Navigating Founder Transitions

With many moving parts involved throughout the process, transitioning leaders can be a daunting experience for many organizations. When considering founder-led organizations, there are additional implications that must be considered to ensure a successful experience for the newest leader and for the organization as a whole.

Honor the outgoing leader. Ensure that the founder is respected throughout this process and that they feel adequately heard. Founders have invaluable knowledge, experience, and insight on the organization and should remain as involved as is appropriate for the situation.

Separate the identity of the leader from the organization. Often times, founders are very deeply integrated within every aspect of an organization. In order for an organization to continue to thrive and evolve, they must establish a strong sense of identity that is separate from the founder. By doing so, organizations can create a more sustainable and resilient foundation for long-term success.

Identify a clear succession plan. Eventually, every leader moves on. It's essential to develop a succession plan well in advance of a founder's departure to ensure a smooth transition of leadership and stability within the organization. The succession plan can also serve as a guide for the incoming leader, allowing them to feel prepared and supported as they transition into their new role.

Provide support for the incoming leader. Prioritize open communication with the incoming leader and provide them with pertinent information about the state of the organization, ongoing projects, and challenges that need to be addressed. Consistent check-ins provide the opportunity to discuss progress and timely feedback. This is critical to ensuring a successful transition for the new leader, allowing them to become an effective and valued member of the organization.

50%
of leaders step down within five to seven years of founding an organization.

Founder to CEO transitions take
6 months
on average.

70%
of founders do not have an exit strategy in place.

90%
likelihood to meet three-year-goals following a successful leadership transition.

*Based on data from The Annie E. Casey Foundation, Harvard Business Review, and Corporate Executive Board.