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Lodestone's Latest

News and Updates

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Founder's Focus

Sandy Fiaschetti, Ph.D.
Founder & CEO

The ROI of Women in Leadership

March is Women's History Month, a time to celebrate the contributions of women in business, leadership, and beyond. This year, I took my own advice and stepped away from daily demands to invest in my own growth. I joined How Women Lead on a transformative trip to Puerto Rico, surrounded by an incredible group of women business leaders.

One of the most inspiring aspects of the trip was meeting female entrepreneurs in Puerto Rico who are building and leading impactful businesses. We also discussed investing in women-led companies—not as a charitable act, but as a smart investment strategy. Research shows that women-led companies outperform their peers, delivering stronger returns and greater success.

Companies with higher proportions of women in top management positions experience significantly better financial performance. For instance, a Catalyst study found that such companies had a 34% higher return on equity and a 42% higher return on invested capital compared to those with the lowest proportions of women in top management. Additionally, female-founded businesses have been reported to outperform their male counterparts by 63%. The data is clear: investing in women delivers results.

As a woman business owner, I'm proud to stand in support of other women forging their own paths. In a time when some voices attempt to diminish or erase celebrations like Women's

History Month, Lodestone stands firmly in the opposite direction. We will always celebrate the achievements of women and other underrepresented groups, ensuring their contributions are acknowledged, supported, and amplified.

This trip reinforced what I already knew: investing in women isn't just the right thing to do—it's the smart thing to do. And taking time for my own growth as a leader? That's not a luxury; it's a necessity. I encourage all leaders—especially those who spend most of their time supporting others—to take the time they need for their own development. The impact is undeniable.



BREAKING NEWS

Join Us for Our First Leadership Connections Virtual Lunch

Friday, April 25th from 1-1:30pm ET

We're hosting an invitation-only Thought Leadership Connection session. We'll dive into "Fast Start Value Creation"—how to build a high-performing management team in Year 1—and share insights on leading through the first 100 days post-close. This is a chance to learn what's working across the deal landscape and walk away with actionable strategies. Bring your lunch, your questions, and your curiosity.

RSVP here: https://www.lodestonehr.com/thought_leadership_connection/

Excerpt From “You Can’t Do it All: The Pragmatic Application of Human Capital Science to Accelerate Value”

From Diligence to Execution: Human Capital Science as a Competitive Advantage in Private Equity

Private equity firms have long perfected financial diligence, operational efficiencies, and market expansion. Yet, leadership alignment and organizational capability remain **underleveraged drivers of value creation**. While operational due diligence is standard, leadership teams—who are ultimately responsible for executing the investment thesis—rarely receive the same level of scrutiny. The result? Execution slowdowns, misalignment, and costly leadership transitions that, at best, delay value creation and, at worst, diminish it.

The numbers make a compelling case:

- **70% of PE executives cite leadership effectiveness as the top driver of value creation**, ranking even higher than operational efficiency (AlixPartners, 2022).
- **3 out of 4 CEOs exit within three years of acquisition**, often due to misalignment or performance gaps, delaying execution and returns (Harvard Business Review, 2023).
- **Leadership misalignment slows decision-making by 25%**, reducing agility in competitive markets (McKinsey, 2023).

So, how do firms mitigate leadership risk while **accelerating value creation**? The key is integrating **human capital science**—but doing so pragmatically. Given competing priorities, PE firms should focus on the **first 180 days post-close**, the period that determines the trajectory of execution success. Three targeted interventions provide the biggest lift:

1. **Executive Assessments** – Identify and position the right leaders with data-driven, multi-method evaluations—not just interviews.
2. **Leadership Advisory** – Tailored executive coaching and strategic guidance to help leaders navigate PE-backed environments, align with investor expectations, and integrate leadership development into business strategy for sustained value creation.
3. **C-Suite Team Effectiveness and Alignment** – Structure leadership teams effectively to eliminate bottlenecks and accelerate execution.

Bottom line: Firms that prioritize leadership alignment early gain faster execution, stronger leadership cohesion, and higher valuations at exit. If this resonated with you, dive deeper into the full white paper to see how a science-backed approach to human capital can become a PE firm’s next competitive advantage.

To read the full white paper, visit us at www.LodestoneHR.com

📍 Locating Lodestone In-Person Q2 Events

- **Market’s Group Private Equity New York Forum**

May 14 New York City, NY

Lodestone Attendees:

Sandy Fiaschetti, Ph.D., Mike Murphy, Lydia Rominger, M.S.



What's New at Lodestone?

A Note from Mike

Mike Murphy
SVP Client Growth

What's New?

As we continue to grow to support the rapid growth of our clients, I thought it would be useful to share some highlights each quarter focused on 3 themes:

- **Company/Team** - we know you value the personal relationship with our team, so we want to keep you informed of how they are supporting clients, additional talent, capabilities we're bringing onboard, and more.
- **Offerings and Solutions** - in order to continue to grow with you, we need to ensure a continual flow of information on our latest offerings, application of these against pressing human capital challenges, and how we are continuously improving.
- **Thought Partnership** - we all need an opportunity to helicopter up from the work we do to consider fresh new perspectives, strategies, and insights to help you maximize human capital and accelerate value creation.

Below are my select highlights for this quarter:

Company/Team

- Lodestone People Consulting was recently recognized as one of the fastest growing businesses in Texas. As a women-owned company, we are doubly pleased with this honor!
- Rebecca (Becca) Clancy will officially join Lodestone People Consulting full time starting June 2025. Becca is in the final stages of completing her doctoral dissertation, and expects to graduate this spring with her Ph.D. in I/O. She also was a contributor to a recently published article on Total Worker Health.
- Megan Carrico has joined Lodestone full-time as an Executive Assistant. She will be reporting to Sandy Fiaschetti and supporting key members of the team.

Offerings and Solutions

Executive Assessment in Diligence. Increasingly, clients are seeking ways to derisk their investment before deciding to acquire a company. Our streamlined assessment process uses a multi-method approach geared toward providing the most critical insights fast. These insights, tied to the value creation plan and associated business imperatives leaders must master, provides the Deal Team with new insights into the profile of the Management Team. In addition, Deal Teams better understand how well the Team is prepared to deliver on the investment thesis.

Right Restart. Often Boards and Portfolio Company Leadership believe they are aligned, as the budding relationship forms prior and immediately after acquisition. However, as the first 100 days ensues, many report areas of friction and misalignment, causing a drain on the fast start both the Board and Management Team were expecting. Right Restart provides a structured process to ensure both critical stakeholder groups are aligned on expectations, roles, and accountabilities. The result is earlier alignment, reduced friction points, and the ability of both teams to focus on how they execute together.

Team Effectiveness Workshops. Many of our clients know us for our comprehensive leadership assessment solution to assess Management Teams, using human capital science methods and tools. What you may not know is more and more of our clients want us to help these same teams get a fast start toward being a high-performing team. One of our Team Effectiveness workshops is a Vision and Values workshop, where leaders refresh or build a new vision and gain adoption of associated values to enable the culture needed. Our Knowing me, Knowing You™ workshop focuses on understanding the Team Profile of personality/behavior, forming new norms and operating principles, and building a charter and RACI to drive shared accountability to enterprise vision and goals.

Thought Partnership

PEI Operating Partners Human Capital Forum. Sandy Fiaschetti, Sydney Falle, and Mike Murphy recently attended this industry event focused on the latest human capital opportunities. Sandy led a lunchtime session on Navigating Talent Challenges in the crucial post-close period. Many participants commented on how they loved the interactive format and the ability to hear from

What's New at Lodestone? continued...

peers on how they are approaching this important period.

New: Leadership Connections. As part of our commitment to thought partnership, Lodestone will be hosting quarterly sessions on topics of keen interest to our clients. Our first one will be on April 25th. The topic at hand will be, "Right and Fast: Building a Strong Management Team from Day 1". Attendance is complimentary, all we ask is your active participation!

THOUGHT LEADERSHIP CONNECTIONS VIRTUAL LUNCH

FRIDAY, APRIL 25 | 12:00-1:00PM ET

We'll dive into "Fast Start Value Creation"
and walk away with actionable
strategies



RSVP AT:
LODESTONEHR.COM/THOUGHT_LEADERSHIP_CONNECTION/

Looking Ahead

Our 2025 Event Schedule- Come See Us in Person!

- **Market's Group Private Equity New York Forum**
 - New York City, New York | May 14
- **Market's Group Private Equity Chicago Forum**
 - Chicago, Illinois | August 5-6
- **Lodestone's 3rd Annual Women In Leadership Retreat**
 - C Lazy U Ranch, Granby, Colorado | September 2-5
- **Market's Group Private Equity San Francisco Forum**
 - San Francisco, California | October 15-16



LODESTONE
HUMAN CAPITAL SCIENCE

Bridging the Strategy Gap

Martin Factor, Ph.D.

Connecting Leadership Goals with Frontline Execution

Chief Talent Strategist and Principal

A well-crafted strategy is only as effective as its execution. Too often, organizations experience a breakdown between leadership's high-level vision and what happens on the frontlines, resulting in misalignment, confusion, and missed opportunities. The key to overcoming this gap lies in ensuring that executive teams align at the top while empowering employees, clarifying ownership, and embedding communication and feedback into the culture.

Aligning Leadership: Building a Cohesive, Diverse Executive Team

Before any strategy can take root, leaders must achieve genuine alignment. But alignment isn't about uniformity. It's about harnessing diverse perspectives, leadership styles, and capabilities to make stronger decisions and drive strategy forward.

Diverse executive teams bring more than just different resumes to the table. They bring richer insights, challenge assumptions, and guard against blind spots. When leadership is too homogenous, groupthink can set in. But when decision-makers come from varied backgrounds and disciplines, the organization benefits from innovation, more inclusive strategies, and stronger responsiveness to stakeholders.

Alignment also requires structure. Many executives assume they're aligned simply because they've sat through the same meetings. In reality, alignment comes from dedicated time for open debate, clarity of purpose, and shared commitment. Structured leadership alignment sessions can resolve tensions, clarify priorities, and build trust. That unity becomes the foundation for effective strategy.

Finally, execution begins with ownership. Each key strategic goal must have a clear champion—someone accountable not just for performance, but for supporting their team in achieving results. Assigning ownership based on expertise ensures that the right leaders are guiding the right priorities.

Engaging Employees: Translating Strategy into Purpose and Action

Once leadership is aligned, the focus must shift to engaging the broader organization. Employees need more than direction—they need to see themselves in the strategy.

To inspire commitment, leaders must connect people to purpose. Employees want to understand how their work contributes to something bigger. Storytelling can help make strategy personal, linking day-to-day work to customer outcomes, community impact, and long-term vision. Managers play a critical role in this process by contextualizing goals and showing how every role contributes to success.

Communication must be clear, consistent, and multi-channeled. Strategic goals should be simplified into meaningful language that resonates at every level. Town halls, digital platforms, and team check-ins all help reinforce key messages. Perhaps most importantly, frontline leaders must be equipped to localize the strategy, turning broad objectives into actionable next steps.

Empowerment is also essential. Strategy execution isn't a top-down mandate. It must be owned at every level. When employees understand the "why," and are trusted to act on it, they become active contributors. Organizations should create room for autonomy within a clear framework and recognize those who take initiative in driving outcomes.

Reinforcing Execution: Incentives, Measurement, and Feedback

Execution is not a one-time event. It's an ongoing process that must be supported with the right tools and structures. This starts with aligning incentives to impact.

People naturally focus on what is measured and rewarded. By tying performance-based rewards, both monetary and

Bridging the Strategy Gap, continued...

developmental, to strategic contributions, organizations send a clear message: execution matters. Recognition of team success reinforces collaboration, while career opportunities and skill-building fuel long-term engagement.

To ensure progress, leaders must define impact measures connected to the strategy. Regular reviews help track initiatives, identify what's working, and make adjustments when needed. They also support accountability across the organization.

Feedback loops are the glue that holds execution together. Leaders need to stay connected to the front lines, listening for challenges, opportunities, and early signals that a shift may be needed. Structured mechanisms to gather and act on this feedback help keep the strategy grounded and relevant.

Sustaining Strategy: Keeping Alignment Alive

Bridging the strategy gap isn't a one-time initiative. It's a way of operating. Sustaining alignment requires continuous attention. Priorities evolve, execution plans change, and leaders must stay responsive to both internal learning and external shifts.

When leaders align around purpose, connect strategy to action, clarify ownership, reinforce execution, and listen closely to their organizations, strategy becomes more than a slide deck. It becomes a driver of real, lasting impact.

Keep Your Eyes Out For...



Join us for the 2025 Women in Leadership Retreat in Granby, CO!
Tuesday, September 2 - Friday, September 5
Early Bird Pricing \$ 5,950- only until Wednesday, April 30

Have more questions before you register?

Contact us at info@LodestoneHR.com
or 1-866-LSHUCAP for more details.



- Small group for individualized development and formation of lasting connections
- Styles and competency assessment, feedback, and development plan creation
- Best practices in Human Capital and in leading teams: multiple sessions
- Psychologist-led session: Well-being through balanced work and non-work
- Discovering, building, and living your personal brand
- Luxury lodging, meals, and multiple ranch activities included
- A fun, challenging, and rewarding retreat created by women, for women!

FOR MORE INFORMATION, PLEASE CONTACT info@LODESTONEHR.COM

Ready to sign up? Register at:

<https://www.lodestonehr.com/womensretreat/>