A Human Capital Advantage: Why PE Firms Are Using Fractional HR

Our proven HR practitioners work alongside operating partners and embed with management teams. We provide cost-effective expertise and capacity to ensure your approach to people and culture powers your value creation strategy.

Your Challenge

Effectively attracting, retaining, and developing leadership and operational talent powers growth. However, portfolio company HR teams are often under-resourced, transactional, or missing entirely, and your operating partners likely don't have the capacity to provide continuous support. These resource and capability gaps can lead to risk.

Your Risk

People and culture issues can slow momentum and erode value. Strong HR capabilities help mitigate the risks of misaligned or underperforming leadership, retention issues in critical roles, and delayed execution on strategic priorities. A strong people function doesn't just solve problems - it protects your investment thesis.

Our Solution

Our fractional HR model offers an alternative to arms-length outsourcing arrangements or the expense of in-house support:

- **Speed & Flexibility:** We ramp fast, become fully embedded with organizations, and adjust as needs and priorities evolve.

- **Execution, Not Advice:** We're not consultants. We don't just identify gaps, we actually close them with operational rigor.

- **Strategic Impact:** We help management teams lead through change and build approaches and organizations that scale.

It's strategic and operational capability without the permanent overhead, tailored to your value creation strategy and timeline.

Client Case Study

We partnered with a $30M revenue, 150 employee technology firm to supplement their in-house People team and provide strategic leadership for people and culture.

The Situation

After the departure of a Chief People Officer, the firm needed strategic expertise to guide its people strategy. Leader and employee feedback also indicated opportunities for an enhanced HR service model and focus on employee engagement.

Our Approach

We provided immediate support for people operations while completing a 150-point HR assessment to identify risks and opportunities. An HR roadmap was developed to guide people initiatives and an employee engagement survey was deployed.

Driving Value

In our first 90 days, we reduced operating costs via an optimized HR service model, renegotiated a favorable benefits renewal, supported workforce optimization, and resolved high-risk employee relations issues.

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Our Capabilities

Levels of Support

- **Chief People Officer:** Strategic leadership for people and culture

- **HR Business Partner:** Management of people programs and initiatives

- **HR Operations:** Comprehensive support for people processes

Forms of Support

- **Project:** Expertise and capacity for a defined scope of work

- **Interim:** Temporary leadership or support during transitions

- **Ongoing:** Part-time HR leadership with full-time impact

"FXG has been outstanding in helping us manage our HR needs. They're not only knowledgeable but also incredibly easy to work with, making them a trusted partner in supporting our people and our mission."

Ted Marshall | Managing Partner, Aqua IT

Private Equity Use Cases

Reducing G&A Costs

We embed in a portfolio company and provide lower-cost HR support and optimize the HR service model

Extending Operating Partners

We provide expertise and capacity to extend work on key portfolio-level projects and initiatives

Supporting M&A Transactions

We support due diligence, integration management, and prep for sale activities

Supplementing In-House Teams

We round out portfolio company HR teams with additional strategic or operational help

Navigating Transformations

We drive change management & people strategy as business models & organizational structures shift

Playing Catch-Up

We refresh the people structures and processes for portfolio companies that experience rapid growth