THE FRACTIONAL CTO DECISION GUIDE:

COST, SCOPE & THE QUESTIONS TO ASK

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Most growing companies don't need a full-time chief technology officer. They need senior technology leadership — someone to set direction, make architecture and build-versus-buy calls, and keep software shipping — without a $250,000 line on the payroll.

A fractional CTO (also called a virtual CTO or vCTO) gives you exactly that, part-time and on an ongoing basis. The hard part isn't deciding you want leadership. It's scoping the role and knowing what to ask before you hire.

Use this guide to decide whether a fractional CTO fits your stage, understand what it costs, scope the oversight cleanly, and interview well — including the one question most companies forget: who actually employs the developers.

1. Do You Actually Need a Fractional CTO?

A fractional CTO earns its keep when technology decisions have outgrown your team but haven't yet justified a full-time executive. You likely need one if several of these are true:

- You're building or heavily customizing software and no senior owner sets the technical direction
- Architecture and build-versus-buy decisions are being made ad hoc — or avoided
- Releases are unpredictable and there's no defined CI/CD or environment strategy
- You have developers (in-house, offshore, or contract) but no one leading them technically
- Product, network, and security decisions aren't aligned under one technology leader
- A full-time CTO would be over-scoped and over-budget for your current stage

The Rule:

If you need executive-level technology judgment more than you need 40 hours a week of it, a fractional CTO is the right shape.

2. What a Fractional CTO Costs

A fractional CTO is priced for the leadership you use, not for a full-time seat. Here is how the two options compare in practice.

Factor	Full-Time CTO	Fractional CTO
Typical cost	$250,000+ in the first year	$3,000–$15,000 per month
What's counted	Salary, benefits, bonus, equity	A flat monthly engagement fee
Median engagement	—	$8,000–$12,000/month, 15–20 hrs/week
Time to start	Months to recruit and onboard	Days to weeks
Commitment	Full-time hire, hard to unwind	Scale hours up or down; exit cleanly
Best fit	30+ engineers; cofounder-level product visionary	SMBs needing senior leadership without the hire

The Caveat:

A vCTO engagement is custom-scoped and priced outside standard per-user managed-IT plans. It sits on top of your existing managed IT rather than replacing it.

3. The Three Engagement Shapes

Fractional CTO engagements usually take one of three shapes. The right one depends on how much building you need done, and by whom.

Shape 1 — Strategy & Oversight

The vCTO sets direction — roadmap, architecture, standards, DevOps — and your existing team does the building. Best when you already have developers who need leadership, not more hands.

Shape 2 — Oversight + Supplemental Developers

The vCTO leads, and supplied developers work alongside your own team to add capacity where you're short. Best when your team is capable but under-resourced for the roadmap.

Shape 3 — Full Delivery

The vCTO leads and a supplied development team builds the entire product. Best when you have no in-house engineering and want one accountable leader over both strategy and delivery.

The Billing Rule:

In every shape, keep the leadership and the development on separate, transparent invoices — the technology leadership is one line, the developers who build the software are another. Ask exactly who employs and bills each (see Section 5, Question 3).

4. Scope the Oversight — A Worksheet

A fractional CTO directs technology; it doesn't absorb every function. Before you engage one, map who owns each domain today and what role the vCTO should play — **Direct** (owns the decisions), **Advise** (guides, doesn't own), or **None**.

Domain	Who owns it today?	vCTO role (Direct / Advise / None)
Technology strategy & roadmap		
Software architecture & design		
Managed DevOps / CI/CD		
Development team leadership		
Product & release direction		
Network operations		
Security operations		
Infrastructure & monitoring		
Vendor & budget management		

The Goal:

A one-page picture of where the vCTO leads, where it advises, and where day-to-day administration stays with your existing teams — before the engagement starts, not after.

5. Twelve Questions to Ask a Fractional CTO

The right questions surface fit, accountability, and how the engagement actually works.

1. What outcomes will you own in the first 90 days?
2. How many hours a week will you commit, and how does that flex up or down?
3. **Who employs and bills the developers who write our code — you, or a separate company?**
4. How will you make build-versus-buy decisions, and how will you show your reasoning?
5. What will our CI/CD, release cadence, and environment strategy look like?
6. How do you set and enforce engineering standards and code quality?
7. How will you work with our existing team, contractors, and vendors?
8. What is your role across network and security operations — direct, advise, or none?
9. How will you report progress and cost to non-technical leadership?
10. What happens to our code, pipelines, and documentation if we part ways?
11. Can you show two references at our stage and size?
12. How is your leadership billed, and is development billed separately and transparently?

The One That Matters Most:

Question 3. If the answer isn't clear — if leadership and development are blurred into one invoice from one party — you can't see what you're paying for or who is accountable for what.

6. Fractional CTO or Fractional CIO?

They're different roles, and some companies need both.

- **Fractional CTO** — builds and ships your product and technology: architecture, development, DevOps, engineering standards.
- **Fractional CIO** — governs your internal IT: strategy, budget, vendors, risk, and the systems your staff use to work.

The Rule:

If your competitive edge is the software you build, start with a fractional CTO. If it's running internal IT well, start with a fractional CIO.

The Final Word

A fractional CTO isn't a discount executive. It's the right amount of senior technology leadership for a company that needs judgment more than it needs a full-time seat — delivered by someone accountable, with development kept transparent and separate.

Scope the role, compare the real cost against a full-time hire, pick the engagement shape that matches how much building you need, and ask the twelve questions. Do that, and you'll hire leadership that pays for itself.

Next Step:

Fill in the oversight worksheet in Section 4 for your own company. Where you wrote "Direct" and have no one to own it today is exactly where a fractional CTO starts earning its fee.