

Friday  
July 11<sup>th</sup>  
2025

# Lodestone's Latest

Vol. 02  
Issue #03

## News and Updates

### Founder's Focus

#### Why We Say Yes: The Power of Selective Growth

Sandy Fiaschetti, Ph.D.  
Founder & CEO

Growth stories often follow a familiar arc: more clients, bigger teams, rising revenue. And at Lodestone, we've experienced all of that. Last year, we nearly doubled revenue. This year, let's just say we're on pace to meet the criteria for some very exclusive "fastest-growing companies in America" lists—you might hear more about that later this summer.

But for us, growth has never been about chasing more. It's been about choosing *better*.

Early on, we learned this the hard way. We said yes to a project with a founder who talked the talk about valuing people and culture, but whose actions didn't quite align. It was only our second engagement, and while the misalignment was clear, the temptation to say yes was stronger.

Midway through, the friction hit. "Why do they need to know our culture to write job descriptions?" he asked, frustrated that we weren't just typing up tasks. What he saw as transactional, we saw as transformational—getting the right people in the right roles only works when you understand the environment they'll be in. We finished the work, but we knew no true impact would be made. And in that moment, we drew a line: **never again.**

That's when our "No BS" value came to life. It reminds us to be honest—with ourselves and with our clients—about whether the conditions exist to do meaningful work. And it gave us the clarity to say no when the fit isn't right, even if the revenue is. But the power of selective growth isn't just about clients. It's about how we've built Lodestone.

We're deliberate about who we bring into our team—whether full-time or part-time. We look for deep expertise, yes. But we

also look for something harder to define: alignment. People who live our values—credibility, humility, no BS, a-ha moments, and enjoyment. People who show up for our clients with integrity, and for each other with generosity.

Because our work is high-trust and high-impact. There's no room for ego, fluff, or checking boxes. Every person we add shifts our chemistry, so we guard that culture with care.

The result? A team that consistently punches above its weight. Clients who come back again and again—not just because of what we do, but how we do it. And growth that's not just fast, but *sustainable*.

We're not trying to become the biggest firm in our space.

We're building something different—an intentional, values-driven business where excellence isn't optional and integrity isn't negotiable.

So yes, we say yes. But only when it's a full-bodied, values-aligned, mission-forward yes.

And that's made all the difference.



### 3 Human Capital Moves That Actually Drive Value in the Middle Market

Mike Murphy  
SVP Client Growth

If you're in the middle market, you're probably used to doing more with less. Less time. Less margin for error. Less room for the wrong people in key seats. That's why talent decisions aren't just "HR things" — they're value levers.

Having worked with dozens of mid-sized businesses (many of them private equity-backed), I've seen how three seemingly simple moves on the people side can unlock serious value. These aren't abstract theories. These are practical shifts that change the game.

We recently hosted one of our Thought Leadership Connections virtual series, where a group of operating partners and human

*“3 Human Capital Moves That Actually Drive Value in the Middle Market” continued...*

capital leaders got together to discuss these 3 moves – and how leaders can better implement these within their portfolio companies. Collectively these moves don’t just occur in a vacuum. They come out of a broader growth mindset that recognizes human capital as one of the most vital levers that should get the same attention as key business decisions. The key is to start with the end in mind of business of the investment thesis and value creation plan, and explicitly align these strategies with how they will positively impact them.

### **1. Choose leaders based on what the business *needs next*, not what it’s needed before.**

We’ve seen firsthand what happens when leadership selection is based on comfort, experience, or pedigree instead of fit-for-future. A business entering its next stage of growth needs leaders who are aligned with the operating rhythm, complexity, and cultural realities of that stage – not just people who’ve “done the job” somewhere else.

What separates the good calls from the great ones? A clear understanding of what success will *look like*, and the tools to see how each candidate stacks up against that vision – not just in skills, but in mindset and adaptability.

#### *How Lodestone Helps:*

We help our clients align their future business requirements and investment thesis with the profile of leadership success – the specific attributes and leadership behaviors needed to deliver on the thesis. By using assessment tools that simulate and assess the specific behaviors and traits needed for a portfolio company, we’re able to predict the strengths and development needs of individual leaders and leadership teams.

Our Executive Assessments provide a multi-method approach to assessing leaders, combining interviews, personality inventories with leadership simulations that reflect the specific imperatives leaders must master. This objective, business-centered approach to human capital provides PE leaders and portfolio company executives with much clearer data to help them key decisions with greater confidence – and avoid those highly risking (and costly) decisions.

### **2. Help your management teams to think like investors.**

Plenty of smart mid-level leaders don’t realize how their decisions ripple into value creation. They focus on tasks and timelines, not margin or momentum. That gap is fixable.

We’ve seen companies transform when managers are taught to read the business, not just run their functions – to connect the dots between team dynamics, customer experience, and the levers that actually grow enterprise value. It doesn’t take an MBA. It takes exposure, coaching and development, and a few key lightbulb moments.

#### *How Lodestone Helps:*

Even with all the advances in technology, AI, and analytics, when it comes to people mid-level and even senior leaders often rely on their own judgment alone (e.g. interviews) to make vital people decisions. Considering nearly half of PE firms needed to replace their CEOs of portfolio companies (60% unplanned), the risks of doing so are huge, with the potential to significantly erode early value creation and ultimate delivery of the investment thesis.

Discerning PE leaders are increasingly turning to human capital science to treat their people investments with similar rigor as they do capital investments. First, taking a more “fit for future” approach outlined above for hiring and promotion decisions. But also investing in leadership development programs and coaching to ensure help their leaders level-up to the key behaviors most needed to drive the investment thesis. Lodestone’s executive team assessments and LEAD leadership program for high-potential leaders both provide resources that assess and develop such skills – ensuring portfolio companies have strategic clarity of their strengths, grow and development areas, and a clear plan to address them.

### **3. Don’t wait for team dysfunction to become business dysfunction.**

Some leadership teams limp along for years – just functional enough to avoid collapse, but misaligned enough to erode trust, delay progress and cross-functional collaboration needed to drive growth.

The highest-performing companies don’t wait for drama to address leadership dynamics to impact their business. They get ahead of this issue by creating intentional space for real conversations, healthy friction, and shared accountability. That doesn’t happen in quarterly ops reviews. It happens when leaders treat their relationships as strategic assets and build the skills to work through tension, not around it.

---

*"3 Human Capital Moves That Actually Drive Value in the Middle Market" continued...*

*How Lodestone Can Help:*

Our Team Effectiveness workshops provide portfolio companies with a process and forum to help Management Teams evaluate and optimize their performance as a high-performing team.

Our Knowing Me/Knowing You team workshop leverages personality insight inventories to help a team gain new perspectives and appreciation for their different styles, as well as their strengths and development areas in the context of their value creation strategy. The team works through a process to establish or re-establish operating norms and a charter to provide clear purpose and a standard for the team to operate against. Increasingly, clients seek to use the charter and norms to continue to benchmark and evaluate their progress via quarterly progress check-ins and refreshers.

Our Vision and Values workshop empowers Management Team members to revisit their current vision and refine it for the future, to ensure it is as clear and compelling as possible. Participants also revisit their organizational values and how the team is currently modeling them, driving new energy and focus on "living the values" to ensure the right behaviors are reinforced to support key growth strategies and the VCP.

Our comprehensive tEamBITDA solution combines the above Team Effectiveness workshops with an executive assessment for of up to 5 key executives (can be extended to the full leadership team), and personal advisory/coaching for the portfolio company CEO as the executive sponsor.

In summary – these moves don't require a 12-month transformation plan. They just require intention, consistency, and the right nudges at the right moments. When human capital decisions are tied directly to value creation, talent stops being a wildcard – and starts being one of your most reliable drivers of growth.

---

## Looking Ahead

Our 2025 Event Schedule- Come See Us in Person!

- **EXCLUSIVE\*: Lodestone Evening Link-Up**
  - Chicago, Illinois | August 4
- **Market's Group Private Equity Chicago Forum**
  - Chicago, Illinois | August 5-6
- **Market's Group Private Equity San Francisco Forum**
  - San Francisco, California | October 15-16



**LODESTONE**  
HUMAN CAPITAL SCIENCE

---

## Knowing Me, Knowing You

An Essential Ingredient for High-Performing Teams

Martin Factor, Ph.D.

Chief Talent Strategist and Principal

While the iconic ABBA lyric suggests resignation, we believe the opposite is true when it comes to building high performing management teams. At Lodestone we know there is something we can do – and it starts with knowing yourself and your team deeply and intentionally.

In today's fast-paced, high-stakes business environment, technical competence and strategic vision are no longer enough for senior leaders. The differentiator – and often the deciding factor in team success – is emotional intelligence: the ability to understand yourself, your patterns, your blind spots, and just as critically, to recognize and value the personalities and operating styles of those

*“Knowing Me, Knowing You: An Essential Ingredient for High-Performing Teams” continued...*

around you. In our experience we find that leaders are only modestly self-aware, and typically assume and even expect others to be like them, not appreciating the significance and importance of similarities and differences that can be strategically optimized.

### **The Mosaic of Leadership**

Imagine your executive team as a mosaic. Each individual is a distinct, colorful tile — shaped by unique experiences, perspectives, and strengths. No two are alike, and yet when aligned properly, they can form a stunning, coherent image: a high-performing, strategically agile leadership team.

But what happens when the pieces don't fit?

Often, misalignment isn't due to a lack of skill or intent — it's due to a lack of self-awareness and relational understanding. A brilliant strategist may unknowingly steamroll others. A thoughtful listener may struggle to assert their ideas. Without intentional work to understand both self and team, the mosaic remains fragmented — functional, perhaps, but never exceptional.

### **Why “Knowing Me” Comes First**

Our work with senior teams consistently shows that high performance begins with self-awareness. Tools like personality assessments, executive coaching, and 360-degree feedback provide leaders with mirrors — sometimes unflattering — that illuminate how they show up and how they're perceived.

This is not self-indulgent; it's strategic. Leaders who understand their values, motivations, and impact are better equipped to:

- Design/build teams
- Delegate based on complementary strengths
- Navigate conflict with empathy and clarity
- Communicate with authenticity and influence
- Make people decisions that unlock real value

### **“Knowing You” Is the Next Move**

Once leaders know themselves, the real leverage comes in understanding each other. This means going beyond surface-level working relationships and developing deep insights into how team members think, decide, and lead.

When done well, this creates trust. And trust, as we all know, is the oxygen of a high-performing team.

At Lodestone we help senior teams go beyond the org chart and PowerPoint decks to truly know one another — to see the full mosaic, not just the piece next to them. Through facilitated experiences, diagnostics, and tailored development journeys, we help executives unlock the full power of collective leadership.

### **Making It Personal to Make It Powerful**

The best teams aren't built through hierarchy or titles. They're forged through mutual understanding, psychological safety, and a shared commitment to something greater than the sum of the parts.

So, the next time ABBA's “Knowing Me, Knowing You” plays on the radio, don't think of it as a breakup ballad. Think of it as a leadership mantra.

Because when leaders truly know themselves and each other, there's nothing they can't do.



---

## The Cost of Ignoring Culture in Carve-Outs

Lydia Rominger  
Consultant

When it comes to carve-outs, we get it, your primary focus is speed and capturing quick wins. You've mapped the finances, streamlined operations, and set the stage for efficiency. But here's the truth: overlooking culture is like building a house on sand. It may look solid at first, but cracks show quickly when the pressure is on.

At Lodestone, when we talk about culture, we mean the shared behaviors, leadership norms, and decision-making patterns that shape how work gets done. It's how people align, how they prioritize, and how they respond to pressure. In a carve-out, that operating rhythm gets disrupted. If you're not deliberately shaping it, you're leaving performance—and value—up to chance.

According to recent research from McKinsey, carve-outs with intentional cultural planning significantly outperform those without. Teams aligned early on cultural expectations deliver quicker returns, better EBITDA performance, and face fewer bumps post-close. Conversely, TMF Group notes that overlooking culture often results in talent drain, diminished productivity, and chaotic integrations, all of which are bottom-line killers. And if numbers don't lie, then private equity firms should take notice.

At Lodestone, we approach carve-outs with eyes wide open. We know the real magic happens when we bridge leadership assessments, cultural diligence, and targeted integration support from day one. It's not soft or fluffy—it's strategic. Ensuring your carve-out team feels aligned and valued is the most underrated lever you can pull for quick wins and sustained success.

So, the next time you're slicing off a business unit or standing up a new entity, don't underestimate the power of culture. It's the invisible thread weaving together your strategy, people, and profits.

Ready to talk cultural diligence that moves your bottom line? So are we.

### Sources:

<https://hbr.org/resources/pdfs/comm/tmfgroup/SolvingTheIntegrationChallengesSurroundingCarve-OutTransactions.pdf>

[https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/the-power-of-goodbye-how-carve-outs-can-unleash-value?utm\\_source=chatgpt.com](https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/the-power-of-goodbye-how-carve-outs-can-unleash-value?utm_source=chatgpt.com)

[https://www.mckinsey.com/capabilities/transformation/our-insights/common-pitfalls-in-transformations-a-conversation-with-jon-garcia?utm\\_source=chatgpt.com](https://www.mckinsey.com/capabilities/transformation/our-insights/common-pitfalls-in-transformations-a-conversation-with-jon-garcia?utm_source=chatgpt.com)



---

## The New Face of Retention

Internal Mobility, Purpose, and Personal Growth

Rebecca Clancy, Ph.D.  
Consultant

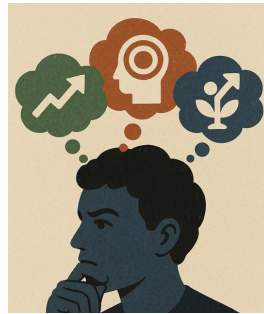
In a labor market defined by ongoing transformation and change, companies are finding that compensation alone isn't enough to keep top talent. Particularly for rising leaders, retention hinges more on growth, opportunity, and meaningful work. According to Gallup, only one in three individuals strongly agree that they have had opportunities to learn and grow in the past year, despite this being one of the top predictors of engagement and retention. Further, a recent Harvard Business Review article points to internal mobility as one of the most underutilized, yet powerful, levers for keeping top talent. When employees see a future for themselves inside your company, they're far less likely to look for it elsewhere.

The truth is, people want to feel like they're going somewhere. They want to see a clear line of sight to their potential. They crave meaningful work, clarity around their value, and growth that is both personally and professionally fulfilling. That's where purpose-driven leadership development plays a pivotal role. At Lodestone, we've seen firsthand how a thoughtfully designed, year-long leadership development experience can create a measurable impact. Through a blend of learning, reflection, and personalized coaching, our program helps leaders not only elevate their performance, but reconnect to their "why." They develop critical cross-



*"The New Face of Retention : Internal Mobility, Purpose, and Personal Growth" continued...*

functional skills, build the confidence to take on new challenges, and spend intentional time honing their leadership competencies. Dedicated leadership development becomes a turning point - not just for the leader, but for their team, and their organization. Gallup found that organizations that have made a strategic investment in employee development report 11% greater profitability and are twice as likely to retain their employees. That starts by moving beyond transactional training and toward development that is human-centered, long-term, and intentional. The new face of retention isn't a new take on financial incentives, it's growth. Growth within roles, across functions, and as people. The more we invest in developing leaders who feel seen, stretched, and supported, the more likely we are to retain the very talent we're counting on to shape our organizations.



## From Mistakes to Meaning

### Accelerate Team Performance with Micro-moments

Maheen Shafiabady, M.S.  
Consultant

Mistakes. Apologized for-or not-mistakes happen all the time in workplaces. It's what we do with those moments that can define a person's-and a team's-willingness to learn from the moment. Too often in the workplace, we categorize rumination on past mistakes as a negative activity.

Consider this instead: when done well, leaders can create space for generative rumination.

Because ruminating on the past allows acknowledgement and validation, a willingness to move forward naturally follows. Incorporating lessons learned and aspirations, leaders can create spaces that enhance these natural human behaviors and harness them for competitive advantage.

We know from extensive organizational research that high-performing organizations have a much deeper connection and better self-righting mechanisms than their peers, which leads to individuals—all employees, not just managers—sustaining growth over time and often demonstrating high levels of self-mastery (Pir, 2021, p. 35).

The argument for deliberately developing employees across organizations sits solidly on this list of benefits: increased profitability, improved employee retention, better communication, less interdepartmental strife, and faster solutions to tough problems, such as how to create valuable leadership and realize future possibilities as well as how to anticipate crises. (Shafer, 2016, para. 5)

Five components comprise this concept of "Deliberately

Developmental Organizations" – we'll focus on one tool—the Debrief—which links four of the five components; practices that

- Shed light on internal struggles to overcome those obstacles.
- Connect professional and personal work to incorporate feedback and coaching as a fundamental part of every meeting.
- Shift the focus from outcomes to the mindset behind the behavior and thereby the processes generating those outcomes.
- Give employees a common language to build shared understanding and community

**Debriefing can boost team performance up to 25%, when applied correctly** (DebriefNow, 2025). Also known as the After Action Report, the Debrief requires four simple yet impactful components:

1. the Debrief Facilitation Mindset
2. Guiding the Conversation
3. Participation Agreements; and
4. Clarifying Next Steps \*and why they matter.\*

Numerous examples exist from research: law enforcement teams and correctional officers used guided self-correction to improve on-duty procedures. Facilitators prompted officers to identify when teamwork worked—or didn't—during critical incidents, based on an expert teamwork framework, and to implement agreed-upon improvements (DebriefNow, 2025).

"From Mistakes to Meaning: Accelerate Team Performance with *Micro-moments*" *continued...*

Or in my own experience: I have both incorporated this as a people manager for small teams I directed and participated as a peer with a group of 10 Directors. In doing so, we made it commonplace to make sense together of the circumstances of a situation. We used those shared learnings as a springboard to take action.

**At this point, maybe you're thinking: sounds great in theory, but in practice—when is there time for this?!**

Leaders, the excitement and speed behind your energy to take action can be a double-edged sword when not wielded correctly. Debriefing can fit into your rapid work process to go to market and post-deal. Consider applying it after a portfolio company's earnings calls; integration milestones; and leadership team collaboration.

**Dedicate only 10 minutes at the end of team and project meetings for a pilot period** (3-4 meetings, 3 months; etc) - instead of a full 30 or 60 minute Debrief-focused gathering.

Aim for concision. Choose 1-3 different items to focus on every few weeks. This micro-moment allows the team to pause from thinking about task progress and instead to focus on collaboration and teaming.

### **The Four Components of a Successful Debrief**

#### **1 - The Debrief Facilitation Mindset**

- Participants share first; you second. Be brief.
- Look back, then forward.
- Ask and pause. For 7 seconds at least.
- What's the work / not who did the work.
- Navigate, don't drive.
- Reinforce and appreciate.

#### **2 - Guiding the Conversation, build on the above.**

- Set the stage
- Ask for observations.
- Acknowledge your contributions and corrections.
- Solicit ideas; check on resource needs.
- Add your observations, recommendations, and confirm understanding.
- Summarize with a future focus

#### **3 - Participation Agreements**

- Round robin / ok to pass
- Second chance if you passed

#### **4 - Clarifying the next steps \*and why they matter\***

- Who, what, when, how, and
- Why it matters

### **REFERENCES**

- Pir, S. (2021). \*Human-centered leadership\*. SESIL PIR Consulting GmbH.
- Karakas, F. (2010). Spirituality and performance in organizations: A literature review. \*Journal of Business Ethics\*, 94\*(1), 89–106. <https://doi.org/10.1007/s10551-009-0251-5>
- Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. (2005). Organizing and the process of sensemaking. \*Organization Science\*, 16\*(4), 409–421. <https://doi.org/10.1287/orsc.1050.0133>
- DebriefNow. (2025, June 18). Summary of Smith-Jentsch, K. A., Cannon-Bowers, J. A., Tannenbaum, S. I., & Salas, E. (2008). Guided team self-correction: Impacts on team mental models, processes, and effectiveness. *Small Group Research*, 39(3), 303–327. Retrieved from <https://www.debriefnow.com/what-is-a-debrief/do-debriefs-work/>
- DebriefNow. (n.d.). Do debriefs work? Retrieved June 15, 2025, from <https://www.debriefnow.com/what-is-a-debrief/do-debriefs-work/>
- Shafer, L. (2016, April 14). Deliberately developmental. \*Usable Knowledge: Harvard Graduate School of Education\*. <https://www.gse.harvard.edu/ideas/usable-knowledge/16/04/deliberately-developmental>
- Tannenbaum, S. I. (n.d.). Effective debriefs. The Group for Organizational Effectiveness, Inc.
- Shafer, L. (2016). Deliberately developmental. Harvard Graduate School of Education.



**LODESTONE**  
HUMAN CAPITAL SCIENCE