

Welcome to the lesson on the difference between a fractional and a full-time CAIO.

In this lesson, we're going to look at the benefits to you in each role, the challenges to you in each role, and the benefits to your company, your client in each role, and their challenges as well.

Let's dive in.

We're not going to talk about all of these. A lot of them are self-explanatory and we discuss a number of them in the written content. However, there are a few of these that I want to highlight having acted as a fractional for companies in the past.

One of the things, the flexibility. I have a family. I like to travel, and things like that. As a result, the ability to turn up and turn down as a fractional CAIO, my work requirements has fit really well with what I'm looking for out of life.

Some of you may be very ambitious and want no upside limit to the potential income that you can generate. That flexibility works in that favor as well. You can have as many clients as you'd like. The higher earnings potential, I just mentioned.

The continuous learning—that was been one of the benefits for me is that by working with multiple clients as a fractional, you have the ability to get a lot of experience over a very short period of time. This company's handling this issue. This company's dealing with this. This one's got this. Your ability to oversee and participate as a CAIO function in all of those scenarios, there are lessons learned from each situation. And as a result, you're able to go back to client A from something that you learned from client C and get the result faster, having already done it.

The reduced risk for me is desirable as well because I have more control over it. I'm not worried about a company right-sizing or me losing my job necessarily. As long as I have done a good job of performing the services for past clients with this skill set, you'll never be in lack of opportunities for new clients to participate in their AI deployments as fractional contributors.

## Challenges

Now, some of the challenges I mentioned is my family's unpredictable income. Luckily, that hasn't been an issue for many years. However, it is something to be concerned with if you are fractional and you haven't been paying attention to filling your pipeline with prospects or referrals.

The limited influence has certainly been an issue in some projects where you come in, you know what to do, you've helped them develop the strategy, and you know where to put the tools together, but for whatever reason, certain members of the leadership team maybe they want to drive it because they see it as a career booster.

Or they drag their feet or they're not fully committed or they're distracted with either personal or business fires that they're fighting. And the impact that you're able to have in those environments is certainly diminished and can be frustrating if you've got everything laid out, you're ready to go.

And the company is they're not operating at your speed, something to be aware of, at least.

Reputation risk is another one that comes from that. If you have done a very good job with your deliverables and the company doesn't follow through. And the CEO of the company's at a networking mixer somewhere and he's talking to the guy, "Oh, we tried AI. Oh, it didn't work. Right. Ah, we got a guy, we got a girl. They weren't the right person."

It's a risk because if the company's not taking accountability as it should, it's easy to say, "Oh, we tried it. The vendor was no good." When in reality you did all that you could, but because of the limited influence within the organization, you weren't able to fully influence the outcome in a positive way.

All of these are pretty self-explanatory. Pros and cons, it really depends on you. I've enjoyed being fractional. The flexibility and freedom for sure have been one of the number one things that I've enjoyed about it.

## Benefits and Challenges for Companies Hiring a Fractional CAIO

So on the other side of the fence, some of the benefits for sure are **cost effectiveness**. We've all seen the stories of even a basic role like prompt engineer getting paid \$300,000, Netflix offering \$900,000 for a head of AI, and that sort of thing. For a company that may not have those types of budgets or may not have developed a strategy so that they're clear that they need that level of contribution At the AI skill set level.

The fractional role (fractional relationship) is a big opportunity for them. They're able to buy some of your time, but not all of your time. Get some benefits. Let those benefits stack up, and revisit the relationship. So for companies, and also even if they end up going all in at some point, the fractional role allows them to try it out first.

And with what you've learned so far, there's no question that upon proper evaluation of your workflow and knowing your tools, you're going to be able to show them that it's worth it. We talked about this in the client's expectations of the role of a CAIO, and the access to the network of resources is invaluable.

They don't know where to go. There are hundreds, maybe thousands of new AI startups every single month now. And as a result, there's a lot of noise in the marketplace. They're expecting you to bring a signal. They're expecting you to have filtered out the noise in advance and say, "Who do you use?"

As a fractional, you'll be able to refer them to resources that otherwise would have been an expensive trial and error. Not only expensive and perhaps wasted capital that was invested in certain relationships or subscriptions to technology, but the time to figure out, "Hey, which one's right for us." It's a huge benefit that you bring for the companies.

The accelerated results, the less onboarding and transition times. Both of those kinds tie in together. As a fractional, and with the skills that you've learned, you're able to come in pretty quickly and depending on what the company needs, maybe dial in a few workflows that result in a 20% increase in revenue, 20% optimization as far as time spent on task, all those types of things.



So the companies are able to get quick wins and I can tell you that quick wins get people very excited. Once they have the quick wins, then they start to say, "Hey, let's take this stuff seriously. Let's call that CAIO back."

Now some of the challenges for a company is if they're very enthusiastic, which most are at this point. If you have a number of clients, you may have limited availability. You may not be able to be their on-call resource for this. And if you've ever done any type of fractional or consulting, you understand that clients, a lot of times want to be able to get in touch with somebody at 9 PM on a Sunday when they feel like they got a great idea.

By setting clear boundaries in the relationship, the companies will not have the access that they would. Listen if you're full-time, you're on the payroll. You answer when the boss calls, when the CEO calls, when your stakeholders call. When you are fractional, it's a completely different dynamic. So for the company, it's a challenge. For you that could be in your favor.

Being less familiar with company operations, depending on the size of the enterprise may be an issue for the company because you weren't there at the company picnic when this was discussed. However, the quick solution for us has always been to partner up with that subject matter expert within the company.

They know the business. They may not know your AI side, your strategic development side, or any of that type of thing. So as a result you having access to the subject matter expert, domain expert within that company combined with your skills fixes that problem. Then long-term cost considerations for the client.

If you're being paid more at a fractional wage than you would be if you were a full-time time, that's just how it is. For a company that is in need of ongoing fractional, especially active fractional participation, the cost can add up pretty quickly for them. And it becomes a situation at some point, it just makes sense for us to bring somebody in-house.

You've opened the door for that discussion. If that's of interest to you and you like the company and you like where they're going, you like the compensation package. But otherwise, that can get expensive for companies.



## The Benefits and Challenges of Being a Full-Time CAIO

Stability.

Some of you participating in this program may not be interested in the risks associated with the more entrepreneurial approach that is required as a fractional. There's nothing wrong with that. A full-time role certainly gives you that, especially if you are getting the wins that we've taught you how to get and will continue to teach you through the modules in the community.

You have a degree of job security. Even there's just not a large pool of individuals with your skillset who could replace you.

Another benefit that I like from the full-time role is that I can start to build a team and my own team culture and develop long-term relationships of individuals and resources within the company who will be kind of my AI change coalition participants. And then as a more strategic operator of a business, I've always enjoyed the ability to ideate on big goals. Develop strategy on those big goals. Delegate that strategy out to the operators who will be conducting the exercises necessary to achieve that goal and then being able to participate in the win at the end.

As a fractional, you might be in and out. You might be a one-week, three-month, six-month engagement. As a full time, you have the job satisfaction. You have the satisfaction of being able to participate in making some really big moves within the organization.

### Challenges

Some of the challenges obviously have **less variety**. If you are the type who likes the flexibility that was discussed and the fractional benefits for you as a fractional that may be something that contributes to lower job satisfaction. The fact that you are with one company and you're in one industry.



Another risk of being a full-time, particularly in a startup or high-growth type of company, is if they are not operating strategically and they're very reactive. Like, "Where's the opportunity? Oh, there's a fire over here." The company is not putting as many resources into the AI as they need to put the resources into survival.

And as a result, you may have developed a fantastic strategy. You may have identified some very low-hanging fruit as far as wins from that deployment, but the company may not necessarily have the bandwidth on the human side or the bandwidth on the capital side to say, "Hey, now's the time for us to go do that."

We cover a lot more in the written material, but these are kind of some of the highlights from my personal experience and that of working with other students and certified CAIOs.

### **Benefits and Challenges for the Company Hiring a Full-Time CAIO**

This dedicated leadership and consistent direction really move things big things forward. It also makes sure that there becomes an environment of accountability when it comes to measuring progress. It's your job. Without you being there, it would fall down to the role of somebody who was plucked from another role to be this AI person, and guess what? They probably still companies typically will still say and do your other job. So for the company to have that dedicated individual in there increases the likelihood of them having an extremely successful result from the effort.

### **Challenges**

With the **high cost of hiring and retaining**. As full-time CAIO, there will be headhunters who are reaching out. There will be posts like you saw about the \$ 900,000-a-year job at Netflix that will show up in your newsfeed. There will be relationships that are made through vendors and industry conferences where individuals will reach out and say, "Hey, this company is looking for something," So for companies, not only is there a higher expectation on a salary for a full-time specialized skill as you've got, but there is the constant concern of "Are they going to get poached?"



Then of course, if that were to happen, the risk of losing the CAIO, disrupting the stability of the operation, and the ongoing deployment, there are other challenges that we discussed and haven't discussed in the written material that you'll encounter depending on which role you are in. And honestly, if you're the company or you're the fractional.

With that in mind, I would start to reflect on which scenario works best for what you want out of life. Again, I can't tell you how in demand the skill is. I'm not being hyperbolic. It is an extremely powerful tool that exists in the marketplace and technology.

However, there are not a whole lot of technicians and you are in the catbird seat when it comes to having been taught the tools and been taught the strategic application of those tools. The future is very exciting.

So I hope that this helped you kind of understand that there are options out there for you with this skill that you're developing, whether it's fractional or full-time.