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Life After the Sale: How an EOT-Owned Business Changes Day-to-Day

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This resource is based on EOC's September 30, 2026 webinar, "**Life After the Sale: How an EOT-Owned Business Changes Day-to-Day**," featuring **Jennifer Williams, Founder of Ownership Design Group**, and **Nikki Barrett, CEO of Grantbook**, Canada's first company to become majority-owned by an Employee Ownership Trust.



Grantbook

Who this is for: Business owners who have recently completed an EOT transition, or who are exploring one and want to understand what comes after the deal closes.

Why it matters: The legal transaction is the beginning, not the end. What happens in the months and years after closing determines whether your employee-owned company actually unlocks the benefits that made the transition worthwhile in the first place.



Year One at a Glance

The first year after an EOT transition tends to follow a predictable sequence. The specific timing will vary by company, but the order matters.

The first three months: take a planned pause.

After a year or more of working toward a transaction, everyone is tired of talking about it. Employees, management, and the founding owner all need a chance to breathe and return their focus to the core business. This is normal and expected. What makes the difference is treating the pause as intentional, not permanent.

Set a specific restart date before the dust settles. Name someone internally who will own the employee ownership agenda going forward and make sure that on the restart date, the work picks back up. During the pause, maintain small, steady signals to employees so the EOT doesn't disappear entirely from view.

Months three to six: live the governance.

Roles that existed only on paper during the design phase become real. Trustees, board directors, and management are now actually operating in their distinct capacities. Friction is normal at this stage. Questions about who decides what, what counts as a conflict of interest, and how information flows between governance bodies will surface. Work through them early and document the answers.

Months six to twelve: build the culture.

The structure is in place. Now the actual work of employee ownership begins: education, two-way communication, shared purpose, and connecting employees to the financial life of the business. This work takes sustained effort and does not happen on its own.

Year two and beyond: embed and sustain.

Ownership culture is not a project that gets completed. It becomes part of how the organization hires, communicates, recognizes performance, and makes decisions. Every year requires fresh investment.

The Four Things to Get Right

Not all valuation reports are the same. There are three levels of diligence, and the right choice depends on your situation, budget, and who will be relying on the report.

1. Rest and restart on purpose.

Give your team a real break from EOT talk after closing. But plan the pause explicitly: set the restart date, name an internal champion, and mark the milestone of the transition in a meaningful way. The pause is not permission to let the work stall.

2. Get clear on who decides what.

In most companies that transition to an EOT, the founder previously held every role at once: owner, board director, CEO, and operational lead. Those roles now belong to separate people and separate bodies. Trustees represent the interests of employee beneficiaries. The board of directors sets strategy and hires the CEO. Management runs the day-to-day. Employees have a voice through elections, feedback channels, and input mechanisms.

If those boundaries are not clearly defined and communicated, people will fill the gaps with their own assumptions, and conflict follows quickly. Clarity on decision rights is not bureaucracy; it is the foundation of functional governance.

3. Make sure your leaders are brought in and can explain it.

Every manager in the company should be able to describe the EOT, how it works, and what it means for employees, in plain language, in under two minutes, with no jargon. If your management team cannot do that, employees will not understand it either.

Senior leadership sets the tone. If anyone on the management team is resistant or uncertain, address that directly before the message goes wider.

Culture also requires leaders to model the behaviors they want to see: sharing information openly, asking for input, following through on what employees raise, and giving people room to influence decisions within their own sphere.

4. Treat culture as an ongoing practice.

Education, clarity, and two-way communication are not one-time activities. They need to happen every year, through every onboarding conversation, every performance review, every company update, and every celebration. Ownership culture needs to be repeated until it becomes the default.

What Grantbook Learned

Grantbook became Canada's first company to transition majority ownership to an EOT at the start of 2025. At the launch celebration, CEO Nikki Barrett told the team that what had changed was: nothing, and then everything.

Nothing, because the culture, the leadership, and the day-to-day work of the business was preserved exactly as it had been. The founder had spent years gradually stepping back, a new leadership team was already in place, and an ownership mindset had been part of Grantbook's culture from the beginning.

Everything, because for the first time all employees were beneficiaries together, with equal standing in the trust. Under the previous ESOP model, some employees had shares, some did not, and the ownership experience was uneven. The EOT removed that unevenness. The aligning effect was immediate and tangible.

Two years in, the results are showing. Turnover is way down. Employee net promoter score is way up.





On governance:

Grantbook runs a quarterly board meeting, followed a week later by the trustee council meeting. The CEO presents to the council in her CEO capacity, covering strategy, progress, and the company's financial direction. After the trustee council meeting, a town hall follows where the employee trustees share what they see as relevant with the broader team. That cadence has built a consistent, transparent communication rhythm that works.

On bringing the team along:

Grantbook spent a full year educating the team before closing. Decision rights, governance structure, and the role of the trustee council were explained well before anyone was asked to step into those roles. That preparation made the transition smooth. Announcing it on the eve of closing with no preparation, as one UK company did, was not something Grantbook's culture could have absorbed.

On distributions:

Grantbook designed intentionally for an early dividend. Employees naturally want to understand when and how they will benefit financially. Being clear about the timeline, and building the structure to deliver a distribution early, put wind in sails at a critical moment.

What Unlocks the Performance Benefits

The research on employee-owned companies is consistent: they outperform their peers on revenue growth, productivity, employee retention, and satisfaction. But those results do not come from the legal structure alone. They come from what employees understand, feel, and do.

Three things drive the results:

- 1 **Understanding:** Employees need to know what the EOT is, how it works, and what it means for them personally. Without that, the structure is invisible.
- 2 **Connection to business performance:** Employees need to understand what drives value in the company, how their work connects to performance, and what happens to company profits. A purchasing manager who understands that the company spends too much on spoons, and who installs a magnet on the waste bin to recover them, saves \$200,000 because they think and act like an owner. That behavior only happens when people have enough business context to notice and care.
- 3 **Influence:** Employees need to feel that their input matters in at least some sphere of the business. This does not mean everyone votes on everything. It means there are real channels for ideas to come forward, and that those channels are used and respected. Grantbook's open strategy council, where any employee can bring forward a business idea, is one example. The key is making sure people understand the channel exists and that it is genuinely for business ideas, not just perks.

When those three things are in place, psychological ownership follows: employees who are committed, who voice their ideas, who support one another, and who see the company's success as their own.





Common Pitfalls in Year One

Treating closing day as the finish line.

The transaction ends and the ownership work begins. These are different events.

Leaving governance on paper.

Great governance documents are not the same as functional governance. Until the roles are lived, tested, and adjusted in practice, the work is not done.

One-way communication only.

Sending updates to employees is not the same as building an ownership culture. Create real channels for ideas, questions, and feedback to come back up.

Setting unclear expectations about distributions.

Employees will ask when they will see financial benefits. If the company has a vendor take-back loan or bank debt to repay before dividends flow, say so clearly and early. Ambiguity creates resentment. Transparency creates trust.



A Note on Peer Learning

Canada's EOT community is still very small. Every company that goes through this builds knowledge that the next one can use. Connecting with other EOT companies to compare governance structures, distribution formulas, and practical decisions is genuinely valuable, and those connections are worth seeking out.

If you've seen one employee-owned company, you've seen one. But there are common pain points, common friction points, and emerging best practices that all of us can benefit from, and the community grows stronger when we learn from each other.

This resource is intended for general educational purposes and does not constitute legal, financial, or HR advice. Consult qualified professionals for guidance specific to your situation. For more resources, visit employee-ownership.ca/resources.