

Life is interdependent. Transition to Employee Ownership. Bring work to life.



Your weekly blog on all things EO
with Barry Horner

Episode 11 | Series 1

The Unspoken Journey of a Founder. Planning for a post-EOT Life.

Today's Know How seeks to recognise the challenges faced by a founder in the immediate post sale aftermath. It's a challenging period that required significant preparation. Here I share some of the practical steps that a seller can follow to minimise the risk of aimlessness and a lack of purpose.

Founders often celebrate the transition of a business to an Employee Ownership Trust (EOT) as a huge victory for a founder's legacy, but they rarely talk about the personal aftermath.

For the founder, the business isn't just an asset, but rather it's often a profound extension of their own identity. The journey after the sale isn't a simple transaction, it's a significant psychological transition that requires careful planning.

The challenge of relinquishing control - arguably the most difficult aspect of the transition. A founder has spent years, or even decades, being the ultimate authority - the final word on every major decision. They are accustomed to a direct cause-and-effect relationship between their actions and the company's success. After the EOT sale, this dynamic is fundamentally altered.

There is a need for a founder to transition from a hands-on commander to possibly a non-executive role, often as an adviser or a passive board member. Their ideas, once implemented with a simple nod, now must be presented, debated, and potentially rejected by the new leadership and the Trust Board. This loss of direct control can be deeply frustrating, leading to a feeling of powerlessness.

Even with the best intentions, the founder's continued presence can feel like a shadow over the new leadership. Their unsolicited advice can undermine the new CEO's authority and prevent the team from truly taking ownership of their decisions. The founder must learn to trust the team they have empowered and accept that the company will evolve in ways they may not have directed.

The Crisis of Identity and Purpose

For many founders, their business is more than just a job but rather it is a life's work and their central purpose. Stepping away can leave a profound void.

The relentless, all-consuming schedule of a founder's life suddenly evaporates. The constant demands, problem-solving, and strategic thinking that once filled every moment are gone. The freedom can initially be exhilarating, but it often gives way to a sense of aimlessness and a lack of purpose.

Without the title of 'Founder' or 'CEO, their identity feels incomplete. They may struggle to answer the simple question, 'What do you do?' as their professional life no longer defines them. This can be a source of anxiety and a deep-seated feeling of irrelevance.

The importance of planning beyond the transaction

A truly successful EOT transition, for the founder, requires a 'Personal Succession Plan' just as detailed as the business plan's they have carefully crafted throughout their working lives.

Founders need to actively plan for their post-EOT life.

This could involve exploring new ventures, joining other company boards, or dedicating

time to philanthropic work. The key is to find a new project that is personally meaningful and challenging.

The suggestion is to start to prepare for stepping away no less than five years before the date of handing over the reins. Joining a Board as a non-exec or working with a local charity as a Trustee takes time to find the right company where skills will best be deployed and where the culture and personal values align.

Proactively find new meaning that gets them out of bed in the morning. This may require deep soul-searching and a willingness to explore new avenues through trial and error, whether it's volunteering, a new hobby, or part-time work.

The transition should ideally be phased. Staying on in a limited, clearly defined role (e.g., as a mentor or chair for a fixed period) can help ease the founder out of the daily operations without an abrupt, jarring separation.

The emotional journey is complex. Working with a professional coach or even a therapist can provide a safe space to process the feelings of loss, grief, and uncertainty that can accompany letting go of a life's work. It helps reframe their identity and find purpose beyond the business.

A business leader's social life is often tied to their professional network. It is of crucial importance to build and maintain social connections outside of work. These networks, whether with family, friends, or new groups based on hobbies, act as a 'bridge' between their old life and the new one, preventing the isolation and depression that can result from a sudden loss of professional identity.

Celia Dodd in her excellent book entitled 'Don't fade away' stresses that a successful transition is about attitude. She encourages people to be proactive, stay curious, and be open to new possibilities. The process of stepping down is not about "fading away" but about embracing a new, vibrant stage of life filled with opportunities for personal growth and fulfilment.

The conclusion:

The journey of an EOT founder is a powerful paradox. They spend years building a business they believe will live forever, only to realise their greatest act of success is letting it go. The ultimate measure of a successful transition isn't just the health of the company or the financial security of its employee-owners. It's the founder's ability to find purpose beyond the business.

Handing over the 'baby' can be both a profound challenge and a liberation. The process of building new roles isn't about simply filling a schedule - it's about actively crafting a new identity. This new chapter requires a proactive mindset, a willingness to explore, and the courage to find fulfilment in a life not defined by a title.

Ultimately, the EOT model is a gift to a company's future, but it's also a life-altering opportunity for the person who built it. The challenge is to embrace the unknown, to actively build a new bridge from their old life to a new one. The goal isn't to fade away; it's to thrive, to continue growing, and to redefine success on their own terms.

The ultimate personal challenge for a founder is to make the next decade of their life more meaningful than the ones that came before.

For more information or to discuss anything in this latest Know-How;
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