

**The Emotional Cost of Success:
Entrepreneurial Identity Challenges After Successful Entrepreneurial Exits**

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Abstract

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Despite the financial upside of selling a business, the majority of entrepreneurs report post-exit regret, pointing to a substantial but poorly understood emotional burden. Yet research on founders' post-sale experiences is limited, and most exit planning frameworks focus on legal, operational, and financial readiness while overlooking identity and emotional adjustment. This study addresses this gap by investigating how entrepreneurs experience and navigate identity reconstruction following a successful business exit. Based on 15 in-depth interviews with North American founders who exited within the past five years, the analysis draws on Fauchart and Gruber's (2011) identity typology and the Kübler-Ross (1969) grief model to explore post-exit adjustment. Participants reported emotional trajectories that aligned with grief stages, with depression emerging as the most prevalent experience across identities; its form, trigger, and resolution varied by founder's identity type, which shaped distinct patterns of loss and recovery. The study extends Fauchart and Gruber's (2011) identity framework into the post-exit context, demonstrates the applicability of the Kübler-Ross (1969) grief model to voluntary, financially successful exits, and empirically shows that financial gain does not mitigate the grief-like process. Practically, the findings highlight the need for early emotional preparation, well before the exit process is formally underway, and offer practitioners a diagnostic framework for assessing identity needs and tailoring pre-exit support accordingly.

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Introduction

Seventy-three percent of privately held companies in the U.S. plan to transition within the next 10 years, equaling a \$14 trillion transfer opportunity (Exit Planning Institute, 2024). These business sales represent a critical inflection point in the entrepreneurial journey as the founding entrepreneurs exit the venture which they have created. While practitioners and popular narratives often celebrate exits as the ultimate marker of success, academic literature has historically taken a more skeptical view, frequently associating exit with failure or abandonment (Coad, 2014; Wennberg & DeTienne, 2014). In early research, exit was often treated synonymously with business closure or bankruptcy rather than successful transition (Hessels et al., 2011). Even though ensuing research has begun to acknowledge exit, as a legitimate and even aspirational part of the entrepreneurial process (Wennberg & DeTienne, 2014), many question marks remain about the exit process, especially in terms of its impact on founders (Sanguineti et al., 2022).

A business exit can be defined as a founder leaving a privately-held company, reducing or ending their involvement in ownership and decision-making (DeTienne, 2010). To address the currently limited research insights about the impact of business exits, this study focused on entrepreneurs who exited their businesses with the goal of maximizing returns. One would assume that an entrepreneur who makes a voluntary decision to sell the business with the objective of maximizing returns would have a positive post-exit experience. Yet, surveys indicate that approximately 75% of entrepreneurs experience regret following the sale of their businesses (Exit Planning Institute, n.d.), despite the financial success such an event might bring.

One of the reasons for the disconnect between a financially successful exit and the founder's post-sale emotional state may be explained by the gap between the financial and strategic planning that surrounds exits and the limited attention given to its psychological implications. Most frameworks emphasize legal, operational, and financial readiness while overlooking the emotional and identity-related dimensions of stepping away from a venture (Wennberg & DeTienne, 2014). This is significant given that founders often form deep identity attachments to their ventures (Fauchart & Gruber, 2011; Radu-Lefebvre et al., 2021).

This disconnect between technical preparation and personal readiness calls for further study, as the lack of empirical understanding of post-exit emotions means that, as academics or practitioners, we are currently ill-prepared to offer entrepreneurs evidence-based coping frameworks to manage the psychological effects of exit. As DeTienne and Wennberg (2016) argue, entrepreneurial exit research must go beyond strategic and economic factors to include psychological and identity perspectives. This thesis responds to that call by investigating entrepreneurs' exit experiences and how these influence their identity reconstruction, defined as the "reconstruction of what the entrepreneur has been, is, and wants to be in the future" (Castello et al., 2023, p. 4). Specifically, it seeks to answer the following research question: How do entrepreneurs experience and navigate identity reconstruction following a successful business exit?

This study employed a qualitative research design, drawing on in-depth interviews with 15 entrepreneurs in North America who had completed self-reported financially successful business exits within the past five years. Through a narrative and identity-centered lens, the study captures the lived experiences of founders as they navigate the often-unacknowledged emotional

and psychological transition post-exit. By exploring the internal transformations entrepreneurs undergo post-exit, this research offers both theoretical contributions to the literature on entrepreneurial identity and practical guidance for improving personal exit readiness.

Theoretically, this research offers a more holistic understanding of how entrepreneurs make sense of their post-exit experiences, focusing not just on what entrepreneurs do after an exit on a practical basis, but how they experience and interpret that transition through the lens of the emotional and identity impacts. In particular, the study builds on and extends entrepreneurial identity literature by examining identity discontinuity and reconstruction in the context of voluntary exits (Castello et al., 2023). It also contributes to the growing calls in entrepreneurship research to integrate identity dynamics into exit studies (Radu-Lefebvre et al., 2021). The findings extend Fauchart and Gruber's (2011) Darwinian-Communitarian-Missionary typology beyond venture creation and into the post-exit context, demonstrating that founder identity type is a determinant of the grief experience that emerges at and after exit. The study further applies the Kübler-Ross (1969) five-stage grief model to voluntary, financially successful exits for the first time, validating its applicability in this new context while identifying modifications necessary to accurately describe the post-exit experience.

Practically, this research yields actionable insights to support pre-exit readiness by equipping entrepreneurs and advisors with a better understanding of the non-financial dimensions of exit preparedness, particularly around identity detachment and post-exit well-being. This is critical as entrepreneurs are often left without frameworks or tools to help them cope with the emotional fallout that can follow the sale of a business. The findings reveal that emotional preparation for exit is as important as financial and legal preparation, and that it requires a fundamentally different timeline. Whereas conventional exit planning frameworks address financial readiness and deal structure over a period of months, the stories gathered in this study point consistently to the need for psychological preparation beginning years before the exit itself.

Literature Review

Entrepreneurial Exit Research: From Failure to Sale

Research historically paid little attention to founders who exited their venture through a financially successful sale, often excluding these cases from the very definition of “exit” (Hessels et al., 2011). Much of the early literature instead equated entrepreneurial exit with business failure, framing it primarily as the closure or discontinuation of a venture (Coad, 2014). Scholars used the term “exit” to mean shutting down or discontinuing a venture, rather than successfully selling it. Hessels et al. (2011) defined exit simply as “shutting down, discontinuing or quitting a business” (p. 448). Coad (2014) argued that viewing a business sale as a successful exit is misleading, suggesting that “this kind of successful entrepreneurial exit...should be conceptualized as a case of business survival, not business exit – because the business survives, even though the entrepreneur exits” (p. 722). In Coad’s view, the term “exit” is better reserved for the end of the business itself (as in failure or closure), whereas a change in ownership represents a continuation of the venture under new stewardship. This perspective further illustrates why the personal journey of the founder after a sale was long neglected in the literature.

The implications of this definitional framing extend beyond semantics. When exit is conceptualized primarily as failure or termination, the founder’s departure through sale becomes analytically invisible. The organization survives, the transaction closes, and the research lens remains fixed on firm performance rather than founder transition. As a result, the entrepreneur’s lived experience following a liquidity event has remained conceptually peripheral. The sale is treated as a financial milestone rather than a psychological or identity-inflected turning point. This omission has shaped the trajectory of exit research for over a decade, privileging organizational continuity while underexamining individual transformation.

DeTienne (2010) is among the few scholars to broaden this view, defining entrepreneurial exit “as the process by which the founders of privately held firms leave the firm they helped to create; thereby removing themselves, in varying degree, from the primary ownership and decision-making structure of the firm” (p. 204). This comprehensive definition marks a turning point by including voluntary exits (e.g. sales or acquisitions) as legitimate outcomes of the entrepreneurial process. This direction is critical as the omission of voluntary exits from early research has left us with an important gap: we know relatively little about what happens to the entrepreneur after a financially successful sale. DeTienne’s seminal 2010 paper highlighted that entrepreneurial exit is “a critically important part of the entrepreneurial process” (p. 204), underscoring that the entrepreneurial journey does not end at venture creation. Yet even today, scholars note that the post-sale experiences of entrepreneurs remain under-researched (Sanguineti et al., 2022). Much of the prior work on exit has favored examining the business outcomes or the transaction itself, rather than the entrepreneur’s personal trajectory.

Even in studies that recognize exit as intentional and strategic, the focus frequently remains on timing, valuation, wealth effects, and post-exit financial activity (Cumming, 2008; DeTienne et al., 2015; Hohen & Schweizer, 2021; Kammerlander, 2016; Mason & Harrison, 2006). Comparatively less attention is given to the founder’s psychological adjustment, sense of identity continuity, or evolving purpose after relinquishing ownership and control. The entrepreneur is often discussed as a rational decision-maker optimizing economic outcomes,

rather than as an individual navigating a structural shift in their lives. This imbalance suggests that while exit has been recognized as part of the entrepreneurial lifecycle, little theoretical attention has been given to how founders experience that transition personally.

The research proposed in this study seeks to address that imbalance by focusing on the founder and their life after exit. Recent studies have begun to acknowledge this need; for instance, Sanguineti et al. (2022) emphasize that what becomes of the founder after the sale is a question largely unanswered by existing research. By centering the founder's post-sale experience, this study contributes to a more holistic understanding of entrepreneurial exit, one that accounts for the human experience that follows the sale.

Post-Exit Pathways and Emotional Challenges

When entrepreneurs exit via a firm sale, they can pursue many different post-exit paths. Prior research has tended to examine these post-exit pathways in isolation. For example, some founders choose to retire completely after selling their business (Rönkkö et al., 2024), while others transition to paid employment in managerial or executive roles (Waddingham et al., 2024). In some cases, founders remain involved with the acquired company in an earn-out or advisory capacity, whereas other entrepreneurs leverage their success to engage in philanthropy and social causes (Kinger-Hans & Vissa, 2023). Another common route is serial entrepreneurship, where founders channel their experience and capital into starting a new venture (Pathak, 2021).

While these studies illuminate various directions entrepreneurs may take, they tend to examine each pathway in isolation, often focusing on observable outcomes such as re-entry or disengagement rather than the underlying identity transition. Moreover, many of these studies still frame their analysis around the business entity or labor market consequences rather than the entrepreneur's individual subjective experience. As a result, little is known about how these trajectories relate to the emotional outcomes of the exit—whether they lead to fulfillment, ambivalence, or regret (Sanguineti et al., 2022). For example, an entrepreneur who reinvents themselves through a new venture may appear “successful” from the outside but still struggle with unresolved identity loss beneath the surface. Conversely, someone who retires might experience satisfaction or deep regret depending on how their sense of purpose was tied to their entrepreneurial role.

Intuitively, one might assume that a financially successful sale brings mostly positive emotions for the founder. In reality, evidence suggests otherwise. Surveys indicate that roughly 75% of business owners deeply regret selling their company within a year of the exit (Exit Planning Institute, n.d.). The prevalence of post-exit regret among “financially successful” entrepreneurs highlights a paradox: achieving the entrepreneurial dream (a lucrative exit) can precipitate feelings of loss, emptiness, or identity crisis. The reasons behind this widespread regret remain largely unexplored in academic research.

Studies on entrepreneurial failure have applied grief and recovery models to better understand ensuing emotional outcomes (Shepherd, 2003; Cope, 2011; Hsu et al., 2017). While research has yet to offer equivalent insights for founders exiting with entrepreneurial success - where emotional readiness and support systems for post-exit adjustment have been largely ignored (Wennberg & DeTienne, 2014; Mathias & Williams, 2017) – grief research may offer important insights in this regard as well. In particular, the Kübler-Ross five stage model of grief

(1969) – originally developed to describe individuals’ responses to personal loss – has been applied by researchers to the context of entrepreneurial failure, including Shepherd (2003), Cope (2011), and Hsu et al. (2017), to illustrate how individuals experience a series of emotional stages - namely denial, anger, bargaining, depression, and acceptance - when coming to terms with a significant loss. This model has helped explain how founders process the loss of their business and eventually “recover” or learn from the experience, indicating that the type of emotional response to the loss influences how they perceive and respond to it in more or less constructive ways. No research to date, however, has considered the relevance of this grief model for successful exits. If we conceptualize selling one’s business as involving a loss of the entrepreneur’s identity or role (even amid financial gain), then the Kübler-Ross five stage model of grief may be a highly pertinent framework. In effect, a founder who sells their company may grieve the loss of their identity as the business owner – much as a founder who experienced failure grieves the loss of the venture. This study breaks new ground by examining whether the emotional process following a voluntary, successful exit parallels a grief-like process traditionally associated with failure.

Entrepreneurial Identity and Grief: A Theoretical Lens

Underpinning this research is the recognition that an entrepreneur’s identity is deeply entwined with their venture (Radu-Lefebvre et al., 2021; Mmbaga et al., 2020). Research on entrepreneurial identity (EI) suggests that “the way entrepreneurs answer the question ‘Who am I?’ plays a critical role throughout the entrepreneurial process”. In other words, founders derive a sense of self from their role as entrepreneurs, and this self-concept shapes their motivations and decisions (Radu-Lefebvre et al., 2021). Given how fundamental this identity is, it follows that exiting the venture can disrupt the entrepreneur’s answer to “Who am I?” in profound ways. Importantly, the scholarly study of entrepreneurial identity is still relatively nascent. Radu-Lefebvre et al. (2021) characterize the field as being in a stage of “emerging excitement” (p. 1307), where new theories are actively being developed. This context presents an opportunity to contribute novel insights by linking identity research with the understudied phenomenon of post-exit transitions.

A useful framework for understanding entrepreneurs’ identities is provided by Fauchart and Gruber’s (2011) typology of founder identity types. They identify three primary identity orientations among entrepreneurs: Darwinians, who are driven by competition and financial success; Communitarians, who are motivated by building community and serving local/social groups; and Missionaries, who are focused on advancing a broader social or environmental mission. Each of these identity types reflects a different answer to the question “Why do I do what I do as an entrepreneur?” and thus each type may experience an exit differently. For example, a Darwinian founder, whose self-image centers on being a successful business builder and wealth creator, might feel a profound loss of purpose or status after selling the company, especially if daily business involvement is core to their identity. In contrast, a Communitarian entrepreneur, who derives their identity from serving employees, customers, or a community, might experience exit as a loss of belonging or relationship, and could struggle with no longer being at the center of that community. A Missionary entrepreneur, focused on a higher cause, may feel they have abandoned their mission upon exit, threatening their sense of purpose if they cannot continue that work in some other way. In sum, the process of identity reconstruction post-

exit is likely to vary based on the entrepreneur's identity orientation. Preliminary qualitative evidence supports this view: founders with different motives report distinct emotional struggles after exit (e.g., loss of status vs. loss of community), underscoring that there is no one-size-fits-all post-exit experience (Byrnes & Taylor, 2015).

While Fauchart and Gruber (2011) focus primarily on three pure identity types, their framework acknowledges the existence of hybrid configurations in which founders hold meaningful orientations across more than one type. Sieger et al. (2016) subsequently operationalized this possibility in a validated 15-item scale, noting that hybrid identities are of independent research interest as they may generate internal tensions - for instance, between competitive self-interest and prosocial motivation that shape entrepreneurial behavior in distinctive ways.

Integrating entrepreneurial identity with grief research (utilizing the five-stage model of grief) provides a novel theoretical lens for this research. We posit that when entrepreneurs sell their businesses, they often undergo a form of identity loss that can be analyzed as a grieving process. Crucially, the manifestation of this "entrepreneurial grief" may differ according to the founder's identity type. A Darwinian might exhibit "achievement grief" mourning the end of their role as a successful achiever – whereas a Communitarian might experience "community grief" – mourning the loss of daily connection to their team or customers. The core insight is that even financially successful exits can trigger emotional responses akin to grief, challenging the assumption that a positive financial outcome guarantees a positive emotional outcome. By examining post-exit identity reconstruction through the dual frameworks of identity typologies and grief theory, this research will illuminate why founders may feel regret after successful exits and how they navigate the emotional journey of letting go of their former entrepreneurial selves. This theoretical integration moves beyond the fragmented treatment of post-exit outcomes in prior work, offering a more holistic understanding of the potential emotional cost of entrepreneurial success.

This study aims to address these gaps by not only documenting what entrepreneurs do after an exit but examining how they make sense of that transition. By focusing on the identity reconstruction process following financially successful exits, it contributes a novel perspective to entrepreneurial exit literature and helps clarify the emotional and psychological journey behind the statistics in line with the research question: How do entrepreneurs experience and navigate identity reconstruction following what they deem to be a successful business exit? The next section outlines the methodology that responds to this research question.

Methodology

This study employed a qualitative research design to explore entrepreneurs' post-exit identity reconstruction experiences. A qualitative approach was appropriate because the phenomenon of the emotional and identity transition after an exit is complex and personal. Qualitative methods allow for rich, nuanced insights into feelings, sense-making, and identity processes (Lim, 2024). The inquiry was also theory-informed, drawing on entrepreneurial identity and founder identity types (Fauchart & Gruber, 2011) and grief theory (Kübler-Ross, 1969) as guiding lenses for understanding how entrepreneurs interpret identity shifts and emotional complexity following a successful exit. At the same time, because this topic is relatively under-researched, the research design allowed space for unanticipated themes to emerge from participants' narratives. Through open-ended inquiry, based on a semi-structured interview guide, the research was intended to uncover how entrepreneurs interpreted their own transitions, and which aspects of identity loss or growth were most salient to them. To reduce the risk of leading participants toward a predetermined emotional storyline, the interview approach intentionally avoided direct grief-stage questioning, allowing emotional responses and meaning-making to surface in participants' own terms. Given the emotionally deep nature of these conversations, the entrepreneurs' stories yielded rich data.

Sample & Recruitment

The study targeted North American entrepreneurs who had completed a self-reported financially successful business exit in the past five years. "Successful" exits were defined here as voluntary sales that the entrepreneurs themselves regarded as financially positive outcomes (for example, a sale that met or exceeded their business valuation expectations at the time of the deal). Focusing on recent exits (twelve months to five years) ensured that participants had vivid recollections of their exit process and the emotions surrounding it, while also having had some time to begin their post-exit adjustment. All participants were individuals who had founded or co-founded their business and were a majority owner at the time of exit, so that the sale represented a significant personal transition.

Participants were recruited through the network of Entrepreneurs' Organization (EO) and via snowball sampling (referrals from initial contacts). EO is a global peer-to-peer network of more than 19,000 business founders and owners across 220 chapters in over 80 countries. EO supports entrepreneurial growth through forums, executive education, and mentorship, fostering a confidential space for members to share experiences and challenges (Entrepreneurs' Organization, n.d.). To qualify for membership, entrepreneurs must be majority holders of a business that generates a minimum annual revenue of \$1M USD.

Recruitment was conducted by sharing a call for qualifying participants, along with a Calendly scheduling link, in a variety of EO WhatsApp groups that included both current and former members. Twelve participants booked calls directly and three participants were referred (i.e., snowball sampling; one by someone who saw the post and two by someone who was interviewed). The final sample size was 15, of which 8 were men and 7 were women (Table 1), giving an almost equal gender split, which was unintentional but interesting to notice.

Although exact ages were not captured during interviews, EO members average approximately 45 years of age (Entrepreneurs' Organization, n.d.). Similarly, while precise

revenue figures were not collected, EO member companies report a median annual revenue of approximately \$5 million USD with an average of 282 employees (Entrepreneurs' Organization, n.d.), suggesting the sample represents mid-market privately held businesses. The sample spanned a wide range of industries, including telecommunications, digital marketing, logistics, technology, translation services, food delivery, education, travel and hospitality, and mental health services.

Data Collection

Data were collected through in-depth, semi-structured interviews with each entrepreneur, lasting approximately 60 minutes. A semi-structured interview guide was used to ensure consistency while allowing flexibility for participants to tell their stories in their own way (Appendix A). In practice, the interview guide functioned as a loose structure rather than a script, allowing conversations to unfold naturally while still ensuring that all core topic areas were covered. The interviews covered five main sections designed to elicit different facets of the participant's experience:

Opening: Background information on the entrepreneur and the venture, and general rapport-building conversation to put the participant at ease.

Entrepreneurial Identity: Questions about how participants viewed themselves before the exit (for instance, probing their sense of identity or role as a founder, what being an entrepreneur meant to them). Importantly, while the interview questions explored entrepreneurial motivation and self-concept, the researcher was not assessing participants against predefined entrepreneurial identity types during the interview itself; instead, participants were asked open-ended questions about why they became entrepreneurs and what motivated them, and identity types were applied only later during analysis.

Exit Experience: A detailed exploration of the exit process itself and the emotional journey during and immediately after the sale. Participants were asked to recount the decision to sell, the immediate aftermath, and any feelings they experienced throughout the process.

Post-Exit Identity Reconstruction: Discussion of the participant's current activities, new roles, and sense of identity after the exit. This included questions on how they filled their time post-exit, whether they started new ventures, engaged in philanthropy, took up hobbies, etc., and how those activities influenced their self-concept. Participants reflected on who they saw themselves as today versus during their entrepreneurship years, and whether they felt a sense of resolution or were still in transition.

Closing: Wrap-up questions and reflections, and an opportunity for participants to add any insight they felt was not covered. The interview concluded by thanking the participant and discussing next steps (such as the possibility of a follow-up to review findings). Following the conclusion of the interview, the researcher shared additional context that the study also explored emotional struggle and, in some cases, experiences analogous to grief, while reiterating confidentiality and the anonymized nature of reporting.

The interviews were conducted in a manner compliant with ethics guidelines approved by Concordia University's research ethics board. Participants received the study information and consent form in advance of the interview and provided informed consent prior to participation.

Given the sensitive nature of topics that may have arisen, such as feelings of regret or even depression, the interview protocol was designed to be empathetic and participant-led. Entrepreneurs were informed they could skip any question or pause the interview at any time if they felt uncomfortable. The researcher remained attentive to signs of distress in case participants felt the need for additional support after discussing their experiences. However, no such situation occurred.

All interviews were conducted remotely using Zoom and recorded, with consent, using an AI recording tool, Fathom.ai. Fathom.ai generated verbatim transcripts, which reduced the need for in-interview note-taking. As a result, the researcher did not need to take notes during interviews, which supported sustained attention, maintained eye contact, and full presence (including keeping notifications off and minimizing distractions) throughout the remote conversations.

Following each interview, recordings were transcribed verbatim for analysis. All names and identifying details were removed by the researcher prior to sharing transcripts with a research assistant, including the use of pseudonyms instead, and transcripts were cleaned for readability by the research assistant only after anonymization. This process ensured that analysis was conducted on de-identified data while preserving the integrity of participants' original language.

Data Analysis

Thematic analysis

A thematic analysis (Braun & Clarke, 2006) approach was used to identify patterns across participants' narratives. First, the interview transcripts were printed and manually reviewed using close reading (familiarization with data). Relevant words and phrases were coded directly (generation of initial codes). A codebook was developed and used to support consistency of coding decisions across the dataset. Coded excerpts and quotes were then transferred into Google Sheets. Throughout this process, emphasis was placed on preserving participants' own language (verbatim excerpts) as the primary evidence base for interpretive claims. The coded excerpts were then reviewed to identify patterns and organize and refine them into themes. The coding captured thematic elements reflected in the participants' narratives and was influenced by concept-driven categories informed by the theoretical frameworks.

Identity classification

Entrepreneurial identity classification was guided by Fauchart and Gruber's (2011) founder identity types (Darwinian, Communitarian, Missionary). Rather than assessing participants against predefined categories during interviews, the interviews elicited open-ended accounts of participants' entrepreneurial motivations, meaning-making, and how they understood their entrepreneurial motivation. Identity coding was then applied during the analysis stage based on the overall narrative as shared by the participant, including how they described their motivations across the entrepreneurial journey.

Multiple entrepreneurial identities were permitted within a single case. Where participants' narratives reflected meaningful depth in more than one identity orientation, classification was coded as hybrid, with secondary identity types recorded alongside the primary. This approach is consistent with the original Fauchart and Gruber (2011) framework, which acknowledges hybrid configurations alongside the three pure types. Hybrid classification was applied conservatively: a secondary orientation was recorded only where the participant's language and self-descriptions provided clear and sustained evidence of a second identity logic.

Grief-stage mapping

Post-exit emotional experience was mapped using the Kübler-Ross (1969) grief stages (Denial, Anger, Bargaining, Depression, Acceptance) as an analytic framework. Grief-stage mapping was based on the participant's overall narrative and emotional language, rather than requiring explicit labels (e.g., "I was depressed"). All emotional expressions, affective language, and relevant adjectives were coded directly as they appeared in participants' stories and then mapped to grief-stage categories when the alignment seemed appropriate. Where a stage was not evidenced in a participant's narrative, that stage was left unassigned rather than inferred.

Findings

This section presents the findings of 15 in-depth interviews with North American entrepreneurs who had completed financially successful business exits within the past five years, addressing the research question: *How do entrepreneurs experience and navigate identity reconstruction following a successful business exit?* The results are presented in four parts. First, it reports on the distribution of founder identity types across the sample, drawing on Fauchart and Gruber's (2011) Darwinian-Communitarian-Missionary (DCM) typology. Secondly, it examines the post-exit emotional experiences of participants, mapping these onto the Kübler-Ross (1969) grief framework while allowing for significant departure from the original model. Thirdly, it presents an integrated analysis of how founder identity type shaped the specific trajectory of post-exit grief. And lastly, it reports on emergent themes that extend beyond the guiding theoretical frameworks.

DCM Typology

A central goal of this study was to understand the role of identity for entrepreneurs in the exit process. Drawing on the three primary founder types identified by Fauchart and Gruber (2011): Darwinian, Communitarian, and Missionary, each participant's dominant entrepreneurial identity orientation was classified based on their motivations to become entrepreneurs and how they described their entrepreneurial journeys (Table 2). Where participants' stories reflected more than one orientation, they were coded as hybrid, with secondary identity types recorded alongside the primary (Table 4).

The sample skewed heavily toward Darwinian primary orientations: ten of fifteen participants were classified with Darwinian as their primary identity logic. Four participants (27%) were classified as primarily Communitarian, and only one (7%) as primarily Missionary.

Darwinian Founders

Participants classified as primarily Darwinian in this study expressed their entrepreneurial motivation through a frame of financial achievement, the act of building/growing their business, and competition, consistent with Fauchart and Gruber's (2011) typology.

As Aaron described: *"Our gross margin per FTE was industry average times two. Everything we did, we did at a much higher level, and we got a lot of attention from the industry."* For Aaron, strong financial and operational performance was central to how he expressed and positioned himself as a founder.

Several Darwinian founders spoke explicitly about the drive to build as an intrinsic motivation, operating somewhat independently of any specific company. Marcus, a serial entrepreneur with four successful exits, described this orientation very clearly: *"I'm a builder. I'm an innovator, and I just love to do that over and over again."*

For other Darwinian founders, identity was more directly tied to the competitive nature of entrepreneurship and internal mechanisms that sustained it. Kira's sense of self was anchored in a competitive self-image: *"My identity around my business was always about being number one."*

Relatedly, Blake described spending twenty-five years using fear as a motivational tool to keep competitive: *"I used fear as a constant motivator for at least 25 years."*

Maya offered a different variant of Darwinian identity, in which the competitive drive expressed itself through creativity. She was motivated by the act of making something that had never existed before: *"What drives me is the creative, the impossible <...>, making the impossible possible."* The business was, for her, a form of creative expression. She was classified as having a Darwinian orientation because, even though her motivation lied within the realm of creative expression, it was nonetheless rooted in a highly competitive drive.

Communitarian Founders

Participants classified as primarily Communitarian in this study described entrepreneurial motivation in fundamentally different terms than their Darwinian counterparts, deriving their identity and sense of purpose from service, connection, and embeddedness in a community of people who relied on them, consistent with Fauchart and Gruber's (2011) typology.

Lynn captured this orientation when describing what she most valued about running her company: *"I loved running around Cincinnati, meeting other business owners... Learning how people make their money, how they got their start."* Being embedded in a web of relationships and being the person others called on was central to her professional identity. Julian described his motivation in similar terms: *"Whatever I do next, I need to feel like I'm able to provide value, and I enjoy helping people, that's what motivates and inspires and drives me."*

Kieran's identity evolved during his entrepreneurial journey. He described a turning point when he shifted focus toward company culture: *"About seven years in, I found company culture. I rebranded the company and all of a sudden, we skyrocketed. We became an industry leader for employee retention."* The success metric of being #1 could have placed him within the Darwinian orientation; however, what truly mattered to him within that experience was employee happiness: *"I'm the workplace happiness guy. I'm all about company culture."* His team was the primary source of his professional meaning.

Missionary Founders

Participants classified as primarily Missionary built their ventures around a purpose that transcended the business itself, with entrepreneurial identity rooted in a clear sense of the cause their work was meant to serve, consistent with Fauchart and Gruber's (2011) typology.

Only one participant, Leah, was classified primarily as Missionary. Leah built a company over fifteen years motivated by a clear sense of purpose: *"My work mission is to empower people to live in joy from the deep knowing that they are lovable, valuable, and capable."* Her self-evaluation was tied to the degree to which her work served that mission. Faith played an explicit role in her identity: *"I felt like God was telling me, 'I will give you what you need when you need it.'"*

Exit Experience

A consistent finding across the sample was that the transition following a financially successful exit was experienced as challenging and emotionally taxing. Fourteen of fifteen participants described emotional experiences that, upon analysis, mapped meaningfully onto the Kubler-Ross (1969) model of grief, even though the emotional register of these experiences varied substantially from person to person. Also, the stages were not always sequential; cycling, simultaneity, and stage-skipping were all observed. The five-stage model nonetheless provided a useful analytic framework for organizing and comparing participants' accounts. This section presents each stage in turn, drawing on participants' narratives during the exit process (Table 3).

Denial

Participants who mapped onto the Denial stage of the Kübler-Ross (1969) model (i.e., resistance to accepting a new reality) described experiences consistent with its function as a psychological buffer against the full weight of the exit, though the voluntary nature of their exits produced contextually specific forms of that denial.

Denial took several distinct forms in this sample. It was not rejection of reality in its purest form as all participants had engaged in voluntary exits of their businesses throughout a multi-step process. Unlike denial resulting from someone's death or an unexpected loss, the context of denial analyzed here was also quite distinct. For some participants, it manifested as initial optimism rooted in a belief that the exit would be straightforwardly positive, which temporarily shielded them from more difficult emotional realities. Cole described his initial state: *"I was actually excited about [the exit] ... I thought it would be great."* This optimism dissolved within months: *"About three months after, I went to a state of depression... The dopamine that I was used to getting from running my company was no longer there."* For other participants, denial operated as a period of disengagement from what the exit meant. Aaron described a deliberate suspension of decision-making: *"I told myself I would make no big decisions for one year. <...> I could decide where to go to dinner and that was about it."*

For some participants, denial took the form of not fully engaging with what the exit would mean for their identity. Julian's psychological withdrawal from his business preceded the formal exit by several years, beginning at the time of the merger: *"It was my brand, it was my company, everything about it was me - and then when we went through the merger, I was no longer involved. It felt like I took a job."* The weight of that identity loss only became clear much later, when he found himself saying: *"I just want a brand. I don't even care if it's profitable. I just want something I can identify with."*

Claire described a physical dimension to her denial. Her body responded to the sale in ways her mind had not yet processed: *"I had a lot of physical responses to selling the company... my body was telling me things my mind wouldn't accept."* She described shaking uncontrollably at the moment of close and persistent anxiety throughout the due diligence period. Her account points to a physical dimension of the exit experience that can precede conscious emotional processing.

Anger

Anger showed up in several forms across the sample, most consistently linked to the conditions surrounding the exit rather than the exit itself. For founders in earn-out deals, anger was directed at the acquiring organization and the progressive loss of autonomy. For others, it turned inward, directed at the loss of a competitive self-image.

Ivan's account of his earn-out period was among the most detailed in the sample. He described arriving at the acquiring company to find a culture he found deeply frustrating: *"I went into this building of complete morons. And it was like the bigger idiot you were, the more senior you were."* His anger grew as his organizational authority was reduced: *"They systematically removed me from every meeting... my email went quieter and quieter."* Losing the ability to make personnel decisions was a particular source of frustration for him: *"I could not fire people. The thing that drove me mad is that I could not fire people. I had no direct reports."* Ivan ultimately pursued legal action after his final year of salary was withheld: *"They refused to pay my last year of salary. So I'm suing them."* Analytically, what is notable is what Ivan did with the frustration: he directed it outward into building his personal brand during the same earn-out period, an activity that simultaneously served as bargaining and forward reconstruction.

For Kira, anger was directed inward. She had built a company around a competitive identity and experienced the exit as a disruption of that self-image. She described her response in direct terms: *"I was angry and I turned off all the systems."* And: *"Yo, I was mad."*

Bargaining

Bargaining (i.e., attempts to regain control or mitigate loss by seeking alternative roles, activities, or meanings) represented a shift toward a more active attempt to regain a sense of control and purpose following the exit, with participants engaging in a wide range of new activities and roles to fill the identity gap the exit had created.

Participants engaged in various bargaining behaviors, such as travel, acquisitions, creative projects, and new ventures, driven by the need to find something to do and be. For example, Kieran pursued a music career: *"I pursued music full-time for three or four years...I needed something to pour myself into."* He noted that work had previously served as a way of avoiding other things: *"Work was how I coped with everything... when that was gone, I had to face things I'd been avoiding."* Julian and his wife spent an extended period traveling: *"We traveled for 5 months as a family, around the world. We had a great time... we told ourselves we were not going to worry about it."* The travel allowed time to pass before engaging with harder questions about what came next.

Julian also evaluated several business acquisitions as a way of re-establishing a professional identity: *"I was evaluating opportunities to buy businesses <but> I couldn't motivate myself to open up the files and pour through the numbers."* He reflected: *"I remember saying: I just want a brand. I don't even care if it's profitable. <...> I just want something I can identify with."*

Maya worked through a wide range of activities after her exit: *"I tried everything...coaching certification, singing lessons, all kinds of things."* It was several years later that she found painting, which felt like a direct continuation of the drive that had originally

motivated her in business. Blake's response was more straightforward: *"I bought some farm equipment after [the exit] ...I was looking for things to do."* Laura moved quickly into a corporate role and then a new acquisition, describing her motivation: *"I think I forced myself to buy the skincare company fast because you kind of become unemployable after running a company for 13 years."*

Depression

Depression was the stage that showed up most consistently across the sample, marking the point at which participants were hit by the full emotional weight of what they had given up as a result of their exit.

Every participant in the sample shared stories of depressive states, including those participants who had reached the acceptance stage by the time of the interview. A common thread across all stories was the gap between what participants had anticipated feeling after the exit and what they actually felt. Daniel described this gap directly: *"I thought I'd feel triumphant. Instead I felt unanchored."* Sofia, who had planned her exit from day one, described the period after closing: *"I crashed. Instead, I felt invisible."* Cole named the stage explicitly and described it in physiological terms: *"About three months after, I went to a [sic] state of depression <...>. The dopamine that I was used to getting from running my company was no longer there."* Several participants described the depression as most acute in the early mornings. Kieran: *"Every morning I would wake up with this dread...nothing to do, nowhere to be, no one needing me."* Leah reported even more acute impairment: *"For months I couldn't function."*

Acceptance

The fifth and final stage of the Kübler-Ross (1969) model is acceptance, which is perhaps the most widely misunderstood of the five. Acceptance does not mean that the loss is regarded as acceptable, or that the pain associated with it has been resolved. Rather, it describes a point at which the individual ceases to struggle against the new reality and begins instead to inhabit it. According to Kübler-Ross, it tends to be a period marked by a reduced intensity of negative feeling and a gradual re-engagement with life as it now exists rather than as it was.

Eleven of fifteen participants had reached acceptance by the time of their interview. Acceptance in this sample looked less like resolution and more like the gradual construction of a new professional and personal identity that incorporated the exit as part of the trajectory.

Participants described acceptance in measured terms. Sofia: *"[i]t's a quieter happiness."* Aaron reframed the exit itself: *"I basically bought 6.72 years of my life. That's what you're doing when you sell a business - you're buying time."* Claire founded an advisory group for female founders and described it as her reason for being: *"other than my family, it's my reason for being. It's a calling."* Lynn began teaching entrepreneurship in Africa: *"Now I teach in Africa, I do coaching, I have multiple things...I'm not just one thing anymore."* Julian found an AI consulting identity that arrived organically: *"AI found me. I didn't go looking for it...Now I'm the AI guy, and it feels right."* For Leah, acceptance was grounded in faith and a clear sense of purpose: *"I committed it to God's timing...that gave me peace even when the numbers weren't what I*

wanted." Her post-exit role was built directly around her original mission: *"My personal mission is to live in joy - to embody it, to radiate it, and to inspire it."*

Several participants who had reached acceptance offered practical observations for other founders. Cole: *"I tell everyone now <...>: just try to minimize that part of the transition and have something to do, something planned."* Laura: *"I will only sell it if I have something else where I'm focusing my energy."*

A consistent pattern across participants who reached acceptance was that those who had built alternative sources of identity before the exit arrived there earlier and with less difficulty. This suggests that acceptance in the post-exit context is not simply a stage that comes with time, but one that can be actively prepared for. Daniel's advice captures this directly: *"Two years before you sell, start building your next identity."*

Identity and Grief: The Integration

The central analytical contribution of this study lies in the integration of identity typology with grief stage analysis, directly addressing the research question of how entrepreneurs experience and navigate identity reconstruction following a successful business exit by showing that the specific form that grief takes is shaped by who the founder was before the exit (Table 5).

As shown above, entrepreneurs navigated their exits by moving through the five stages of grief, a process that ultimately supported the reconstruction of a new post-exit identity. Building on this, the findings indicate that entrepreneurs experienced grief in ways that reflected what mattered most to their dominant identity; that is, each identity group tied their sense of loss specifically to the aspects of their venture or role that were most central to how they saw themselves.

Darwinian Grief

For the ten Darwinian founders in this sample, the primary source of post-exit grief was the loss of the competitive role the company had provided and the daily context in which their identity as high performers was constructed and validated. When the company was sold, the feedback loops through which Darwinian founders had understood themselves disappeared with it.

This appeared most clearly in the experience of status loss: the recognition that the world no longer had a ready category for who they were. Sofia described this directly: *"I felt invisible."* As a Darwinian founder whose sense of self had been strongly tied to momentum, achievement, and visible markers of success, the removal of the business also removed the competitive arena through which that identity had been continuously validated. Although she had planned her exit carefully and had a philanthropic role ready on the other side, she still experienced a crash after closing: *"I had tied my worth to momentum."* Even founders with deliberate transition plans were affected by the removal of the competitive context that had structured their daily self-understanding. *"I crashed,"* Sofia said.

Deal structure influenced Darwinian grief trajectories meaningfully. Founders who executed clean-break exits reported shorter and less severe adjustment periods than those in earn-out arrangements. Blake's clean break, combined with a stoic philosophical framework and a pre-planned coaching role toward which he was directing his next career chapter, enabled a relatively quick transition. Marcus, also exiting cleanly and with a well-distributed entrepreneurial identity,

worked through depression in approximately two weeks. Ivan's earn-out produced months of sustained frustration that, while ultimately directed into productive brand-building, involved a more difficult adjustment.

Communitarian Grief

The four Communitarian founders exhibited the most consistent grief pattern across the identity types. In each case, the core depressive experience was relational: the loss of being needed, valued, and embedded in a community of people who relied on them. Communitarian grief centred on relational connection and daily contribution.

Lynn described it plainly: "*I felt not needed, not valued, not contributing...that was hard.*" She described how relationships that had seemed genuine turned out to be tied to her organizational role: "*There's a whole group that just drops off...people you thought were friends were really just business relationships.*" Kieran's experience was complicated by a physical health crisis that unfolded at the same time, but the emotional character of his adjustment was recognizably relational. He described the loss of his team: "*They were all my friends. I lost them all in one fell swoop. I was sad.*" His morning dread reflected the absence of people and purpose: "*Every morning I would wake up with this dread...nothing to do, nowhere to be, no one needing me.*"

Communitarian acceptance followed a consistent path: all four participants eventually found new roles in which they could contribute and be needed. Julian moved into EO coaching, Claire founded an advisory group for female founders, Kieran built a new company around a mission he intended to sustain beyond any future exit, and Lynn took on teaching work in Africa. In each case, acceptance came through re-establishing a service relationship with a group of people.

Missionary Grief

Leah's experience is qualitatively different from the Darwinian and Communitarian patterns. Her grief was centered on losing the structure through which her mission had been carried out. The business was a vehicle for her purpose, and when it was sold, and subsequently closed by the buyer seven months later, what was lost was the capacity to pursue that purpose in its current form. Her response differed from the identity questioning and financial anxiety described by Darwinian and Communitarian participants. She described a posture of patience and trust: "*I committed it to God's timing...that gave me peace even when the numbers weren't what I wanted.*" She waited for a new way to pursue her mission and found it in a CEO coaching practice and a mission-aligned app she is developing. "*My work mission is to empower people to live in joy from the deep knowing that they are lovable, valuable, and capable,*" she said. This is the defining characteristic of Missionary acceptance in this sample: the founder does not need to reconstruct a new identity because the core sense of purpose survives the exit. The goal, and perhaps a challenge, lies in finding a new way to live it out.

Identity Reconstruction

A consistent protective pattern across the sample, and one that appeared regardless of founder identity orientation, was the value of having built alternative sources of identity and purpose before the exit occurred.

Aaron had founded his coaching company ten years before his eventual exit: *"I started a company called [his next venture] about 10 years ago, and its whole mission was to figure out my next chapter after I retired."* Laura drew on a hard-won insight: *"I will only sell it if I have something else where I'm focusing my energy."* Daniel offered the clearest formulation: *"Two years before you sell, start building your next identity."*

Marcus, whose adjustment period was among the shortest in the sample, attributed his resilience in part to never having tied his identity to a single company: *"I don't identify as the brand of the company. I identify as my own brand. That's what transfers."* Laura pointed to a non-business dimension of the same protective pattern: *"I have a very strong spiritual practice - my meditations, my learning about myself. I still had purpose. I still was learning. That saved me."* Founders who had sources of identity and meaning that existed independently of the business prior to the exit were more likely to survive the sale intact, and those who entered the exit process with an established sense of who they would be on the other side afterward navigated the transition more smoothly.

Discussion

This study set out to understand how entrepreneurs experience and navigate identity reconstruction following a financially successful business exit, a transition that has received comparatively little attention in the academic literature. Interviews with 15 North American founders revealed that financial success does not protect against grief-like emotional adjustment, and that the specific form that grief takes is shaped by who the founder was before the exit. The following sections discuss what these findings mean for existing theory and for practitioners working with exiting founders.

Theoretical Implications

Extending Fauchart and Gruber's DCM Framework to the Post-Exit Context

Fauchart and Gruber's (2011) typology of founder identities was developed to explain variation in entrepreneurial motivation and behaviour during venture creation and growth. Its application in the present study to the post-exit context constitutes both a validation and an extension of the framework. The findings confirm that the three identity orientations remain analytically meaningful beyond the venture creation period, influencing how founders experience and navigate the loss of those ventures. The most important extension offered by this study is the demonstration that founder identity type is a determinant of the grief experience that emerges at and post exit. The framework's original purpose was to answer the question of why founders do what they do. This study adds a complementary question: what do founders lose when the context that supported their identity is removed? These are meaningfully distinct losses across identity types, and they produce meaningfully distinct grief experiences.

The study also surfaces a dimension of the DCM framework that warrants further attention: the relationship between deal structure and identity grief trajectory. For Darwinian founders, earn-out arrangements produced substantially more intense and prolonged grief than clean-break exits. This is a fascinating discovery considering how common earn-outs are. This pattern is consistent with the Darwinian identity's dependence on autonomy, control, and competitive efficacy: being retained in a diminished organizational role by an acquirer who does not share one's standards is, for a Darwinian founder, a form of a daily negative identity impact. Ivan's experience of being removed from meetings while contractually obligated to remain with the organization that purchased his company is a vivid illustration of how deal structure can shape not only the legal dimensions of exit but its psychological ones.

Applying the Kübler-Ross Model to Voluntary Successful Exit

The Kübler-Ross (1969) grief model was developed to describe the emotional responses of individuals facing terminal illness and, by extension, their families. Its application to entrepreneurial contexts, first in the domain of business failure by Shepherd (2003) and subsequently by Cope (2011) and Hsu et al. (2017), has already represented a significant contextual departure. The present study represents a further departure: applying the model not to failure or involuntary loss, but to voluntary exit following financial success. The findings both validate the model's applicability in this new context and identify several extensions that may be necessary for it to accurately describe the post-exit grief experience.

The first and most significant extension concerns the nature of the denial stage among post-exit founders. In the original Kübler-Ross model, denial functions as an initial buffer against the reality of loss, marked by shock, disbelief, and avoidance. In voluntary exit, where the founder has spent months or years planning and negotiating the transaction, outright denial of the exit itself is structurally impossible. What the findings reveal instead is that denial takes subtler and contextually specific forms: delays in decision-making as to the next steps to take and the suspension of emotional processing during the due diligence period. Claire's account of mourning the company while still an owner, and Julian's report of psychological exit occurring years before the legal one suggest that the traditional model's framing, in which grief stages follow the loss event, requires modification for voluntary and financially successful exit. The grief process may be distributed across the entire exit journey.

The second extension concerns the anger stage. In the original model, anger is directed outward toward circumstances or individuals perceived as responsible for the loss. In the voluntary exit context, where the founder has chosen the exit, the "why me?" formulation is unavailable. What the findings reveal is that anger is instead directed to specific conditions surrounding it. For founders in earn-out arrangements, anger was consistently directed at the acquiring organization and the erosion of autonomy. For others, it was directed inward, at the loss of a competitive self-image. The structural variability of anger expression in this sample (dependence on deal structure or the specific conditions of the post-sale period) suggests that the model requires greater specification of the contextual factors that determine what anger will be directed at rather than assuming a unified direction of outward blame.

A third extension concerns the relative weight of the depression stage. The Kübler-Ross model presents five stages as broadly equivalent emotional responses to loss. The present study suggests that for voluntary successful exits, this equal weighting may require more nuance.

Depression was the only stage present across every participant in the sample regardless of identity type, deal structure, or gender, making it more central to the post-exit experience than the other four stages.

A fourth extension concerns the acceptance stage. The original model treats acceptance as a relatively stable endpoint at which the individual ceases to struggle against the new reality. The present study suggests that for post-exit founders, acceptance is better understood as an ongoing process of identity reconstruction that can be actively designed rather than simply waited for. Acceptance was also contingent in a way the original model does not fully capture participants who had built alternative identity resources before the exit through coaching practices, spiritual disciplines, or parallel ventures reached acceptance earlier and with less difficulty. This suggests that acceptance in the post-exit context is something that can be actively pre-empted and designed rather than treating it as time needing to pass.

Entrepreneurial Identity Orientation and its Impact on Grief

Prior work has established that exit can trigger grief-like emotional responses (Shepherd, 2003; Cope, 2011) and that identity disruption is a feature of exit (Radu-Lefebvre et al., 2021; Byrnes & Taylor, 2015). What has not been established is a systematic account of how identity orientation structures the specific form that grief takes.

The integrated matrix presented in Table 5 provides a preliminary model of this relationship. For Darwinian founders, grief is centred on loss of competitive role and status, most intense in the depression and, under earn-out conditions, anger stages, and resolved through re-engagement with competitive or purposeful activity. For Communitarian founders, grief is centred on relational loss and the experience of being needed, most intense in the depression stage, and resolved through building new service relationships. For the Missionary founder in this sample, grief is centred on losing the structural vehicle for the mission, most intense in the bargaining stage, and resolved through mission reformatting: the purpose remains the same but is expressed through a new context.

This differentiation has theoretical implications for how the concept of “identity reconstruction”, defined by Castello et al. (2023) as the reconstruction of what the entrepreneur has been, is, and wants to be in the future should be understood across identity types.

1. For Darwinian founders, reconstruction involves finding a new competitive arena or reframing the exit itself as an achievement.
2. For Communitarian founders, it involves finding a new community to serve.
3. For Missionary founders, it involves finding a new outlet for an unchanged purpose.

These are structurally different processes, and treating identity reconstruction as a uniform phenomenon obscures meaningful variation in how it proceeds and what supports it.

Founders with distributed identities (those who had never defined themselves primarily through a single company) moved through depression more quickly. Conversely, founders whose entire professional self-concept had been constructed within and through the business experienced more prolonged and intense grief. This suggests that identity ties, the degree to

which professional identity is invested in a single venture, is a more important predictor of grief intensity than the size of the exit or the degree of financial success.

Contribution to Entrepreneurial Exit Research

The entrepreneurial exit literature has historically prioritized financial, strategic, and organizational dimensions of the exit event (DeTienne, 2010), while the personal and psychological experience of the exiting founder has received comparatively little attention (Sanguineti et al., 2022; Wennberg & DeTienne, 2014). The present study addresses this gap directly by demonstrating that financial success does not protect founders from grief-like emotional adjustment, and that the founder's subjective experience of the post-exit transition is both significant and predictable based on identity orientation. These findings suggest that exit research needs to expand its analytical lens beyond transaction outcomes to account for the human experience that follows the sale.

Practical Implications

The practical implications of this study are of central importance to the author, who approaches this research as both a scholar and a practitioner embedded in the entrepreneurial community. The findings have implications for founders themselves, for advisors and coaches who support founders through exit transitions, for entrepreneur support organizations such as EO, and for professionals in adjacent fields including wealth management and mergers and acquisitions (M&A) advisory. This section develops four areas of practical implication: pre-exit psychological planning, identity expansion, support structures for the post-exit period, and implications for professionals working alongside exiting founders.

Pre-Exit Psychological Planning

The most consistent and practically actionable finding from this study is that emotional preparation for exit is as important as financial and legal preparation, and that it requires a fundamentally different timeline. The conventional exit planning framework addresses financial readiness, legal structure, deal terms, and post-close transition over a period of months. The present study suggests that psychological preparation requires a horizon of years, not months, and should begin well before the exit process is formally underway. The self-concept that is constructed through the daily act of running a high-growth company does not automatically transfer to a new role simply because the new role exists.

Practical pre-exit psychological planning, as suggested by this study's findings, would include at minimum three components. First, a structured audit of identity sources: what proportion of the founder's professional self-concept is invested in the company specifically, versus in broader attributes such as the ability to build, to lead, to serve, or to advance a cause? Founders whose identity is concentrated in a single company are at higher risk of intense post-exit grief and should be counselled accordingly. Second, a grief education component: founders who understand in advance that depression, financial anxiety, and the loss of social visibility are common features of the post-exit period are better equipped to navigate them when they arrive. Third, a deal structure review through a psychological lens: founders in earn-out arrangements, particularly those with strong Darwinian identities, should be explicitly counselled about the

identity implications of the earn-out period and the particular risks of prolonged organizational authority loss.

Identity Diversification

Identity diversification is the degree to which a founder has built a sense of self that does not depend entirely on the company. It has been identified in the broader identity literature as a buffer against role-specific identity threats (Radu-Lefebvre et al., 2021). The present study suggests that for exiting founders, this diversification needs to begin before the exit removes the company from the picture, so that the process of identity reconstruction described by Castello et al. (2023) has material to work with from the outset.

The study suggests that identity diversification can take several forms, and that the most effective form is shaped by the founder's identity orientation. For Darwinian founders, effective identity diversification involves establishing a new competitive or purposeful arena that can absorb the drive that was previously channeled through the company: a coaching practice, a new venture, a philanthropic role with clear metrics and accountability. The key is that the new arena must activate the same achievement-validation feedback loops that the company provided to them.

For Communitarian founders, effective identity diversification involves building new relational structures before the existing ones disappear. The consistent finding that professional relationships disappear at exit and that colleagues who seemed like friends turn out to have been tied to the organizational role means that Communitarian founders who wait until after closing to build a new community are starting from a weakened social position. The most resilient Communitarian founders in this sample all found post-exit communities that met their need to contribute and be needed, but they did so over a period of years, not months. Identity diversification for Communitarian founders might involve beginning to invest in advisory work, mentorship, boardwork, or community leadership roles well before the exit, so that these relationships have substance and reciprocity by the time the company relationship ends.

For Missionary founders, identity diversification takes a different form, which is pre-identifying how their mission can survive the exit of its current platform. Leah's experience illustrates both the risk and the resilience of missionary identity at exit. Her mission of empowering people to live in joy survived the exit and found new expression in a coaching practice and a mission-aligned app. What would have supported a smoother transition is earlier clarity about how the mission could be carried forward independently of the specific organizational structure through which it was being delivered. Mission diversification may be the equivalent of identity diversification for Missionary founders.

Practitioners working with founders in the pre-exit period can use the DCM typology as a diagnostic framework for assessing identity diversification needs. A brief assessment of the founder's primary and secondary identity orientations can rapidly identify the specific loss risks that the exit will create and the specific pre-seeding strategies most likely to mitigate them. This represents a concrete and relatively low-cost addition to existing exit planning practice.

Support Structures for the Post-Exit Period

Beyond pre-exit preparation, the findings suggest several practical implications for how founders are supported during and after the transition. The most consistent finding in the acceptance stage across identity types is that acceptance was reached through active engagement with a new role or community. This has implications for how support is framed. The goal of post-exit coaching and peer support should be to help founders build the specific next structure, be it relational, competitive, or purposeful, that their identity orientation calls for.

Peer support organized around identity type may be particularly valuable. The accounts in this study suggest that founders whose identity orientations are similar experience similar grief content and respond to similar identity reconstruction pathways. A peer support group for Communitarian founders navigating post-exit relational loss would address a different set of needs than one for Darwinian founders navigating status loss and restlessness. EO and similar organizations are well-positioned to develop differentiated post-exit programming that reflects these identity-specific needs, rather than treating the post-exit transition as a uniform experience requiring uniform support.

The timing of support interventions deserves attention. Founders in earn-out arrangements, in particular, may benefit from structured support during the earn-out period itself when the identity erosion associated with the loss of organizational authority is actively occurring. This is a period that existing exit planning frameworks largely ignore, despite being, for many Darwinian founders, the most psychologically difficult part of the transition.

Implications for Adjacent Professionals

The findings of this study have implications for professionals who interact with founders in the exit and post-exit period, but who do not typically understand their role as including psychological or identity support. Wealth managers, M&A advisors, and exit planners are often the professionals with the most sustained contact with founders during the exit process, but their work is financial and operational in nature.

The finding of financial anxiety despite wealth is particularly relevant for wealth management professionals. Wealth managers who understand this dynamic can respond more effectively by acknowledging the identity dimension of the anxiety and, where appropriate, connecting the founder with coaching or peer support resources that address it.

M&A advisors and private equity professionals who structure earn-out arrangements might similarly benefit from understanding the identity implications of the deal structures they design. For Darwinian founders, the earn-out period involves a predictable and intense form of identity impact that is directly related to the loss of organizational authority and autonomy. Acquirers who understand this dynamic are better positioned to retain founder engagement during the earn-out period. The alternative of systematically removing the founder from meetings and decisions while expecting their continued commitment can be both psychologically damaging to the founder and operationally counterproductive for the acquirer.

Limitations and Future Research

Limitations

Sample Size and the Scarcity of Missionary Founders

The study's sample of fifteen participants is appropriate for an interpretive, qualitative study of this level, where depth and nuance are prioritized over breadth. Nevertheless, a sample of fifteen inevitably limits the range of variation that can be explored, particularly with respect to the Fauchart and Gruber (2011) DCM typology.

The most significant gap is the near absence of primary Missionary founders in the sample. With only one Missionary participant it is not possible to draw robust conclusions about how Missionary identity shapes post-exit trajectories. The findings related to Missionary grief are analytically interesting, but they represent a single case rather than a pattern. The scarcity of Missionary participants in this sample is arguably a function of the recruitment context rather than a feature of the broader population. EO membership requires a minimum annual revenue of \$1M USD and a majority ownership stake in an active commercial business, a profile that is more naturally associated with competitive, performance-oriented motivation than with a mission-led entrepreneurial identity. Missionary founders whose ventures are structured around non-commercial social or environmental goals may be systematically underrepresented in the EO network and therefore in this sample. Future research using alternative recruitment channels would be better positioned to include a larger proportion of Missionary founders and to test the emerging findings from this research against a wider base of evidence.

More broadly, the sample skewed heavily Darwinian: ten of fifteen participants held Darwinian as their primary identity orientation. While this distribution is consistent with the EO population from which the sample was drawn, it means that the findings related to Darwinian grief are the most extensively documented and the most analytically developed. Future research with a more intentionally balanced sample would allow for more symmetrical comparison across identity types.

Geographic and Cultural Bias

All fifteen participants were located in North America, having been recruited primarily through EO chapters and networks active in Canada and the United States. This geographic concentration may be a limitation. Entrepreneurial culture, attitudes toward financial success and failure, the availability and desirability of M&A transactions as exit vehicles, and the social meaning of work and identity are all shaped by cultural context in ways that may not transfer straightforwardly globally.

The findings of this study therefore reflect a particular cultural milieu in which entrepreneurial success is highly valued, exits are understood primarily in financial terms, and founder identity tends to be strongly individualized. In contexts where entrepreneurial identity is more collectively constructed, where business ownership is bound up with family or community obligations, or where exits carry different social meanings, the relationship between identity type and grief stage may manifest differently. A Communitarian founder operating within a tight-knit

regional economy where business ownership is closely tied to community standing, for example, may experience the loss of organizational embeddedness in ways that differ substantially from the four Communitarian participants in this study, all of whom operated in North American markets.

EO is a global network, and its membership standards and culture are relatively consistent across chapters. But even within EO, North American chapters may foster particular norms around disclosure, vulnerability, and emotional processing, including the "5%" conversation norm described in the Methodology chapter, that facilitate a specific kind of candid self-reflection. Whether founders recruited through EO chapters in other regions would report their post-exit experiences in comparable terms is an open question. Future research with deliberately international samples would help to determine which aspects of the findings are culturally general and which are specific to the North American entrepreneurial context.

Self-Reporting Bias

All data were generated through self-report, which is appropriate for a study of this kind given that the phenomenon of interest is inherently subjective. The primary methodological risk is socially desirable responding, which was mitigated through confidentiality assurances, a participant-led interview format, and the deliberate avoidance of grief-stage terminology during data collection. Because participants reflected on experiences that had occurred between one and five years prior, retrospective recall is an additional limitation. A longitudinal design would address both risks by capturing emotional data closer in time to the events themselves. A longitudinal study would also allow researchers to assess the duration and sequencing of grief stages with much greater precision.

Quantitative Validation

The next step in the development of this research program is quantitative validation carried out via a large-scale survey study that tests the proposed relationships between founder identity type and post-exit grief outcomes across a larger sample.

Such a study would also permit examination of moderating variables, including industry, the presence of co-founders, and the role of the due diligence process on post-exit emotional experience. Due diligence is known to be a highly intensive financial, legal, and operational scrutiny a business undergoes prior to sale that can vary in duration, intrusiveness, and emotional toll on the exiting founder. Entrepreneurs who experience a particularly tumultuous due diligence process may enter the post-exit period carrying compounded fatigue and heightened emotional impact, potentially intensifying grief responses. Future quantitative studies could test whether the emotional taxingness of due diligence moderates the relationship between identity type and post-exit grief outcomes. Additional moderators worth examining include industry sector, given that exits in high-scrutiny industries (e.g., healthcare, finance) may carry distinct emotional valences; the structural complexity of the exit itself, including earn-out arrangements, non-compete clauses, and post-sale operational involvement obligations.

The present study offers a foundational empirical contribution to an under-researched area, and the limitations identified in this chapter point to the work that remains to be done.

Conclusion

This study set out to answer a question that the entrepreneurial exit literature had largely left unasked: how do entrepreneurs experience and navigate identity reconstruction following a financially successful business exit. The findings reveal two central insights. First, financial success does not protect founders from a grief-like adjustment process, as every participant in this study experienced depression-like emotions following their exit, regardless of how carefully they had planned or how financially significant the outcome was. Second, and more distinctively, the specific form that grief takes is shaped by who the founder was before the exit: Darwinian founders grieved the loss of competitive role and status, Communitarian founders grieved the loss of being needed and embedded in a community, and the Missionary founder grieved the loss of the structure through which her purpose had been carried out. These are predictable, identity-structured experiences, and they point to a clear practical conclusion that emotional preparation for an exit needs to begin well before the sale.

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Appendices

Appendix A - Interview Guide – Semi-Structured

Estimated length: ~90 minutes **Structure:** 5 sections

Section 1 – Opening & Rapport Building (5–10 mins)

Purpose: Establish comfort, explain process, gather basic context.

Questions:

1. Can you tell me a bit about your business before the exit?
2. When did you start the company, and what was happening in your life at the time?
3. How would you describe yourself as an entrepreneur?

Section 2 – Entrepreneurial Identity Before Exit (15–20 mins)

Purpose: Understand how they saw themselves in relation to their business, their entrepreneurial identity as they see it.

Questions:

1. Before the sale, how would you describe your role in the business?
2. What aspects of your work felt most important to you?
3. In what ways, if any, did the business feel connected to your sense of self?
4. How would you describe the main purpose or goal that drove you as a founder?
5. How do you think people who knew your work would have described you?

Section 3 – Exit Experience (25–30 mins)

Purpose: Explore decision-making and emotions during the process without assuming their experience.

Questions:

1. Can you walk me through how the decision to sell came about?
2. What factors did you consider when making that decision?
3. What stands out to you about the time just before the sale?
4. Were there any moments during the process that were particularly memorable or challenging?
5. How would you describe your initial reactions after the sale was complete?

6. How, if at all, did your day-to-day life change afterward?

Section 4 – Post-Exit Identity Reconstruction (20–25 mins)

Purpose: Understand shifts in identity, purpose, and steps taken.

Questions:

1. After the sale, how would you describe your professional identity?
2. How, if at all, did your view of yourself change in the months that followed?
3. What kinds of activities or roles have you taken on since then?
4. How do these compare to what you were doing before?
5. Have your relationships or networks changed since the sale? If so, in what ways?
6. Looking back, how do you feel about the outcomes of the sale for you personally?

Section 5 – Reflection & Closing (5–10 mins)

Purpose: Gather reflections and broader lessons.

Questions:

1. What reflections do you have on your overall exit experience?
2. What, if anything, would you tell someone else who is considering selling their business?
3. Is there anything we haven't covered that you feel is important to share?

Appendix B - Thesis Tables

Thesis Tables

Table 1: Participant Overview

Participant	Gender
Aaron	M
Blake	M
Claire	F
Cole	M

Daniel	M
Ivan	M
Julian	M
Kieran	M
Kira	F
Laura	F
Leah	F
Lynn	F
Marcus	M
Maya	F
Sofia	F

Table 2: Fauchart and Gruber (2011) DCM Identity Typology with Exemplary Quotes

Identity Type	Exemplary Quotes
Darwinian Driven by competition and financial success; performance as self-evaluation basis; industry peers as frame of reference	Blake: <i>“In the last five years, I hired a coach who helped us implement a system... we turned the company into a cash generating machine.”</i> Daniel: <i>“I wanted to build something scalable, systemized, valuable.”</i>
Communitarian Motivated by community-building, serving employees/clients, and belonging; contribution to group as self-evaluation basis	Claire: <i>“I cared about the team and I did have sadness.”</i> Claire: <i>“[Her advisory group], other than my family, it’s my reason for being. It’s a calling.”</i> Julian: <i>“I loved connecting with others and building relationships.”</i>
Missionary Advancing a broader social cause; faith-based mission; societal impact as primary motivation	Leah: <i>“I like that we’re helping so many people.”</i> Leah: <i>“My mission now is joy. Helping other CEOs find joy in what they do.”</i>

Table 3: Kübler-Ross (1969) Grief Stages with Exemplary Quotes

Grief Stage	Exemplary Quotes
Denial Psychological buffer against the full weight of the exit; initial optimism or minimization of loss; avoidance of new identity questions	Maya: <i>“Exit was never even on my radar because I couldn’t give myself permission to even think that thought.”</i> Julian: <i>“When we merged, that’s when I lost my identity... the brand I had built was gone.”</i> Kieran: <i>“Yesterday I was going 200 miles an hour. Today, nothing to do.”</i>

Anger Linked to conditions surrounding the exit; directed at acquirers during earn-out; frustration with loss of autonomy and control	Claire: <i>“It’s like living in a house that you no longer own... You want to say ‘this is still my furniture!’”</i> Lynn: <i>“They were only hanging out with you for that period in time.”</i>
Bargaining Active attempts to regain control and purpose; travel, acquisitions, new ventures, and physical reinvention as coping strategies	Cole: <i>“I traveled. I did small projects. I tried to stay busy.”</i> Laura: <i>“I took a corporate job... I thought maybe I could do it differently this time.”</i> Maya: <i>“I tried everything... coaching certification, singing lessons, all kinds of things.”</i>
Depression Most consistent stage across the sample; full emotional weight of the identity loss; loneliness, purposelessness, and existential questioning	Daniel: <i>“It wasn’t grief for the company — it was grief for the version of me who built it.”</i> Kieran: <i>“It was an existential, anxious, anxiety-ridden life crisis.”</i> Sofia: <i>“I felt disoriented.”</i>
Acceptance Reconstruction of identity beyond the founder role; redefined purpose; peace with the transition (though	Ivan: <i>“What this exit allowed me to do is to pursue the things that make me truly happy.”</i> Julian: <i>“Freedom, flexibility, fun, family. That’s what matters now.”</i>
often non-linear and ongoing)	Kieran: <i>“I’m just kind of doing another business, and I’m taking it slow... it may not work... and it’s okay.”</i>

Table 4: DCM Identity Type Distribution

Primary DCM Type	Participants	Count	Key Characteristics
Darwinian (Primary)	Aaron, Blake, Cole, Laura, Maya, Marcus, Ivan, Kira, Daniel, Sofia	10 of 15 (67%)	Competition-driven; financial success; professional competence; self-interest as motivation; performance as self-evaluation basis
Communitarian (Primary)	Claire, Julian, Kieran, Lynn	4 of 15 (27%)	Community-building; serving employees/clients; relationship-oriented; belonging and contribution as motivation
Missionary (Primary)	Leah	1 of 15 (7%)	Social cause advancement; helping others heal; faith-based mission; societal impact as primary motivation

Table 5: Integrated Model of Identity Type and Grief Pattern

Identity Type	Self-Evaluation Basis	Primary Loss	Grief Content
Darwinian	Performance metrics, competitive benchmarks, revenue/growth	Loss of competitive arena and performance identity	Financial anxiety despite wealth; missing the ‘game’; identity vacuum from losing measurable success
Communitarian	Team impact, community belonging, relational contribution	Loss of community role and relational identity	Isolation from team; loss of daily purpose through others; questioning personal value without community

Missionary	Mission fulfillment, societal impact, values alignment	Loss of mission vehicle and purpose- driven identity	Grief over unfinished mission; anxiety about continuing impact; identity search beyond the cause
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