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When does a company need a Fractional CFO?

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A less familiar name for a long-standing need

Until recently, I did not use the expression “Fractional CFO” myself. That does not mean the need is new. Companies have long hired interim executives, part-time finance directors, outsourced CFOs or “CFO as a Service”. In Brazil, there are already commercial offerings under these different labels, but the variety of names itself suggests that the concept does not yet have as established a vocabulary as it does in some international markets.[1]

In the United States and the United Kingdom, the term fractional CFO is far more visible in the ecosystem of startups, growth companies and SMEs. CFO Dive notes increasing opportunities for part-time CFOs and emphasizes that, to be truly “fractional”, the professional should act as an executive of the company: representing it before banks, investors and the board, rather than merely producing financial analysis.[2] TechCrunch has also described the model as a growing solution for companies that need senior financial leadership before they can justify a full-time hire.[3]

> **Perhaps the best way to describe the concept is not “a financial consultant for a few hours a week”. It is closer to a real CFO, at a variable level of intensity.**

What, exactly, is a Fractional CFO?

A Fractional CFO is an experienced finance executive who assumes a meaningful share of a CFO’s responsibilities, but with a commitment of less than five days a week or for a predefined period. The professional may work one or two days a week, a few days a month, or at varying levels of intensity depending on the company’s circumstances.

The central point is not the number of hours. It is the nature of the responsibility. A Fractional CFO should participate in the management agenda, discuss strategy with the CEO and shareholders, lead budgeting and forecasting, manage liquidity and funding, monitor performance, challenge investment decisions, participate in board meetings and, when necessary, represent the company before banks, investors, auditors and other stakeholders.

This distinguishes the role from an outsourced controller, an external accountant or a professional hired simply to build models. Practical literature in the United States makes precisely this distinction: “fractional CFO” should not be merely a new label for bookkeeping, FP&A or financial analysis.[2]

The model makes sense when a company already needs executive judgment but does not yet need — or want — a senior CFO permanently allocated to the business. It can also be useful during transitions: rapid growth, fundraising, an acquisition, a change of control, preparation for a sale, professionalization of governance, or while the company searches for a permanent CFO.

The taboo around strategic information

There is, however, a legitimate concern. Few executives have access to information as sensitive as a CFO does. Cash, margins, compensation, covenants, tax planning, discussions with banks, M&A, budgets, forecasts, strategy and even disagreements among shareholders may all cross the CFO’s desk. It is natural for a company to hesitate before giving that level of access to someone who is not a full-time employee.

This risk should not be minimized — it should be governed. A well-structured agreement can combine a robust NDA, confidentiality obligations that survive the end of the engagement, explicit conflict-of-interest rules, a prohibition on serving direct competitors during the relevant period, access segregation, rules for data retention and destruction, intellectual-property provisions, employee non-solicitation and, where appropriate and legally enforceable, specific competitive restrictions.

A public agreement filed with the SEC in 2026 for the engagement of a Fractional CFO by a U.S.-listed company, for example, expressly sets out a financial-leadership scope, confidentiality obligations and rules covering conflicts and information barriers.[4] The point is not to suggest that a document eliminates risk. It is to recognize that the same type of governance applied to executives, directors and advisers can be designed for a fractional relationship.

Moreover, the most important conflict is often identifiable in advance: a Fractional CFO should not simultaneously serve direct competitors when doing so could compromise independence or expose strategic information. In some sectors, this restriction may matter more than any generic non-compete clause.

A Fractional CFO is not a turnaround consultancy

The distinction becomes especially relevant in restructurings and special situations. A turnaround consultancy can be extremely valuable: it brings methodology, team capacity, analytical capability, specialists and speed to address specific workstreams. It can redesign processes, support debt renegotiations, build scenarios, restructure costs, organize a PMO or manage several workstreams simultaneously.

The Fractional CFO occupies a different position. The executive sits on the management side, integrates those workstreams and takes ownership of the financial agenda as an officer of the company. The job does not end with a diagnosis or a presentation. The CFO must set priorities, manage trade-offs, coordinate banks and suppliers, follow through on execution and answer for the effects of decisions to the CEO, shareholders and, where applicable, the board.

The two models are therefore complementary. A company can engage a specialist consultancy for a restructuring while, at the same time, retaining a Fractional CFO as the internal owner of the financial agenda. In that structure, the consultancy adds capacity and specialist expertise; the CFO preserves continuity, integrates recommendations with the rest of the business and helps ensure that incentives remain aligned with the company.

This does not mean assuming that consultancies are conflicted. It means recognizing that mandates and compensation models may differ. A Fractional CFO may be paid primarily through a retainer and agreed time commitment. If there is a variable component or success fee, it should be linked to pre-agreed company outcomes — for example, cash generation, working-capital improvement, sustainable debt reduction or completion of a transaction — and be transparent to shareholders. The principle is simple: whoever occupies the CFO seat must be able to recommend “do not do it” even when the alternative would generate more work or revenue for third parties.

The model can also be a bridge to a full-time CFO

One of the most interesting features of the model is its reversibility. After a few months, the company may conclude that it needs a permanent CFO less than it originally thought. Or it may reach the opposite conclusion: growth has increased complexity and the role now requires daily presence. In that case, the Fractional CFO can help design the structure, recruit a successor or even transition into the full-time executive role.

There are public examples of this transition. Aurrera Health Group states that Colleen Vidockler began supporting the organization as Fractional CFO in January 2024 and joined full-time in October of that year.[5] Canadian company Milestone Environmental announced in 2026 that Daniel Maclean became its full-

time CFO after initially serving as Fractional CFO.[6] And Lob, a U.S. technology company, reports in a case study published by its hiring platform that a Fractional CFO was converted to a full-time role in just 45 days after serving through a period of transformation.[7]

In these cases, the model also worked as a form of two-way due diligence: the company could observe the executive working under real conditions, while the professional had the opportunity to understand the culture, team, shareholders and challenges before making a permanent commitment.

Documented outcomes — without turning correlation into causation

There are also published cases in which the Fractional CFO remained external while supporting an important phase of growth. Burkland reports that 4CRisk brought in a fractional CFO after its seed round, building reporting, forecasting, cash management, debt management and investor communications over several years; in 2026, 4CRisk was acquired by CUBE.[8] The acquisition is confirmed by the companies themselves, although it would be inappropriate to attribute an event of that magnitude to a single function.[9]

In another case, Pilot reports that Freightr grew from approximately US$3 million to a US$40 million run rate and later completed a strategic transaction; the founder attributes an important role to CFO support in modeling, financing alternatives and the analysis of available options during a sharp industry downturn.[10] These are vendor case studies and should therefore be read as illustrative evidence rather than independent research. Even so, they help demonstrate the range of circumstances in which the model is being used.

A global concept, even if difficult to measure

I did not find an independent, comparable data set that would allow us to state how many companies use Fractional CFOs in each country. It would therefore be premature to say that the model is “common” in the United States and “rare” in Brazil based solely on market impressions.

There are, however, clear signs of a more developed commercial infrastructure outside Brazil. In the United Kingdom, The CFO Centre says it operates with more than 750 CFOs across 18 countries and more than 300 professionals in the UK market.[11] In Australia and New Zealand, the same network lists more than 60 CFOs.[12] There are also dedicated providers and specialist networks in Singapore and Hong Kong, generally positioning the service for startups, SMEs, fundraising, cash flow, board reporting and regional expansion.[13]

In Brazil, the offering exists, but under a variety of names: CFO as a Service, outsourced CFO, fractional CFO and on-demand financial leadership.[1] My impression is that there is room to make the concept clearer, particularly for companies that associate an “external CFO” only with consulting or financial BPO.

When it makes sense — and when it does not

A Fractional CFO tends to work best when a company has outgrown a purely operational finance function but does not yet have a permanent need for a full-time CFO; when it needs to raise the level of seniority quickly; when it is navigating a specific transition; when the CEO or shareholder needs an experienced financial counterweight; or when the company wants to test both the need for and the profile of an executive role before making it permanent.

It is not a solution for every situation. If the business requires daily presence, operates with significant regulatory complexity, is facing a crisis that consumes the CFO’s full agenda, or requires continuous management of a large team, the role should probably be full-time. Likewise, a Fractional CFO does not replace reliable accounting, a capable controller, or legal, tax and restructuring specialists.

> **The right question, therefore, is not “can we save money by hiring a CFO for fewer hours?”. It is: how much senior financial leadership does the company need today — and at what level of intensity?**

A different way to access seniority

The value of the model lies less in the word “fractional” than in the possibility of separating seniority from permanent presence. A company may need someone who has already navigated liquidity crises, bank negotiations, M&A, changes of control, international growth or restructuring — without necessarily needing that executive forty or fifty hours a week.

> **When properly structured, a Fractional CFO is neither a consultant trying to look like an executive nor a “half CFO”. It is a CFO with a mandate, responsibility and access consistent with the role, but with an intensity tailored to the company’s circumstances.**

Perhaps that is precisely the biggest cultural barrier to overcome: understanding that trust, confidentiality and accountability do not depend exclusively on an employment relationship. They depend on governance, alignment of interests and, above all, the quality of the person occupying the role.

References

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[7] Go Fractional, case study “Lob”. The company reports the conversion of a Fractional CFO to a full-time position in 45 days during a period of transformation.
[8] Burkland, “When Does a Startup Need a Fractional CFO?”, Sep. 8, 2026, 4CRisk case: fractional support from the post-seed stage, including reporting, planning, cash management, fundraising and venture debt.
[9] 4CRisk / CUBE, announcement dated Feb. 19, 2026 confirming CUBE’s acquisition of 4CRisk.
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[11] The CFO Centre UK, institutional pages accessed Sep. 2026: 750+ CFOs across 18 countries and 300+ in the United Kingdom, according to figures published by the network itself.
[12] The CFO Centre Australia, institutional pages accessed Sep. 2026: more than 60 CFOs across Australia and New Zealand, according to the network itself.
[13] Asia-Pacific examples: The CFO Centre Hong Kong; Fractional | Singapore; Oaktree Solutions Singapore; Singapore CFO. These sites demonstrate local commercial availability of the model but do not constitute an independent survey of prevalence.