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Built on Trust

Leadership, Judgment, and the Evolution of Private Markets Consulting with Steve Hartt

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Experience can give a leader answers. It can also teach them when not to provide one.

For Steve Hartt, leadership is less about prescribing a single way forward and more about helping people bring their best thinking to the problem at hand. Sometimes that means providing clear direction. Other times it means asking the right questions, creating room for discovery, and helping a team navigate toward an answer together.

That philosophy extends to his work with clients. Over the course of his career, Steve's perspective has expanded from evaluating individual investments to helping institutions think about broader questions of portfolio construction, policy, and investment strategy. Through it all, one principle has remained constant: trust is earned through listening, judgment, and a willingness to keep learning.

In the following conversation, Steve discusses his approach to leadership, how experience changes the way consultants see problems, and what the next generation will need to navigate an increasingly complex investment landscape.

How do you define leadership?

"For me, leadership is about helping people deliver their best effort toward achieving an objective for the group.

That starts with recognizing that people have different strengths, capabilities, and ways of approaching problems. The role of a leader is not necessarily to make everyone operate the way you would. It is to understand where people are most effective and help put them in a position to succeed.

There are many different leadership styles. Some people are highly directive. Others are visionaries who bring people along toward something they see very clearly. Neither approach is automatically right for everyone.

I think the important thing is knowing who you are. You have to understand your own disposition and how you can be the most effective leader. Trying to adopt somebody else's leadership style simply because it worked for them rarely makes sense. Leadership has to be authentic to the person doing it."

How do you help developing professionals find their own approach?

"It begins with clarity. If there is a defined objective, I want someone to understand what they are responsible for, what resources they have available, what the timeline looks like, and what a successful deliverable should accomplish. Particularly early in someone's development, being thoughtful about the assignments you give them is important because those experiences become part of how they grow.

Then you have to be available. A lot of confusion can develop when people do not feel comfortable asking questions. I try to make sure there is room for discussion and feedback along the way. The objective is not simply to get the work done. It is to help the person become more capable of delivering that work successfully themselves.

Over time, you can give people more latitude. They begin to develop their own judgment, their own methods, and ultimately their own leadership style."

Does your leadership approach change when the answer is not obvious?

Absolutely. I think about it in terms of cooking. If I ask someone to make chocolate chip cookies, I can give them a recipe, show them where the ingredients are, and describe exactly what the finished product should look like.

That is very different from saying, "Let's make the best dessert we possibly can." Now we are discovering something together. We may not know all of the ingredients at the beginning. We may not know exactly what the process will be. We have to explore possibilities, make choices, and adjust as we learn.

Leadership in that environment becomes much more collaborative. You still have a responsibility to guide the process and help make decisions. You may need to say, "Let's go left rather than right," or suggest another direction to explore. But you are not handing someone a recipe.

A lot of the most interesting work happens in that second environment."

What have you learned about building trust with clients?

It starts with listening. There can be an expectation in consulting that you are supposed to have the answer. You are the expert, so you give your view and expect the client to follow it. I do not think that is how strong relationships are built, particularly at the beginning.

You have to understand the client's concerns. You have to ask questions and really listen to the answers. And you have to be comfortable saying, "I don't know. Let me get back to you."

That can actually be much more valuable than trying to produce an answer immediately. If you give someone an inaccurate answer or recommend something that does not fit their circumstances, you can lose credibility very quickly.

Trust develops over time. Being thoughtful, being responsive, listening carefully, and giving someone confidence that you are focused on their actual needs creates the foundation for the relationship."

What happens when what a client asks for may not be what they actually need?

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That is where the relationship and the dialogue become especially important. Rather than immediately disagreeing, I think questions can help uncover what the client is really trying to accomplish. If someone asks us to produce a particular deliverable that seems off track, for example, I might ask, "What questions are you hoping these will answer?" Or, "If we produce this analysis, how do you envision using it?"

Those conversations can reveal whether the requested work and the desired outcome actually line up. Often, the client is working through the question themselves. The conversation helps both sides refine the problem, and sometimes the initial request evolves as a result.

You also have to remember that the client is the client. Our responsibility is to provide perspective and judgment, but ultimately we need to deliver what they are looking for as well as understand what they are trying to accomplish and help them get there. Navigating that balance is part of managing the relationship well."

How has your perspective as a consultant evolved throughout your career?

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Early in my career, much of the work was bottom-up: evaluating investments, selecting managers, and understanding individual opportunities. That foundation is still extremely important. What changes with experience is the number of floors you build on top of it.

You begin thinking more about portfolio construction. What role should an asset class play? How does it interact with everything else in the portfolio? What policies and governance structures need to exist around it? What are the broader implications of an investment decision?

With sophisticated institutions, much of the conversation can eventually move away from individual investments and toward policy, portfolio structure, organizational approach, and best practices.

I do not think that means the work moves to a different planet. You are still relying on the same foundation. You are simply building additional levels on top of it.

That foundation matters because it gives you the context to think about the bigger questions."

What will the next generation of private markets consultants need to be successful?

“One capability that is clearly going to matter is fluency with artificial intelligence.

I do not think any of us fully knows yet what that means because the technology is evolving so quickly. But it is going to be an extraordinarily powerful tool.

We consultants already have tremendous amounts of data. The challenge has always been organizing it, synthesizing it, and using it effectively. AI has the potential to dramatically improve our ability to bring information together and use it to support analysis and decision-making.

But the things that do not change are just as important.

We still need to build strong investment programs. We still need to exercise judgment. We still need to earn clients' trust.

And we need to remain curious. Markets will continue to change. New structures, technologies, and investment opportunities will emerge. Whether the topic is AI, tokenization, or something we have not yet anticipated, consultants have to be willing to explore new ideas while applying the same rigor we have always brought to investment questions.

The tools will evolve. Curiosity and judgment still matter.”

What keeps you grounded outside of work?

“I really enjoy the work, but I also enjoy getting away from it.

My wife and I love to travel and have experiences together. We have been fortunate to be able to do some wonderful things, whether that is bicycling in the Dolomites, spending seven days hiking in Japan, or heading back to Italy for a ski trip. We are both healthy and able to do those things, and I do not take that for granted.

I also really enjoy cooking. I have a few things that I like to think I do particularly well. I make a mean focaccia, some pretty good chocolate lava cakes, and if you need beef short ribs, I am your man.

And increasingly, I have been thinking about ways to spend more time volunteering. That can be working at a food pantry or helping young people build financial literacy. There is something rewarding about taking the experience and capabilities you have developed over a career and finding ways to use them to help others.”

Where It All Comes Together

Steve's approach to leadership is grounded less in having every answer than in knowing what a particular moment requires.

Sometimes leadership means providing the recipe: creating clarity, setting expectations, and giving someone the tools to succeed. Other times, it means entering the kitchen together without knowing exactly what the final dish will be.

That same philosophy shapes how he works with clients. Listen first. Ask better questions. Be willing to say when you do not know. Build enough trust that difficult conversations become possible.

After decades of experience, the scope of the questions may have changed, from individual investments to portfolios, policy, technology, and the future of the industry. But the foundation has not.

Good judgment is built over time. Trust is built one interaction at a time. And leadership is ultimately about helping people do their best work.

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