



What is the Difference Between a Fractional Integrator Versus a Full-Time Operator?



Unsure if you need a fractional integrator or if you'd be better off with someone full-time? VirtualDOO's Lloyd Thompson breaks down the differences.



James Schramko and Lloyd Thompson

James: James Schramko here. Welcome back to SuperFastBusiness.com. This is episode 898. We're going to geek out on fractional integration. And for that, of course, I've brought along my fractional integrator friend, [Lloyd Thompson](#), from [VirtualDOO.com](#). Hello, Lloyd.

Lloyd: Hi, James. Thanks for having me.

James: Always good when we catch up, you remind me of my old home. In fact, I'm representing. I've got sent today a T-shirt by Keel Surf Supply, which is the premier surf shop in our old hood, Freshwater, New South Wales.

Lloyd: That's a great shirt.

James: Highly recommend them for fins, wax, boards, and of course, accessories. They're legends there. They hooked me up with this, this came in a bag with the fins that I'd ordered.

Lloyd: Where's my T-shirt?

James: Well, you know, all you need to do is start a podcast, mention them all the time, and put a few Instagrams, and of course buy some surfboards. Even though you break plenty of boards, I think you tend to buy them secondhand, which I think might be why you break so many boards, just quietly.

Anyway, we're not talking too much about that. I just wanted to, you know, it always reminds me of my old hood.

A definition in three parts

So quick recap, Lloyd, [what is a fractional integrator?](#) So we can set the tone for today's discussion. Because we're going to be comparing a fractional integrator, which is a part-time service, essentially, versus a full-time operator, because these are terms you're going to hear about at some point as you scale your online business.

Most people have or need this role. They may not even know if they need it. And we're going to find out how to tell if you need this role or not. But we should just define what we're talking about here. What is a fractional integrator?

Lloyd: Sure. Let's start with what an integrator does. So the integrator is there to run your business. Whereas the founder, the CEO, the visionary, they are there to change your business by focusing on strategy and building new relationships. So I like to break down what an integrator does into three areas.

People. The integrator will manage the visionary's team. Projects and operations. The integrator will oversee delivery, ensure the trains are running on time, and make sure the founder's vision is implemented. And then finally, process improvement. So an integrator should drive and systemize the business. Whereas a fractional integrator will do all of that on a fractional basis. So they will serve that founder, that client, and they will also serve other clients as well at the same time.

James: So basically, it's like a part-time integrator that you're sharing with other businesses, because you might not need them full-time.

Lloyd: That's it.

James: And I suppose a lot of people will think that they need an operator in their business. This is a very popular term, I've seen it. Some of this vernacular comes from different authors or methodologies. Let's just put that out there right now.

But what we're essentially talking about is someone who organizes stuff, because most of these entrepreneurs have great ideas, and they're like, go go go, but where they often fall down is their systems or their people. And most definitely, their processes, right?

The difference in terms of expense

So I was speaking to a client today, and one of the challenges they're having in their business is there's basically three people involved in trying to run this business, right? They like to have a bit of consensus management, most of them anyway. Would this kind of role help them get the thing done with less friction or, you know, tug of war happening between different departments and different visions of where the business is going?

Lloyd: Yeah, I think so. I mean, they would have an option to go with a fractional integrator or a full-time operator. And so their options could be, well, they could choose to go with a full-time operator to reduce that friction. And a full-time operator, they might be 100k plus USD for a midsize business. Or they could come to us for a fractional integrator. And we'll manage an online business of up to 20 staff for 6k USD per month on a month-to-month commitment.

James: That's a sort of very similar cost base.

Lloyd: Yes, similar. And it's a low-risk investment to try us out. It's got a huge potential upside. Probably, another difference is the full-time integrator operator, they will charge more but they also expect to stake or at least profit-related pay. And I think that's a reasonable request for a full-time operator.

James: Yeah, they're often going to want a piece of the action. There are of course a lot of other costs that have to be considered here. If you're going to go with the integrator or operator full time, you have to spec the job. You have to interview people, you have to hire someone, you've got to do all the employment contracts, you need to do the payroll, you've got to do training, you've got to do superannuation or 401k.

You may have to give equity or whatever, they may become so critical in your business that they build a little black box, or fiefdom, which is pretty common. And it may be that you get it right or maybe not. There's a huge cost, of course, if you hire the wrong person, and you're sort of committed, you're playing with someone's entire future there.

When they come on board that's like, it's kind of an all-or-nothing thing for an employee versus committing, like, how long is a contract for a fractional integrator? Are you asking someone for a whole year upfront?

Lloyd: Well, this is just month to month.

James: So you basically say, Listen, give us a shot. And if you hate us after 30 days, then just say stop. And that's it.

Lloyd: That's it.

James: It's six grand for a business up to 20. And I imagine there's some variance between the sort of job load or the type of business that you would have to discuss from time to time, but that's sort of a benchmark.

Lloyd: Yeah, the sweet spot is, say, a team of up to 20. But for a bigger team that we're managing or where we're doing more facilitation, we would increase, but the sweet spot is, yeah, similar to say, 20 people.

Does sharing mean service will suffer?

James: Okay, so let's work this one out. If I hired an operator for 100k versus a fractional integrator for a similar amount, but they're there all the time, versus this fractional integrator working with multiple clients, does that mean that it's going to take longer for things to get done, because they're only visiting us from time to time?



Lloyd: I love this question. The answer is no. Firstly, the fractional integrator has to recognize how much change the organization can actually absorb. And it's often will be limited, not by the fractional integrator, but how much capacity that company has to change right now. Secondly, well, for my business anyway, we're a service, we're not an individual.

James: Okay, well, that is massive. I'm thinking about it in terms that I could understand with website development. We either hire a web developer, or we hire a service, who's going to build our website, and they may have various elements involved, they might have a designer, they might have a coder, they might have a project manager, they might have a support staff within that.

So basically, when they're paying a fractional integrated service, they're accessing an entire team, and all the experience of that team.

Lloyd: That's absolutely right. I mean, the difference is, you're not paying a fee for an individual, you are paying a service for an access to the whole team. And for my team anyway, they're consisted of seasoned professionals who have experience from running other businesses, and they've often seen solutions to similar problems in other businesses.

And if I talk about my team, in particular, so there's me, I interface with all of the clients, there'll be the fractional integrator that I assign to the client. And then there's other practitioners that support that client as well. So an example might be a project coordinator that we bring in to support the fractional integrator.



And so having access to a team rather than an individual is less risky, because with the service, if someone's sick, goes on holiday, wins the lotto, then the trains continue to run on time, because you've got access to a whole team.

James: I'm sure you're such a great boss that if your team won the lotto, they're still going to come to work, Lloyd.

Lloyd: I'd love to.

James: So I'll know if you don't show up for this podcast one day, you've picked the big one. I love it. I mean, of course, you know, now the service provider has to do all the hiring and the training and cover the requirements, as it's such a, you know, for a lot of visionaries, I mean, the irony here is for the very role that they're hiring you to do, they're usually not that good at it.

Just how involved is an integrator?

So a lot of the things that are involved in recruitment are systems and people, which is the thing that they really shouldn't be touching. Do you ever get involved in the sort of advisory or helping of the recruitment? If you get in there, and you discover, Oh, there's a person missing from the team that really needs to be here to get the job done?

Lloyd: Yeah, absolutely. So actually, very early on into the engagement, we will audit the business and look and present a report back and say, Okay, here's the highest medium loads, but the highest are things that are going to be probably the low-hanging fruit with the high impact. Those are the ones that you really want to target first, things that are really going to give you bang for buck.

And for those things, we're then going to go through and just work out with the visionary what's most important for them, prioritize them. Every week, I will actually meet with the client as well, with my integrator, and we'll talk about these things. We'll talk about their vision. And this is also a place where we can talk about and coach them through or provide mentorship or find out what's important for them so that we can put plans in place to get their vision implemented, executed, and realized.

Indispensability versus redundancy

James: Let's talk about biases, because I think that might be an obvious thing where there could be a divergence between a full-time operator and a service provider, a fractional integrator. Because just thinking this through, full-time operator probably has, you know, they're probably biased to do a good job and get high praise that motivates them to do even better.

And of course, they're going to want to put their hand out for a stake in the business, and they would like to create an environment where they really are required for the long haul. But I wonder if that's different for a fractional integrator?

Lloyd: Yeah, so okay, that's another golden question. I'd say I'm obviously biased because I am a fractional integration service. But I would say, well, being a service, our motives are definitely different. A full-time operator, yes, they've got a stake in the business, but they might benefit from entrenching themselves into the business and processes, and making themselves indispensable, which can lead to them being a key person risk.



Our motive as a service is to make ourselves redundant. We want to make it a team-run business. And a team-run business can be achieved when the processes have been systemized in such a way that the team can just easily upskill and bring in someone else.

So if the visionary wants to bring on a full-time operator, we're not defensive about that. We're there to help them to transition the new operator in as easy as possible, because all of those processes should be in place. And we can be there in the background to help ramp up that individual.

James: So it sounds like if you weren't sure whether you need a full-time operator or a fractional integrator, it sounds like a fractional integrator is a safe and effective precursor to figure out if you need a full-time operator or not. And it does make me smile, this motive of yours, because when [I quit my job](#), you know - and you and I have both done that, thankfully - when I was a general manager, my goal was to make my role redundant.

That was the epitome of success as a general manager, when my managers showed up, they knew what to do, they led their teams, the teams were on fire, we had no drama, everything's working smoothly. And I could just walk around the dealership, check the numbers and stuff. And it was like steering with your finger on the steering wheel of a Formula 1 car doing 350 kilometers an hour. That was perfection.

It also meant that I had to consider my next mission, which, thankfully, I was able to provide my own safety net. But that was the thing that is hard. And you see that often with team members, they're not so into that, unless you create the environment where it's safe for them to do that. In my business, for example, if my team got so good at something we no longer need to do it, then we'll just find new avenues for them to explore. Like, they'll always have a role within the business.

And I think that's the thing with a service. It's rare that you'll find a service provider, like, I'm thinking of lawyers, especially, they like to create more work so that you keep having to pay them. So it's good when you find this business.

When you go in aiming to outlive your usefulness....

What would possibly be your motivation for going into a company saying, Our success will be when we're no longer required by this company?

Lloyd: Well, that's a good question. Well, our business is mainly acquired through referral. So there's our motive right there. A glowing reference from the founder, where we've gone in and done a good job. And they know our capabilities. It sets us up very nicely for the next piece of work.

And as I mentioned earlier, the other thing that we can offer is coaching and mentorship. So if they want someone else to drive, if they want a full-time operator, we can be there in the transition period, not driving, just there as a support to help bring on the next person. So there's our motives right there, more business, and continue to support the business in the background, if that's what they'd like us to do.

James: Well, I know you personally, Lloyd, because we've met in the surf, actually. And I've seen how you support and nurture and educate your peers in social group and that you are actually an educator, and you're a caring person. So that flows through.

Do fractionals ever shift to full-time?

I'm wondering, if I hire a fractional integrator, and we get on really great, and we want to make them an offer to come into the team full-time, is that a service that's offered?

Lloyd: That's not really our business model there. So we're there to help realize your vision, ensure things are running smoothly. But as we are a service, we can dial up. If you want more capacity, we can dial that up. However, you decide you want to hire a full-time operator, we can transition someone in.

But this can be a good way to try out the role. So if you want to try out what the integrator role looks like, you've never had an integrator before, you could try adding a fractional integrator. And so, does this integrator model work for us? This is a nice way to try. Or you can try out that specific integrator. So go, does this person fit our model? Do they fit our business, our culture?

And let's say, if it doesn't work for them, they can easily just end the contract, it's only 30 days. Or they can bring in a different style fractional integrator without a big investment or adding a full-time member to the executive team.

If stuff isn't getting done in your business....

James: Right. Every time I talk to you, I just think, wow, I realize how important it is to, like, you can have all the ideas and the planning, I've been through this phase lately. But you have to get stuff done. And if you find you keep having plans and ideas, but they're never getting done, that might be an indicator that a fractional integrator could be a good starting point.

But do you want to just highlight this? I think we discussed it before, but it's probably worth just a reminder, how do we know if we need a fractional integrator? And what can we do about getting in touch with you?

Lloyd: Well, sure. So I would say the symptoms of needing a fractional integrator is well, if the visionary or founder or CEO, if they're spending their times on run activities, such as executing daily operational tasks, project management, people management, instead of focusing on implementing their vision and working on strategy, that would be one symptom.

If the founder is looking for an operator in their business, but they don't want to pay them a stake or profit-related pay, well, a fractional integrator might be a solution for them, because we don't expect a stake or profit-related pay. And we can phase in a full-time operator, if they go, Yeah, actually, we like this model, we want an integrator in the future. So that can be something.

The other symptom is, if they don't have scope or budget for a full-time operator right now, then they can go with a fractional integrator, it will be a lower cost option. And then finally, I think you asked, how would you get in touch?

James: I think I might have, mate. Yeah, yeah, go on. Dop the solid gold.

Lloyd: Just email me at Lloyd@virtualdoo.com.

What types of businesses benefit from Lloyd's service?

James: Right. What types of businesses have you been working with, Lloyd? Just give us a flavor. You don't have to name them, but just like, represent your type of business.

Lloyd: Sure. They're all online businesses, so that's the thing they have in common, but otherwise, they're a bit of a pick and mix. So one's a quite big, global e-commerce. That's quite a big team, that person has 50 members of staff.

James: And they pay a little more, too, probably?

Lloyd: They do pay a little bit more. And that was a fantastic engagement. We're still talking with them and keeping that moving. And actually, that's an example where we integrated and transitioned in a full-time person. So that was a win.

James: I know all the stuff done there. It was like, phenomenal. They couldn't have done it without you. I mean, a lot of things that we have in common is the clients. Most of my clients, when I identify the need for this, I just refer them to you, and then you come on board, and then they're healed. And we both look good for that because we've done good work, we've recognized the problem, we've been able to fix it. What other types of businesses?

Lloyd: Well, just to pause on that first one, that was really a fantastic client to work with, because as I was saying earlier, what's in it for us being a fractional integrator, they've given us a glowing testimony. That really was a win there. I've got an SEO agency. Less than 20 staff. So another online business, again, quite different again.

James: So agency. You've done e-commerce, an agency.

Lloyd: Yeah, and then a video marketer agency. And actually, we're actually doing a bit of software development for them, which is not really our core business, but we're getting some good results for them on there.

James: And I know you're in discussions with other types of businesses. You've got memberships, so info product creators. You have got influencers. And so there's basically most of the same sort of clients that I speak to, which is great. It's why we're a good alliance, and I'm so pleased to be able to support your business.

I was right there at the birth of your business, seeing it flourish. And I love what you're doing. And I love how you've assembled a great team. You've got a team now that can service different time zones. And your experience has allowed you to vet and train and manage the team that you've got. So when clients are taking on your service, they're getting access to all of that. So keep up the good work. Thank you so much for sharing.

Lloyd: Thanks for having me.

James: Always. This is Episode 898. If you've got a question for Lloyd, flick him an email or respond to one of the emails from this podcast, and let me know what you'd like me to ask Lloyd next time. We'll get him back. If you want your vision realized, if you want your trains to run on time and it's not working out the way you're trying it now, get in touch with Lloyd, have a chat to him about your situation and see if he might be able to help.

Lloyd: Thanks so much.



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