



# Building a Foundation for Growth - HR Solutions for Second-Stage Companies

## Introduction: Addressing Growth Challenges

Business owners often cite people as the greatest obstacle to achieving their growth goals. Many attribute this to HR's perceived inability to deliver results and, in response, direct their investments toward sales, marketing, or operations—anything but HR. This underinvestment stems from the widespread misconception that HR is a cost center rather than a growth enabler.

However, as companies scale, the complexities of managing talent, compliance, and culture intensify. Ignoring HR's strategic role can undermine an organization's ability to sustain growth. At Newland Associates, we help second-stage companies transform HR into a strategic asset, unlocking their potential to achieve and sustain desired growth outcomes.

This white paper outlines our approach, using the metaphor of a "three-layer cake" to demonstrate how addressing HR challenges in stages—risk mitigation, operations optimization, and talent strategy—creates a solid foundation for business success.

## Layer 1: Mitigating Risk

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The first layer of the HR cake involves mitigating risks, ensuring compliance, and protecting the organization from legal and financial liabilities.

### Common Pitfalls in Risk Management

Many leaders operate in legal gray areas, assuming they understand the risks. For example:

- I-9 Compliance: Failing to verify employment eligibility can lead to civil penalties ranging from \$252 to \$2,507 per form.
- Employee Misclassification: Paying employees as contractors when they should be classified as employees can result in millions in back taxes, fines, and back pay.



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## Layer 2: Operations Optimization

The second layer focuses on optimizing HR operations to enhance efficiency and enable HR teams to deliver greater value.

## Challenges in Operational Efficiency

Under-resourced HR departments often face burnout, sacrificing critical functions like:

- Performance Management: Ignored due to time constraints.
- Recruitment Processes: Rushed hires due to lack of screening and validation tools.

## Tools and Solutions for Optimization

We help organizations streamline operations through tailored solutions:

- Validated Behavioral Assessments: Tools like The Predictive Index ensure better hiring decisions, resulting in 33% higher revenue per employee and 59% lower turnover.
- Applicant Tracking Systems (ATS): Simplify and enhance recruitment processes.
- HR Process Audits: Identify inefficiencies and recommend tools for improvement.

Efficient operations free HR teams to focus on higher-value tasks, bridging the gap between risk mitigation and strategic talent management.

## Layer 3: Talent Strategy

The final layer of the HR cake is talent strategy, which aligns culture, leadership, and employee engagement to drive discretionary effort and performance.

## The Importance of Talent Strategy

Engaged employees go above and beyond, fueling business growth. However, many companies fail to prioritize this layer because their HR teams are unequipped to manage the foundational layers effectively.

## Building a Strong Talent Strategy

Newland Associates supports organizations in developing talent strategies that foster employee engagement by creating a sense of belonging and aligning leadership styles with organizational values, and equipping supervisors and managers with tools to inspire and manage teams effectively.

## Layer 3: Talent Strategy

Marketing and sales might bring in business, but without a robust HR foundation, scaling is unsustainable. Inefficient hiring processes, high turnover, and disengaged employees can derail even the most promising growth trajectories.

Investing in HR enables companies to:

1. Mitigate Risks: Avoid costly penalties and protect the organization.
2. Streamline Operations: Improve efficiency and free resources for strategic initiatives.
3. Drive Engagement: Empower employees to contribute to the company's growth.

At Newland Associates, we help second-stage companies have their cake and eat it too—by building an HR foundation that supports sustainable growth.

## Partnering for Success

Scaling a business requires more than a great product or service. It demands a strategic HR function capable of mitigating risks, optimizing operations, and driving employee engagement.

Newland Associates specializes in helping second-stage companies build and refine their HR capabilities. Whether through audits, validated assessments, or fractional HR support, we enable businesses to transform HR from a cost center into a growth catalyst.

[Contact us](#) today to learn how our tailored HR solutions can help you build your three-layer cake for success.

## About Us

With over 30 years of experience, organizations worldwide trust us with their most important executive recruitment, talent management, and consulting needs. At Newland Associates, we treat every engagement with honest sincerity and wanting to make a difference, following Albert Einstein's quote, "Try not to be of success, but to be of value." We believe in being open and honest, and in providing a great experience to both our clients and our colleagues. We put the client first, acting promptly and nimbly, and always promoting a win-win mindset.