GUIDE L1

TURN8

HOW TO **DEVELOP THE TEAM** AND **TRANSFER OPERATING CAPABILITY**

Capability Transfer and Transition to Long-Term Ownership

WHERE THIS IS USED

- Venture Studio ventures at scale
- CVC portfolio companies transitioning to independence
- Corporate ventures preparing for internal ownership
- Foundry-as-a-Service engagements

AUDIENCE

- EIR / General Manager
- Executive Sponsor / Venture Board
- Incoming Co-Founder / GM
- Close Owner / CVC

PHASE

Phase Four: Scale & Optimize
Section L — Capability Transfer & Transition to Long-Term Ownership
Follows Section K (AI Agent Expansion)

EXECUTIVE SUMMARY

The venture that scaled was built and run by a founding operator group led by the EIR, frequently with TURN8 operating for the client under the Operate-for model. A venture that will outlast that group needs a permanent leadership structure and an internal team capable of running it without the people who built it.

This guide covers developing the team from the founding operator group into a permanent leadership structure, recruiting the co-founder or general manager who will own the scale phase, and the knowledge-transfer milestones that begin the shift from Operate-for to Operate-with. It is the first step of the operate-to-transfer model that Guide L2 completes.

The four outputs of this guide are: a permanent leadership structure and organization design for the scale phase; a recruited and onboarded co-founder or general manager, hired against a defined founder profile with equity and incentives set; a knowledge-transfer plan with milestones across operations, commercial, product, and governance; and the Operate-for to Operate-with shift begun, with the first capability-transfer milestones met and an internal-team capability baseline established for Guide L2.

THE CORE PROBLEM

A venture can perform superbly and still be untransferable, because everything that makes it work lives in the heads and relationships of the founding operator group. The moment the question turns from "is it working?" to "can someone else run it?", most ventures discover they have built an operation, not an organization.

Capability transfer is the whole point of the operate-to-transfer model. A venture the client cannot run is not a transferred venture — it is a dependency wearing the language of success.

The six most consistent failure patterns in team development and capability transfer:

- **Founder-group dependency.** The venture runs entirely on the founding operator group, and nothing survives their departure.
- **No permanent leadership.** The organization was built for building, not for running at scale, so there is no durable leadership structure to hand to.
- **Wrong co-founder or GM.** A leader is recruited for the pitch rather than the operating years, and cannot carry the scale phase.
- **Knowledge in heads, not systems.** The operating knowledge lives in the EIR's head, and transfer is assumed to happen by osmosis rather than by plan.
- **Transfer with no milestones.** The Operate-for to Operate-with shift is discussed but has no defined capability milestones, so it never actually begins.
- **The operator will not let go.** The founding group keeps its hands on the wheel past the point the internal team should be developing, so autonomy never forms.

The real issue:

If the team and leadership are not deliberately developed, the venture cannot transition to long-term ownership regardless of how well it performs. Team development is not a human-resources afterthought to scaling — it is the mechanism by which a venture becomes an organization that can be owned, and skipping it guarantees that the transition in Guide L3 will either fail or quietly reverse the first time the venture is tested without its founders.

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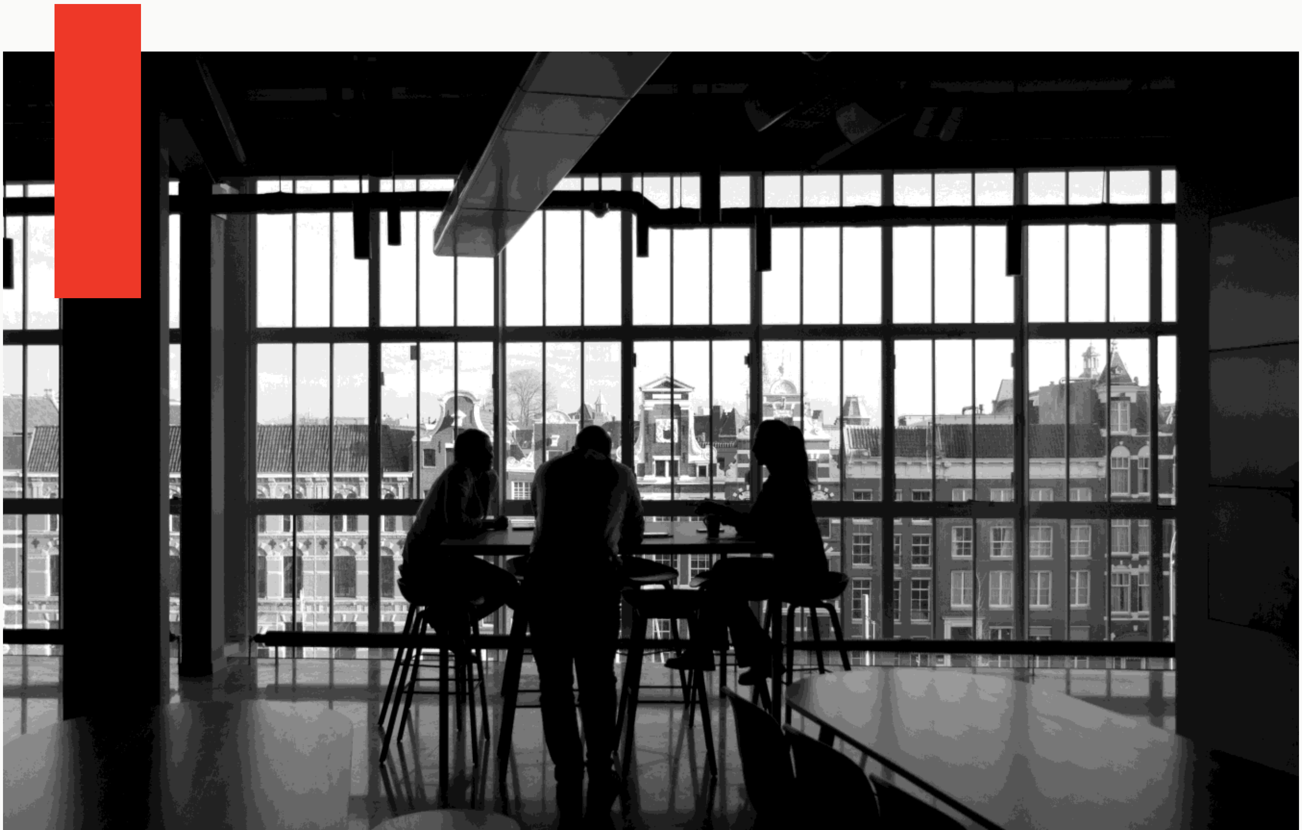
PREREQUISITES

Must Be Complete Before Starting:

- **Guide E1 completed** — the venture team was deployed and onboarded during the build phase
- **The venture is at scale** — the Guides I1, I2, and I3 evidence shows a proven motion, scale-worthy economics, and a scaling roadmap
- **The operating system is documented** — the E2 operating cadence, playbooks, and the H2 dashboard exist and can be transferred
- **A direction of travel for ownership is indicated** (spin-out, spin-in, or an internal structure), even though the decision itself is made in Guide L3

Team Readiness:

- EIR available to lead the capability transfer while continuing to operate
- Executive Sponsor engaged on the permanent leadership structure and the recruitment mandate
- Budget and co-founder equity and incentive bands approved for recruitment
- For CVC tracks: the Close Owner has confirmed how leadership and capability-transfer milestones are recorded in the PMS



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EXPECTED OUTPUT/ SUCCESS CRITERIA

You have completed this guide when the following are true:

- A permanent leadership structure and organization design for running the venture at scale
- A defined founder or general-manager profile and a recruited, onboarded co-founder or GM
- Co-founder equity and incentives set, including how they interact with any retained phantom shares
- A knowledge-transfer plan with milestones across operations, commercial, product, and governance
- The Operate-for to Operate-with shift begun, with the first capability-transfer milestones met
- An internal-team capability baseline against the roles the venture needs to run itself, ready for Guide L2

STEP-BY-STEP INSTRUCTIONS

STEP 1 MAP THE OPERATING CAPABILITY THE VENTURE NEEDS TO RUN ITSELF

Transfer begins with an honest inventory of what it actually takes to run the venture and who holds that capability today. Map every core operating capability, who currently holds it — usually the EIR or the founding group — and where it must transfer. Capability that is not on the map does not get transferred, and capability held only in one person's head is the venture's real risk.

Capability Area	Currently Held By	Must Transfer To
Commercial / growth	EIR and Growth Operator	Permanent commercial leader / GM
Operations / delivery	Founding operator group	Internal operations lead and team
Product / technology	Founding technical lead	Internal product and engineering leadership
Finance / unit economics	EIR with TURN8 support	Internal finance function
Governance / board	EIR and Executive Sponsor	Co-founder / GM and permanent leadership

1.1 **Inventory the decisions, not just the tasks** — Capture the recurring decisions each role makes and the judgment behind them, not only the visible tasks. The tasks are easy to hand over; the judgment is what actually has to transfer.

1.2 **Flag single-person dependencies** — Mark every capability held by exactly one person. These are the transfer priorities — the points where the venture is one resignation away from losing something it cannot replace.

STEP 2 DESIGN THE PERMANENT LEADERSHIP STRUCTURE

The organization that built the venture is not the organization that runs it at scale. Design the permanent leadership structure for running the business — the durable roles, their accountabilities, and their reporting line to the Venture Board — so there is a defined structure to transfer capability into rather than a founding group to depend on indefinitely.

2.1 **Define the durable leadership roles** — Name the leadership roles the venture needs to run at scale — commercial, operations, product, finance — and their accountabilities. Design for the operating years, not the building months.

2.2 **Set the reporting line to the Venture Board** — Define how the permanent leadership reports to the Venture Board and, for CVC tracks, how governance connects to the Investment Committee. A leadership structure with no governance line is an org chart, not a governance model.

2.3 **Distinguish build roles from run roles** — Some founding-group roles end when the build ends; others become permanent. Be explicit about which founding roles transition into the permanent structure and which conclude, so no one is left in an undefined role.

STEP 3 DEFINE THE FOUNDER / GM PROFILE AND RECRUIT

The single most consequential hire in the transition is the co-founder or general manager who will own the scale phase. Define the profile for the operating years — not the founding story — and recruit against it, internally or externally, with an equity and incentive structure that aligns them to the venture's long-term performance.

3.1 **Write the profile for the scale phase** — Define the profile against what the scale phase actually demands: operating discipline, the ability to run a proven motion at volume, and the judgment to lead a permanent team. A founder profile written for the pitch selects the wrong person for the years that follow.

3.2 **Recruit internally or externally against the profile** — Source candidates internally from the corporate parent or externally, and assess every candidate against the same profile. The best relationship is not a substitute for the right capability.

3.3 **Structure equity and incentives** — Set the co-founder's equity and incentives using the approved bands, and define how they interact with any phantom shares TURN8 retains on a spin-out. Alignment for the scale years is bought here or not at all.

AI PROMPT — Founder / GM Profile and Recruitment

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I am recruiting the co-founder or general manager who will own the
scale phase of a corporate venture. The venture and its scale-phase
demands: [describe the proven motion, economics, and operating model
from the I-series]. The ownership direction of travel: [spin-out /
spin-in / internal]. Write the founder-or-GM profile for the operating
years — the specific operating capabilities, leadership traits, and
domain judgment required — explicitly distinguishing it from a
founding pitch profile. Recommend an assessment approach for internal
and external candidates against that profile, and outline an equity
and incentive structure aligned to long-term performance, noting how
it should interact with any retained phantom shares on a spin-out.
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STEP 4 ONBOARD THE CO-FOUNDER / GM INTO THE VENTURE AND ITS EVIDENCE BASE

The incoming leader inherits not just a role but an evidence base — everything the venture has learned and proven. Onboard them, following the Guide E1 discipline, into the operating cadence, the playbooks, and the full evidence base from the F- and I-series, so they lead from what is proven rather than starting their own discovery.

4.1 **Onboard into the operating cadence and playbooks** — Bring the co-founder or GM into the E2 operating cadence, the Growth Playbook (I1), and the documented operating system, so they step into a running rhythm rather than reinventing it.

4.2 **Transfer the evidence base, not just the current state** — Walk them through the Customer Zero Playbook (F3), the proven economics (I2), the scaling roadmap (I3), and the strategic value case (J2). The evidence base is why the venture does what it does; a leader who does not hold it will unknowingly undo hard-won decisions.

4.3 **Introduce them to the Champions and the Venture Board** — Hand over the Champion relationships and introduce the incoming leader to the Venture Board and Executive Sponsor, so the relationship capital transfers with the role rather than leaving with the EIR.

STEP 5 BUILD THE KNOWLEDGE-TRANSFER PLAN WITH MILESTONES

Knowledge transfer that is not planned and milestoned does not happen. Build a plan that moves each capability domain from tacit and founder-held to documented and team-held, with a milestone that proves the transfer for each domain. This plan is the operating content of the Operate-for to Operate-with shift.

Domain	From (Founder-Held)	To (Team-Held)	Transfer Milestone
Operations	EIR runs the cadence	Internal lead runs the cadence	Team runs two full cycles unaided
Commercial	EIR closes and coaches	GM and team own the motion	Team hits target without EIR in deals
Product	Founding tech lead decides	Internal product leadership decides	Team ships a roadmap cycle unaided
Governance	EIR prepares the board pack	GM prepares and presents it	GM runs a full board cycle

5.1 **Move each domain from tacit to documented** — For each domain, document the knowledge that currently lives in a person's head into the playbooks and the operating system, so it can be learned rather than absorbed. Documentation is the medium of transfer.

5.2 **Prove each transfer with a milestone** — Every domain has a milestone that demonstrates the internal team can run it unaided — not that they have been shown it, but that they have done it. A transfer without a proof milestone is an assumption.

STEP 6 BEGIN THE OPERATE-FOR TO OPERATE-WITH SHIFT

With the plan and milestones in place, begin the shift from Operate-for, where TURN8 or the founding group runs the venture end to end, to Operate-with, where the client co-manages and progressively takes ownership. This begins in defined areas, one at a time, as each transfer milestone is met — not all at once and not on a calendar.

6.1 **Shift the first domains where milestones are met** — As each Step 5 milestone is achieved, move that domain to Operate-with: the internal team leads, the EIR co-manages and advises. Begin with the domains where the team is most ready to build early confidence.

6.2 **Redefine the EIR's role from doing to advising, domain by domain** — For each transferred domain, explicitly change the EIR's role from operating to advising, so the shift is real and visible rather than nominal. An EIR who still does the work has not shifted anything.

AI PROMPT — Operate-for to Operate-with Transition Plan

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I am beginning the Operate-for to Operate-with shift for a venture.
Current state — what the EIR or founding group runs end to end:
[describe by domain]. The knowledge-transfer milestones from the plan:
[paste]. Sequence the shift domain by domain as milestones are met,
starting where the internal team is most ready. For each domain,
define what Operate-with looks like in practice — what the team leads,
what the EIR advises on, and the explicit change in the EIR's role —
and the signal that the domain is ready to progress further toward
Build-to-own in Guide L2.
```

STEP 7 SET THE INTERNAL-TEAM CAPABILITY BASELINE AND HANDOFF READINESS

The guide closes by establishing where the internal team stands against the capability the venture needs to run itself — the baseline Guide L2 uses to drive the rest of the operate-to-transfer model. This is an honest assessment, not a graduation ceremony.

7.1 **Baseline the team against the capability map** — Assess the internal team against the Step 1 capability map: which capabilities are transferred and proven, which are in progress, and which have not started. This baseline is the starting point of the L2 capability roadmap.

7.2 **Name the remaining transfer priorities** — List the capabilities still held only by the founding group and the milestones still to be met. These are the priorities Guide L2 sequences toward autonomous operation.

7.3 **Apply the dual-track split** — For a Venture Studio venture heading to spin-out, the co-founder or GM and permanent team will own the independent company, and the EIR's role converts to advisory over a defined term. For a venture heading to spin-in or an internal structure, capability transfers to the receiving business unit's leadership, and the founding group's involvement concludes on handover. For a CVC portfolio company, the portfolio company builds its own permanent leadership while the Close Owner records leadership and capability status in the PMS. In all tracks the transfer discipline is identical, and the direction should be reflected in the H1 Expectations Alignment Record.

AI PROMPT — Internal-Team Capability Baseline

```
I am baselining an internal team's capability at the start of the
operate-to-transfer model. The capability map and who holds each
capability: [paste from Step 1]. The knowledge-transfer milestones
met so far: [paste]. Produce a capability baseline that marks each
capability as transferred and proven, in progress, or not started,
names the capabilities still held only by the founding group, and
lists the remaining transfer priorities and milestones. Frame this
as the starting point for the Guide L2 capability roadmap and flag
the single capability whose transfer is most at risk.
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TROUBLESHOOTING

Symptom	Likely Cause	Fix
The venture would collapse if the EIR left tomorrow	Founder-group dependency; capability was never mapped or transferred	Build the Step 1 capability map, flag single-person dependencies, and prioritize their transfer with the Step 5 milestones.
There is no one for capability to transfer to	No permanent leadership structure was designed	Design the Step 2 permanent leadership structure and recruit the Step 3 co-founder or GM before expecting transfer to happen.
The recruited leader is struggling to run the scale phase	The profile was written for the pitch, not the operating years	Reassess against the Step 3.1 scale-phase profile. Where there is a genuine mismatch, address it early rather than hoping it resolves.
The team has been shown the work but still cannot run it	Knowledge was demonstrated, not transferred and proven	Apply the Step 5 milestones. Require the team to run each domain unaided as proof, and document tacit knowledge into the playbooks.
The Operate-for to Operate-with shift keeps slipping	The shift has no milestones and is tied to a calendar or good intentions	Gate the Step 6 shift on the Step 5 capability milestones, domain by domain, and redefine the EIR's role explicitly for each transferred domain.
The EIR keeps stepping back into the work	The role change from doing to advising was nominal, not real	Apply Step 6.2. Make the role change explicit per domain and hold to it; an EIR who still does the work blocks the team from developing.
The incoming leader is undoing hard-won decisions	They inherited the role but not the evidence base	Complete the Step 4.2 evidence-base transfer so the leader understands why the venture operates as it does before changing it.

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VALIDATION STEPS

Confirm each of the following before moving to the operate-to-transfer execution in Guide L2:

- Every core operating capability is mapped with who holds it and where it must transfer
- Single-person dependencies are flagged as transfer priorities
- A permanent leadership structure is designed with a reporting line to the Venture Board
- The founder or GM profile is written for the scale phase and a co-founder or GM is recruited against it
- Co-founder equity and incentives are set, including interaction with any retained phantom shares
- The co-founder or GM is onboarded into the operating cadence, playbooks, evidence base, and Champion relationships
- A knowledge-transfer plan exists with a proof milestone for each domain
- The Operate-for to Operate-with shift has begun in the ready domains, with the EIR's role redefined per domain
- An internal-team capability baseline is set and the remaining transfer priorities named; for CVC tracks the PMS recording is confirmed

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NEXT STEPS

Proceed to Guide L2 to execute the full operate-to-transfer model. The capability baseline and remaining transfer priorities from this guide are the starting point for the L2 capability roadmap that drives operations from TURN8-led to client-led.

Keep the knowledge-transfer milestones live on the operating dashboard so leadership and the Venture Board see capability transfer as a tracked outcome, not an assumption.

The ownership direction that shaped the leadership structure and recruitment is decided and executed in Guide L3; ensure the leadership and equity structures set here are consistent with the likely path.

MASTER CHECKLIST

A. CAPABILITY MAP

☐ Every core operating capability mapped with its current holder
☐ Recurring decisions and judgment captured, not only tasks
☐ Single-person dependencies flagged as transfer priorities

B. LEADERSHIP STRUCTURE

☐ Durable leadership roles and accountabilities defined for the scale phase
☐ Reporting line to the Venture Board set
☐ Build roles distinguished from permanent run roles

C. FOUNDER / GM RECRUITMENT

☐ Profile written for the operating years, not the pitch
☐ Candidates assessed internally and externally against the profile
☐ Equity and incentives structured, with phantom-share interaction defined

D. ONBOARDING

☐ Onboarded into the operating cadence and playbooks
☐ Full evidence base transferred (F3, I2, I3, J2)
☐ Champion relationships and Venture Board introductions handed over

E. KNOWLEDGE-TRANSFER PLAN

☐ Each domain moved from founder-held to team-held in the plan
☐ Tacit knowledge documented into the playbooks
☐ A proof milestone defined for each domain

F. OPERATE-FOR TO OPERATE-WITH

☐ First domains shifted as milestones are met
☐ EIR's role redefined from doing to advising per domain
☐ Progress signals toward Build-to-own identified

G. CAPABILITY BASELINE

☐ Internal team baselined against the capability map
☐ Remaining transfer priorities and milestones named
☐ Dual-track direction reflected in the H1 Expectations Alignment Record

H. FINAL CHECK

☐ The venture has a permanent leadership structure, not only a founding group
☐ Capability transfer is proven by milestones, not assumed
☐ The internal team can begin to run what the founders built

If the venture would collapse without the founding group
→ Capability has not transferred. Do not proceed to L2 yet.