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Your weekly blog on all things EO
with Barry Horner

Take it From a Former Owner, This is How it is Going to Feel - *Part Two*

The Emotional Roller-Coaster

Transitioning your company to an Employee Ownership Trust (EOT) and staying on as a leader requires a massive emotional and professional pivot. Beyond the legalese and financial structuring, here is the unvarnished truth of what the adjustment actually feels like day-to-day, and what you need to brace yourself for.

In 2019, I transitioned the business I co-founded into an Employee Ownership Trust (EOT). Six years later, in 2025, I finally handed over the CEO reins.

Looking back, nobody really prepares you for the emotional whirlwind of transitioning the business you founded into an EOT, or what it feels like to stay on afterwards.

In this new series, I am pulling back the curtain on the founder's journey, the blind spots, the mindset shifts, and the emotional roller-coaster you need to brace yourself for down the road.

As you embark on your EOT journey, some of these emotional shifts and governance changes will resonate deeply with your own experience, while others might feel entirely

foreign to your specific situation. That is completely normal, as every founder's path is unique.

However, the most critical takeaway is simply becoming aware that selling to an EOT is almost guaranteed to trigger a powerful, often unexpected emotional response.

Crucially, it is vital to recognise the stark difference between changes you experience as a shareholder versus changes you experience as a C-suite leader. Financially, your status as a shareholder shifts overnight from holding direct equity to realising value through structured payouts of deferred consideration.

But operationally, staying on as a CEO or executive means your day-to-day reality is turned upside down. You must pivot from being the ultimate, autonomous decision maker at the top of the pyramid to operating within a transparent glass house, answering to Trustees, and balancing employee-owner expectations.

Understanding this dual shift, protecting your legacy as a departing owner while navigating a completely new power dynamic as a retained leader, is the key to bracing yourself for the road ahead.

For a seller/vendor, selling to an Employee Ownership Trust can be an overwhelmingly positive milestone that offers an opportunity to secure your company's future. It may help you to protect your hard-earned legacy, keep your talented team together, and maintain seamless continuity for your clients.

Yet, even when for a business or owner, you have decided it is the right choice, the emotional whirlwind of the process can occasionally catch you off guard and cause you to second-guess whether you've done the right thing. Recognising that this doubt is a normal part of the psychological adjustment helps you separate the natural anxieties of letting go from the brilliant long-term success of your decision.

This Is How It Is Going to Feel

1. Possession to Preservation. It feels like you are now managing something that you used to completely own.

The Emotional Reality: You poured your sweat, capital and identity into building this company, but overnight, you cross a psychological line. You no longer own the business, and you are now simply holding space for the employee owner beneficiaries. It can feel disorientating to realise you are now accountable to an entity that is now owned by your former employees!

How to Prepare: Accept that your psychological attachment needs to change. Shift your pride from 'possessing' the company to 'preserving' its legacy and empowering its people.

2. It feels like losing your absolute veto.

The Emotional Reality: For years, you were pretty much the final say on everything. Suddenly, you have to answer to a board of Trustees. It can feel like being second-guessed, micromanaged, or stripped of your agility when you hit a wall of formal process and governance.

How to Prepare: Co-create a transparent 'Delegation of Authority' matrix. What at Paradigm Norton we call our 'Powers' document. Adjust your perspective and embrace the friction as a healthy safety net rather than an attack on your authority.

3. Accountability - It feels like moving from kitchen table decision making to a glass house.

The Emotional Reality: The casual, instinctive decision-making style of a founder is replaced by formal reporting rhythms. Every move, financial metric, and strategic pivot is now looked at under a microscope by trustees who have a legal duty to protect the trust.

How to Prepare: Let go of the urge to handle things behind closed doors. Build a rhythm of radical candour and proactive transparency so the board is never caught off guard.

4. Leadership & Mentorship. It feels terrifyingly hands-off at first.

The Emotional Reality: If your services are retained, you will feel a strong urge to jump in and rescue operations the old way. Standing back while your management team develops its own approach and finds its rhythm can feel deeply uncomfortable.

How to Prepare: Redefine your worth. Your value is no longer measured by how many fires you put out yourself, but by how well your team can put them out without you!

5. It feels like breaking a lot of well-meaning EO myths.

The Emotional Reality: Employees can sometimes assume that employee ownership means that every significant business decision becomes a collective one. Helping people understand the distinction between ownership, governance and day-to-day management can require ongoing conversations and careful expectation-setting.

How to Prepare: Clearly explain the difference between employee ownership and operational decision-making. Creating that shared understanding early will help build trust and avoid confusion later on.

6. Letting Go. It feels like an identity crisis.

The Emotional Reality: When you strip away the “founder/owner” hat, it can trigger anxiety, defensiveness, and a sense of grief. It hurts when you see things changing in ‘your’ company that you wouldn’t have done yourself.

How to Prepare: Acknowledge the grief. Recognise that the hardest part of an EOT isn’t the legal transaction, but rather it’s letting go of the ego and realising the company has outgrown needing you at the centre of the universe.

7. The Runway. It feels like you are living on borrowed time.

The Emotional Reality: Staying on indefinitely as a post-sale executive can leave you feeling caught in a weird limbo, neither fully the boss nor fully retired. It can create leadership bottlenecks and staff confusion if boundaries blur.

How to Prepare: Set a hard, realistic timeline (e.g., 12, 24, or 36 months) for your departure. Give yourself a finish line so you can mentally transition toward your next chapter.

8. Personal Compensation. It feels like your personal compensation is under a microscope.

The Emotional Reality: Your salary, bonuses, or deferred consideration are no longer a private matter between you, the Board and an accountant. They are viewed closely by trustees and staff who are now stakeholders in the financial health of the business.

How to Prepare: Ensure your financial package is completely transparent, independently benchmarked, and strictly tied to sustainable, long-term value creation.

9. Culture & Voice. It feels like learning to bite your tongue.

The Emotional Reality: Moving away from a founder-centric culture means you have to actively make space for dissenting views, pushback, and ideas you might personally disagree with. It may challenge your patience daily.

How to Prepare: Practice radical listening. Cultivate an environment where your employee council and executive team feel safe telling you when you are wrong.

10. The Final Exit. It feels like walking out of a movie that you directed.

The Emotional Reality: Whether your contract ends in six months or five years, walking out that door for the last time will bring a heavy mix of pride, relief, and melancholy.

How to Prepare: Focus your energy on building a self-sustaining system. Your ultimate victory as a founder isn't holding on forever, but rather it's leaving behind a thriving organisation that doesn't need you anymore.

Here are my nine recommendations for navigating these challenges, designed to help you manage the emotional impact and the complex feelings you are most likely to experience as you manage both your ownership transition and your eventual leadership hand-over.

1. Invest in Personal Executive Coaching

Work with a coach or therapist who specialises in executive transitions to give you a safe, confidential space to unpack feelings of identity loss, anxiety, and purpose. It helps you design your next chapter before the sale is complete, so you aren't left feeling untethered afterward. I found this to be invaluable as I went through the process ahead of the business transition and the eventual hand-over of the CEO role.

2. Establish a Clear Post-Sale Role

Decide early on what your relationship with the company will look like post-sale e.g., remaining as a non-executive director for a transition period, moving to an advisory role, or making a clean break. Having a defined horizon helps manage expectations both for yourself and the team.

3. Connect with Peer Founders

Speak with other founders who have successfully completed an EOT journey. Hearing firsthand how they navigated the emotional highs and lows can normalise your feelings and provide practical reassurance.

4. Create a Letter of Wishes

Write down why you chose the EOT route and what matters most to you about the company's future.

Why it helps: During stressful moments in the negotiation or transition, it is easy to get bogged down in anxiety. Looking back at your core values and original vision reminds you of the positive legacy you are creating, anchoring you when emotions run high.

5. Cultivate a Non-work Identity Well Before Day One

Intentionally invest time in hobbies, community involvement, creative pursuits, or physical fitness that have nothing to do with your business.

Why it helps: If your entire social circle and sense of self-worth are tied to being “the boss,” stepping back feels like a cliff. Building alternative anchors gives you psychological safety and excitement for what comes next.

6. Schedule a Formal ‘Handover Ritual’ or Celebration

Create a milestone event, whether it is a heartfelt speech, a final all-hands meeting, or a symbolic passing of the torch to the new leadership and trustee board.

Why it helps: Humans process major life changes through rituals. Acknowledging the end of your era with gratitude and ceremony helps your brain accept the transition and provides closure.

On the day of the CEO transition on April 1st, 2025, I arranged to have lunch with Philippa the new CEO. For me this was important. It was a handing over of the baton and my opportunity to share some of my thoughts and hopes for the business, whilst also affirming her in her new role.

7. Establish Clear Emotional Boundaries Post-sale

If you stay on in an advisory or board capacity, set firm ground rules with the new leadership team regarding your availability and decision-making power.

Why it helps: Hovering or second-guessing the new team prolongs the emotional entanglement. Clean boundaries allow you to truly let go while letting the employees step fully into their ownership shoes.

8. Redesign your Physical and Digital Boundaries

Intentionally disconnect from day-to-day operational communication channels. If you stay on post-sale, gradually remove yourself from routine email threads, Slack channels, or operational dashboards.

Why it helps: It is nearly impossible to emotionally let go if you have constant, real-time visibility into every minor problem. Creating physical and digital distance forces you to trust the new leadership and gives your brain a break.

9. Design a Creative Project to Harness your New Energy

Channel your problem-solving energy into something totally new either inside or outside the company, such as angel investing, mentoring younger entrepreneurs in a different industry, or diving deep into a creative or philanthropic passion project.

Why it helps: Founders are builders by nature. When you step back from the company, you can experience a sudden loss of mission. Having a new, low-stakes canvas for your energy prevents you from trying to micro-manage your old business out of sheer boredom or habit.

The emotional journey of employee ownership is rarely a single, uniform experience, but rather it unfolds in distinct phases filled with varying feelings. Some emotional responses will be triggered right at the moment of sale when the company officially becomes employee-owned, shifting your mindset around possession, risk, and letting go of absolute control.

However, entirely separate anxieties and concerns often surface much later, perhaps years down the line when you finally hand over the CEO reins and step away from day-to-day executive leadership.

Because the initial transition of ownership and the eventual surrender of operational power are two very distinct milestones, they will test you in entirely different ways.

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