

Lessons Shared on Founder Succession

EXECUTIVE SUMMARY

Every founder transition is, at its core, an identity crisis, not just for the person leaving, but for the company, its investors and the incoming leader who inherits a vision they did not create.

True's [CEO and Board Practice in EMEA](#) interviewed investors, founders and successor CEOs across sectors, ownership structures and stages of growth to understand what separates the transitions that work from the ones that don't.

A striking pattern emerged: the transitions that succeeded did so because all parties were willing to confront uncomfortable truths. The ones that failed were undone by what people chose not to say.

This paper is a collection of hard-won insights from people who have lived through variations on this theme.

AUTHORS

Cosmo Lush, Josh Smith, Anela Hasa,
Suzannah Wyatt, Sandy Martinovic & Caroline Lo

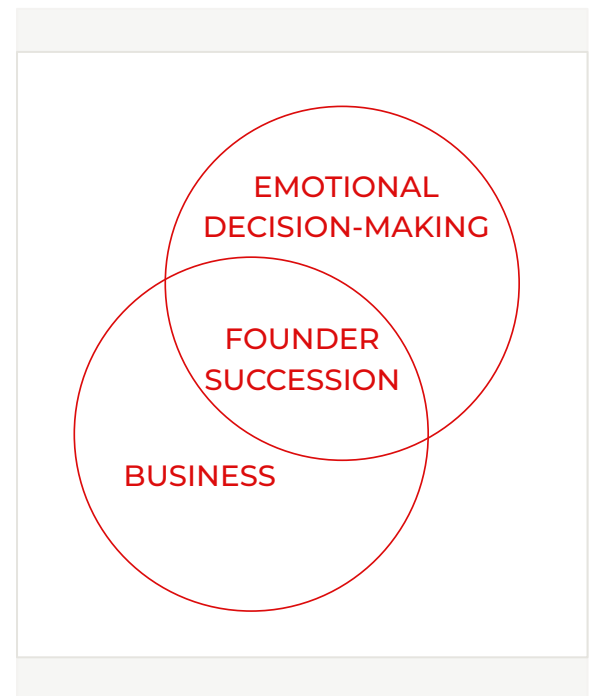
This report contains insights from a series of interviews conducted by True's CEO and Board Practice in EMEA throughout 2026. Attendees were investors, founders and successor CEOs commenting on the dynamics that determine and enable the success of a founder transition. Interviewees covered a variety of sectors, ownership structures, stages of company and geographies. All interviewees' contributions are anonymised.

Why founder transitions are so hard to get right

Founding a business, by any measure, is an extraordinary undertaking. It requires an individual or group to align on an idea and have the unbridled passion, confidence and risk appetite to turn that idea into a reality. When those businesses begin to gain traction, it instills a sense of drive and identity in the individuals at the helm.

What we do know is that the individuals behind the creation and incubation of an idea into a successful business are not always the individuals who bring the rounded experience required to lead as CEO of a growing enterprise, particularly once institutional investment is secured. The complexity of finding individuals able to occupy the CEO seat past a certain level of maturity is the backbone of the search and recruitment industry. It is one of the highest stakes decisions in the lifecycle of a growth stage business, and sitting at the centre of the Venn diagram between business and emotional decision making, it becomes all the more complex to navigate.

True has supported over 400 CEO searches in EMEA over the last three years and has seen the full spectrum of outcomes. In our earlier article, [Founder Transitions: Best Practices for CEO Succession](#), we mapped the structural mechanics, including search committees, founder involvement and setting the new leader up for success. While that framework remains essential, structure alone cannot thread the needle between what these businesses need to grow and the personal dynamics and emotional undertow entrenched in a decision of this nature.



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From replacing founders to supporting them

Since our initial framework in 2024, the landscape has shifted. A generation of VC-backed companies founded during the last investment boom are now maturing past founder-market fit, and the era of the "professional founder" is ending. Investors are increasingly distinguishing between a founder's will to lead and their skill to scale.

As one investor described it: **"Will and skill are different things. A founder might have the will but not the skill, or the skill but not the will. Both gaps require different interventions."**

The traditional "bring in a professional CEO" approach can destroy the very credibility that attracts capital and talent. In these settings, succession is less about replacement and more about scaffolding, surrounding the founder with strategic, commercial and operational leadership while preserving their unique contribution. In science led businesses, the founder is often the technical moat, while a broader leadership figure supports the day to day running irrespective of title. This buffer hinges on credible and complementary skillsets, high touch communication, high EQ, low ego and the ability to disentangle one's personal identity from their professional one.

67% of S&P 500 CEO successions in 2025 were internal, reflecting a shift towards promotion over parachuting. Yet for private capital backed and growth stage companies, the external hire remains the norm, and the support infrastructure tends to be far thinner. Several interviewees alluded to board makeup as a key differentiator. Boards dominated by investor representatives without independent operating experience, fragmented across multiple fund interests, or with no board at all, simply cannot equip a CEO or outgoing founder to undergo one of the most critical transitions in a company's lifecycle.

“The board was full of smart people, but none of them had ever run a company. They could evaluate strategy but couldn't help me navigate the first ninety days.”

— **Successor CEO**

When founders are honest with themselves

The conflation between a person and the organisation they built is what makes succession so emotionally treacherous. The transition only works when the founder has genuine self-awareness about why they are stepping back. One CEO described inheriting a company from a founder who reached that clarity organically: "He realised he was the bottleneck. The company had outgrown his operational capacity, and he was honest enough to say so. That self-awareness made everything that followed possible." This level of self awareness tends to be the exception.

More commonly, investors or boards push founders towards transition, and the emotional resistance surfaces indirectly: retaining veto rights, maintaining direct reports that should sit under the new hire, or signalling that the old order has not truly passed. One investor described a recurring pattern: the founder agrees to the plan, participates constructively, then in the final weeks suddenly resists. "There's almost always a wobble," they said. "It's the moment it becomes real."

Not every transition requires exit. Often the most successful cases involve founders who remained in technical, strategic or evangelism roles, with success hinging on open dialogue and role clarity.

FOR FOUNDERS CONSIDERING THE TRANSITION

1 Interrogate your motivation honestly, and define your post-transition role before the search begins.

2 Accept that the "wobble" will come, and name it in advance rather than being surprised by it.

3 Treat cultural evolution as growth, not betrayal, and build in a structured four-to-six-week shadow period of joint working.

The forgotten CEO: Why successors are left to fend for themselves

Across the 400-plus CEO searches True has run in EMEA, the theme that emerged most forcefully is that efforts to ease the transition are naturally funnelled into managing the founder, and the CEO is almost universally given insufficient support, orphaned in a business where they haven't been told an honest entry story. By the time the new CEO arrives, the board often mistakenly assumes the hard part is over.

“I was given no support, no onboarding, no coaching. The board assumed that because I was experienced, I would just figure it out. But walking into a founder's company is completely different from any other CEO role. The politics, the loyalty networks, the cultural landmines; none of that is in the briefing pack.”

— **Successor CEO**

Long-serving employees loyal to the founder can passively or actively resist the new CEO's authority. In the best transitions, the founder actively endorsed the new CEO, effectively co-founding 'v2' of the business. Several successor CEOs also described a particular isolation. They were unable to be fully candid with the board who appointed them or the team they inherited, and they had no peer network who understood the challenge of following a founder.

THE FORGOTTEN CEO: WHY SUCCESSORS ARE LEFT TO FEND FOR THEMSELVES [CONT.]

Some CEOs shared experiences where the board, even independents who helped appoint them, held underlying biases towards the outgoing founder and were unable to act truly independently. In the opposite scenario, however, one CEO credited their success to an independent board mentor who truly sponsored his successful onboarding: "That person was the difference between surviving the first year and thriving in it."

"Everyone focuses on the founder's feelings. Nobody asks the incoming CEO: are you okay? Do you have what you need? That asymmetry is the single biggest risk in founder transitions."
— *Successor CEO*

The most effective successor CEOs deliberately slowed down, spending their first weeks listening, mapping informal power structures and building trust one conversation at a time. One created a detailed 'observations document' during their shadow period. Another conducted a 'transparency session' with the founder. "It was uncomfortable, but it meant there were no unspoken assumptions."

FOR INCOMING CEOS

1 Negotiate onboarding support and a shadow period with the founder as part of your terms, not as a nice-to-have.

2 Map the stakeholder landscape and the board dynamic before day one.

3 Lean on the board's independent members, and don't underestimate the founder's emotional attachment to the business.

4 Overcommunicate in the early weeks, and assume nothing is obvious.

The board and investor blindspot

Investors often serve as the trigger point for these transitions, bringing a helicopter view that leads to a level of honesty internal teams didn't know was necessary. Yet our research surfaced an uncomfortable pattern: the most common source of governance failure can be the board itself. Where a company has multiple institutional investors, the board often reflects competing fund timelines and visions. One CEO arrived to find different board members had made conflicting commitments to the founder: "I was essentially asked to implement three different succession plans simultaneously." As one investor put it: "Board alignment across funds is the single most underrated factor."

Patience matters too. As one investor in growth stage startups and scale ups noted: "A founder who doesn't think they need a COO today is unlikely to think they do tomorrow just because you've told them. But, they might in 6 months. You have to be patient."

Simply surrounding a founder with senior executives without clear authority structures often fails. In one portfolio case, the board eventually acknowledged a dedicated CEO was needed, and when they found the right person it was a "total game changer." One investor estimated that a failed CEO transition costs a company 12 to 18 months of progress, and in a fast-moving market, that can be terminal.

A FAILED CEO
TRANSITION
COULD COST

12 - 18

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THE BOARD AND INVESTOR BLINDSPOT [CONT.]

Treat governance as the infrastructure that makes the transition and trust possible, rather than a compliance exercise. Boards operating with clear mandates, independent voices and genuine accountability enabled the strongest transitions. The weakest were captured by the founder, fragmented across competing interests, or too inexperienced to steward a leadership change.

One CEO walked into an organisation where governance was "messy", making their first task more constitutional than strategic. Yet the same CEO noted the organisation itself was deeply welcoming: "I had never felt more welcome. The team was desperate for normalcy." Successor CEOs must learn to read both layers at once. The formal governance structure and the informal organisational culture often don't tell the same story.

FOR BOARDS AND INVESTORS

1 Align across all fund representatives before any conversation with the founder begins, and don't make individual commitments without full board alignment.

2 Assess honestly whether the situation calls for replacement or scaffolding, then budget for whichever path you choose.

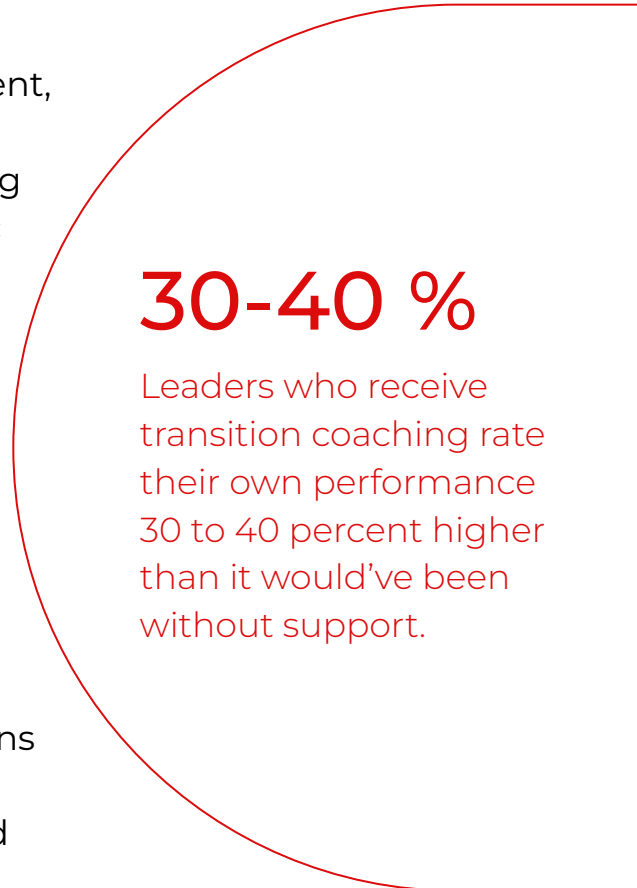
3 Appoint at least one genuinely independent board member with real operating experience.

4 Remember that formal governance and informal culture tell different stories. Read both before assuming the hard part is over.

The case for assessment and tools

Boards and investors often treat founder attachment, cultural fault lines and leadership isolation as intangible and therefore unmanageable. A growing body of evidence demonstrates that psychometric assessment, transition coaching and structured onboarding can materially improve outcomes. Traditional interviews reveal what a candidate has or hasn't done. Psychometric assessment reveals how they are likely to lead under pressure, in ambiguity and in conflict.

Research shows leaders who receive transition coaching rate their own performance 30 to 40 percent higher than they believe it would have been without support. The most effective transitions featured deliberate onboarding, including shadow periods and 'contextual immersion'. "You can't lead what you don't understand," one interviewee said.



30-40 %

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The evidence points toward a short list of concrete interventions, each aimed at a failure point named above:

- Pre-appointment psychometric assessment to surface the "will versus skill" gap before it becomes a boardroom surprise.
- Structured onboarding with a defined overlap period, closing the information gap successor CEOs described walking into blind.
- Transition coaching for the incoming CEO and independent board mentorship, addressing directly the isolation and asymmetry of attention successor CEOs named as the single biggest risk.
- Founder transition support, so the founder's own transition gets the same structured attention as the CEO's.

Together, these interventions turn the transition from something left to chance into something a company can actually prepare for.

Beyond the playbook

Founder transitions will rarely be a fully comfortable process. They involve identity, power, money, legacy and the future of organisations people have poured their lives into building. But the transitions that succeed share common qualities: honesty about what is happening and why, clarity on roles and timelines, investment in the incoming leader's success and the outgoing founder's transition, and governance structures that can hold the process together when emotions run high.

At True, we believe the success of founder transitions comes down to more than better search processes or smarter board structures, as important as both are. It comes down to a willingness to treat the human dynamics of succession with the same rigour and intentionality we bring to every other strategic decision.

"Ambiguity makes it a nightmare. Clarity makes it survivable. And genuine support makes it succeed."

— **Successor CEO**

HELP SHAPE WHAT WE STUDY NEXT

In partnership with [True Talent Labs](#), we are launching a new study of investor-founder relationships: what creates value, what gets in the way, and what support helps both sides succeed. If you have lived through this dynamic, your experience can help shape the solutions we create. To take part, contact us at research.truetalentlabs@trueplatform.com.

INSIGHTS FROM

**Caroline Lo**

Managing Director,
Head of the CEO, Board
and Financial Services Practices
caroline.lo@truesearch.com

**Cosmo Lush**

Managing Director,
Head of the Private
Equity Practice
cosmo@truesearch.com

**Josh Smith**

Partner, Head of
the Energy Transition
& Industrial Practice
josh.smith@truesearch.com

**Anela Hasa**

Principal
CEO and Board Practices
anela.hasa@truesearch.com

**Suzannah Wyatt**

Principal
Energy Transition & Industrial Practice
suzannah.wyatt@truesearch.com

**Sandy Martinovic**

Senior Associate
CEO and Board Practices
sandy.martinovic@truesearch.com

CONTINUE THE CONVERSATION

**Will Bruce**

Managing Director,
Nordics
william@truesearch.com

**Linsay Trueman**

Managing Director,
Head of the Consumer Practice
linsay.trueman@truesearch.com

**David Winch**

Managing Director, Head of the
Enterprise Software & Services
and Go-to-Market Practices
david.winch@truesearch.com

**Kristyna Smetanova**

Managing Director
Consumer Practice
kristyna@truesearch.com

**Sam Molina**

Partner
CEO and Board Practices
sam.molina@truesearch.com

**Leticia Llordén**

Managing Director,
Spain Regional Lead
leticia.llorden@truesearch.com



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