succeeding Where Others Failed

- **The Challenge:** A private equity-backed company had two consecutive failed permanent CFO placements from another search firm, creating significant instability.
- **The Solution:** We immediately placed a highly effective interim CFO to stabilize the function. Our candidate performed so exceptionally over four months that the client, having failed again to find a suitable permanent candidate through the original firm, offered her the full-time role.
- **The Outcome:** The interim executive accepted the permanent position, finally providing the long-term leadership the client desperately needed. The client happily paid the full permanent placement fee, recognizing the superior quality of the candidate we provided compared to their previous search partner.

All case studies provided by the I&F team at GlassRatner (IIC Partners: Toronto).

Summary

Interim and fractional leadership is no longer a stopgap measure but a core component of a sophisticated and agile talent strategy.

It empowers organizations to respond to challenges with speed, inject critical expertise precisely where it's needed, and drive growth with financial prudence. By embracing this flexible approach, you can build a more resilient and dynamic organization prepared to thrive under any market conditions.

At IIC Partners, we understand the nuances of the interim and fractional leadership sector. Many of our global offices maintain a strong network of vetted, top-tier executives who are ready to be deployed and make an immediate impact.

Request a Consultation

This report was created in collaboration with six IIC Partners member firms across Bangkok, Brussels, Dublin, Sydney, Tokyo, and Toronto.

Contact your nearest [global office](#) to discuss leadership solutions that cover the full spectrum of your talent needs.



About IIC Partners

IIC Partners is a leading provider of executive search and leadership consulting services. Our expert consultants, connected across 40 offices worldwide, partner with senior executives and board directors to transform businesses and solve complex leadership challenges.

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