Abstract
This article responds to the call of scholars for more research on psychological phenomena in entrepreneurship and especially business transfers. The complexity represented in business transfers has attracted a substantial interest of a wide variety of disciplines in the last 30 years. Despite this attention failure rates remain constantly high. This might be because the subject is approached with a financial, legal or economic point of view. Recent research suggests that the psychological side of business transfer might account for a large portion for the failure rate. The article proposes to look at the process of business transfer through the eyes of the transition model by Noble and Walker. As the company goes through various stages in its development in its lifecycle, the incumbent follows a similar path. The model suggests 3 stages which the incumbent goes through; from a trigger event into a separation phase, a liminal phase and finally an incorporation phase where psychological benefits can be harvested. Support is explored in the threshold theory where it is assumed psychological costs and income might lead to the respective stages.

Introduction
The complexity represented in business transfers has attracted a substantial interest of a wide variety of disciplines in the last 30 years (Cartwright 2006). From research it is known that the success rate of business transfers is low and is staying low throughout the years (Hussey 1999, Carr
et al 2005). Various scholars have indicated that among the main reasons for failure are psychological issues and the hardship for the seller to let go of the business (Sharma, Chrisman et al. 2001, Lansberg 1988, Van Teeffelen 2012). Although psychological barriers for transition in case of business transfer have been acknowledged, they have not yet been systematically theorized or investigated. Especially the psychological process for the incumbent moving from a busy entrepreneur to a retired business man is hardly discussed in literature. This transition will be the focus of this article.

Losing a firm or detaching oneself from a business seems to be an extraordinary event. It can be considered as a highly emotional event and most owners finding it difficult to let go e.g. (Kets de Vries 1999, Wennberg, Wiklund et al. 2010). Especially taking into account this occasion will most likely take place once in a lifetime (Tajani, Hahn 2012) and that the identity of the entrepreneurs is strongly related to his or her work (Hoang, Gimeno 2010). Therefore is seems appropriate to claim that transfer process will cause disruption in the selling process.

Stages of development

As the company goes through various stages of development it is proposed that the owner goes through various stages of development as well. On one hand a vast amount of literature exist on the lifecycle of companies (Adizes 1988). In general the following 4 stages can be distinguished according to Quinn, Cameron (1983): (a) The entrepreneurial stage where resources are gathered together; (b) The collectivism stage where informal communication and structure is made; (c) The formalization and control stage where rules are defined, a stable structure is made; the emphasis is a efficiency and procedures are formed. (d) The final stage is elaboration of structure where decentralization takes place; the domain might be extended; adaptation is done and renewal takes place. This is the stage where business transfers and an exit route are most likely (Barrie 1973).

On the other hand from the point of view of the entrepreneur he or she also goes through stages of development. The idea is further developed by (Hoang, Gimeno 2010) as they take role transition theory to explain the effect on the entrepreneurs. The idea is twofold a) adjusting to a new role and social network that underpin the new role and b) the integration of the entrepreneurial identity into an overall self concept that may consist of contradictory or competing identities (p. 41). In addition they explain that a role transition can be successful or not, depending if a new role is adopted or not. For example the entrepreneur that initially wanted to sell the business but in a later stage backs out of that idea.
It is taken into account that transition represents a significant experience in people’s working lives (Athur Roussaeu 1996). Several scholars argue that role identity is a vital element in a successful transition (Ibarra 2004, Moore 1991), even more so role transition involves a potentially dramatic change. Mostly studied from a start-up point of view it is explained along the lines that identity helps individuals orient themselves to the founding context, adds meaning to experiences and influences behaviour. If these assumptions are correct it seems logical that a transition involves assuming a new role identity. What is more, it is widely recognised that movement from one role to another is emotionally disruptive. In particular researchers have noted that transitions might be abandoned when one has difficulties adapting to the new role or when the new role is not clearly defined (Taylor 1990). Hence a conceptual model is proposed to add to the understanding of these phenomena.

Towards a model of psychological transition in business transfers
The model of (Noble, Walker 1997) might add value to the understanding of the transition process which an incumbent experiences when selling the business. The process consist of three main periods being the separation, liminal and incorporation period. Firstly the process starts with a trigger event. Various behaviours are deemed to follow such as detachment, ambiguity and assumption of a new role, resulting in a state where the entrepreneur experiences psychological benefits of the transfer as per model 1 below.

Figure 1 – Model of Transition

Firstly a trigger event is assumed to take place which initiates the selling of a business. For entrepreneurs there is a wide range of possibilities for example: financial, health, personal time and social environment. After a trigger event the separation phase is assumed. The entrepreneurs detaches from his or her role and might be daydreaming about another business, retiring, what would happen with the business if he or she is no longer there or occupied with alternatives.

The next phase is the liminal phase. It can be explained as the “quality of ambiguity” or “disorientation” that occurs in the middle stage of rituals. It can be considered as an in-between
phase where a person is in transformation from one self to another. This phase is mostly associated as highly emotional and expected where most disruption is to take place. This is because the entrepreneur is literally in between two states. Entrepreneurs no longer hold their pre-entrepreneurial status but has not yet begun the transition to the status they will hold when the transfer of the company is complete. Consequences that have been reported are: a) the lagging behind of investments which results in less viable machine park, real-estate, supplies for the company (Onuoha 2013), b) a liquidation because the incumbent is getting too old to do business (Costa 1997), c) the unavailability of a successor which in all leads to value destruction in one way or another (Venter et al. 2003), d) the incumbent chooses a incompetent successor in order to make himself indispensable (Wasserman 2008) and finally e) the successor refuses to delegate tasks and falls back in the operation to make decisions on a lower level (Lansberg 1988). As this is a non constructive way to move forward in general and in business specifically this needs to be avoided.

If these issues can be overcome by for example a possible balance of psychological costs and income the final stage takes place. This is the incorporation phase exists where the transition is completed and a new role has been adopted. This could be for example when the incumbent, after selling the business, is enjoying the life after, starts a new business or pursuits a hobby of some sort.

Effecting the transfer from the old phase to the new from; moving out of liminality could be done by the balancing of psychological costs and psychological income as defined by (Gimeno et al. 1997) both having a positive or a negative effect on the success of the business transfer respectfully. In other words if the benefits outweigh the costs it might be more likely the entrepreneurs moves forward in the process. Examples of psychological income are:

- Power and prestige (Baumol 1990),
- Autonomy and independent decision making (Douglas, Shepherd 2000),
- Satisfaction with the level of challenge (Gimeno et al. 1997),
- Passing on a legacy (Sharma, Manikutty 2005),
- Bonds with family and nostalgia (Villalonga, Amit 2006).

Psychological costs or disadvantages that were found in entrepreneurial literature are:

- Personal sacrifices (Boyd, Gumpert 1983),
- Burden of responsibility (Douglas, Shepherd 2000),
- Dominance of professional life (Marck et al, 2001),
- Stress (Boyd, Gumpert 1983),
• Long working hours (Major et al. 2002)
• Identity overlap between family and ownership of firm (Dyer, Whetten 2006)

The level of this performance on costs or income might depend on whether a person will start, continue or exit a company depending on the needed psychological and/or economical income (DeTienne 2010).

Methodology
The aim of the research is to explore the possibilities of the application of the transition model of Noble and Walker to the business transfer process. First the model has been explained from a literature point of view followed by the verification by the business community. A semi structured questions list was utilized to get the data. The group of entrepreneurs consisted of business owners that did a transfer no more than three years ago or were active in a transfer during the interview. The sample of entrepreneurs consisted of 6 SMEs’ in the Netherlands mainly active in the B2B industrial segment of the market.

Findings
Some form of liminality can be derived from the following quote:

“I would like to sell the business or at least a large part of my share because I want to develop new ideas. In recent years I found out that I am not the person that is managing a business… …I want to built and then move on. Now is the time to sell and I think the market is ready… …in addition my investor has an exit plan as well and I have to take that into account.” (company a)

“…perhaps I can describe moving house as a similar process. When you are anticipating to move you will notice that you clean or care a little but less about your old pace. Also I try to visualize already in the old house how the new one should become. I guess this is the in-between phase one can see moving from one company to another”. (company f)

Psychological costs were found in an abundant amount of quotes from the interviews.

“I have to admit that in about 10 years I will not be able to do the working rate I have now… …travelling around the world every three weeks. .” (company b)
“my wife and I are planning and preparing to sell the business. We have changed the legal structure. … which opened my eyes on the performance of the firm. I noticed we were not making as much money as we thought.” (company d).

“At some point it was so severe that we did not speak for some time. Friends and family around us advised that it could no longer go on like this and we asked our accountant for advice. They came up with a consultant or mediator that deals with family issues all the time. He has helped us with his psychological knowledge to steer us towards a constructive environment. … and still although the transfer has been completed we do need attention from time to time. … one cannot change the essence of someone easily. … I am an emotional being first and foremost.” (company b)

“I will not stop doing things definitely. Firstly perhaps do some more traveling with my wife but in the end I want to stay active. Perhaps with the local football club.” (company d)

**Psychological income** was found as well in the following quotes:

“because we feel the need to understand each other in a better way and to overcome some generational points of attention we decided to do a training tighter. In September we will start at Tias Nimbras on a course of leadership and try to find each other in that way”. (company c)

“My son lets me have my own little part in the warehouse where I can play and do some blue sky thinking. This way I get am still involved and perhaps I can work on ideas that we could never have thought about during the day to day business.” (company b)

We have to find another person that can do that for me. … this will take some training and will be a lot of responsibility. What I will do than. … I love to travel so I will take my wife and continue travelling.” (company b)

**Discussion**

The aim of this article was twofold. Firstly the model of Noble and Walker has been adapted to the business transfer process from the entrepreneurs point of view. A similar process description has not been presented earlier and adds to the further development of the theory. Some entrepreneurs did recognize the phases. Secondly psychological income and costs were introduced into the model. It is anticipated that these income and costs might be the driver behind the transfer process. In other
words whether the incumbent can move from one stage to another by weighing the pro’s and con’s. The evidence does not support the latter at this point in time but the income and costs factors are proven to be existent in the process. Further research could focus on this in more detail.

**Limitations and suggestions for further research**

The above described study has a number of limitations, due to the limited number of entrepreneurs interviewed. In addition the sample was diversified as it consisted of entrepreneurs in various stages of the transfer process. Yet this article does provide the terminology and a possible model to pursue future research on the improvement of the understanding and investigation of psychological transition in business transfers.

The various phases could be further investigated. This could for example be done by following entrepreneurs during the whole process of the business transfer or alternatively ask former business owners to elaborate on their past experiences. By gaining a better understanding researchers might be able to give entrepreneurs that are in liminality; tools to deal with this extremely volatile situation. This might result in a better transfer process in the end.

**References**


CARTWRIGHT, S., 2006. 30 Years of mergers and aquisitions research: recent advances and future opportunities. *British Journal of Management, 17*(1).


